

ExxonMobil PNG Limited



Papua New Guinea LNG Project

**Hides Quarry 1-3 RAP Addendum No.5:
Spoil Dump 2 Extension No.2**

PGHU-EH-SPZZZ- 410009

CONTENTS

ACRONYMS	II
1.0 INTRODUCTION.....	3
2.0 PROJECT IMPACTS.....	6
3.0 AVOIDING/MINIMIZING RESETTLEMENT	7
5.0 CUMULATIVE IMPACTS	9
6.0 AWARENESS, CONSULTATION, AND DISCLOSURE	9
6.1 Awareness and Consultation	9
6.2 Disclosure.....	9

FIGURES

Figure 1-2: Spoil Dump 2 and Extensions	4
Figure 1-3: Spoil Dumps and Side-casting Areas	5

TABLES

Table 2-1: Summary of Impacts	6
-------------------------------------	---

ACRONYMS

Acronym	Definition
CCJV	Clough Curtain Brothers Joint Venture
RAP	Communal Resource Plan
EHL	Esso Highlands Limited
ELC	Environmental Law Centre
FN	Family Number
FRV	Full Replacement Value
Ha	Hectares
HGCP	Hides Gas Conditioning Plant
HQR	Hides Quarry Road (to HQ1-3 quarries)
IFC	International Finance Corporation
IPCA	In-Principle Compensation Agreement
Km	Kilometer
KP	Kilometer point (Hides to landfall at Omati)
LBBSA	Licence-Based Benefit Sharing Agreement
LNG	Liquefied Natural Gas
LR	Livelihood Restoration
M&E	Monitoring and Evaluation
MSEL	Monitoring Social Environmental Law
O&GA	Oil and Gas Act
PMV	Passenger Motor Vehicle
PNG	Papua New Guinea
PNG LNG	Papua New Guinea Liquefied Natural Gas Project
RAP	Resettlement Action Plan
RIT	Resettlement Implementation Team
RPF	Resettlement Policy Framework
RTC	Resettlement Team Coordinator
SD	Spoil Dump
SIA	Social Impact Assessment
SMLI	Social Mapping and Landowner Identification

1.0 INTRODUCTION

This report, referred to as the Hides Quarry 1 to 3 Spoil Dump 2 Extension 2, is an addendum to the Hides Quarry (HQ) 1 to 3 RAP. This Addendum focuses on physical and economic displacement resulting from a proposed second extension to Spoil Dump 2. All other terms for eligibility, entitlements, support, and assistance remain the same, as covered in the HQ 1-3 RAP.

The Spoil Dump (SD) 2 Extension 2 is located approximately 500 meters west of the Hides Gas Conditioning Plant (HGCP) along the Hides Wellpad Access Road (KP 0.5), and approximately 7 km south of Nogoli Camp.

The sites lie in the Hela Province of Papua New Guinea and within Petroleum Development Licenses 1 and 7. The license boundary between PDL1 and PDL7 transects laterally at the northernmost point of Spoil Dump Extension 2, so that affected households lie in both PDL1 and PDL7.

Figure 1-1 shows the SD2 Ext.2 site in relation to other SD 2 extensions and the Spoil and Side casting Area (HQ1-3 RAP Addendum No.4).

A number of other spoil dumps and side casting areas have been developed within the HQ 1-3 area. The sites have been detailed in HQ 1-3 Addendum No. 3, Spoil Dump 1 and are summarized in Figure 1-2.

The spoil dump area will be required for some four to six months and will then be rehabilitated according to the Project's Reinstatement Management Plan.

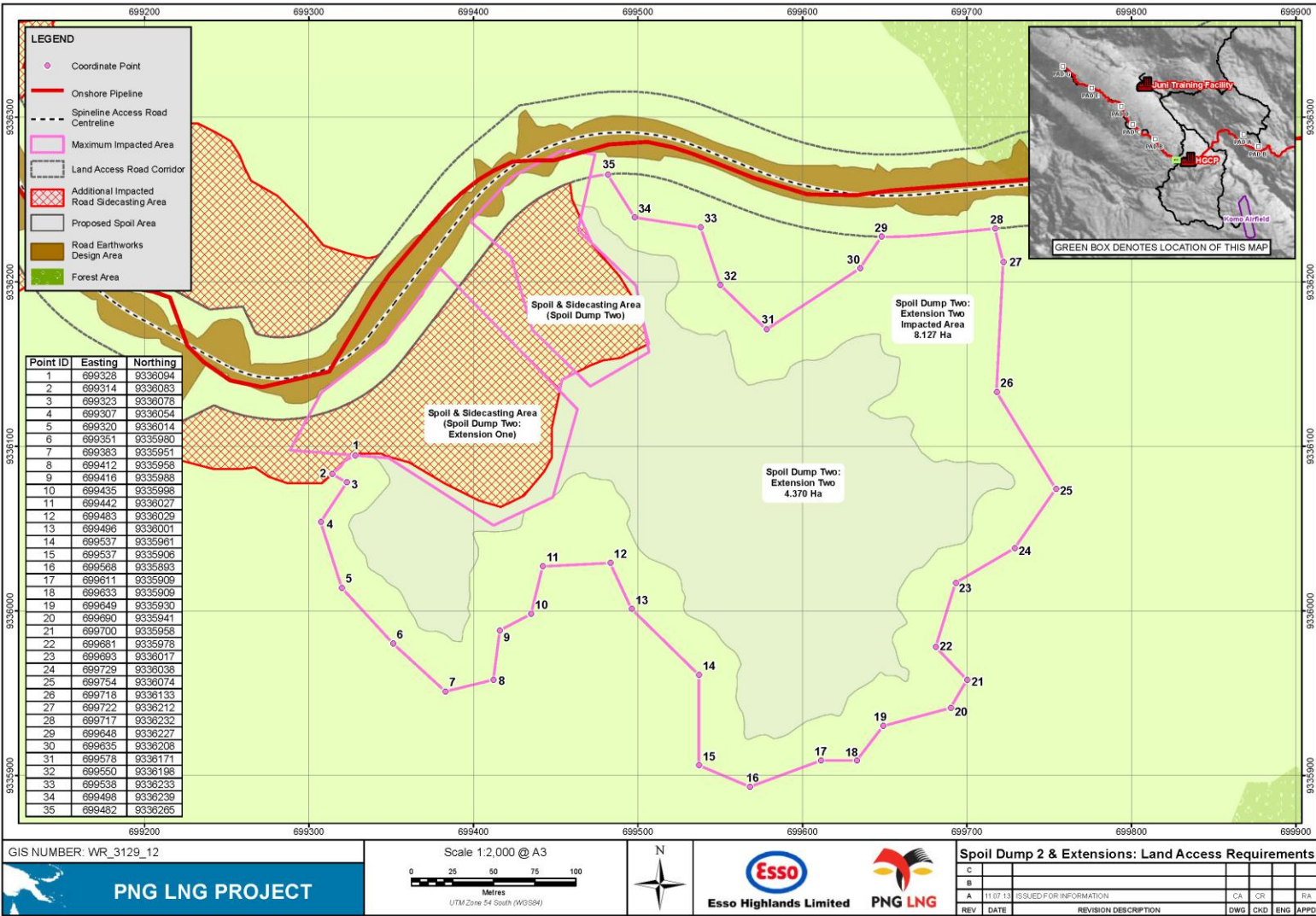


Figure 1-1: Spoil Dump 2 and Extensions

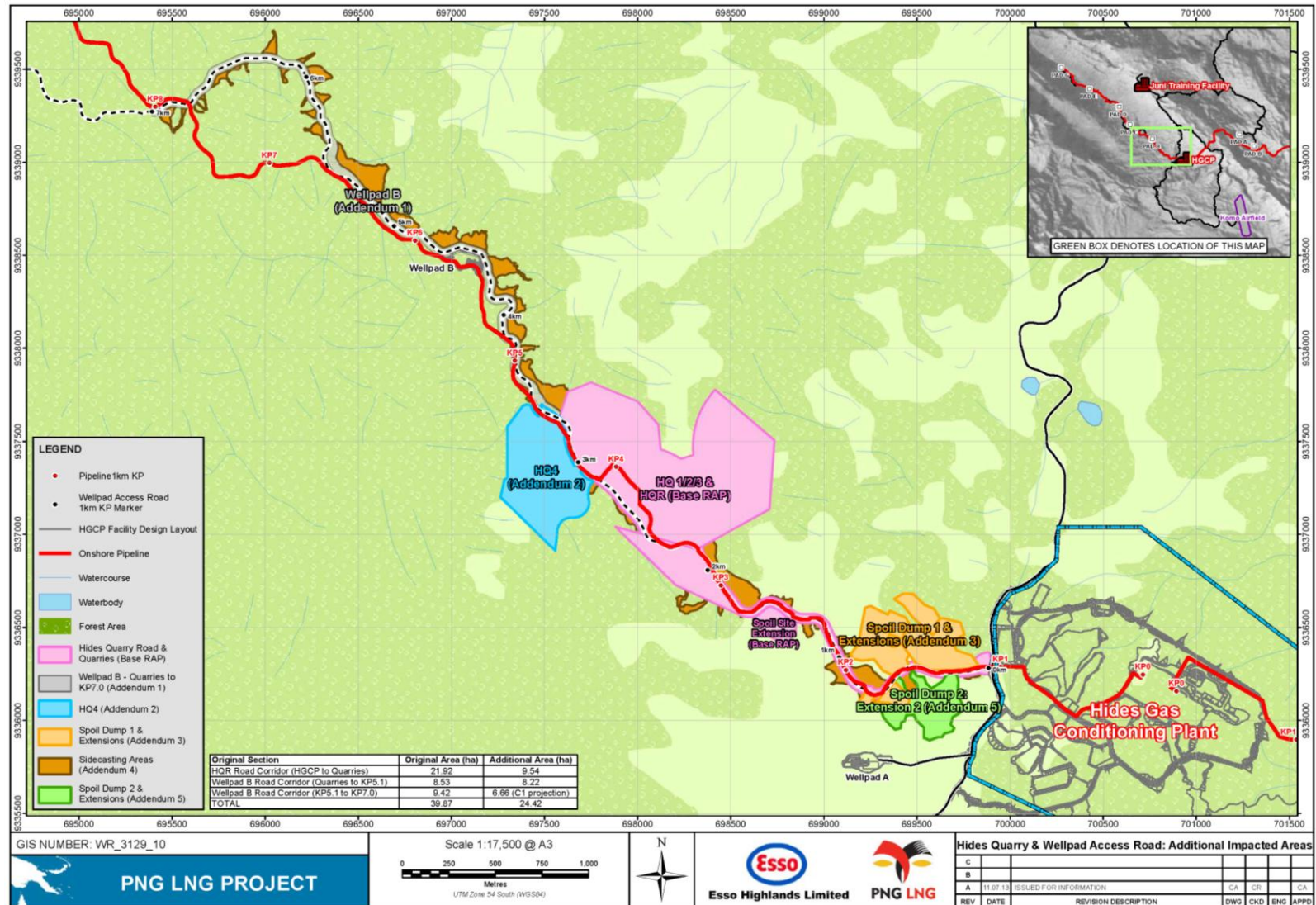


Figure 1-2: Spoil Dumps and Side-casting Areas

2.0 PROJECT IMPACTS

Table 2-1 summarizes the principal impacts likely to be experienced by affected Spoil Dump 2 Extension 2 households.

Table 2-1: Summary of Impacts

Impact	Scale	Mitigation – Project Responses
Resettlement impacts – households and structures	7 households ¹ physically displaced (8 structures) ² ; 16 households economically displaced 69 persons	Package reflects agreed cash and in-kind compensation provisions for affected landowners consistent with the RPF. Landowner acceptance evidenced by signed agreements, copies of which will be lodged with Department of Petroleum and Energy (DPE).
Loss of use of land	Total land loss is 8.1 ha	Compensation for rights to use land will be paid to clan landowners in accordance with the Oil and Gas Act, 1998. A livelihood restoration program will be implemented to assist affected households with restoring or improving livelihoods.
Loss of gardens, trees and crops	Total loss of garden areas is ~2.0 ha <ul style="list-style-type: none"> Coffee; economic trees (casuarina, black palm, bamboo etc); Garden crops (banana, cordyline,, corn, sugarcane, peanut, cucumber, etc.); Tree crops (avocado, breadfruit, fig, marita, etc.) 	Compensation at market rates will be paid for tree and crop losses. Temporary rations (or cash conversion of rations, if elected & subject to a means test) will be provided to meet household's subsistence needs until gardens are re-established. A livelihood restoration program will be implemented to assist affected households with restoring or improving livelihoods.
Loss of water resources	2 doline ponds and 1 stream (shallow and don't support significant fauna).	The Project is monitoring all water resources in the area according to the Water Management Plan and will mitigate impacts as necessary.
Disruption in social networks	Disruption in social networks is expected to be minimal.	Most households will self-relocate to areas in close proximity. Social networks with respect to exchange relations will continue as these are based on kinship, descent, affinity and friendship ties not related per se to specific locales/areas.
Vulnerable	No affected households identified as vulnerable	
Cultural heritage	No cultural sites in the current footprint (ritual grounds, graves, spirit sites, etc.); All efforts will	Compensation will be paid for a range of cultural heritage sites (ESMP Appendix 13, Cultural Heritage Management Plan; PGGP-EH-SPENV-

¹ Three of the seven households were subject to previous census and survey research as members of the HGCP area. This will be the second relocation for these families.

² In Huli, some people may have more than one house or structure on a piece of land. As such, the total number of impacted structures may be higher than the total number of affected households.

Impact	Scale	Mitigation – Project Responses
	be made to avoid two burial sites located on the periphery of SD 2 Extension 2	000018-015). Skeletal material to be handled by PNG National Museum. Appropriate rituals to be undertaken by local landowners and caretakers of sites. Chance-find sacred stones and artefacts to be relocated by people themselves. Other material to be lodged with National Museum and overseen by archaeologists as per mitigation measures outlined in Hides Waste Management area Pre Construction Survey Report (ESMP Appendix 13, Attachment 3: Cultural Heritage Chance Finds Protocol).

3.0 AVOIDING/MINIMIZING RESETTLEMENT

The requirement for spoil dump sites was anticipated in the HQ1-3 RAP but additional sites are now required as more spoil is being generated from the access roads and HGCP. The newly affected site and related extensions are thus an addition to the original submission and required for construction purposes. The original Hides Quarry Road Spoil Site of 3.23 ha proved to be unsuitable and has been replaced by other sites adjacent to the road. Spoil sites are also being maximized in the Hides Quarry 1 to 3 areas but limited options remain for the economic use of spoil sites elsewhere in the HQR/HGCP area.

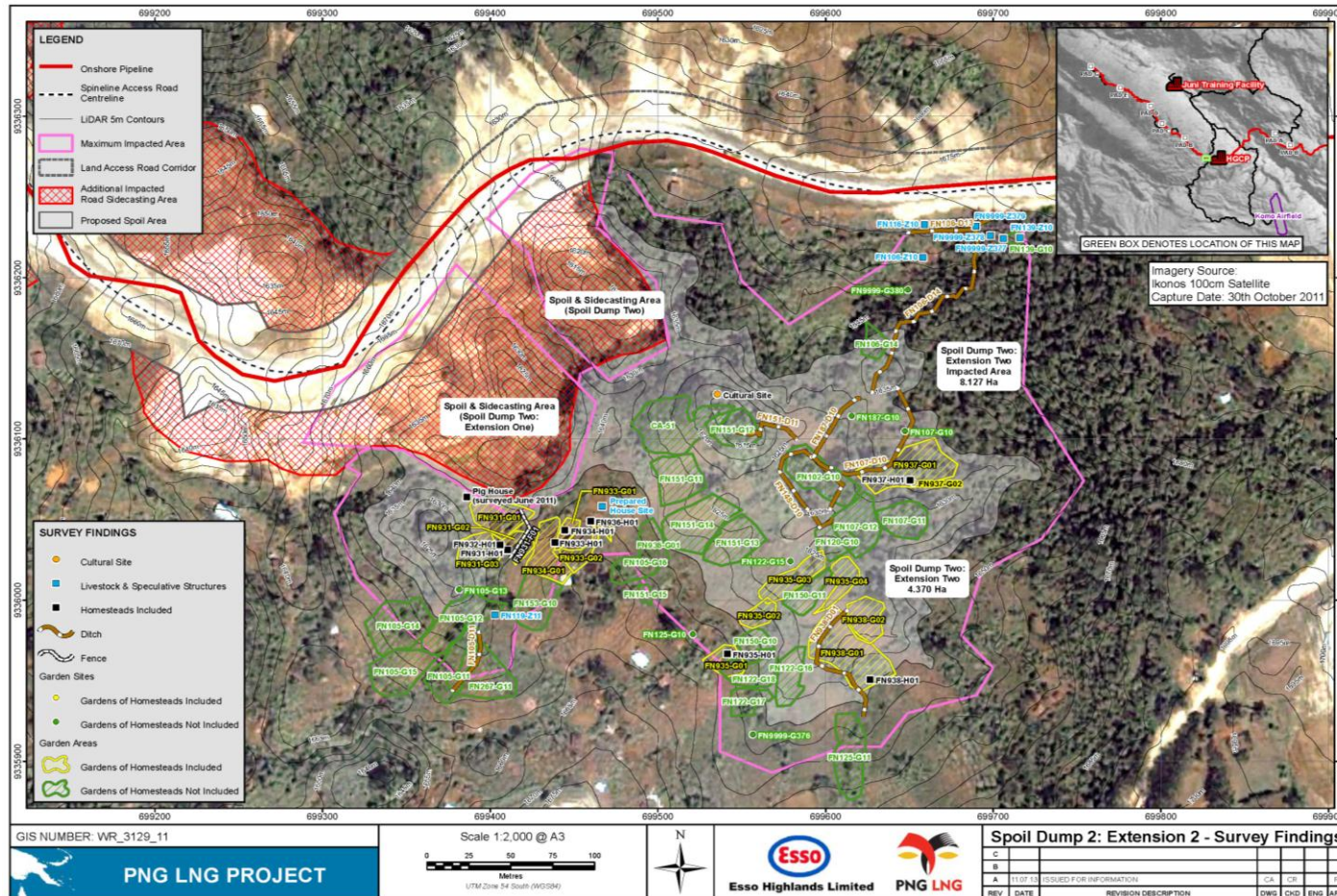


Figure 3-1: SD 2 Extension 2 Distribution of Structures and Gardens

5.0 CUMULATIVE IMPACTS

The SD 2 Ext. 2 developments will impact some relocatees for a second time, which is considered both unavoidable and regrettable; the Project will provide special assistance in the proven circumstances of hardship. The robust livelihood restoration programs will be able to monitor land and food shortages, and based on the case-by-case findings the Project will respond with further measures where any person or family suffers hardship or is potentially worse off than was the case in the pre-resettlement phase

6.0 AWARENESS, CONSULTATION, AND DISCLOSURE

6.1 Awareness and Consultation

A meeting is held with the community in a public place, which includes impacted landowners, other community members, Resettlement team members, MSEL advocates, and Community Affairs team members, during which information about the Resettlement program is presented. The Resettlement Team conducted awareness meetings for Spoil Dump 2 Ext.2 landowners on 14th November 2011. Verbal information on the proposed spoil dump intervention was supported by various visual materials concerning the resettlement process.

MSEL accompanies RIT members during group and household consultation sessions in order to provide legal advice to households as well as to the RIT. Table 6-1 provides a summary of the awareness sessions and consultations.

Table 6-1: Summary of Resettlement Awareness Sessions with SD2 Ext 2 Households

Resettlement Awareness and Household Consultations							
	Village	Date	Awareness Team*	Number of Attendees			
				Male	Female	Children	Total
1	Spoil Dump	14 Nov 2011	RIT, CA and ELC	18	12	16	46
2	Spoil Dump	21-27 Nov 2011	RIT and ELC	-	-	-	7
3	Spoil Dump	14-20 Nov 2011	ELC	-	-	-	7
4	Spoil Dump	5 Dec 2011	ELC	-	-	-	2
5	Spoil Dump	7 Dec 2011	ELC	-	-	-	1

6.2 Disclosure

This RAP Addendum #5 will be made available to the public on the PNG LNG Website (http://www.pnglng.com/commitment/resettlement_action_plans.htm);

A summary of this information will be communicated both verbally and through visual aides to the impacted communities.

7.0 MONITORING AND EVALUATION

Requirements for internal and external resettlement monitoring and evaluation are defined in the LARLR. Internal monitoring for resettlement activities defined in this RAP Addendum #5 will extend through 2014 to include these additional impacted communities.

8.0 IMPLEMENTATION SCHEDULE

TABLE 7-2: RAPRAP IMPLEMENTATION SCHEDULE

Activity or Task	Actions	2013						2014 +
		J	A	S	O	N	D	J +
Planning	Completion of RAP							
Approvals	Internal EHL approval of the RAP							
	RAP Submission to Lenders							
	RAP Summary to community							
Land Issues	Confirm resettlement sites & any affected water sources (provision)							
Confirm and finalize compensation agreements	Verify inventories of affected land and assets (incl. special valuations)							
	Finalize any entitlement contracts							
Compensation payments & relocation	Cash payments to individuals & relocation (none expected)							
Verification and monitoring & evaluation	Design & implementation of monitoring and evaluation system (ending August 2013)							
	Local advocacy & compensation advisors							
	Internal monitoring							
	External evaluation (including completion audit)							

9.0 COST AND BUDGET

All funds for the cost of the HQ1-3 SD2 Ext 2 resettlement program have been made available by the Project, which is estimated at USD \$0.6 million.