

**ExxonMobil**

EXXONMOBIL PNG LIMITED



PNG LNG Project

Attachment to

Angore Well Pads and Access Roads

Resettlement Action Plan PGHU-EH-SPZZZ-46003

**Angore Tie-In Project**

## ACRONYMS

ACRONYM	Definition
CAA	Clan Agency Agreement
CCA	Clan Caretaking Agreement
CDS	Community Development
CPA	Clan Payment Agreement
DPE	Department of Petroleum and Energy
FRV	Full Replacement Value
IPCA	In Principle Clan Agreements
KP	Kilometer Point
LR	Livelihood Restoration
PNG	Papua New Guinea
RAP	Resettlement Action Plan
ROW	Pipeline Right of Way

## 1. INTRODUCTION

This document is an Appendix to the Angore Well Pads and Access Route RAP (document number PGHU-EH-SPZZZ-460003 approved Jan 2013) and the Kutubu to Hides (KP0-80) RAP (PGHU-EH-SPZZZ-490029 approved Jan 2013). The purpose of this RAP appendix is to define the impacts of the Angore Tie-in Project which will connect Angore Well Pad A (RAP PGHU-EH-SPZZZ-460003) and the Foundation Mainline ROW through to Hides Plant Site (PGHU-EH-SPZZZ-490029). This expansion consists of:

- Approximately 1.3 km “greenfield” section between Angore Well pad A and kilometer point (KP) 10 on the operating PNG LNG Pipeline right of way (ROW);
- Approximately 10 km “brownfield” section that generally follows the alignment of the operating PNG LNG Pipeline ROW between KP 0 to KP 10;
- A 1800m<sup>2</sup> “brownfield” area located on the positive (approx. north) side of the Tagari River that will be used as a platform for the horizontal directional drilling (HDD) operations;
- A 5m by 100 m long “brownfield” area that will connect the existing track to the HDD platform described above;
- A 30m by 1000m long “brownfield” area that will be used to string and fabricate the Angore pipelines’ sections that will be installed across the Tagari River using the river crossing methodology – HDD;

## 2.0 Resettlement Goals and Objectives, Principles, Processes, and Legal Framework

The goals, objectives, and principles of and the legal framework for, as well as the processes through which resettlement will be planned and implemented for all resettlements occasioned by the PNG LNG Project as a whole are set out in the Environmental and Social Management Plans. Additional details on the social/cultural/economic context of the Angore area are given in the Angore Well Pads and Access Roads RAP and associated appendices. The resettlement process complies with legal requirements and criteria as given in the PNG Oil and Gas Act and the Lenders Environmental and Social requirements (IFC Performance Standards 5/Land Acquisition and Involuntary Resettlement, Performance Standard 1/Assessment and Management of Environmental and Social Risks and Impacts, and Performance Standard 7/Indigenous Peoples).

## 3.0 Avoiding/Minimizing Displacement

The initial selection of Angore Well pad A site was based on technical feasibility for drilling. The site was cleared during the PNG LNG Project period and has continued to be used by Company since that period. The camp site associated with drilling activities has been maintained and will be used for this work ensuring no further camp site areas will be cleared. Company is currently reviewing a possible quarry location within the Well pad B buffer boundary in an effort to minimize further land requirements associated with aggregate sourcing. Company has engineered activities associated with the Well pad, Well pad access roads and camp requirements to ensure that no further land will be required at this site thereby avoiding the structures which have been erected around the boundaries of the site and access road.

Several route options were evaluated for the ‘greenfield’ ROW which will connect Well pad A to the existing Foundation ROW. Route options along alternate ridges were discarded when flyovers indicated large numbers of newly constructed structures. The option of bringing in the new pipeline at approx. KP 6 was also rejected due to large numbers of newly constructed structures near the Foundation Valve

station. At the time of early engineering design the area selected as the route was clear of houses and gardens. Prior to ground survey activities commencing, a review of prior surveys, satellite photos and local information indicated that one main dwelling and associated minor structure (thought to be a cook house) was identified as being located outside of the construction footprint but requiring additional engineering assessment due to the possibility of landslip risk in that area. Pre-construction survey activities including engineering assessment confirmed that this structure can be avoided, landslip risk mitigated and construction methodologies will be undertaken to ensure ongoing safety of the Household and associated assets.

Laying of the new Angore tie-in pipeline from the western end of the 'greenfield' area to Hides will be undertaken within the Brownfield Production 15m ROW plus a 5m buffer on each side (to the maximum extent possible). During the Pre-construction survey (which included engineers, construction specialists and geotechnical specialists), extra work spaces were selected in locations where no social sensitivities were identified, thus avoiding structures and gardens. Construction methodologies (including HDD crossings and telepherics) will be adopted to mitigate impacts to a major water source and minimize the need for additional land for access roads (associated with steep grades). Where additional laydown, spoil and construction related areas are required, selection has been made with the focus on avoiding structures and active gardens.

#### 4.0 Impacts of Angore Tie-In Project

##### Direct – Household Displacement

Seven households will be directly affected by losses due to land acquisition/use and will be provided with compensation. The table below shows the breakdown of losses.

PHYSICAL & ECONOMIC					
Type of impact	# HHs affected	Details of Impact	# people	Livelihood Source	Impact / Resettlement Site
Loss of dwelling, active garden and fence	1	<ul style="list-style-type: none"> <li>Bush dwelling will be displaced</li> <li>Newly planted garden including sweet potato food crops will be displaced. Household will be able to harvest existing crops due to timing of land clearance activities.</li> <li>Entire area is fenced with rough low house fence which will be displaced</li> <li>Owner has confirmed his approval for displacement</li> </ul>	6	<ul style="list-style-type: none"> <li>Alternate gardens exist</li> <li>Currently receives and uses compensation paid by EMPNG for ROW deprivation and management activities (This is a Clan payment but head of Household indicated that he used money as livelihood source during social survey)</li> <li>Livelihood Restoration program will be provided by EMPNG</li> </ul>	<ul style="list-style-type: none"> <li>Land security - Head of Household has advised he will stay on his Father's land</li> <li>Distance – Household will move to a place that is less than 60 min away to the place they were living prior to moving to this site</li> <li>Gardens - Household has existing gardens at the place he will move to.</li> <li>Services – Current site is remote and far from services. Older children stay with relatives to attend school. The new location is considered to have the same or better access to services</li> </ul>
ECONOMIC ONLY					
Type of Impact	# of Households affected	Details of Impact	Livelihood Source		
Loss of 2 fallow gardens	1	<ul style="list-style-type: none"> <li>One fallow garden includes 138 coffee plants of small to medium size. Owner has confirmed his approval for displacement</li> <li>Second garden has been fallow for some time and contains mature taro, ferns and cassava. Owner has confirmed his approval for displacement</li> </ul>	<ul style="list-style-type: none"> <li>Alternate gardens exist which provide his sustainability</li> <li>Livelihood Restoration program will be provided by EMPNG due to the economic trees which will be displaced</li> </ul>		
Loss of 1 fallow garden each	3	<ul style="list-style-type: none"> <li>Garden 1 – minimal impact – consists of 1 small banana and 2 small</li> </ul>	<ul style="list-style-type: none"> <li>Garden 1 – Alternative sustainable gardens exist elsewhere. Household will be offered the opportunity of being included</li> </ul>		

		<p>breadfruit trees. Trees currently not productive. Owner has approved displacement</p> <ul style="list-style-type: none"> <li>• Garden 2 – minimal impact – consists of 25 small to medium marita trees. Connected to spec house constructed outside of footprint. Spec structure is not inhabited. It is considered the trees were planted to obtain compensation. Owner has approved displacement</li> <li>• Garden 3 – medium impact – consists of sweet potato mounds which have already been harvested, 3 cassava and 1 banana. As sweet potato garden was used relatively recently considered to have medium impact. Owner confirmed that garden is now fallow and he has alternative gardens. Owner has approved displacement</li> </ul>	<p>into current Community Agricultural program</p> <ul style="list-style-type: none"> <li>• Garden 2 – Alternative sustainable gardens exist elsewhere. Household will be offered the opportunity of being included into current Community Agricultural program</li> <li>• Garden 3 – Alternative gardens exist elsewhere. Household will be offered the opportunity of being included into Community Agricultural program</li> </ul>
Loss of fence	1	<ul style="list-style-type: none"> <li>• Household will lose 20m of rough, low wooden fence only. The fence is a simple demarcation fence. Owner has approved displacement if compensation is paid.</li> </ul>	<ul style="list-style-type: none"> <li>• Fence does not provide security level. This Household has no other displacements. Household will be offered the opportunity of being included into the current Community Agricultural program</li> </ul>

Non- Direct – Clan Impact

Company will also pay clan based damages payments and where [aggregate royalties for aggregate used for project construction purposes if sourced from a quarry](#). Rates and clan approvals can be sourced through the applicable IPCAs.

IPCA #	KPs	Date	Clan Total	Area
11.3	0.16	26/3/2010	35	Dagia - HGCP

The Company has also entered into Clan Land Compensation Agreements (CLCA) with impacted clans for compensation under Section 118 of the Oil and Gas Act – land use and enjoyment, surface damage, damage to flora and fauna, gardens and trees, etc. The Company signs a Clan Agency Agreement and Authority to Pay (CAA) with each clan which records the amounts due to the Clan for the new land required to complete the Angore Tie-in Project activities. The Company also entered into Clan Caretaking Agreements with impacted clans which compensates clan members for general maintenance and monitoring of the defined ROW.

Village	Date	# of Clans	Area
Angore	November 2012	6	Well Pad A & B
Various	Various 2012	8	KP 0 to KP 14

### 5.0 Special Case Households

An assessment was undertaken of the households which would be impacted by physical or economic displacement and it was determined that there were no issues identified which would classify the households as a Special Case. EMPNG resettlement process ensures ongoing monitoring and evaluation activities and engagements associated with LR Program delivery will be undertaken in a manner that will regularly assess both the physically and economically displaced households and if a household declines from their current situation, the household will be reviewed for inclusion into the Special Case Management process.

### 6.0 Social, Cultural, and Economic Environment

Please refer to the Angora Well Pads and Access Road and Kutubu to Hides (KP0-80) RAPS for full details on the topography, clan listing, history and resource development of the area.

## 7.0 Eligibility and Entitlements

Eligibility	Affected Category	Agreement	Assistance / Compensation	Considerations for Implementation
<b>Houses and Other Fixed Assets (Physical Relocation) Resettlement Assistance Package</b>				
Recognized owner(s) of the assets and structures (identified in the Survey before Cut-off date, and confirmed by Census	Households with an available relocation home	Resettlement Agreement for Standard Structure - Agreement between ExxonMobil PNG Ltd and the Household to be resettled	<p>Housing</p> <p><b>Part A</b> – Cash Compensation: K12,788 linked to signing agreement, dismantling and garden establishment</p> <p><b>Part B</b> – Deferred Payment. K11,120 deposit into an Interest Bearing Deposit or deferred payment for 6 months</p> <p><b>Part C</b> – Materials in kind payment which includes water tank, iron roofing and guttering and other housing materials to the value of K22,239</p> <p>Materials in Kind payment which includes water tank, iron roofing and guttering and other housing materials to the value of 11,120.</p>	<p>Clearly communicate details regarding site development, construction schedules.</p> <p>Consultation to ensure household understands the Materials in Kind Part C (D) compensation</p> <p>Delivery of Materials In Kind components of the package will be delivered at the time of relocation</p> <p>Company will monitor construction of new structure including addition of iron roofing, guttering and water tanks and provide advise if required</p>
<b>2. Damage to Trees and Crops and Fences</b>				
Recognized land and resource users and owners	Individual / household landowners for garden land	Economic Displacement Agreement For Agricultural Assets Agreement - Agreement between ExxonMobil PNG Limited and the owner of the garden (crops, trees) for the compensation of loss or damage to the area of the garden impacted. Rates will be based on 2014 Valuer General Rates with CPI increase for 2015 and 2016 For fences and ditches compensation rates are based on rates used during Foundation Project	<p>FRV for affected area of crops and trees planted by individuals (excluding mature crops that can be harvested). Compensation will not include any payment for crops on land or resources not directly impacted by Company.</p> <p>Assistance to restore or improve livelihoods through economic restoration program</p>	<p>Clearly communicate details associated with site development and relocation schedules.</p> <p>Once of Cash compensation at FRV to individuals or household owners directly</p> <p>Livelihood restoration program will be made available to households whose sustainability is impacted by economic displacement until such time as all materials delivered and the households has been deemed to have their gardens restored (maintained or improved).</p> <p>In cases where crops can be made available to Households to harvest without incurring any safety risk, this will occur.</p>
	Clans or other groups with rightful recognized	In-Principle Compensation Agreement - Agreement between ExxonMobil PNG Limited and Landowner clans	Cash compensation based on FRV for trees naturally seeded in affected areas	<p>Clearly inform about site development and relocation schedules.</p> <p>Once-off compensation to community</p>



	claim to communal land	to acquire the right to use the land and pay compensation rates (according to the Oil and Gas Act) for damage, deprivation and gravel royalties.		(landowner group) directly and publicly to landowner.
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Copies of all agreements, including the IPCAs and CAAs are lodged with the Company’s document control group and provided to the Department of Petroleum and Energy on a quarterly basis.

All compensation payments under the resettlement agreements are executed in the field, or at a location which best suits the landowner, provided it is accessible by Company. Amounts paid are consistent with the Resettlement Guidelines. There are no banking facilities within the Angore Tie-in Project catchment so whilst Company will provide the opportunity for payments to be made through bank accounts, where this is not possible, payments are made in cash and in-kind materials directly to each household or business owner.

**8.0 Livelihood Restoration**

The construction schedule will allow for food crops associated with active gardens to be harvested prior to commencement of clearing of land activities. Therefore the program is aimed at maintaining and improvement of sustainability for the two households who will lose food gardens or cash crops. The livelihood restoration program, will be based on the program adopted during Foundation Project and consist of:

- An initial LR survey of the new garden sites and detailed discussion with the household. The survey will assess capacity and capability of the members and determine a specific program suited for the household
- Improving productivity through the provision of high producing and more resilient seeds, tubers and seedlings.
- Improving agricultural knowledge through the provision of training and mentoring.
- Potential provision of limited number of small livestock based on outcome of initial survey.

The final LR program composition for each household will be determined at completion of the initial LR survey but the scope and budget per household will be in-line with that provided during the Foundation Project. Those households which are not losing food or economic crops but will have minor loss of plants in fallow gardens will be provided with the opportunity to participate in community provided agricultural based development programs provided through EMPNG’s CDS programs.

## **9.0 Entitlement Cut Off Date**

As detailed in the Angore Well Pads and Access Roads RAP, the Company undertook video and photo documentation of Project Land Requirements for all new land required for the Angore Tie-in scope of works. Completion of the survey represents the cut-off date for physical assets and improvements that will be compensated under the Resettlement Program. Cutoff date declaration for the Greenfield area was declared on the 2<sup>nd</sup> June 2016. Brownfield area cutoff declarations were undertaken between the 4<sup>th</sup> and 9<sup>th</sup> of June 2016. One approx. 1 km section of brownfield has not yet had the official cutoff date declared due to demands of the community to include an area where speculative structures have been erected. This area is not required by Company and Company is working with the community to resolve these demands. If a resolution cannot be met Company will limit activities to the 15m Production ROW in this area.

## **10.0 Consultation & Disclosure**

Consultation with the affected communities and households has been ongoing since 2012, commencing during Foundation construction activities, continuing throughout the drilling program and ongoing in readiness for the Angore connection activities.

Consultation for the Angore Tie-In Project began in March 2016 with initial meetings with community leaders, advising them that the Angore Tie-in Project would be occurring soon.

In May consultation commenced with clans that had erected speculative structures in areas the communities had incorrectly determined would be the route of the Angore Tie-in, advising them that no compensation would be paid for any structures outside of the required construction footprint.

Larger clan consultation commenced in late May along brownfield areas whilst specific construction meetings were held with Clan leaders for the greenfield areas.

Full community consultation was undertaken with clan leaders and members prior to commencement of the Pre-construction survey in each area. Public Disclosure Meetings for Angore Tie-in Project were conducted to ensure local community members were provided with information that explained the scope of works, location of activities, expected timing, potential business and individual benefits (including explaining the limitation of employment possibilities). These meetings also provided communities with the opportunity to raise concerns, ask questions and receive responses to issues raised.

Locale	Date	Area	Number of Attendees			
			Male	Female	Children	Total
Angore wellpad A	1 <sup>st</sup> June 2016	Wellpad A and Greenfield	21	5	5	30
Tagari Access Road	4 <sup>th</sup> June 2016	Tagoria and Teni Clans	15	4	5	24
KP 7	5 <sup>th</sup> June 2016	Pai Tulia clan	8 plus	4 plus	Not counted	20 plus
KP6	5 <sup>th</sup> June	Tagobali Clan	5	3	Not counted	8 plus
Anguale Village Market	6 <sup>th</sup> June 2016	Tagobali Clan	23	Not counted	Not counted	23 plus
C1 Camp	6 <sup>th</sup> June 2016	Aiya Clan	6	0	0	6
KP 3	6 <sup>th</sup> June 2016	YagaliabdTagoria Clans	7 noted plus others	Not counted (at least 4)	Not counted (at least 5)	35 plus
HGCP Conf Room	7 <sup>th</sup> June 2016	KP0-6	9	0	0	9
KP4	7 <sup>th</sup> June 2016	KP0-6 Tagopali and Tangali Clans	9	5	0	14
Angore Wellpad A	8 <sup>th</sup> June 2016	PaiPerega&PaiHurubali clans	17	2	Not counted	19
KP 2	9 <sup>th</sup> June 2016	Aiya Clan	14	0	Not counted	14

The households identified during the Pre-construction survey as requiring physical or economic displacement were engaged on the day. The social team (Including Independent Third Party Advocate) explained the resettlement process (as detailed in the Resettlement Guidelines), crops were counted and the count approved and signed by the household representative. For the household that will be physically displaced the team undertook a Social Survey on the following day during which further explanation of the Project, the process and the expected schedule was provided. Ongoing consultation will occur during the Agreement stage of the Resettlement process.

An independent Third Party Advocate firm has been engaged to provide independent legal advice to communities and community members impacted by Project activities. Simpson Lawyers acts as the independent advisor to Project affected households to inform them of their rights, responsibilities and obligations concerning the resettlement program in the context of both national PNG legislation and ExxonMobil PNG Limited commitments. The specific roles and functions undertaken by this group are detailed in the Angore Well Pads and Access Roads RAP.

The Independent Third Party Advocates captured some concerns amongst community members during Disclosure meetings. Concerns raised associated with resettlement:

Issue	Project Measure to Address Issue
Compensation for Resettlement – The provision of housing materials in place of monetary payments was not feasible as there was no law and order in the area and these houses if built would not last as they would be	Company Response – This policy came about as a result of the evaluation process associated with the Foundation Project which indicated that monies paid to landowners to resettle had not been used for the intended purpose and women and children had been

<p>burnt down during tribal fighting which is a regular occurrence. It was reiterated that the Angore area was a fighting zone and they were fearful the houses would not last</p>	<p>affected as a result, (This seems to be acknowledged by those present but there was still dissatisfaction).           People’s attention drawn to the grievance process and what they could do was register this as a grievance if they were still dissatisfied</p>
<p>Landowner question – We are talking a lot but our main concern is that we are living near the right of way or nearby so are we going to be moved or resettled or not</p>	<p>Company response          Only areas the Company would impact would be counted, if none of the areas were impacted they would not be counted.</p>

Following the disclosure process detailed in the Angore Well Pads and Access Roads RAP, this RAP will be translated into Huli will be distributed and explained upon request within the affected communities and will be made available on the PNG LNG website ([www.pnglng.com](http://www.pnglng.com)).

**11.0 Grievance Management Framework**

A Company Grievance Mechanism has been implemented to receive, respond to, and address any grievances made during the activities detailed in this document. Further details of ExxonMobil PNG’s engagement procedures and obligations including the Grievance Management framework are available in the Stakeholder Engagement Plan.

**12.0 Organizational Roles and Responsibilities**

Overall responsibility for the planning, implementation and monitoring of physical and economic displacement rests with the Company. The Public & Government Affairs Department of the Company has been and will be responsible for these activities. Refer to the Environmental and Social Management Plan for full details.

**13.0 Implementation Schedule**

A schedule of tasks has been developed to plan and implement the major components of the resettlement implementation in the second half of 2016 through 2017. All compensation is scheduled for payment before the end of 2016, with displacements completed in the same period. Standard of Living Evaluations are schedule for completion by June 2017 whilst Livelihood Restoration activities are planned for completion by March 2018.

**14.0 Resettlement Budget**

All costs for the Angore Connection works resettlement program are included in the “Angore Tie-in Project” budget. Costs are estimated at between US\$4m and US\$6.5m over the full project period for all P&GA activities including resettlement compensation, Livelihood restoration, ongoing evaluation and ongoing stakeholder engagements associated with the Project activities.

### Attachment 1 Map of Structures, Active Garden and Fallow Gardens Which will be Displaced

