



## COSOL CASE STUDY

Newcrest Mining  
Limited – Lihir  
Acquisition  
August 2010

### Our Client

In August 2010, Newcrest Mining (Newcrest) announced A\$9.5 billion takeover offer of Lihir Gold. The acquisition made Newcrest the world's fifth-largest gold producer with a production of 2.8 million ounces of gold.

The Lihir operation on Aniolam Island in the New Ireland Province of Papua New Guinea (PNG), 900 kilometres north-east of Port Moresby, is 100 per cent owned and operated by Lihir Gold Limited (LGL). In the financial year ending 30 June 2016, Lihir produced 900,034 ounces of gold. Since production commenced in 1997, the site has produced more than 10 million ounces of gold.

### Our Project

Newcrest engaged COSOL to provide program management services for day 1 through to end state on technology projects associated with the acquisition of Lihir Gold (LGL). The objective of the assignment was to ensure day 1 readiness and transparent progress to final end state for all business processes. COSOL provided strategic quality assurance (QA) advice; project planning / management and delivery teams.

It was imperative to ensure that expertise in the mining business, mining systems and the issues around remote operations was at the forefront of this exercise. COSOL's expertise in mining and managing 'untidiness' and exploiting the opportunities that present as part of merging two companies was important. Our approach was focused on establishing a comprehensive MIB, and agreed to ensure structure throughout transition, change management and effective communication.

### Our Delivery

COSOL worked proactively with Newcrest to ensure the best teams were resourced on the subsequent projects required to successfully complete the integration. COSOL used expertise spanning the 'whole of mine' landscape and had unique experience covering Ellipse, SAP and the LGL Ellipse environment.

COSOL ensured the transition process maintained focus. Through a flexible 'hands on' management approach to direct scope change – pre and post merger, the following outcomes were achieved with a high success rating:

- Exploitation of opportunities arising from the merger;
- Early anticipation of business problems stemming from the merger;
- End-user satisfaction with the integration process and integrated systems;
- Improved IT capabilities supporting the underlying motives for the merger;

Effective use of scarce IT resources during the integration process.

### Contact Us

For further details email [enquiries@cosol.com.au](mailto:enquiries@cosol.com.au), visit [www.cosol.com](http://www.cosol.com) or call your nearest COSOL office.