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VARIATION OF TELIKOM REGULATORY CONTRACT

On 8th March 2007 the Commission gave notice in the National Gazette that the regulatory contract with Telikom PNG Limited had been varied by amending clause 10.1, bringing forward the ending of Telikom's mobile telephone monopoly from, effectively, 16 October 2007, to 31 March 2006.

The Commission contends there was a variation to the regulatory contract in accordance with clause 11.1 of the contract, which provides for variations by agreement between the Commission and Telikom. The Commission further contends it sought Telikom's consent to the variation and received that consent in writing in March 2006 and subsequently. However, in August 2006 and subsequently Telikom has said that it did not consent to the contract being varied, or that its consent had been withdrawn.

The question of Telikom's consent to vary the regulatory contract is now before the National Court, which will decide whether Telikom has consented to the Commission varying the regulatory contract. If the Court decides Telikom has consented, the regulatory contract will be varied as notified on 8th March 2007. If the Court decides otherwise, the variation notified on 8th March 2007 will be of no effect.

Authorised by:

THOMAS ABE
Commissioner & CEO

23 March 2007