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PNG LNG Environmental and Social Report – **Annual 2024**



PNG LNG



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Data adjustments may occur after publication and as such, data may be revised in future reports.

For the purposes of this report, the currency conversion rate used, between Papua New Guinea Kina (PGK) and United States Dollars (USD) is 0.2500 [PGK1 = USD0.2500]. This rate is as published by the Bank of Papua New Guinea as at 31 December 2024.

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PNG LNG is operated by a subsidiary of ExxonMobil in co-venture with:

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EXECUTIVE SUMMARY

ExxonMobil PNG Limited has achieved 10 years of production, resulting in almost 86 million tonnes of LNG and more than 1100 LNG cargoes shipped to customers in Asia.

In 2024, Papua New Guinea Liquefied Natural Gas (PNG LNG) commemorated its 10th year of production with celebrations across all worksites and the launch of its 'Celebrating 10 years of partnership, growth and success' campaign. In addition to workplace celebrations, a gala event was held by ExxonMobil PNG Limited (EMPNG) to thank the workforce, both past and present, for their achievements in delivering safe and reliable LNG for Papua New Guinea and the world. A second gala event was hosted with more than 300 government, industry, co-venturer, business and community representatives to thank them for their support over the past decade.



Performers in traditional Huli dress welcome guests to the gala events in celebration of PNG LNG's 10th year of production

A subsidiary of Exxon Mobil Corporation, EMPNG manages the operation of PNG LNG facilities on behalf of its co-venturers: Santos Limited, Kumul Petroleum Holdings Limited, ENEOS Xplora Incorporated (formerly JX Nippon Oil and Gas Exploration Corporation), Mineral Resources Development Company Limited (MRDC) and their affiliates.

This PNG LNG Environmental and Social Report provides an overview of EMPNG's environmental and social performance from 1 January to 31 December 2024.

Production

Two major production milestones were achieved in 2024, with the start of drilling of the Hides F2 well in August, and start-up of the Angore Project in November. The Angore Project is designed to deliver up to 350 million standard cubic feet per day of gas. It unlocks a significant natural gas resource, estimated at 1 trillion cubic feet, to support stable, long-term LNG production.

A total 8.1 million tonnes of LNG was produced, with 108 LNG cargoes and 12 naphtha cargoes loaded, in 2024. More than 85.9 million tonnes of LNG have been produced, as well as 1143 LNG cargoes and 111 naphtha cargoes loaded, since production began.

National content

EMPNG maintains a firm commitment to national content, with Papua New Guinean citizens representing the majority of PNG LNG's workforce. By the end of 2024, 90 percent or 3155 workers were from Papua New Guinea.

PERFORMANCE HIGHLIGHTS

PRODUCTION

85.9 million

tonnes of LNG produced since production began

1143 cargoes

of LNG loaded since the start of production

111 cargoes

of naphtha loaded since the start of production



Of these, Papua New Guinean women accounted for 19 percent and represented 96 percent of all women working at PNG LNG facilities. During the year, a national content milestone was achieved with the LNG Plant Central Control Room fully operated by skilled Papua New Guinean employees.

Career development and training opportunities are delivered to workers through physical classes and online. EMPNG and its contractors provided training opportunities to 10,500 participants during 2024 over the equivalent of 254,600 hours through 2120 courses. Since the start of production, the equivalent of more than 1.3 million hours of training has been delivered to approximately 136,000 course participants.

Three Papua New Guinean women and eight Papua New Guinean men became the 10th intake of Operations and Maintenance trainees to begin training at the Kumul Petroleum Academy in 2024.



Trainees from the 10th intake of the Operations and Maintenance training program with Harry Steven, Safety Officer and Assistant Operations Trainer at the Kumul Petroleum Academy

Six of these trainees are completing the mechanical discipline, while the remaining five are studying the operations discipline. In October, 17 trainees from the ninth intake began working as Junior Technicians at EMPNG worksites. Of the 248 Operations and Maintenance training program graduates currently employed by EMPNG, 58 percent are based at the LNG Plant, and 35 percent at the Hides Gas Conditioning Plant (HGCP). The other seven percent are working at either ExxonMobil Haus or in roles outside of their operations and maintenance disciplines.

Nine new graduates were recruited through EMPNG's Graduate Engineering Program and eight third-year university engineering students were recruited under the Intern Engineering Program during 2024.

A Graduate Management Development Program is also offered and selects graduates from subject disciplines such as human resources, accounting, business, law and public policy, IT, journalism and science for above field roles across EMPNG. Through this program, graduates work in different EMPNG departments within their first three years of employment to gain a broad understanding of the business. EMPNG currently has 14 workers who are part of the Graduate Management Development Program and eight who have graduated to date. During the year, EMPNG established application centres in the Upstream area to help local community members apply for the company's graduate and Operations and Maintenance training programs.

As well as its own workforce, EMPNG invests in the development of Papua New Guinean businesses. During 2024, 11 landowner companies (Lancos) and 248 non-Lanco Papua New Guinean businesses were engaged for production-related work scopes. In-country spend with Papua New Guinean businesses was almost PGK1.4 billion (USD355 million) in 2024 compared to PGK883 million (USD221 million) during 2023. Almost 26 percent of spending was for Lanco services, which equates to approximately PGK366 million (USD91 million) compared to PGK358 million (USD89.5 million) spent on Lanco services in 2023. Since the start of production, EMPNG has spent almost PGK8.1 billion (USD2.05 billion) on Papua New Guinean services. Of this, PGK2.6 billion (USD654 million) was spent on Lanco services.



Non-Destructive Testing Technicians, Israel Kuilenge, Nathan Manup and Nelson Amos, from Papua New Guinean business Nares Engineering Limited working at the LNG Plant site

Lancos were engaged in the construction of new facilities in Upstream area and LNG Plant site villages during 2024. These included double classrooms that were handed over to two primary schools in the Upstream area, and four schools near the LNG Plant site.

Staff houses were also constructed and handed over to three primary schools in the Upstream area and two schools near the LNG Plant site.

Papa Village has a new courthouse funded by EMPNG. It will provide a place for Papa Village to conduct law and justice, which was previously undertaken under the shade of trees in the village.

A new Ambulance Education Centre was opened in Port Moresby in September through a collaboration between the National St John Ambulance Service and EMPNG, which provided PGK250,000 (USD80,000) funding for the facility. The Centre's first group of 25 ambulance service recruits graduated in November. A new ambulance was also donated by EMPNG to the ambulance service and another ambulance was donated to the Metoreia Urban Health Centre in Hanuabada, Central Province where EMPNG helped to set up an ambulance standby post for the Motu Koita people. In addition, a 25-seater bus was donated to Kwikila Interim Hospital in the Central Province. The hospital will use the bus for child and maternal health community visits, including antenatal and postnatal care, and immunisation clinics.

During 2024, EMPNG provided funding for 18 women from Boera Village to participate in a pilot Entrepreneurial Community Gardening Program. The women completed the 14-month training program in horticulture and market management to give them the knowledge and skills to cultivate community gardens. The program was facilitated by the Centre for FutureNau Incorporated and involved hands-on training focused on growing resilient gardens, gaining financial and community literacy, and achieving family wellbeing.



Entrepreneurial Community Gardening Program participants

EMPNG continues to support weekly fresh produce markets at Hides, Komo and Angore. In 2024, approximately 100 local vegetable farmers sold their produce to the HGCP and Angore camp caterers and earned additional income from sales to community members. Seventy-six markets were held during the year, generating more than PGK237,200 (USD59,300) in income for communities from the sale of produce to EMPNG catering contractors for use in camp kitchens.



Women from Hibaku Village in Hela Province who provide produce for sale at the Komo Station market

The Hiri Moale Festival celebrated its 50th anniversary in March with PGK350,000 (USD87,500) funding from EMPNG. The festival is held every year to honour the traditional trade voyages that took place over 300 years ago between the Motu and Koitabu people of the Central and Gulf provinces. EMPNG also provided PGK100,000 (USD25,000) funding for the inaugural Hiri-Koiari Trade and Cultural Festival held in Boera Village in September. The three-day festival celebrated the rich heritage of the Hiri and Koiari people through markets, a trade show for Papua New Guinean businesses, art exhibitions and a music festival.

In addition to supporting annual events such as International Women's Day, the Women in Energy Network supported the inaugural Introduce A Girl to Engineering Day in November, which involved introducing Grade 9 female students from Papua New Guinean schools to science technology, engineering and mathematics through a range of fun educational activities. A team of 36 EMPNG engineering and technical volunteers supported the inaugural event.



Some of the EMPNG volunteers who supported the inaugural Introduce A Girl to Engineering Day event

EMPNG invested PGK26.9 million (USD6.7 million) in community programs during 2024 through sponsorships, community contributions, in-kind support, and local projects. Another PGK152.8 million (USD38.2 million) of funding was made available to support construction of public infrastructure through the Papua New Guinean Government's infrastructure tax credit projects.

In 2024, EMPNG celebrated 10 years of support for the Port Moresby Nature Park. Over the past decade, EMPNG has invested PGK3.45 million (USD862,500) in helping to transform the park into a major national educational and tourist attraction, which has enabled vital research such as the park's 'Breed-for-Release' program for the endangered pig-nosed turtle (*Carettochelys insculpta*), or *piku* and supported conservation efforts for the long-beaked echidna and bird-of-paradise.



Students from Luwanga Secondary School participating in an educational excursion at the Port Moresby Nature Park

EMPNG continues to provide funding support for Buk bilong Pikinini's Literacy Week activities, teacher training and other educational programs. Buk bilong Pikinini has supported the educational needs of Papua New Guinean children through its libraries and programs since it was established in 2007. Since 2011, EMPNG has donated more than PGK2 million (USD500,000) to Buk bilong Pikinini.

More than 300 EMPNG employees volunteered over 720 hours during 2024 to support community-based activities in Papua New Guinea.

PERFORMANCE HIGHLIGHTS

NATIONAL CONTENT

1.3M⁺ hours

equivalent of training delivered since the start of production to more than 136,000 course participants

PGK8.1 billion

spent in-country with Papua New Guinean businesses since the start of production

PGK2.6 billion

spent in-country with Lancos since the start of production



Environment

A new species of treefrog discovered during the 2017 biodiversity survey was scientifically described in 2024. Two specimens of the new species, named the Gigira Ridge treefrog (*Litoria skeliphros*), were found at a single site on Gigira Ridge, a limestone spur in the Hela Province.



Gigira Ridge treefrog (*Litoria skeliphros*), a species discovered at Gigira Ridge

During 2024, the Lake Kutubu Wildlife Management Area (WMA) Committee held its first stakeholder engagement meeting regarding development of the Lake Kutubu WMA Management Plan. Stakeholders who attended the two-day meeting included representatives from local-level, provincial and national government agencies, industry, and non-government organisations.

In June, July and November, more than 1310 community members participated in engagement activities undertaken across the Lower Kikori. The June and July engagements were conducted by EMPNG and supported by the Conservation and Environment Protection Authority and Gulf Provincial Administration representatives over a 15-day period with 12 communities. Engagement activities included resource mapping and Management Effectiveness Tracking Tool assessments. The November engagements, also conducted by EMPNG, involved eight communities and 13 conservation groups, including women and youth, to continue resource mapping and discuss the potential extension of the current Neiru WMA boundary to incorporate more land for conservation.

In the proposed Wau Creek conservation area, communities reviewed and verified with EMPNG the required documentation for final submission to the Conservation and Environment Protection Authority to officially declare the area to be a Community Conservation Area under the new Protected Area Policy.

As part of EMPNG's commitment to build the technical capacity of conservation professionals, two Master's degree students were supported through Component 3 of EMPNG's Biodiversity Offset Program to complete their studies at the Papua New Guinea University of Technology in April. Another two PhD students progressed their studies at the University of South Bohemia in the Czech Republic during 2024 under the program.

EMPNG continues its plans to implement measures to mitigate flaring and greenhouse gas emissions intensity. In 2024, this included the installation of the low-pressure fuel gas compressor at the LNG Plant to reduce wet flare and the installation of energy efficient LED lighting at several Upstream facilities and the LNG Plant.

To continuously improve long-term waste management solutions across all worksites, EMPNG undertakes a range of activities to enhance waste handling practices, promote recycling and reuse, and engage employees and local communities in waste awareness campaigns.

During 2024, around 214 tonnes of non-restricted waste from the LNG Plant site was recycled and reused. This included more than 24 tonnes of empty plastic bottles returned to the supplier and approximately 36 tonnes of wood waste reused at EMPNG worksites.

At the Hides Waste Management Facility, 67 tonnes of construction and demolition materials were reused and 31 tonnes of used oil from the HGCP was transferred to Carbon Recycling PNG in Lae for recycling.

Six earthquake recovery projects and the completion of reinstatement works on the Angore pipeline were the focus of EMPNG's reinstatement activities in 2024. Four of the earthquake recovery projects, the Angore pipeline reinstatement, and repair work after a natural landslide occurred at Kilometre Point 98.5 were all completed during the year.

PERFORMANCE HIGHLIGHTS

ENVIRONMENT

100+ species

of vertebrates documented in more than 18,000 photographic events over the equivalent of almost 24,000 sampling days

11 deeds signed

for community conservation, which is the largest number of conservation deeds ever signed at one time in Papua New Guinea

>20,000 hectares

of land in the Lower Kikori region has been committed by Papua New Guinean landowners for conservation efforts



Social

EMPNG achieved its safest year since production began with zero Lost Time Incidents, and zero Tier 1 or Tier 2 process safety events. Hides Alliance Group Limited also celebrated 10 years without a Lost Time Injury and the HGCP Ground Transport team reached two years without a motor vehicle accident while driving in challenging terrain in the Upstream area. More than 146 million hours have been worked since the start of production, of which 20.8 million hours were worked in 2024.



EMPNG Facilities Surveillance Engineers, Kimberly Sabarei (left) and Nathan Levis (right) with Upstream Civil and Integrity Engineer, Solomon Sova at the HGCP

During the year, EMPNG commenced implementation of ExxonMobil's new corporate Personnel Safety Management System as part of its focus on delivering industry-leading safety performance. The system involves a framework where the leadership team drives organisational changes through specific behaviours by role to deliver safe performance and desired results across every task, every day.

Twelve EMPNG workers were trained as trainers and coaches to roll-out the system to the broader workforce, which will be completed early 2025. By the end of the year, almost 120 supervisors were trained in the Personnel Safety Management System and almost 150 leadership team members were provided with leadership reset training.

A week of Culture of Health program activities was held in October for workers, starting with expert talks about prioritising mental health in the workplace for World Mental Health Day. The week also covered lifestyle, nutrition and physical activities, cooking demonstrations, and cancer education sessions for Pinktober.



Members of the Women in Energy Network supporting Pinktober

EMPNG conducted 2502 formal engagements and 7228 informal engagements in 2024, which were attended by approximately 38,800 stakeholders. In addition to community engagements, some 570 representatives from national government agencies, provincial-level governments, and co-venturers participated in 43 EMPNG advocacy workshops during 2024. Advocacy workshops are a valuable forum for EMPNG to provide information about its current operations, community development work, biodiversity programs, national content initiatives, and financial benefits paid to the Papua New Guinean Government and landowners.

As EMPNG embarks on the next decade of production, it will continue to focus on engaging with government, non-government and community stakeholders to build national content initiatives that will deliver long term socioeconomic benefits to Papua New Guinea while supporting environmental programs that are intended to preserve the nation's unique biodiversity.

PERFORMANCE HIGHLIGHTS

SOCIAL



>146 million

hours worked since the start of production

81,550+

engagements conducted with communities since production began

PGK30.2 billion

has been distributed from PNG LNG revenues to the State of Papua New Guinea and its people

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Image captions:

Cover The logo developed for the 'Celebrating 10 years of partnership, growth and success' campaign

Executive Summary Former EMPNG Chairperson and Managing Director, Tera Shandro (centre) with some of the EMPNG employees and staff contractors who have worked for PNG LNG for 10 years or more at the launch of the anniversary campaign at ExxonMobil Haus



*Energy for the World. Opportunity for Papua New Guinea.
Eneji Bilong Wol. Luksave Bilong Papua Niugini.*