Media Release

PNGX WELCOMES CAPITAL MARKET REFORMS

Port Moresby, 26 June 2023: *PNGX, Papua New Guinea's national stock exchange, welcomes the capital market reforms announced by Minister for International Trade and Investment, Hon. Richard Maru OBE, MP on Friday, 23 June 2023.*

The Minister announced 3 significant reforms to grow the Papua New Guinean capital market and others to make the existing market more robust.

The new corporate debt market will promote the development and diversification of the market. It will allow eligible listed entities, large private companies and State-Owned Enterprises (SOEs) to more easily raise debt capital from institutional investors. The new debt market will provide competition to bank lending in this sector of the market. It will also provide opportunities for SOE's to raise funds domestically rather than sourcing funding overseas or from government.

Raising debt on the new PNGX debt market can also be a first step towards the subsequent raising of equity capital and listing by large private companies and SOEs.

PNGX acknowledges the assistance of the International Finance Corporation (IFC) in the development of this market.

PNGX also is pleased to note Ministerial focus upon development of a listed market for Real Estate Investment Trusts. REITs have developed as a key sector in many markets globally. Listed REITs have the potential to unlock significant capital by providing liquidity to an illiquid asset class. They can also attract significant investment into the real estate development sector, which has an employment and economic activity multiplier effect throughout the economy.

The Minister also announced that amendments to the exiting securities laws will be introduced to parliament in August 2023 compelling companies which are listed abroad and

doing business in Papua New Guinea to also list on PNG. This has the potential to significantly grow the PNG capital market.

It will provide opportunities for investors to directly invest in those companies which have significant activities in the country and increase the level of local ownership.

"Both increased foreign listings and REITs are important initiatives to expand the market. They will provide the growing number of retail investors with a broader range of investments to buy and trade and to grow their wealth" said PNGX Chairman, Mr David Lawrence

PNGX also welcomes the initiatives to make the market more robust.

The introduction of the long-awaited Takeovers Code will provide greater certainty to the market and assist PNGX to ensure that its market is fair and orderly.

PNGX acknowledges the work of the ADB Private Sector Development Initiative and the Securities Commission of Papua New Guinea to develop and adopt the new Takeovers Code.

PNGX acknowledges the appointment of Mr Robin Fleming and Dr Solomon Awili as public interest directors of PNGX Markets. We look forward to their contributions to the operation and supervision of PNGX's regulated license obligations that underpin its market integrity.

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About PNGX Markets Limited

PNGX Markets is the national stock exchange of Papua New Guinea. PNGX is responsible for providing an orderly and fair market in relation to securities which are traded through its facilities and for acting in the public interest having regard to the need for protection of investors. PNGX is regulated and licensed by the Papua New Guinea Securities Commission. PNGX is the National Numbering Agency for Papua New Guinea.

PNGX Markets is part of the PNGX Group.

Contacts

David Lawrence
+61 4 1117 2697

Frank Dunphy
+61 4 27888724

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