

ExxonMobil

EXXONMOBIL PNG LIMITED



PNG LNG Project

Attachment to

Angore Well Pads and Access Roads

Resettlement Action Plan PGHU-EH-SPZZZ-46003

Tagari Displacement Program (Attachment)

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
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 Angore Well Pads and Access Roads Attachment “Angore Tie-in Project” (approved July 2016). The purpose of this RAP appendix is to define the actions ExxonMobil will take to ensure human safety in an area identified as potential landslip risk. Recent speculator structure construction in this area has disturbed various stabilization mitigations and created a risk of land slip which has been identified by Company’s regular inspections. The identified area consists of an area of approximately 3 hectares (30,000 square metres) located:

- Approximately 0.1 km to a width of 40m to the North of kilometer point (KP) 6.3 on the operating PNG LNG Pipeline right of way (ROW);
- Approximately 0.1 km to a width of 30m to the South of kilometer point (KP) 6.3 on the operating PNG LNG Pipeline right of way (ROW);
- Approximately 0.45 km to a width of 125m to the North / North West between kilometer point (KP) 6.3 and kilometer point (KP) 6.8 on the operating PNG LNG Pipeline right of way (ROW);
- Approximately 0.2 km to a width of 125m to the South between kilometer point (KP) 6.3 and kilometer point (KP) 6.6 on the operating PNG LNG Pipeline right of way (ROW);
- Approximately 0.3 km to a width of 10m to the East between kilometer point (KP) 6.5 and kilometer point (KP) 6.8 on the operating PNG LNG Pipeline right of way (ROW);

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. Due to the potential risk to human life identified by engineers a program has been developed to displace affected structures and economic assets. The displacement program has commenced prior to final approval of this document to mitigate safety risks.

3.0 Avoiding/Minimizing Displacement

All structures identified for inclusion into this displacement program are considered to be constructed by opportunistic settlers who have encroached on or near the project area for the sole purpose of demanding compensation. During the Angore Expansion Preconstruction survey (June 2016) one structure and no gardens were identified in this area. As the area is outside of the required land area for the Angore Expansion Project the structure and associated new garden was not recorded. Field staff who remembered the structure have confirmed that the structure was new and was constructed in the hope of obtaining compensation on the community expected pipeline ROW. All households associated with these displacements have proper and well established structures and gardens in their normal place of residence. The area to be cleared will be limited to that defined in the attached map.

4.0 Impacts of Tagari Land Slip Humanitarian Resettlement Activities

Direct – Household Displacement

Twenty Five (25) 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 structure (not proper dwelling) only.	4	<ul style="list-style-type: none"> Structure will be displaced (or evacuated and left in situ due to safety concerns) 		<ul style="list-style-type: none"> Sustainable gardens exist at the proper place of residence Some Head of Households are employed Even though they have no gardens impacted a CDS program may be offered to the group at a location near their proper dwellings 	<ul style="list-style-type: none"> All individuals will return to their proper residential area (mainly near TT Noa) where they have multiple dwellings and sustainable gardens Current site is remote and far from services. Their proper dwelling place is near services, buses and walking distance to schools. The families remain at the proper place due to the location of services
Loss of accessory structure (not proper dwelling) only.	2	<ul style="list-style-type: none"> Structure will be displaced (or evacuated and left in situ due to safety concerns). In both cases the structure has not been completed consisting of the basic frame with commencement of walls and roofs. 		<ul style="list-style-type: none"> Sustainable gardens exist at the proper place of residence Some Head of Households are employed Even though they have no gardens impacted a CDS program may be offered to the group at a location near their proper dwellings 	<ul style="list-style-type: none"> All individuals will return to their proper residential area (mainly near TT Noa) where they have multiple dwellings and sustainable gardens Current site is remote and far from services. Their proper dwelling place is near services, buses and walking distance to schools. The families remain at the proper place due to the location of services
Loss of structure (not proper dwelling) new and fallow garden with some rough fencing.	10	<ul style="list-style-type: none"> Structure will be displaced (or evacuated and left in situ due to safety concerns) 		<ul style="list-style-type: none"> Alternate sustainable gardens exist Some Head of Households are employed 	<ul style="list-style-type: none"> All individuals will return to their proper residential area (mainly near TT Noa) where they have multiple dwellings and sustainable gardens

		<ul style="list-style-type: none"> Gardens will be left in situ with warning signs erected that the area is prone to landslip 		<ul style="list-style-type: none"> A CDS program may be offered to the group at a location near their proper dwellings 	<ul style="list-style-type: none"> Current site is remote and far from services. Their proper dwelling place is near services, buses and walking distance to schools. The families remain at the proper place due to the location of services
Loss of structure (not proper dwelling), accessory structure ⁽²⁾ , new and fallow garden with some structures having rough wooden fencing .	6	<ul style="list-style-type: none"> Structure will be displaced (or evacuated and left in situ due to safety concerns) Gardens will be left in situ with warning signs erected that the area is prone to landslip 		<ul style="list-style-type: none"> Alternate sustainable gardens exist Some Head of Households are employed A CDS program may be offered to the group at a location near their proper dwellings 	<ul style="list-style-type: none"> All individuals will return to their proper residential area (mainly near TT Noa) where they have multiple dwellings and sustainable gardens Current site is remote and far from services. Their proper dwelling place is near services, buses and walking distance to schools. The families remain at the proper place due to the location of services
Loss of 2 structures (not proper dwellings), new and fallow garden with some rough fencing (not all households).	2	<ul style="list-style-type: none"> Structures will be displaced (or evacuated and left in situ due to safety concerns) Gardens will be left in situ with warning signs erected that the area is prone to landslip 		<ul style="list-style-type: none"> Alternate sustainable gardens exist Some Head of Households are employed A CDS program may be offered to the group at a location near their proper dwellings 	<ul style="list-style-type: none"> All individuals will return to their proper residential area (mainly near TT Noa) where they have multiple dwellings and sustainable gardens Current site is remote and far from services. Their proper dwelling place is near services, buses and walking distance to schools. The families remain at the proper place due to the location of services
Loss of 2 structures (not proper dwellings), an accessory structure, new and fallow garden with some rough fencing (not all households).	1	<ul style="list-style-type: none"> Structures will be displaced (or evacuated and left in situ due to safety concerns) Gardens will be left in situ with warning signs erected that the area is prone to landslip 		<ul style="list-style-type: none"> Alternate sustainable gardens exist Some Head of Households are employed A CDS program may be offered to the group at a location near their proper dwellings 	<ul style="list-style-type: none"> All individuals will return to their proper residential area (mainly near TT Noa) where they have multiple dwellings and sustainable gardens Current site is remote and far from services. Their proper dwelling place is near services, buses and walking distance to schools. The families remain at

					the proper place due to the location of services
ECONOMIC ONLY					
Type of Impact	# of Households affected	Details of Impact		Livelihood Source	
<ul style="list-style-type: none"> No gardens (which have been planted and maintained) only households were identified. 					

Note 1. Most structures were erected by an extended family or clan group rather than the normal practice of erecting structures within the household group. This has resulted in shared ownership with compensation split between the joint owners

Note 2. Accessory structures are items like chicken houses, cooking structures, partially constructed structures, toilets, Haus wins (meeting structures)

7.0 Eligibility and Entitlements

Eligibility	Affected Category	Agreement	Assistance / Compensation	Considerations for Implementation
Houses and Other Fixed Assets (Physical Relocation) Resettlement Assistance Package				
Recognized owner(s) of the assets and structures (as identified in the social surveys undertaken with all structure owners Dec 2016)	Speculator structures	Resettlement Agreement for Non Standard Structure	2500 kina	<p>Clearly communicate safety risk and that displacement is part of a Community Safety Mitigation</p> <p>Clearly communicate that the land slip risk is not expected to impact Company assets and that the activities are solely for the safety of the householders</p> <p>Explain that Company has no compensation obligations in this case and compensation has been determined by assessing the cost of replacing the building materials used in the structure and the cost of transporting them to site (as provided during the social survey)</p>
Recognized owner(s) of the assets and structures (as identified in the social surveys undertaken with all structure owners Dec 2016)	Type Y structures (chicken houses; cook houses, incomplete structures)	Resettlement Agreement for Non Standard Structure	500 kina	<p>Engagements to be held with neighboring groups of speculator structures to advise why compensation will be limited to this group only</p>
Recognized owner(s) of the assets and structures (as identified in the social surveys undertaken with all structure owners Dec 2016)	Type Z structures (toilets)	Resettlement Agreement for Non Standard Structure	50 kina	<p>Company has installed safety warning signage and continue to advise community members of the safety risk associated with the area</p> <p>Company continues to monitor the area for activity by community members</p>
2. Damage to Trees and Crops and Fences				
Recognized owner(s) of the assets and structures (as identified in the social surveys undertaken with all structure		Economic Displacement Agreement between EMPNG Ltd and the owner of the economic asset. Compensation will be based on the 2014 Valuer General Rates with CPI increases for 2015& 2016. Fences will be	<p>FRV for crops and trees planted by individuals which are within the area identified as at risk of land slip</p> <p>Assistance with CDS group Program may be offered to the group within the area of their proper residences</p>	<p>One off cash compensation at FRV to individuals or household owners directly</p> <p>Assistance with CDS group Program may be offered to the group within the area of their proper residences</p>

owners Dec 2016)		compensated at the rate used for foundation project		Due to safety risks, owners will be advised not to return to the area to harvest crops or collect seeds etc.

All compensation payments under the displacement agreements will be executed in the field or at a location which best suits the landowner, provided it is accessible by Company. There are no banking facilities within the Tagari Landslip catchment so whilst Company will provide the opportunity for payments to be made through bank accounts. Where this is not possible, payments will be made in cash and in-kind materials directly to each household or business owner.

8.0 Community Development Program

The displacement schedule will not allow for food crops associated with active gardens to be harvested due to the safety risk of households re-entering the area. However, the households connected to these recently constructed structures and gardens have their main gardens and structures located in clan areas near Angore Road and are considered to be fully sustainable through their main garden areas. A CDS Program may be offered, depending on the interest shown by displaced households, which will generally aim to:

- Improve productivity through the provision to community members of high producing and more resilient seeds, tubers and seedlings.
- Improve agricultural knowledge through the provision to community members of training and mentoring.

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 Land during the Angore Tie-in Pre-construction survey at which time no structures or gardens existed within the area required by the Project. On the 25th November further cut-off declarations were made advising that only those (speculator) structures identified and documented on that date would be included in assets considered for displacement and compensation due to the risk of Land Slip.

10.0 Consultation & Disclosure

On the 25th November the households identified as being located within the land slip risk area were advised the area was a high risk of land slip and they needed to depart the area immediately and they were not to continue to reside in the area. A series of structures and gardens were identified and locations recorded. Counts of economic assets were made and approved by Household representatives and representatives signed the Compensation Claim form advising that their relatives and they would move out of the area and not return. Household representatives provided key messages including:

- Company has serious concerns for the safety and wellbeing of members of the community who are living at Tagari near KP 6.3 in Angore.
- Our engineers have noticed changes in the hillside at Tagari which indicate there is possible risk for a significant landslide to occur.
- We are urging people living in the potential impact zone to promptly leave their houses and relocate immediately.
- The area potentially impacted is approximately 3 hectares (30,000 square metres) in size.
- It is unsafe to stay. Your life and the lives of your family could be in danger.
- The hillside could come down and bury the houses at any time.
- ExxonMobil PNG plans to acquire the land. A resettlement package will be provided to only those presently located in the impacted area and not to newcomers.
- We are committed to the safety and health of our employees, contractors and the community.
- We are asking for your help to move everyone quickly.
- A geological fault at Tagari has been known since before construction and the area is prone to small slips. The area has had significant rainfall in recent weeks.
- Engineers have been flying over the area every two weeks as part of our work on the Angore pipeline tie in project.
- Without further assessment, we cannot say what is causing the changes in the hillside.
- Our number one priority is to move people to safety. This will be followed by a full investigation of the hillside.
- We cannot say for sure the hillside will come down but we believe the risk exists.
- We do not believe the pipeline is in the potential impact zone.
- A follow-up with heads of households interviews would occur at T T Nohai

Follow-up Interviews at T T Nohai (Datye) reinforced the initial messaging and provided the following messaging:

- A Resettlement package would only be provided to those households that were identified at the impact area on the 25th November 2016. New gardens and structures constructed after this time would not be considered
- Management would make the decision on the compensation package during further discussions with the household at a later date after all survey interview data was collected and completed
- The team here on this day will complete its survey with each of the households. The team will not be discussing compensation packages as the survey is not yet complete. In order to proceed further we need to complete the information gathering and present it to management

- Households' compensation packages would be discussed with the Head of Households at a later date. Without the survey information the package cannot be determined
- This is not tied to the Angore Tie-in project land activities

An independent Third Party Advocate firm has been engaged to provide independent legal advice to communities and community members impacted by these resettlement 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.

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

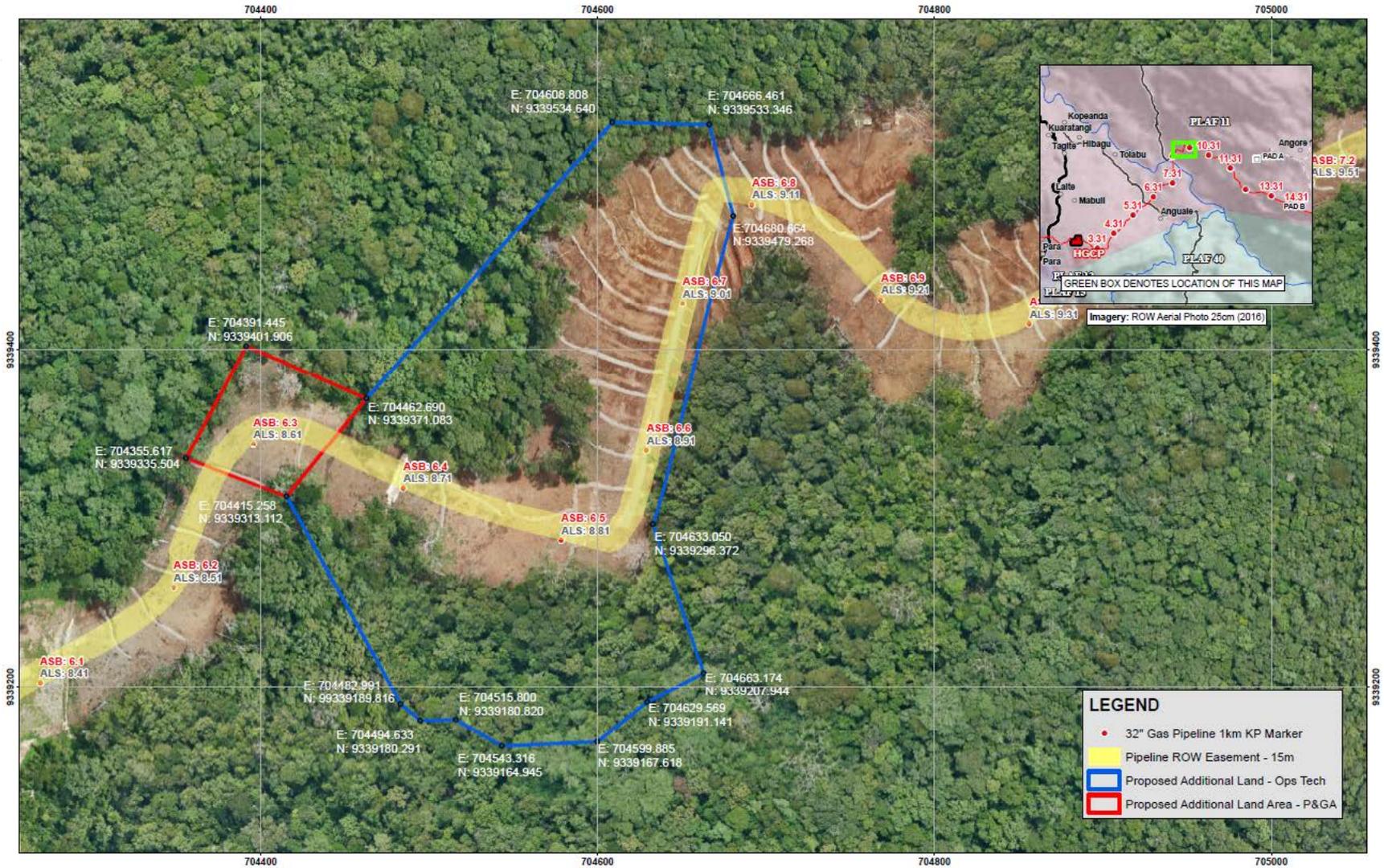
Overall responsibility for the planning, implementation and monitoring of physical and economic displacement rests with the Company. The Public & Government Affairs Department of the Company has been and will be responsible for these activities. Refer to the Environmental and Social Management Plan for 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 November / December of 2016 through to 1st quarter 2017. All compensation is scheduled for payment before the end of March 2017, with displacements completed by the end of November 2016. CDS Program activities where applicable are planned for completion by March 2018.

14.0 Resettlement Budget

All costs for the Tagari Land Slip resettlement program are sourced from the Production budget. Costs are estimated at approximately US\$220k for all P&G activities including resettlement compensation, CDS Program, ongoing evaluation and ongoing stakeholder engagements associated with the Project activities. Man power costs are already incorporated into Production budgets.



LEGEND

- 32" Gas Pipeline 1km KP Marker
- Yellow shaded area: Pipeline ROW Easement - 15m
- Blue outline: Proposed Additional Land - Ops Tech
- Red outline: Proposed Additional Land Area - P&GA

GIS NUMBER: WR_3793_Tagari

PNG LNG PROJECT

Scale 1:2000

UTM Zone 84 South (WGS84)



Pipeline RoW_Tagari				
C				
B				
A	22.11.16	ISSUED FOR INFORMATION	08	
REV	DATE	REVISION DESCRIPTION	DWG	ENG