

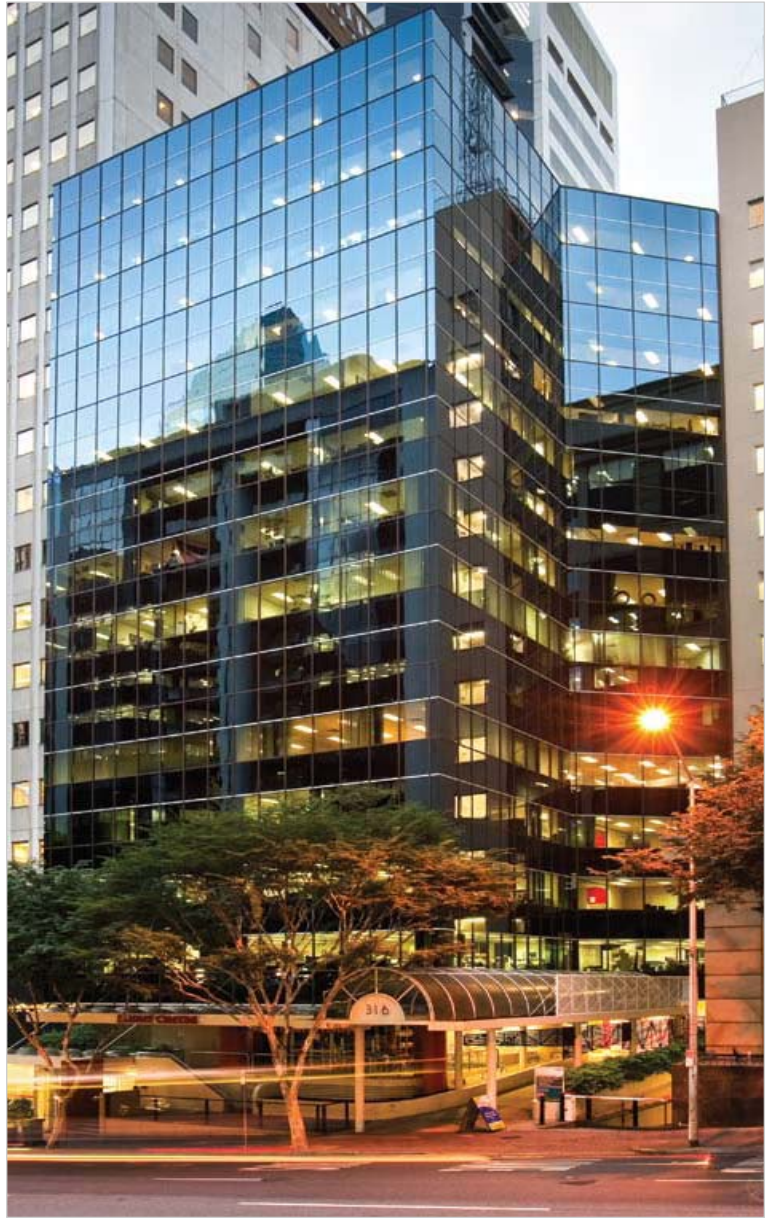


MRL Capital NEWS

The official newsletter of MRL Capital Ltd. Level 3 Defens Haus, Corner of Champion Parade & Hunter Street, Port Moresby, NCD. PO. Box 8618 BOROKO, Papua New Guinea. Telephone: (675) 321 5066: Fax: (675) 321 3477: Email: mrl@datec.net.pg: Website: www.mrlcapital.com.pg

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MRLC's property portfolio



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Editorial

THIS edition gives an overview of our property portfolio. Over the last four years since 2008, the company has been gradually growing its property portfolio to meet the target set in our investment plan. Under its asset allocation, property makes up 30% of the total assets. The balance of the assets are spread over equities, fixed interest and cash.

The company now has a total value of K155.5 million in properties under management. Three of the properties are located in Australia whilst two are in Papua New Guinea. The properties are spread over both commercial and residential with three commercial office complexes in Australia and two executive residential apart-

ments in PNG. Details of these properties are provided in this edition.

Our strategy is to have a good mix between commercial and residential and also diversify by region within PNG and by economy outside of PNG. This is intended to reduce our risk profile and enable the company to receive a steady flow of income over the long term.

The investment in property will be completed in 2012, with a further investment in Canberra, Sydney and Melbourne to achieve the approved target of A\$100 million .

All properties are managed by professional real estate agents whose activities are

restricted to placing tenants and collecting monthly rentals from the tenants. They do not have any financial delegations.



Thomas Tanasu
MD and CEO

Our Chairman's say

I TAKE this opportunity to thank the Board, management and staff of the company for working diligently to grow the property portfolio of the company. Within just four years since its exit from MRDC in 2008, the company now boasts five high quality properties located both in PNG and Australia.

The recent acquisition of Flight Centre House in Brisbane is indeed a milestone. Lihirians are now the proud owners of this 19 storey office complex which stands in the heart of Brisbane CBD. I urge all responsible Lihirians to do away with petty politics and meaningfully support the Board and Management in growing the assets of the company for the benefit of future generations of Lihir.

The success of the company is heavily dependent on an effective and visionary Board backed by a dedicated and professional management team. I am glad to report that the performance of the Board and management have been excellent thus far.

The Board will continue to provide the leadership and support necessary to the management to continue growing the assets of the company. Having developed a sound investment policy and with a good management team in place, I am confident that the company will continue to deliver strong returns for its beneficiaries over the coming years.

With the renewal of MD and CEO Thomas Tanasu's contract for a further four years, the Board is confident of maintaining the same level of high performance and continuity in the company.

At this juncture, I would also like to advice of the resignation of Executive Director Trust Deeds, Melchizedek Morus as employee of MRLC due to poor health and also the untimely death of the late Director Wendall Kamkam. Mr Kamkam was the Nikama representative on the MRLC board. Mel Morus however remains as a Director on the Board.

On behalf of the board and management, I wish to acknowledge late Director Kamkam's contributions during his short term with the company.

As we are now in the festive season, let me take this opportunity to wish the Board of Directors, the Management team, the people of Lihir and all our other stakeholders a very Merry Christmas and successful 2012.



Mark Soipang
Chairman

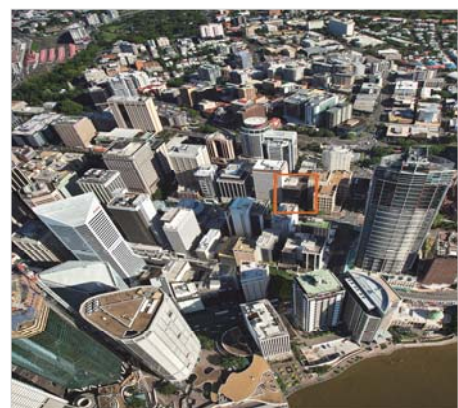
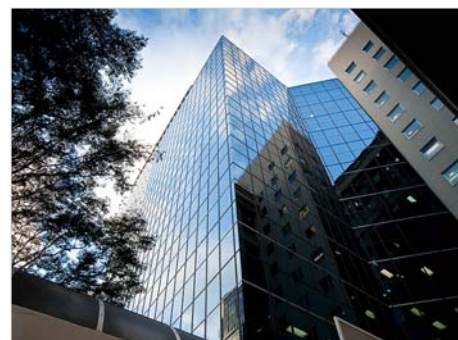
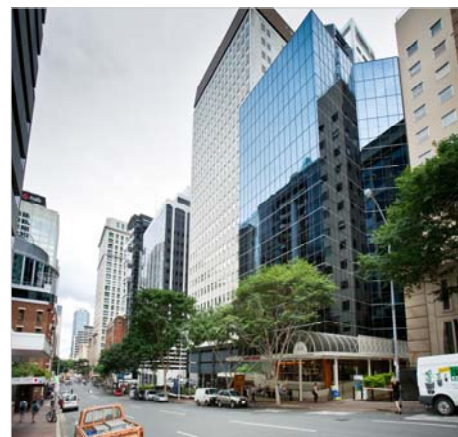
Lihirians buy a piece of Brisbane

FLIGHT CENTRE House was purchased in July 2011 for \$40.0 million from AMP, a publicly listed finance and insurance company on the Australian Securities Exchange. This purchase was done through Mineral Resources Lihir Pty Ltd (MRLPL). The property was previously owned by current anchor tenant Flight Centre.

The building is located within the commonly known “Golden Triangle” in Brisbane’s Central Business District, and is majority tenanted by Flight Centre, Yancoal and the Commonwealth Government who together occupy about 84 percent of total office space. Other tenants include Personal Best Australia, Gloria Jeans, Jalalene and Jireh International all occupying 13 percent of total office space with efforts being made to secure tenants to fill the 3 percent vacant space.

With a renewal rental rate of \$560 per square meter and its close proximity to public amenities like the Central Railway station, coffee shops and the popular Queen Street Mall, the property is the envy of other similar buildings within the locality. The building was not affected by the floods in January this year because of its elevated location from the Brisbane River.

A yield of 6 percent is earned on the property at current rental with potential for future rental and capital growth.



Executive Summary

LAND AREA:

987 sqm

CAR PARKING:

87 Car Bays

NET LETTABLE AREA:

Office: 7,023 sqm

Retail: 365 sqm

Total: 7,388 sqm

NABERS RATING:

2 Stars (energy)

3.5 Stars (water)

MAJOR TENANTS:

- Flight Centre
- Yancoal
- Commonwealth of Australia



76 Lake Street, Cairns, Australia



IN 2009, MRL Capital commenced the diversification of its investment portfolio from equity and money markets into bricks and mortar as stipulated in its Investment Policy.

This was done through the acquisition of the property at 76 Lake Street, known as CBA Building, via its 100 percent owned Australian registered subsidiary, MRLPL.

This is a single tenanted property by Commonwealth Bank of Australia (CBA), a publically listed bank on the Australian Securities Exchange.

Prior to the purchase, the CBA spent about \$3.50 million to refurbish the interior to suit their operations. At the ground floor there is the outer bank foyer (ATMs) teller stations, executives offices, retail banking chambers, storage room, operations and store rooms.

The second level comprises business banking, another storage room, storage areas, open office set-up and sorting rooms, main computer room, toilet and coat rooms.

The property was bought from Calile Malout Investments Pty Ltd for \$8.5 million in November 2009 and earns 8.2 percent yield at current lease terms with further rental growth potential in the future.

The property is in the centre of the Central Business District and is part of the original commercial area of the city known as “the golden block”, long been regarded as the prime location within the Cairns CBD.

The property is rented to Commonwealth Bank of Australia on a 20 years lease period with a 3 percent rental increase yearly.



Executive Summary

LAND AREA:

1,012sqm

NET LETTABLE AREA:

2,095sqm

MAJOR TENANT:

Commonwealth Bank of Australia

120 Bunda Street, Cairns, Australia



FOLLOWING the successful completion and transfer of the CBA building to MRLC, the company embarked on another purchase in a brand new building located at 120 Bunda Street in Cairns, Australia.

The building is a four level office complex comprising ground floor and three upper levels of modern office accommodation predominantly tenanted by both the Commonwealth and Queensland State Governments.

Department of Correctional Services and Queensland Health Department occupy the first floor, Centrelink occupies the whole of the second floor and the Department of Environment, Education and Workplace Relations and AECOM, a consultancy company specializing in providing consultancy in engineering, designing, planning and management services occupy the third floor. There are vacancies on the ground floor (275 square meters) and 150 square meters on the third floor.

The 120 Bunda Street asset has 84 undercover car park spaces which are only accessed by the tenants through a remote controlled roller door.

Purchased for \$18.8 million from Cairns Central Park, a private joint venture property development company led by HS Vision Group, this asset is a 5 star National Australian Built Environment Rating System and 4 star Green Rating, making the building environmentally friendly in the usage of energy, water, the disposal of waste/rubbish and sanitation.

At current lease terms, the asset is generating a return of 7 percent on investment.

Executive Summary

LAND AREA:

5,120.0sqm

CAR PARKING:

84 Car Bays

NET LETTABLE AREA:

4,264.0sqm

NABERS RATING:

5 Stars (Energy)

MAJOR TENANTS:

- Centrelink
- Correction Services
- Department of Health
- Department of Environment, Education and Workplace Relationship
- Australian Engineering Company

Section 36, Lot 35, Doyle Street, Lae



IN September, MRL Capital made its first PNG property acquisition, two executive apartments in the industrial city of Lae, in the Morobe province.

One of these, a newly built 2-level 6x3 bedroom property on Doyle Street, was purchased for K6.1 million through a private sale.

Located in Lae’s Eriku suburb, the residential executive apartment is in close proximity of the main Eriku shopping centre, educational institutions and sporting and public transport amenities.

The Doyle Street apartment is built of concrete with Rosewood timber finishing and is designed to withstand Lae’s harsh tropical climate and wet weather.

The apartment is fully furnished with all the basic white goods and offers tenants the comforts of a modern day living.

All the units have been fitted with smoke alarms and fire extinguishers. A 24-hour armed security service is also provided for maximum protection.

Executive Summary

Land Area: 1,345 square meters.

No of units: 2-level 6x3 bedroom units with ensuite for master bedrooms

Car Parking: Built-in car parking– 2 for each unit

Leasing Profile: All six units available for immediate lease

Rental: K9,000/unit/month

Term: Minimum of three (3) years with 3 x 3 years option

White Goods: Fully furnished with basic white goods

Fittings: Air-condition & ceiling fan in living rooms and all bedrooms

Section 101, Lot 7, Eagle Street, Lae



MRLC's second Lae property is located at the corner of Eagle Street and Cassowary Road.

This 2-level 4x3 bedroom residential executive apartment was purchased through a private sale for K5.1 million.

It is fully leased by Digicel PNG for its Momase region executives.

This upmarket apartment is situated in a predominantly high covenant residential area on the fringe of Lae's central business district and is close to all public amenities and utilities.

Like the Doyle Street apartment, it is also made of concrete with Rosewood timber finishing and built to withstand Lae's wet weather and harsh tropical climate.

The apartment comes fully furnished with all basic white goods for convenience, backup water and power as well as smoke alarms and fire extinguishers.

Each unit has a built in car park, large storage, ample backyard for family barbeque, large open kitchen and dining and lounge areas. The master bedrooms come with an ensuite.

A 24-hour armed security service is also provided.

Executive Summary

Land Area: 1,112.9 square meters.

No of units: 2-level 4x3 bedroom units with ensuite for master bedrooms

Car Parking: Built-in car parking– 2 for each unit

Leasing Profile: All four units are leased to Digicel PNG.

White Goods: Fully furnished with basic white goods

Fittings: Air-condition & ceiling fan in living rooms and all bedrooms



MRLC's Investment Philosophy

OUR investment approach involves a clearly articulated strategy which defines the risk profile of the investment.

MRLC's investments are guided by its vision- **"To create wealth, sustained economic benefits and financial independence to improve the welfare and standard of living of all Lihirians"** which is articulated under its five year Strategic Plan.

MRLC's central investment philosophy is to "Protect, Preserve and Grow" the assets of the company, guided by a clearly articulated investment policy.

We believe that Strategic Asset Allocation (SAA) is a critical success factor in achieving total portfolio return. We therefore focus on ensuring MRLC's SAA is suitable to both their risk tolerance and return expectations.

MRLC's Investment Strategy

MRLC has adopted a Balanced Investment Strategy consistent with its vision. This ensures it allocates its assets strategically for both income and capital growth to sustain its operations and assets growth for its shareholders within the medium to long term operations of the company.

MRLC undertakes investments in all four asset classes: shares, property, cash and fixed income. By economy, it currently diversifies only into the Australian market apart from investments in the domestic market.

2012 MRL scholarships now open

MRL Capital has opened 2012 applications for its Tertiary Education Scholarship Scheme, a scheme for aspiring young Lihirians wanting to pursue a solid tertiary education.

The scholarship is part of the company's social responsibility, and is aimed at providing young Lihirians with a strong educational foundation so that they are prepared for life after mine closure.

Since the inception of this scheme in 2010, the company has assisted in educating 22 young Lihirians. Of the 22, Camillus Hobo and Joanne Kiapital graduated early this year with Bachelor degrees in Information Technology and Nursing Education; Gerald Yanasa graduates next year with a diploma in Accounting while 13 others continue under the program. The 13 are on holidays in Lihir and around the country and return to institutions in PNG and Australia in the New Year.

With a limited number of scholarships on offer, intending applicants **MUST** adhere to the following:

- Be Lihirian with at least one biological parent from Lihir.
- Have completed secondary or diploma education level with good grades.
- Be accepted to study for a degree in Business Management, Economics, Accounting, Law, Engineering, Science, Nursing, Information Technology, Tourism, Agriculture, Education, Medicine, Journalism, Fisheries or Maritime.
- Be accepted to study the above courses at the five recognised universities in PNG, recognised & approved PNG maritime and fisheries colleges, or any recognised & approved universities/colleges in Australia or New Zealand.
- Preferably be single and under the age of 30.

Application forms can be collected from our offices at Level 3, Defens Haus in downtown Port Moresby or at Tinetalgo Building, Lihir Island. Those seeking further advice, can also call our Port Moresby office on 321 5066 or fax 321 3477 or our office in Lihir on 986 4132.

Completed applications and all supporting documents must be submitted to MRL Capital offices no later than 21st January 2012 for PNG Institutions and 5th December 2011 for Overseas Institutions.

A tour of MRLC's Australian Properties by clan chairmen

IN November, MRL Capital organized a six-day business trip for the company's six clan chairmen to Australia, to visit and tour the company's investments in Australia.

The group comprised Company Board Chairman Mark Soipang; Patrick Labongis (Tengawom Clan); Philip Pasap (Lamatlik Clan); Lucas Chee (Nikama Clan); John Kapsa (Unawos Clan); John Bosco Solias (Nissal Clan); Executive Manager Business Corporate Affairs and Special Projects, Kible Bonga and Senior Investment Analyst Henry Yanda.

The group arrived in Port Moresby from Lihir on Wednesday November 9. They stayed over and on Thursday morning, flew into Brisbane for the first leg of their Australian tour. The group was met at 2pm by their Australian host and Property Manager, Chesterton.

The group was then taken to 316 Adelaide Street, and given a 2-hour guided tour of the company's latest Australian property acquisition, Flight Centre House.

The property is a 19 level office complex located within the heart of Brisbane's CBD.

After the guided tour, they met at Chesterton's Brisbane office, and were given an insight into the company's operations as well as the opportunity to ask questions. Chairman Mark Soipang expressed delight in the new managing agent and his confidence in their management of the property. He stressed that MRLC had been given a

rare opportunity to participate in the Australian property market and was determined to ensure that it remained in the market for a long while.

The other chairmen were also very impressed with the purchase and expressed satisfaction at being able to break into the competitive Australian property market.

On Friday, the group travelled to Cairns to visit the company's two other commercial properties located in Cairns. They were taken to these properties on Saturday and were shown the buildings and briefed on each of them by MRLPL Management representatives.

The CBA Building on 76 Lake Street is leased to the Commonwealth Bank of Australia while the 120 Bunda street Building houses long term Australian Government tenants.

At a formal dinner hosted by Mr Soipang that Saturday evening, the group expressed their gratitude to management for the company's outstanding performance. He expressed his confidence in the management and his appreciation of the company's ability to break into the highly competitive Australian property market.

The group returned on Monday and travelled to Lihir the next day, impressed.

Chairman Kapsa pleased with trip



JOHN KAPSA

Unawos Clan Chairman

JOHN Kapsa was one of the six clan chairmen who went on the Australian property tour. He was on the tour as Chairman of the Unawos Clan.

Mr Kapsa was impressed with what he saw and commended the management and Board for the decisions made to acquire the properties. He said as clan chairman, his ultimate goal was to see the Lihirian company invest in business that was sustainable in the long term and he was glad that that was being done.

"I would like to commend the management on the acquisitions of the three properties in prime locations in both Brisbane and Cairns. Such investments are not made easily, but are thought through on the back of sound advice and the management has done well," said Mr Kapsa.

He continued: "I know that the Real Estate market in Australia is highly competitive and decisions to acquire property are made after thorough due diligence checks but I hope the company can buy more property both here and in Australia."

A pictorial of the Australian Property visit

Flight Centre House, Brisbane



A pictorial of the Australian Property visit

CBA Building and 120 Bunda street Cairns



2011- THE YEAR IN REVIEW

2011 has been very eventful for MRL Capital and its Australian subsidiary MRLPL. Several major strategic decisions were made, all geared toward repositioning the company as a major investment company over the next four years.

As well as a company restructure in September, major property acquisitions were made into the Australian and PNG property markets. As custodians of the wealth of more than 14,000 shareholders on Lihir, the company has a duty to ensuring that this wealth is sustained and these purchases were geared toward achieving that objective.

Properties:

In July, the company made a major property purchase in Brisbane, with the acquisition of Flight Centre House on 316 Adelaide Street.

Nestled in the centre of Brisbane's Central Business District, the building is the envy of other similar buildings within the area and was purchased for \$40.0 million from AMP, through MRLPL.

Two months later, the company made its first PNG property acquisition, two executive apartments in the industrial city of Lae, in the Morobe province, for K11.2 million through a private sale.

The newly built up market apartments are designed with the busy executive in mind and come fully furnished with all basic white goods for convenience, armed security services and backup water and power.

The Eagle Street apartment on Cassowary Road is fully leased to Digicel PNG, while discussions are ongoing with possible clients for the Doyle Street apartment.

Staff Movement:

In September, the Board approved a new company structure and several changes were made to management.

As part of these changes, three new divisions were established and executive managers appointed to head each of them. Roy Karang was appointed Executive Manager Investments and Business Development; Kible Bonga was made Executive Manager Business Corporate Affairs and Special Projects and John Auna was recruited and appointed as Chief Financial Officer.

Several positions were also created under the restructure and

recruitment for these positions is on-going. As part of this recruitment drive, Judah Waffi joined the Investment and Business Development team as Asset Manager and Jerry Kipoi joined from ANZ as Investment Analyst. The company also employed Daniel Kaima as Legal Officer, replacing Bridget Javati and Camillus Hobo joined under the company's Graduate Development Program. Patrick Labongis is Manager of the company's Lihir Office.

MRLC's Strategic Business Plan:

With the renewal of MD & CEO, Thomas Tanasu's contract, several strategic decisions have been made, including the review of the company's Strategic Business Plan.

KPMG Brisbane is assisting the company map a four-year business path that will see MRLC and its Australian subsidiary MRLPL positioned for growth during and beyond this period.

It is the Board and Management's desire to see the company become a major investment player in the country and all this is geared toward achieving that.

MRL Tertiary Education Scholarship Scheme:

The company also witnessed the graduation of scholarship awardees Joanne Kiapital with a Bachelor's Degree in Nursing Education and Camillus Hobo, with a Bachelor's Degree in Information Technology.

Fourteen others continue on the scholarship in universities in Australia and PNG in the New Year.

Merry Christmas and Prosperous 2012:

As we are in the festive season, we would like to thank the Board and people of Lihir for their support in 2011. We would also like to thank all our stakeholders and all who contributed one way or another in making 2011 a successful year for us.

Seasons greetings to all our readers.

Thomas Tanasu

MD & CEO



MRL CAPITAL LIMITED

Level 3, Defens Haus
Corner of Champion Parade & Hunter Street
Port Moresby

Telephone: (675) 321 5066

Facsimile: (675) 321 3477

Email: mri@datec.net.pg

Website: www.mrlcapital.com.pg

Post Office Box 8618
BOROKO, 111
National Capital District
Papua New Guinea