

Esso Highlands Limited



Papua New Guinea LNG Project

**TIMALIA RIVER BORROW PIT
Resettlement Action Plan**

PGHU-EH-SPZZZ-420003

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ACRONYMS

Acronym	Definition
ECPNG	Evangelical Church of PNG
EHL	Esso Highlands Limited
EIS	Environmental Impact Statement
ELC	Environmental Law Centre
FRV	Full Replacement Value
HGCP	Hides Gas Conditioning Plant
HGCP RAP	Hides Gas Conditioning Plant Resettlement Action Plan
HGDC	Hides Gas Development Corporation
HH	Households
HHR	Heavy Haul Road
HQ1-3	Hides Quarries Sites 1, 2 and 3
IBD	Interest Bearing Deposit
IFC	International Finance Corporation
ILG	Incorporated Land Group
IPCA	In-Principle Compensation Agreement
KAAR	Komo Airstrip Access Road
L&CA	Land & Community Affairs
Lanco	Landowner Company
LBBSA	License-Based Benefit Sharing Agreement
LNG	Liquefied Natural Gas
LR	Livelihood Restoration
M&E	Monitoring and Evaluation
MCJV	McDonald, Clough Joint Venture
N/A	Not Applicable
O&GA	Oil and Gas Act
OSL	Oil Search Limited
PDLs	Petroleum Development License
PNG	Papua New Guinea
PNG LNG	Papua New Guinea Liquefied Natural Gas Project
PRL	Petroleum Retention License
RAP	Resettlement Action Plan
RIT	RAP Implementation Team
RPF	Resettlement Policy Framework
RTC	Resettlement Team Coordinator
SHP	Southern Highlands Province
SIA	Social Impact Assessment
SMLI	Social Mapping and Landowner Identification
UBSA	Umbrella Benefits Sharing Agreement

EXECUTIVE SUMMARY

Introduction

Esso Highlands Limited (Company) proposes to develop the Papua New Guinea (PNG) Liquefied Natural Gas (LNG) Project (Project) to commercialize the gas reserves within the Southern Highlands and Western Provinces of PNG. The Timalia River Borrow Pit (TB1) is required to support the Project construction activities in Komo and along the Heavy Haul Road (HHR). It contains the required grade of andesitic boulders and gravels not found elsewhere in the immediate locale.

Resettlement Goal

The Project's overall resettlement goal is to design and implement resettlement in a manner that gives physically and economically displaced persons the opportunity to at least restore their livelihoods and standards of living. This TB1 Resettlement Action Plan (RAP) is consistent with the goals, principles, and processes set out in the Resettlement Policy Framework (RPF) developed for the Project (October 2009).

Institutional and Legal Framework

The resettlement process will comply with all legal requirements and criteria, such as those specified in the Oil and Gas Act (O&GA), key PNG National Government institution guidelines, legislation of provincial and local governments, and the International Finance Corporation's (IFC) Performance Standards on Social and Environmental Sustainability.

Social, Economic and Cultural Environment

The TB1 lies wholly within the Komo-Margarima District in the Southern Highlands Province (SHP). The area is inhabited by the Huli ethnic group. As in all other resettlement affected Huli catchments, the Project has relied upon *self-relocation* programs to produce the best sustainable outcomes for physically displaced people.

Socio-Economic Surveys and Baseline Status

TB1 is unusual, in that none of the owners of the site, which was unoccupied up to 24 months ago, are occupying the site. The occupants are the distant relatives of the owners, who took advantage of activities on the site to prove the resource, to rapidly move onto the site before the cut-off date and establish dwellings and house gardens, in the hope of participating in resettlement activities, including compensation for houses and gardens. None of the occupants have made any claims of ownership of the site. All they have claimed is the right to occupy.

TB1 now has 47 affected households and 326 household members. Six households were living on the site at the time of the preconstruction survey in August 2010. The remaining 41 households settled at the site in the 6 months between the preconstruction survey and announcement of the official cut-off date for resettlement benefits on 14 March 2011. No additional structures have been built on the site since the cut-off date was announced.

At the time this RAP was prepared in May 2011, all 47 households are considered eligible for compensation since all were constructed before the cut-off date. However, the type of

compensations offered is based on specific criteria and length of occupation. All households will physically relocate.

The 47 households include:

- Six Type 1 households eligible for a full resettlement package;
- Thirty-five Type 2 households eligible assistance of up to K5,000, in cash; and
- Six Type 3 households and an assistance package of K1,250 and K750.

These amounts do not include improvements compensation.

At the time this RAP was submitted, all Type 1 and Type 3 households had signed resettlement-housing agreements. On 18 May Type 2 households agreed to accept K2,000 on signing and another K3,000 upon removal of their structures from the site. This is in addition to their garden compensation.

Baseline research included a census and assets register, socio-economic, and land-use surveys using geo-referencing to identify households, land ownership and usage patterns.

Forty households were surveyed of which 40 percent of the populace was literate with 45% of school-age children attending school. Sixty percent of persons aged 15+ had no formal education and only 4% of surveyed household members had reached Grade 10 or higher.

Some 4.9% of respondents had paid employment. One female and 15 males had full-time employment and two males had part-time employment. Eighty percent of these full-time paid employees had jobs as security personnel; 60% of employees were contracted to MCJV, 20% to CCJV and 20% to the Evangelical Church of PNG. Patterns of expenditure and income were similar to all other resettlement-impacted areas in the Hides-Komo region.

A further unusual aspect of TB1 is that the landowners have formed a company (KiemuQC JV) and have entered into a joint venture with MCJV to manage the quarry. KeimuQC JV is being provided with advice on the commercial arrangements for such things as labor hire rates and the sale of gravel from the quarry from a well established PNG partner company.

At the end of the agreement, the crushing equipment imported by MCJV will become the property of KiemuQC JV and they will be able to continue selling crushed rock from their own quarry. Training in the crushers operations will be provided by MCJV. This provides an excellent opportunity for the landowners to participate commercially in the Project.

Consultation and Disclosure

Resettlement public consultations commenced in March 2011 and are on going. A representative TB1 Committee was established, as agreed to by all site residents. The Environmental Law Centre (ELC) has played an active monitoring and review role as an impartial observer, and assist affected people to participate in the resettlement process on an informed basis. There is a process to disclose documents and includes public dissemination and distribution of the TB1 RAP, provision of all agreements in Huli and Pidgin, and a Huli translation of the executive summary for public distribution.

Project Impacts

The list below summarizes the principal impacts likely to be experienced by TB1 households:

- All households will be relocated; many will return to existing permanent homes located nearby. Five of the six Type 1 households have identified potential resettlement sites,
- The required land access area totals approximately 50.5 ha and is heavily forested,
- There are 12 field gardens and 106 small gardens around houses comprising an area of 1.67 and 1.57 ha respectively. Gardens contained a mix of crops such as sweet potato, pineapple, coffee and pitpit. The coffee is recently planted seedlings at very close spacing,
- Disruption in social networks is expected to be minimal, as the majority of affected households will likely move only short distances away from the quarry or move back to the areas they left less than 6-8 months ago,
- One very small trade store and another operated out of a dwelling house will be impacted by the development,
- No water sites will be affected,
- Ten minor cultural heritage sites will be impacted by the development. L&CA have assisted landowners to carry out the appropriate ceremonies, and
- Households that are especially vulnerable to displacement impacts, e.g., the elderly, disabled or landless, have been identified and will be provided with special assistance.

Compensation and Resettlement Strategy

The TB1 site was sparsely populated prior to Project interest with only six households that had been in residence for 24 months. After investigations at the site to prove the resource, in October 2010, another 41 households settled on the site, concentrated in the north and northwest. There was a small sawmill operation and this had attracted further new residents on the site.

In effect clear disparities existed at the time of resettlement with respect to household assets, land and crop holdings and type of house construction and in relation to occupation of the site and ownership of the site. None of the present occupants claim primary ownership rights; they are related to the primary owners by cognatic descent or marriage.

None of the acknowledged primary owners are resident on the site. They say they were unable to prevent the rush of occupancy from their distant relatives and wish them to leave and go home.

These differences are reflected in various assistance packages offered to the occupants. The Project will provide the services of a specialist Compensation and Business Advisor, who will advise and consult with affected people on money management, and potential business and investment opportunities. The deprivation, environmental and surface damages payments will go to the owners, not the occupants.

Livelihoods Restoration

Livelihood restoration programs will be implemented to give physically and economically displaced persons the opportunity to at least restore their livelihoods and standards of living. These programs include land-based as well as non-land-based activities.

Grievance Management Framework

The objective of the Project Grievance Mechanism is to receive, respond and address any grievances made to the Project. Grievances will be responded to as quickly and efficiently as possible, avoiding escalation of the issue, reducing negative impacts on the local population and assisting to maintain a positive attitude towards the Project amongst stakeholders.

Organizational Roles and Responsibilities

Responsibility for the planning, implementation, and monitoring of the TB1 resettlement program rests with the Company's Land & Community Affairs Department. Adequate resources and effective management will be allocated to ensure that the TB1 RAP is developed and implemented with the participation of affected peoples in a timely manner.

Monitoring and Evaluation

Monitoring and evaluation will provide information on whether compensation, resettlement and development investments are providing positive inputs, and to indicate the need for corrective action that may be required to achieve Project goals.

An independent third party will conduct the completion audit. The audit will determine whether the Project's undertakings to give physically and economically displaced persons the opportunity to at least restore their livelihoods and standards of living, were properly conceived and executed. The intended outcome will be assessed against pre-resettlement baseline conditions.

Resettlement Implementation Schedule

A schedule of tasks has been developed to implement major resettlement components over an expected four-month period, with livelihood restoration and monitoring continuing for two years.

Cost and Budget Estimate

The budget has been approved by the Company, and additional budget for contingencies will be made available as needed. The cost of the TB1 resettlement is estimated at approximately US\$1.1 million.

1.0 INTRODUCTION

1.1 Introduction

This Resettlement Action Plan (RAP) focuses on resettlement of people currently residing on a site referred to by the Project as Timalia Boulder Quarry (TB1). The site is located in the Southern Highlands Province of Papua New Guinea, and within Petroleum Development License 7 (PDL7). The site location in relationship to the Komo-Hides Project infrastructure is illustrated in Figure 1-1.

Figure 1-2TB1 is needed to support Project construction activities in Komo and along the Heavy Haul Road. It contains the required grade andesitic boulders and gravels not found elsewhere in the immediate locale. The proposed borrow pit area is approximately 50.5 ha and heavily forested. It is estimated that the crushing plant will produce up to 280,000m³ of aggregate that will be transported to the Komo Airfield site.

As soon as the airfield requirements are met, the crushing equipment and the quarry will revert to the landowner company to operate. A 20 m access control zone will be maintained between the work area and the Timalia River.

TB1 is owned by the Tagobali Clan of the Huli ethnic group. In mid-2010, no resettlement was planned. Instead, the proposal was to fence off the residential section of the site (six houses only adjacent to the river and the road in the northwest corner) from the quarry site itself.

By April 2011, there were 47 households on the site. The occupants expressed a strong preference that they should all be paid compensation to relocate back to where they came from. With the houses now closer to the quarry site and the crusher operations, it was decided to pay compensation appropriate to the type of house and the length of stay, in addition to house gardens. Only six resident families and nine of the 41 newcomers, have made larger gardens away from the houses, but these gardens also triggered the requirement for a full resettlement exercise.

1.2 Project Affected Households

TB1 has 47 affected households and 326 household members. Six households were living on the site at the time of the 15-19 October 2010 preconstruction survey (Figure 1-1). The remaining 41 households settled at the site between October 2010 and announcement of the official cut-off date for resettlement benefits on 14 March 2011. Many households state they moved, firstly to take advantage of any employment offered by the timber-processing mill located on the site, and secondly to participate in any spin-offs from the initial MCJV pre-construction borrow pit survey in 2010 and the promise of the development of a quarry.

The recent arrivals on the site are mainly related to the Tagobali landowners through Tagobali women who married elsewhere. Most planted crops around their houses, but did not attempt to clear forest on the site for larger gardens, presumably because they own no land on the site.

1.3 Site Selection and Avoiding/Limiting Resettlement

The TB1 site is unique in respect to the quality and quantity of rock found. Similar deposits exist opposite TB1 across the Tagari River but there is no road from these areas to Komo. Access to the TB1 site is regarded as unavoidable. The nature of the unsorted andesitic boulder bed at TB1 suggests it is avalanche material, which has come down the Timalia

River following the collapse of the cone of the geologically youthful Mount Sisa volcano to the southwest of Komo.

At the time this RAP was prepared in May 2010, all 47 households are considered eligible for compensation since all were constructed before the cut-off date. However, the type of compensation offered is based on specific criteria and length of occupation. All households will physically relocate.

The 47 households included:

- Six Type 1 households eligible for a full resettlement package;
- Thirty-five Type 2 households eligible for housing assistance of up to K5,000, in cash and in-kind; and
- Six Type 3 households with an assistance package of K1,250 and K750.

No additional structures have been built on the site since the cut-off date was announced.

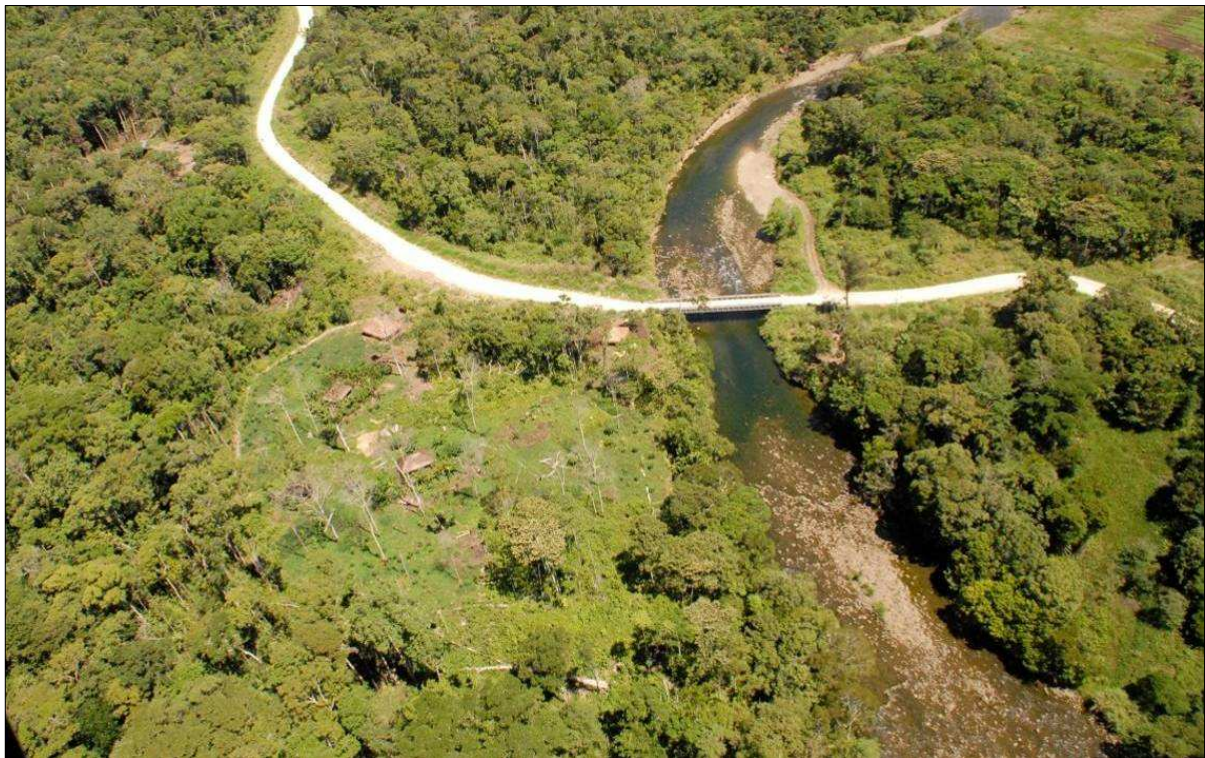


Figure 1-1: TB1 Quarry in August 2010

1.4 TB1 Community

The principal landowning clan on the TB1 site is Tagobali, who are part of the Homani phratry. The Tagobali, along with other clans like Alo, Lebe, Nguane and Pade self-identify as Duguba Huli. They trace an original provenance to the south and west of present Huli territory. The 2008 Petroleum Retention License (PRL) 12 social mapping exercise identified the Tagobali clan as also resident:

- On the northern bank of the Timalia River,

- On the eastern bank of the Tagari River at its junction with the Dagia River, and
- In Mananda, where Tagobali are receive 25% of the royalty and equity streams from the Mananda petroleum development.

The Tagobali along both sides of the Timalia River share a contiguous border with Alo and Yangali clan members. There is a current dispute between Tagobali and Alo clans over TB1, but the merits of the Alo case are doubtful and the National Court has rejected Alo's attempt to prevent Tagobali from signing agreements over the land. The dispute was instigated by a small number of Alo men resident in Port Moresby.

Landowners claim they have been in possession of the TB1 land for many generations, and it is likely that Tagobali were in the Komo-Hides area for at least the last 500-800 years. Notwithstanding this evidence, the present circumstances in TB1 reflect events since October 2010.

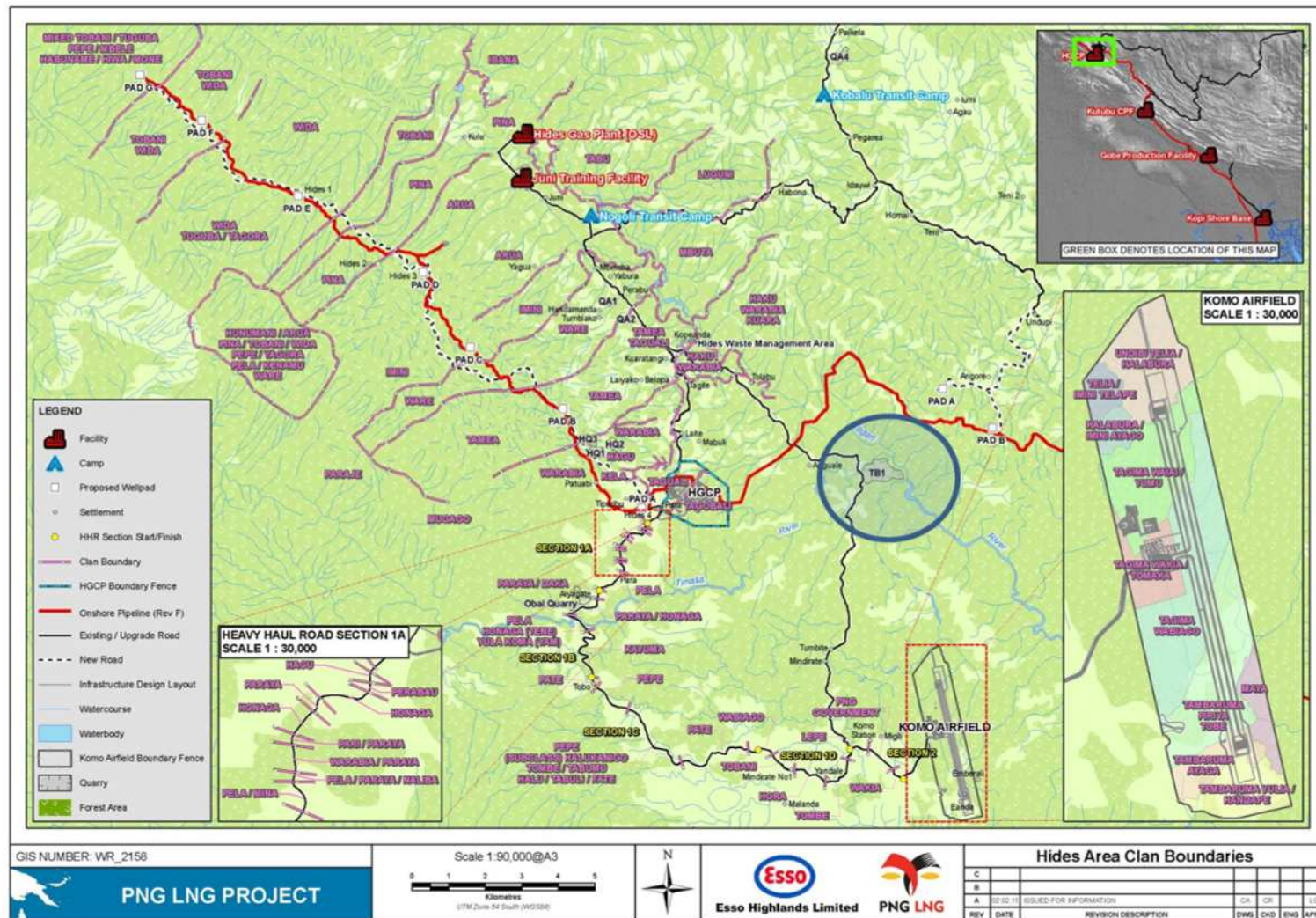


Figure 1-2: TB1 Site – Komo-Hides Environs and Infrastructure

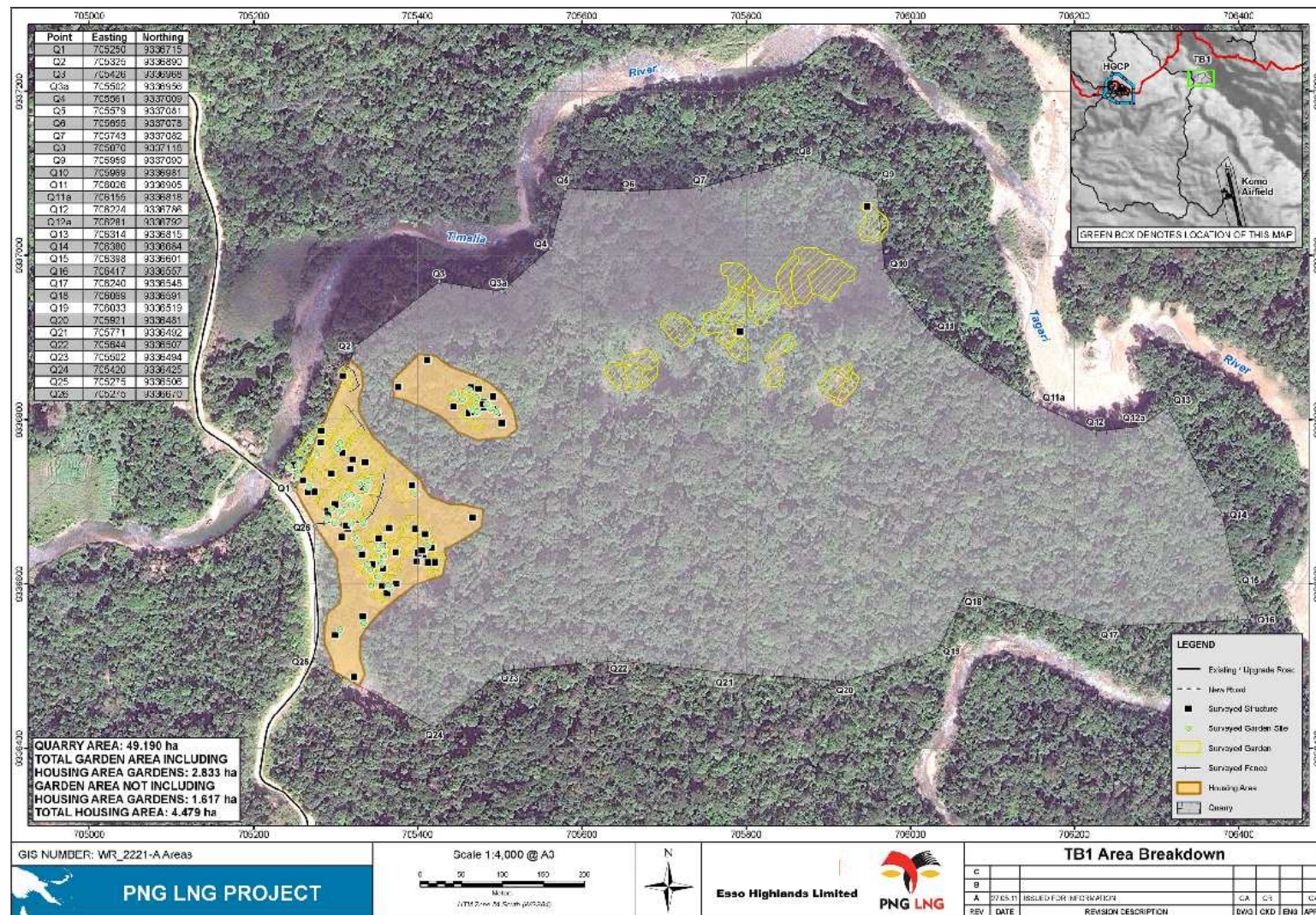


Figure 1-3: TB1 Site Garden Areas and Structures

2.0 LAND STATUS

2.1 Terms of Land Acquisition

The land is owned by seven subclans of Tagobali clan; Liawe, Taya, Ayaga, Walo, Yugu, Kambe and Punga. Eight of the subclan leaders, including one woman, signed the In-Principle Compensation Agreement (IPCA) document on 6 May 2011. These clans also formed a company, KiemuQC Joint Venture, to operate a quarry in a commercial arrangement with MCJV, to supply crushed rock to the Project. None of these landowners resides on the land.

The individuals who signed the IPCA are *tene* right holders. That is they can demonstrate descent from the founding ancestor through a male line. Their claims to own the land have not been challenged by other subclans of the Tagobali clan, or any others, except for what is widely viewed as the spurious claim by Alo clan.

Further, none of the land occupants has challenged the claim by these individuals to be the *tene* landowners. All present land occupants arrived in the last 24 months, most within the last six months. They have claimed various rights to occupy the land, all of which are customarily weaker than a *tene* claim. However, their claims make it difficult for the landowners to remove them. If the land occupants resist removal, the only option for the landowners is physical violence, which is a risky option, because it can escalate into an intra-clan fight, and involve large amounts of compensation. Police will not intervene in intra-clan land disputes without a court order.

The land will be acquired in the same manner as land is acquired for other parts of the Project. The Company is making a distinction between the landowners and the landowning company KiemuQC JV. It is treating the landowners as it does all other landowners and it will make the landowning clans the deprivation and surface and environmental damages payments.

It will treat the arrangements between the landowners and the landowning company as a private arrangement, but will oversight this arrangement to ensure that no landowners are disadvantaged. The shareholder list of the landowner company will be examined to ensure that it is not restricted to just a handful of leading landowners.

2.2 Landowner Company and Joint Venture

The Tagobali clan, including those beyond the TB1 quarry site, at HGCP and on the Heavy Haul Road, have complained in writing a number of times that they have been deliberately ignored by the PNG government and its agencies and the Hides Gas Development Company (HGDC) set up by the Company. Their landowner companies have not received the large payments of seed capital or the work contracts that other companies have.

In 2009, the Tagobali formed a company known as Kiemu Holdings Ltd with the intent of gaining recognition as the so-called umbrella company for PDL 7 so that it could receive the promised seed capital and contracts. This did not happen.

In 2010, when MCJV began searching for crushable high quality rock they approached TB1 site landowners and conducted some preliminary investigations. These proved the quality of the material at TB1. MCJV offered the Tagobali through their company Kiemu Holdings Ltd., a joint venture opportunity to quarry and crush their boulders. Kiemu Holdings Ltd. then sought advice from PNG Quality Constructions Ltd. The latter offered Kiemu Holdings Ltd. a

partnership to negotiate with MCJV on their behalf and to manage the joint venture, in return for a share of the profits. An agreement was drawn up and after some reportedly difficult negotiations, is ready to be signed as soon as the company principals can get together.

The draft agreement addresses a broad range of business matters related to employment: equipment provision rates; royalties and land rentals; and an agreement to transfer the ownership of the crusher plant to the Contractor (KiemuQC JV) once MCJV has obtained the rock needed to construct the Komo airfield. MCJV and KiemuQC JV expect to sign the agreement before the end of May 2011.

2.3 Status of the Land Dispute

Members of Alo clan claimed ownership of the land claimed by Tagobali clan at TB1 and a land dispute was declared. It is not known when this claim was first made. Members of Alo clan who made the claim are resident in Port Moresby.

On 28 November 2011, the Alo claimants applied to the Waigani (Port Moresby) National Court for an injunction to prevent the Tagobali clan from signing any agreements relating to the use of the land, including an IPCA. On 16 March 2011, the Waigani National Court rejected the Alo clan application (W.S. No 112 of 2011). Nasil Lawyers informed the Tagobali clan representatives that "you are now at liberty to perform any agreements you have entered into with any other companies in respect of your customary land" (Correspondence from Nasil Lawyers to Arawi Tombaya and Paliawi Tela of Tagobali Clan, 27 April 2011).

The IPCA signed by the Tagobali clan leaders on 6 May 2011 contains a paragraph that states that a dispute exists over the ownership of the land. Procedures exist under the Lands Act and the O&GA to manage the payments of compensation on disputed land required for resource development projects, which can be used, should this dispute be resurrected again at some time in the future.

The Tagobali agree that some of the land at or adjacent to TB1 is owned by Tabu clan, but neither clan can identify a boundary line, more evidence that the land has not been previously cultivated. Tagobali have agreed with Tabu leaders that they will share compensation payments and profits with them.

2.4 Status of Housing Agreements and Land Access

2.4.1 Eligibility Criteria and Compensation

Due to the unusual situation at TB1, new resettler categories have been modified. This is to reflect the existence of "newcomer" households on this Project site. The Type 1 category is as applies for other Project site.

Table 2-1: Family Type and Eligibility Criteria

Type	Eligibility Criteria	Compensation and Assistance
1	To be classified as a Type 1 household, all of the following criteria must be met: • The FN head and his family must have been resident in the house since September 2010. • The household head must be an adult. • The structure must be built of a standard to make	• K51,000 resettlement package and agricultural compensation.

Type	Eligibility Criteria	Compensation and Assistance
	it genuinely habitable (Note). There must be well established gardens present, including the staple sweet potato. There should also be evidence of trees like marita pandanus, avocado, Casuarina and others.	
Type 2	To be classified as a Type 2 household, all of the following criteria must be met: - A habitable structure was built on the site after 30 September 2010 and before the cut-off date of 18 January 2011. - Residents are recent migrants to the site for economic reasons (associated with the sawmill).	- Compensation for structure (full replacement value – K4250), an “inconvenience” payment and agricultural compensation. - The value of the inconvenience payment is still being negotiated but will be at least K750.
Type 3	To be classified as a Type 3 household, all of the following criteria must be met: - A structure was built on the site after 30 September 2010 and before the cut-off date of 18 January 2011. - The house was built purely to attract compensation, indicated by: - The structure is built of materials not adequate for a permanent structure (e.g. leaves or bamboo used for roof). - There is no evidence of habitation. - The residents are not involved in economic activities on the site.	- Compensation for structure (full replacement value – K1,250), - An “inconvenience” payment of K750 and agricultural compensation.
Note 1: This is indicated by construction being of reasonable materials and the house having a door. If the house has been lived in for several months, the interior of the house will have been darkened by smoke. The presence of cooking and eating facilities and bedding also provides evidence that the family is living in the house.		

2.4.2 Status

As at 19 May 2011, the housing agreements indicated in Table 2-2 are signed. Despite protracted negotiations, Type 2 households where insistent compensation offered was not sufficient.

Table 2-2: Status of TB1 Housing Agreements as at 19 May 2011

Type	Household Agreements Signed	Household Agreement Payments	Newcomer Agreements Signed	Newcomer Agreements Payments	Ag compo signed	Ag compos paid
1	6 signed	6 @ K5,000	N/A	N/A	23	16
2a	N/A	N/A	1 signed	None	64	50
2b	N/A	N/A	5 signed	None	2	2

- All Type 1s and Type 3s have signed their housing agreements,
- Two Type 2s have signed Type 1 housing agreements, and one Type 2 has a Type 1 housing agreement pending,
- Two Type 2s are ineligible for housing agreements (they have no house at TB1), and

- The balance of Type 2s have housing agreements pending.

As of 20 May 2011 some or all of the Type 2s have agreed to accept K1,250 for the house and a K3,750 inconvenience payment, to be paid as K1,250 upon signing and K3,750 upon the removal of the house from the site.

Table 2-3: Status of TB1 Housing Agreements as at 16 May 2011

Type	Signed	Signed* (As Type 1)	Pending	Pending* (As Type 1)	Not Applicable (No House)	TOTAL
Type 1	6					6
Type 2		2	30	1	2	35
Type 3	6					6
TOTAL	12	2	30	1	2	47
* These agreements were originally incorrectly identified as Type 1s rather than Type 2s.						

Table 2-4: Assets of 35 Type 2 Households (by location)

Asset	TB1	Elsewhere
House(s)	33	19
Large and small gardens	7	24
Large 'economic' garden(s)	9	N/A
Small 'house' garden(s)	28	N/A

This data only covers 34 of the 35 Type 2 households and is indicative rather than conclusive (respondents do not generally disclose all of their assets located elsewhere to increase the sense of Project impact).

- 56% of Type 2 households report having at least one house outside the TB1 site;
- 71% of Type 2 households report having at least one garden outside the TB1 site;
- The large number of Type 2 households with just small 'house' gardens at TB1 compared to the Type 1s with large 'economic' gardens at the site suggests that most Type 2 households probably have larger 'economic' food gardens located elsewhere (i.e. this discrepancy is not explained by smaller household sizes or alternative sources of financial support); and
- There is no data for one Type 2 household and all Type 3 households as their 'houses' at TB1 were deemed so 'speculative'/uninhabitable by C&S staff that a full census was not conducted (as they would not be resettled – i.e. they obviously lived elsewhere).

Twenty-one of the 40 households involved in the census reported having at least one house outside TB1, and 27 reported having at least one garden outside the Project site.

Table 2-5: TB1 Agricultural Compensation Forms (16 May 2011)

Category	Total	Type 2s
Large 'Economic' Garden	20	11
Small 'House' Garden	97	67
Supplementary*	5	2
Total	122	80

* Covers non-agricultural assets located in gardens, such as garden shelters and pig houses.

- Small 'house' gardens account for most of the TB1 agricultural compensation forms, but are geographically limited to the north-western sector of the Project site; and
- Type 2 households control a slim majority of large 'economic' gardens at TB1, located in the northeast of the Project site.

Table 2-6: Housing Agreement Status of TB1 FNs with Large 'Economic' Gardens

Status	FN Type	No. of Households	No. of Gardens
Signed	1	5	8
Pending	2	7	9
Ineligible	2	2	2
Signed	3	1	1
Total		15	20

- All Type 1s and Type 3s with large 'economic' gardens have signed their housing agreements;
- Two Type 2s with large 'economic gardens are ineligible for housing agreements (as they have no house at TB1); and
- Seven Type 2 households with a total of nine large 'economic gardens' have housing agreements pending (Table 2-1 for an explanation of this situation). Until these households sign their housing agreements, their agricultural compensation forms cannot be processed, effectively blocking Project access to the northeast sector of TB1.

2.5 Recent Consultation/Negotiation Efforts

2.5.1 Consultation as Per Resettlement Agreements

Consultation with TB1 resettlers commenced with a disclosure road show on 9 March 2011. The cut-off date was provided to the community during this disclosure event. This was followed by community meetings where eligibility for resettlement assistance and compensation were discussed, along with the process for resettlement.

To seek agreement on eligibility for resettlement assistance and compensation a resettlement committee was formed. Seven leaders were selected by the community to form the Committee. Two committee meetings were held to discuss the distinction between Type 1, Type 2 and Type 3 households.

The consultation process was used initially to inform the distinction between Type 2 and Type 3 newcomers and Type 1 original inhabitants. The next phase was the negotiation of agreement with households.

Individual consultations occurred as part of the process for signing agreements for Type 1 and Type 3 households. Individual consultations were also held for agreement on agricultural compensation amounts, inspection of houses and for the collection of GPS measurements at resettlement sites.

However, Type 2 households chose to hold communal meetings with the Resettlement Team rather than individual household meetings, although ELC did undertake individual household consultations with Type 2 households.

While agreement with the Type 1 and Type 3 households occurred relatively smoothly, the negotiations with Type 2 households became protracted. Type 2 households originally indicated that they would only accept a full K51,000 resettlement package. After several weeks of negotiations, recent indications are they are prepared to accept more modest levels of compensation. However, negotiations have been deadlocked for the first two weeks of May 2011.

Eight community meetings were held in the first half of May. At these meetings, the resettlement team repeatedly explained the basis for the distinction between household categories, but agreement could not be reached with Type 2 households. On 18 May 2011 Type 2 households reportedly agreed to accept K2,000 on signing and another K3,000 upon removal of their structures from the site. This is in addition to their garden compensation.

Overall consultation activities took place on most days between the March disclosure road show up to the time of writing. This included 14 community meetings. Consultations were undertaken by PNG national resettlement officers supported by local Huli-speaking translators. These consultation activities were supported by ELC along with the Community Affairs and Stakeholder Engagement teams.

2.6 Environmental Law Centre Advocacy Activities

ELC have been involved in the following activities at TB1:

- ELC have advocated for the landowners and held consultations to ensure that they are informed before signing agreements and relocating from the TB1 site;
- Witnessed the signing of all six Type 1 household agreements and many Type 3 agreements;
- Participated in the initial disclosure in March 2011;
- Undertook an historical analysis on the settlement of the site;
- Witnessed the IPCA signing;
- Participated in two general awareness joint consultations with RAP Implementation Team (RIT) on two occasions;
- Submitted several briefs on the issues that arose in field; and
- A final brief on legal implications, if any, of the joint venture.

3.0 OVERVIEW OF SOCIAL BASELINE RESOURCES

The Census and Survey (C&S) Team undertook research to obtain more specific information about impacted individuals, households, land holdings and community attitudes.

3.1 Social, Economic and Cultural Environment

Table 3-1 summarizes the principal resettlement clans recorded by three studies. TB1 residents identified as belonging to more than 38 clans. Forty-eight percent of residents who responded (155 out of 355) self-identified as members of Tagobali clan. There are four main spokespersons for the community and at least three other prominent individuals; two of these seven have been longstanding (more than 10 years) employees of OSL at Hides.

Table 3-1: Principal Clan Listing

Project C&S Survey	Cultural Heritage Survey	Goldman-SMLI 2008- Main Clans
TAGOBALI*	TAGOBALI*	TAGOBALI
Kembe	Lewe	Lewe
Taya	Kembo	Daiya [Taya]
Lewe	Taye	Walo
	Walo	Hiwarima

*Names in capitals refer to Clans; names in lower case refer to Sub-clans.

The Huli ability to trace descent through males and females at any point in a genealogy that may cover eight generations gives them the opportunity to trace membership to a great many clans. This means that asking a Huli to state to which clan he belongs without qualification, is meaningless. The fact that 48 percent of current residents identified as members of the primary landholding clan Tagobali, does not have any particular significance. At different stages of their lives, depending on what is happening in the local area, it will be more advantageous to belong to one clan than another. Right now, it is advantageous to be able to trace descent to the Tagobali subclans that own TB1.

Of greater interest is the response to Question A4 – ‘Have you moved here from somewhere else?’ Forty-nine percent of respondents answered ‘yes.’ Many said they had moved within Tagobali land from the area directly down slope from HGCP, which is less than 3 km away on the Nogoli to Komo road.

This information provided by the landowners indicated that many of the land occupants came from near Anguale. It also means that most people at TB1 can walk back to their established houses and gardens every day.

Of those who acknowledged they had arrived recently, 33% said they were on their father's land, 22% on their mother's land, 22% on their own clan land (which begs the question), and 22% said they were on land that belonged to either their wife or husband. By contrast, 77% of those who indicated they had been on TB1 for more than 2 years said it is their father's land.

Again, it does not follow that if a person says he is on his ‘father's’ land that his rights are at the strongest *tene* level. It may be that at the father's father or father's mother's generation there is a maternal link to the Tagobali clan that will reduce his claim to the *yamuwine* level.

But it indicates that the longer-term occupants have stronger rights to occupy the land than the recent arrivals.

Seventy-two percent of the occupants said they had moved to TB1 within the last six months, which is supported by observation and photographs of the site from a helicopter taken over the last two years to monitor settlement along the Nogoli to Momo road.

When asked 'Why did you move?' (Question A6), 19% cited disputes at their place of origin, 25% indicated TB1 presented a better subsistence environment (which it does), 25% identified business opportunities, and 19% answered they simply wanted to be close to relatives.

When asked if they had dwelling houses other than that at TB1, 79% of recent arrivals said they did. Compared to other sites on the Project and taking into account that people will often not own up to having another house somewhere else, this is a significantly large proportion. Only two of the six longer-term occupants said they had house elsewhere.

All of this suggests that most of the occupants have come to TB1 from areas within walking distance within the last six months and that they are probably walking back and forth between TB1 and their established residences elsewhere. Huli elsewhere walk these distances everyday, e.g., people from HGCP were walking down to the Kopeanda Landfill site and back two or three times a week to make gardens there. The walk from TB1 to Anguale is shorter and much easier terrain.

The importance of this information is that resettlement at TB1 is qualitatively different to resettlement elsewhere on the Project to date. Whereas resettlement elsewhere has meant families must build new houses and establish new gardens on land they have not previously occupied, it is highly likely that most families occupying TB1 will just go home, to their existing houses and established gardens.

3.2 Demographics and Household Profile of Directly Affected Population

The following statistics must be read bearing in mind the findings of the previous section. The occupants of TB1 have most of their substantial agricultural and economic activities located elsewhere but within walking distance. They must also be qualified by the understanding that asking questions about annual economic activities at a single interview rarely produces reliable statistics in any society, let alone one where literacy is low and record keeping is rare.

The census and survey team recorded 55 structures belonging to 47 FNs. All were 'bush material' constructions. There were no semi-permanent or permanent house buildings. Figure 1-1 illustrates a physical relocation dwelling that is the 'traditional' low, thatched Huli house. Figure 3-2 illustrates the newly constructed dwellings many of which lack the structural features of permanent houses and is indicative of their 'newcomer/temporary residence' status.



Figure 3-1: TB1 Traditional House

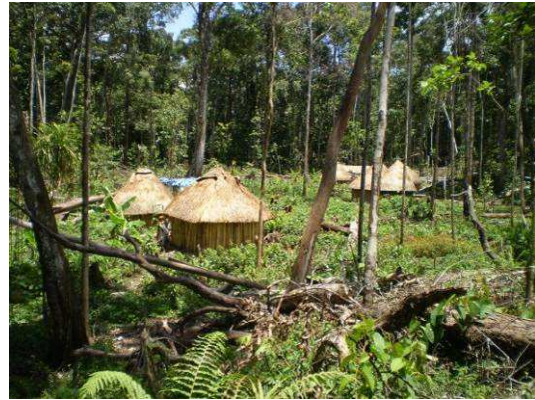


Figure 3-2: TB1 Newly Constructed Houses

Figure 3-3 shows the location of impacted houses and gardens in the proposed borrow pit area.

A total of 326 household members were identified in the social survey or an average of seven per household. This is consistent with figures for most resettlement catchments except Komo Airstrip. Forty-six percent of household members were present during the census and survey; of the remaining declared members the highest percentage (56%) of absentees were said to be resident in Tari.

The 326 household members were constituted as male (52%), female (48%). The age breakdown of the people recorded is shown in Table 3-2.

Table 3-2: Age Breakdown of TB1 Household Residents

Age Range	Total	% of Total
0-5	36	11
6-14	78	24
15-19	34	10
20-55	171	53
56+	7	2
Total	326	100

Sixty three percent of respondents had never married which again seems consistent with results obtained for the Spine (63.3%), HHR (59%), HGCP (56%), Komo Airstrip (60%) and the more general Hides catchment (55%) noted in the EIS SIA (2009).

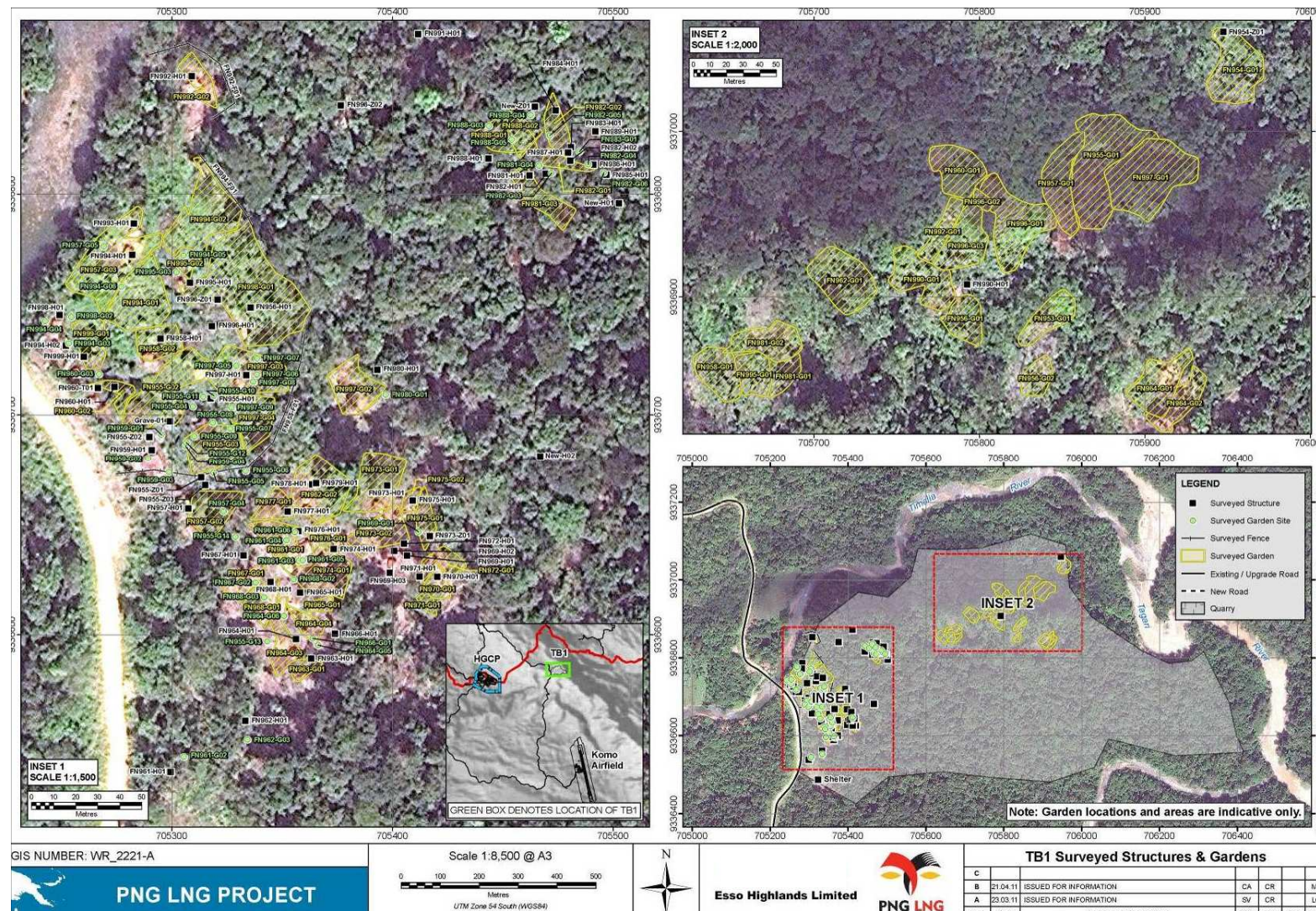


Figure 3-3: TB1 House and Garden Location

3.2.1 Income and Employment Activity

The social census recorded 94.5% people with no form of paid employment. Most TB1 occupants practice subsistence horticulture so these recorded levels of unemployment do not carry the same implications, values or consequences conventionally associated with industrialized societies. Most people in TB1 produce to eat not sell.

One female and 15 males had full-time paid employment. Two males had part-time employment. Eighty percent of full-time paid employees had jobs as security personnel; 60% of employees were contracted to MCJV, 20% to CCJV and 20% to ECPNG.

Figure 3-4 indicates that across the resettlement impacted areas levels of paid employment appear to show little variation.

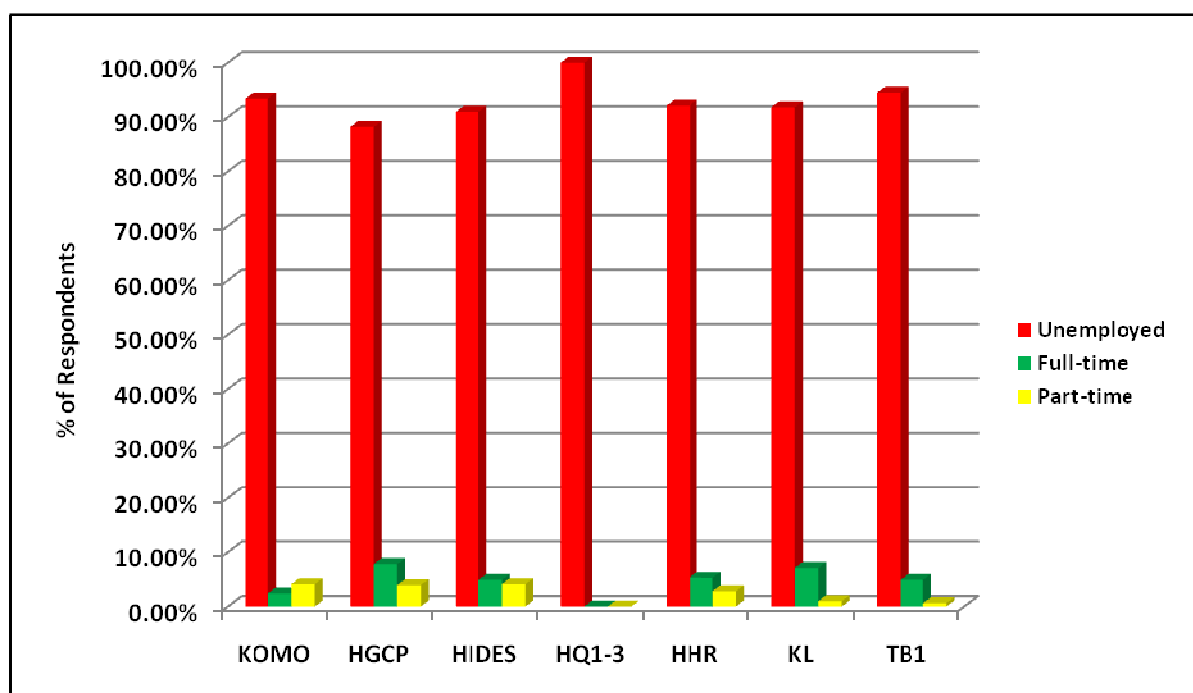


Figure 3-4: Comparative Employment Levels for HQ1-3, HGCP, HHR, KLF, TB1, Komo and Hides Catchments

Longitudinal data from all previous petroleum and gas SIA surveys indicated that bride price, local subsistence activity including fishing and cash cropping and exchange (e.g. *wantok* gifts) continue to represent the vitality of the traditional economy in the financial lives of the populace. Four respondents claimed ownership interests in trade stores, one an interest in a movie house, and five respondents claimed income from sales of goods (tobacco, etc.) from their residences.

Principal income sources of TB1 residents and other resettlement-impacted constituencies are compared in Figure 3-5. It is broadly continuous with other impacted resettlement areas, but there are no savings (0%).

Declared income from coffee sales (52.8%), compared to KLF (72%), Komo Airstrip (83%), HGCP (91%), KAAR (93%), and HHR (89%), was among the lowest recorded for the region, but there is no mature coffee on TB1, so all coffee sales must be from coffee planted elsewhere. Income sales of cash crops (31%) or food crops (94%) were high and above recorded findings from other resettlement impacted areas. This accorded with the

consensus that TB1 land was particularly fertile, and gardens generally presented as more abundant than elsewhere. The soil fertility is high because the land has not been cultivated previously, or for a very long time. It is particularly suitable for growing green leafed vegetables, beans and corn, which are all sought after market crops.

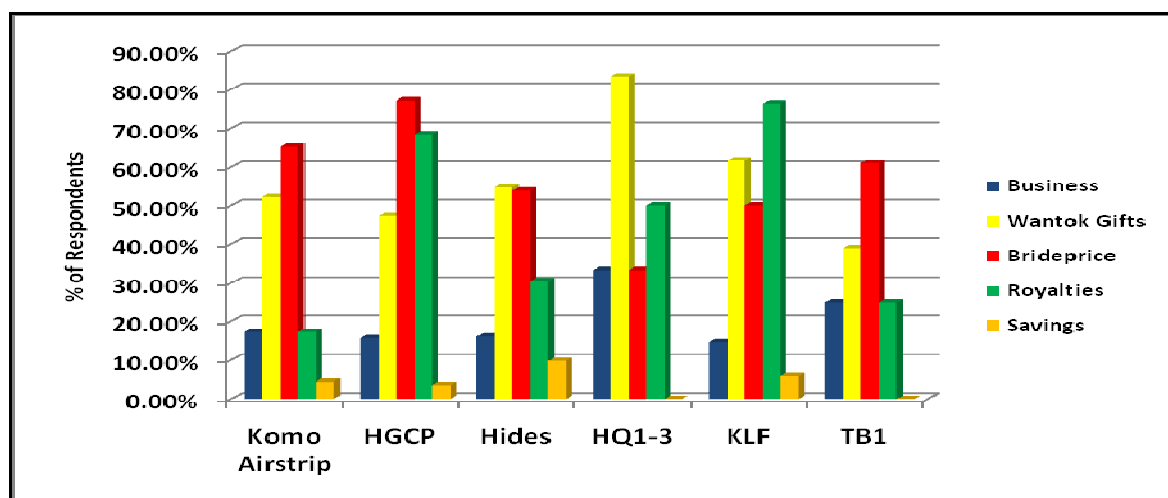


Figure 3-5: Income Sources for HGCP, HQ1-3, KLF, TB1, Komo Airstrip and Hides Catchments

The TB1 income profile is generally similar to relative levels found in other impacted catchments. Importantly, a significant (44%) percentage of respondents to this question also indicated income streams from other business ventures including the sale of building materials, string bags, gambling, eggs and feathers, and mustard. The lack of any sign of these activities on site, suggests they are being carried out elsewhere.

Figure 3-6 indicates that average family holdings of pigs and chickens were the lowest yet recorded on the Project. While 80% of the houses are newly established, to accumulate large livestock holdings, it is likely the pigs and chickens are still living at “home” because to bring them to TB1 for a short visit would be too much effort.

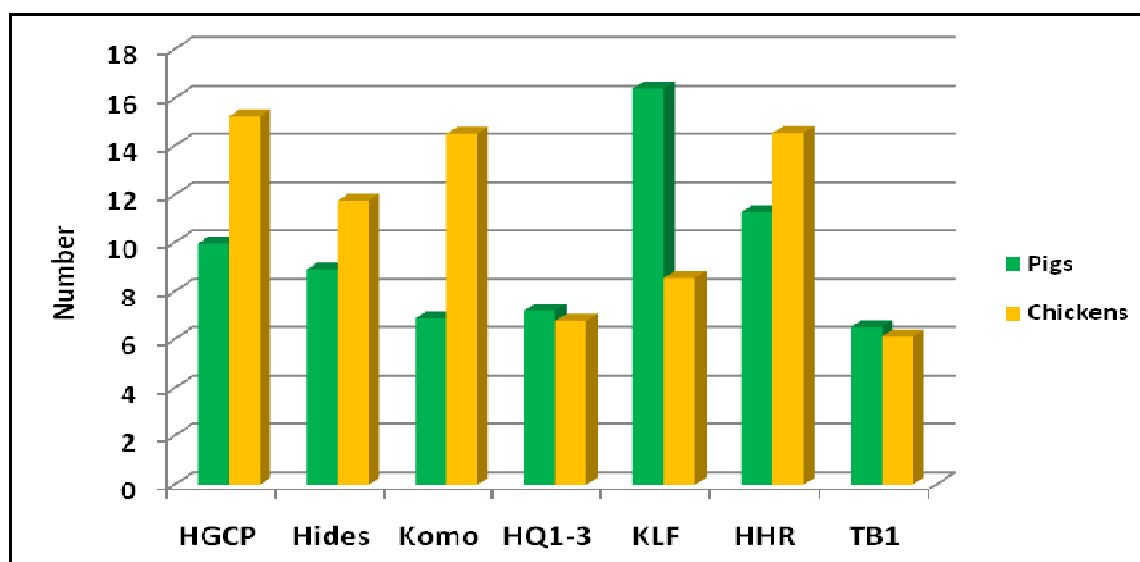


Figure 3-6: Average Pigs and Chickens per Household – HQ1-3, KLF, HGCP, HHR, TB1, Hides and Komo Catchments

Median income for all TB1 physical relocation households to the six longer established FNs is compared in Table 3-3. Median income for other comparable catchments, KLF (K10,070),

HQ1-3 (K12,098), and HGCP (K13,898) indicates there is little meaningful variation across catchments when sizable populations are involved.

Expenditure levels were disaggregated for different income measures. Longer term occupant households are higher than the median for all HHs. There are significant differences between socio-economic livelihoods enjoyed by longer term versus newer occupants.

Table 3-3: Income and Expenditures

Median Income/Expenditures (K)	Income		Expenditures	
	All	Longer term occupants	All	Longer term occupants
a) Households	12,000	16,450	12,810	16,625
b) Per Person Per Household	2,093	1,949	1,722	2,248
c) Median Per Person for all HH Contributors	3,853	6,050	2,572	8,960
a) Total median income based on ALL members of each HH, including children b) Based on median of average income/expenditure per household member for each household. Each HH is averaged and median then averaged. c) Based on only those PNOs referred to in Questions G and H1. Includes only HH members who actually earn/answered the income/expenditure questions. For example, children were not included				

Expenditure patterns suggest a continuity of traditional modes of social exchange through bride price, *wantok* gifts and funeral donations. These profiles are very similar in relative distribution between categories across most other resettlement catchments.

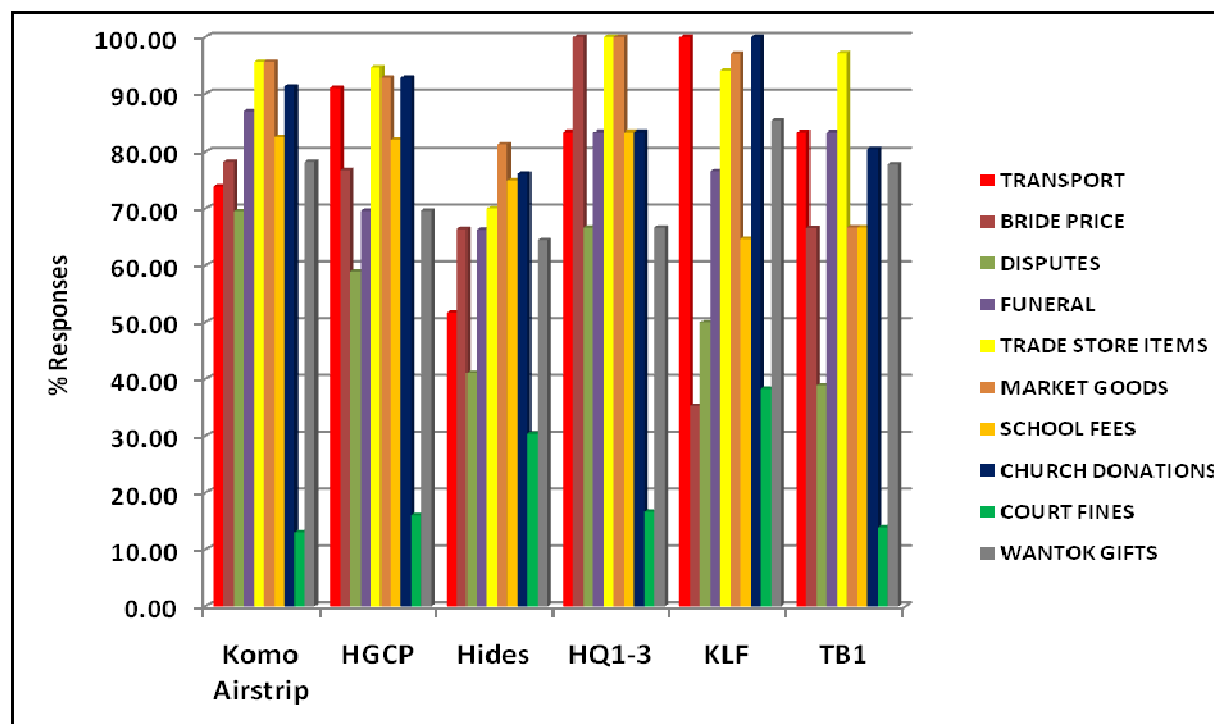


Figure 3-7: Expenditure Patterns of HQ1-3, KLF, TB1 and HGCP Residents by Comparison with Komo Airstrip and Hides Catchments

As noted in adjacent area RAPs, household item purchases such as soap (89.2%), canned drinks (78.4%), biscuits (62%), rice (82%) and tinned fish (82%) are bought mainly from trade stores. Vegetables (54%), fruit (65%) and *buai* (59%) are bought mainly from local markets and roadside stalls.

Travel profiles for TB1 households broadly reflect the finding that residents at TB1 represent a typical 'rural' enclave. By comparison with other catchments, fewer respondents acknowledged they had travelled to Port Moresby or Hagen, but otherwise the profiles are similar across the areas.

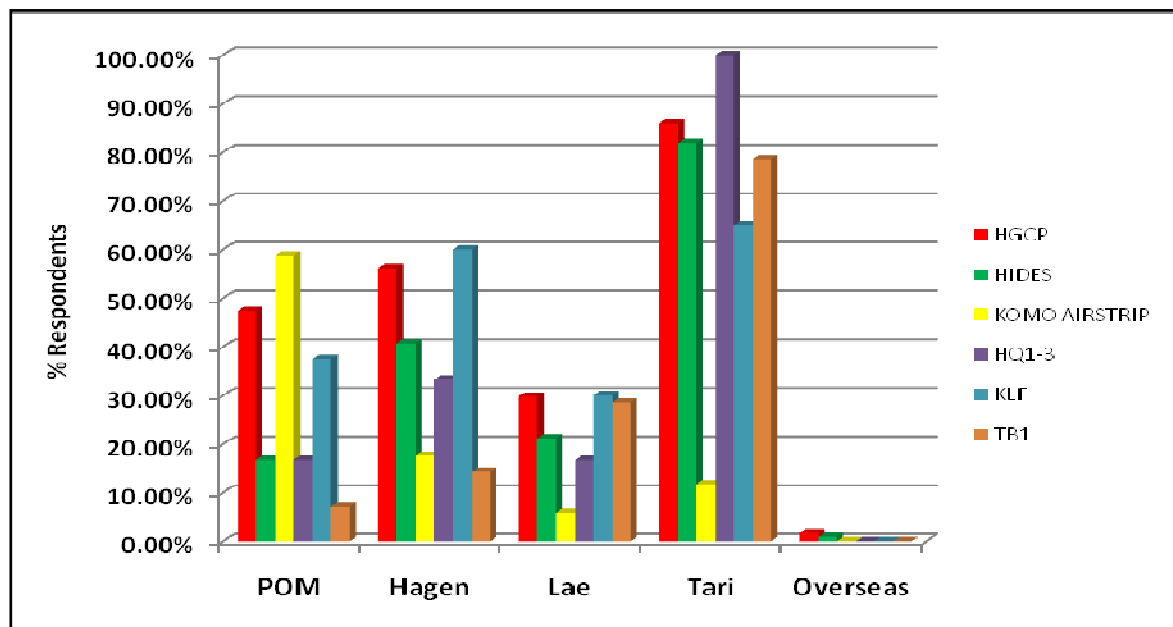


Figure 3-8: Travel Profiles for HQ1-3, KLF, TB1, HGCP, Komo Airstrip and Hides Catchment

Figure 3-9 illustrates the comparative levels of reported ownership for a range of household assets. Relative levels and distribution of responses is typical of the region. There is a continuing high level of mobile phone ownership (>60%).

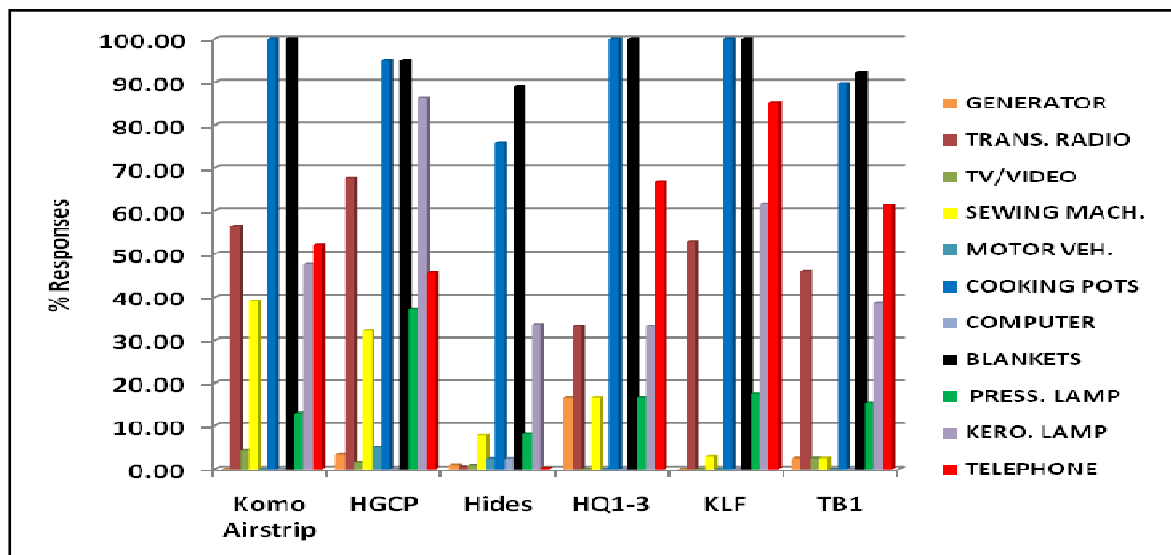


Figure 3-9: Comparative Household Assets HQ1-3, KLF, TB1, HGCP, Komo Airstrip and Hides Catchments

3.2.2 Business Activity

Levels of business activity were lower than elsewhere – four respondents claimed ownership interests in trade stores, one an interest in a movie house, and five respondents claimed sales of goods such as tobacco from their residences.

3.3 Education Profile

3.3.1 School Attendance

The TB1 social survey indicates 45% of school-age children were attending school with 54% of eligible males in attendance but only 37% of eligible females. Eighty-three percent of respondents cited 'lack of school fees' as the explanation for non-attendance. Other reasons included security and simple 'lack of interest'. There was no significant difference in school attendance between the longer term versus the newer TB1 occupants.

3.3.2 Educational Attainment

Sixty percent of persons aged 15 years and over were reported as having no formal education. As for all other Project sites, more men than women attended school.

Only 3.9% of TB1 residents aged 15 and over claimed they had achieved Grade 10, and only two individuals had completed Grade 12. There was no recorded attainment of higher education or training qualifications in the TB1 area.

3.3.3 Literacy

Literacy rates for 15+ years was 40%, compared with KLF (45%), Komo Airstrip (55%) and Komo catchment (50%). As everywhere in PNG female literacy rates are always lower than rates for males (Figure 3-10). The TB1 profile is closest to the HQ1-3 profile.

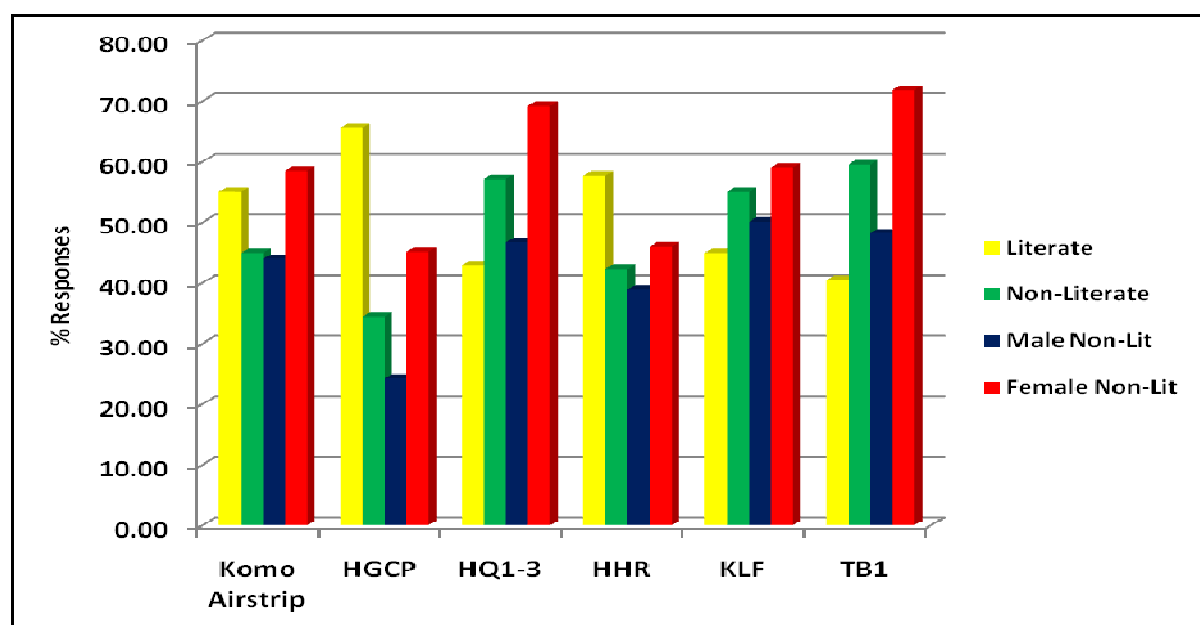


Figure 3-10: Literacy: Illiteracy and Male/Female Illiteracy Rates across Hides and Komo Resettlement Impacted Areas

3.3.4 Social Infrastructure

Figure 3-11 shows the distribution of social infrastructure in the area.

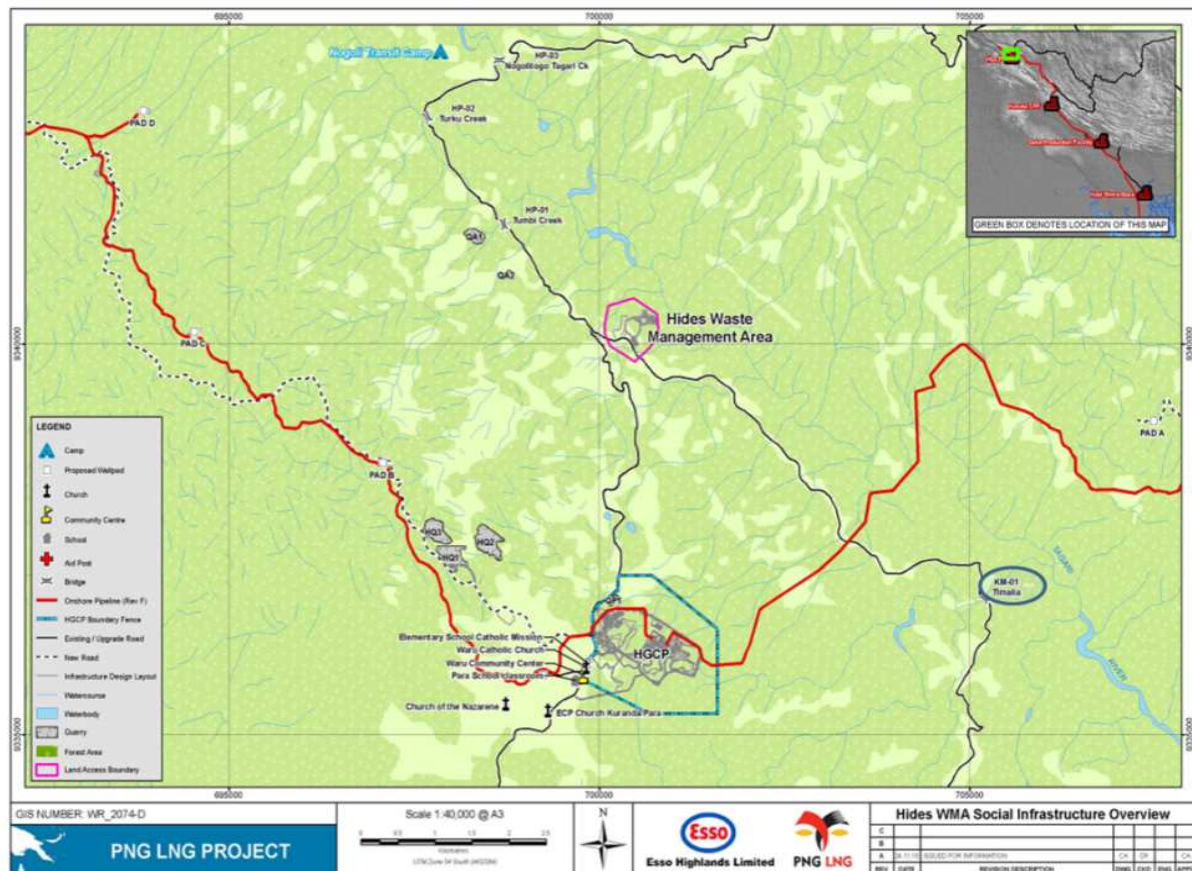


Figure 3-11: TB1 Site in Relation to Social Infrastructure in the Hides Region

3.3.5 Water and Sanitation

TB1 is a boulder bed and has no surface water. Two reasonably sized streams run to the north and south of the site. While drinking water is usually not taken from large streams, springs along their banks are the main source of drinking water at TB1. The river water is used for washing bodies and clothes. No communal water tanks exist. Average time to collect and return with water was 55 minutes with a range from 2–180 minutes. The average time seems to be too high, given the immediacy of the rivers to the site. Forty-three percent of those who responded to the enquiry reported that water was available all year round.

Sixty percent of households reported they had no latrine and used “the bush.” This may be because they have yet to construct latrines, because they are only temporary residences, or they are too hard to construct on the boulder bed.

Table 3-4: Traditional Pit Latrine and Bush Usage at HQ1-3, TB1, KLF, HGCP, Komo Airstrip and HHR Catchments

Ablution Type	Komo Catchment	Komo Airstrip	HGCP	HQ1-3	KLF	HHR	TB1
Bush	13.60%	8.70%	5.26%	66.67%	27.8%	11%	40.5%
Traditional Pit Latrine	73.6%	91.3%	91.2%	33.3%	72.2%	86%	59.5%

3.3.6 Sources of Energy

Ninety-five percent of the TB1 households rely on firewood for fuel - much the same proportion as found for the rest of the Huli rural population.

3.4 Structures

All 55 impacted structures were constructed of bush-materials. Usually woven cane or split timber slabs with a kunai (*imperata grass*) thatch roof. Two houses had iron roofs. The average size was 4.8 m x 4.1 m wide. The structures belonging to the more recent occupants are notable for not having structural elements normally associated with permanency in Huli culture. The Huli distinguish between “real” houses, *andene anda* and temporary shelters, *nema anda* or *purupirape anda*. The recently built structures at TB1 are the latter type of house.

3.5 Land Tenure and Land Use

3.5.1 Garden Census

There were 118 gardens comprising an area of 32,585 m², and containing mixed crops such as sweet potato, pineapple, coffee and pitpit. The soils are of such good quality the usual green manuring and mounding is not necessary.

The Project has committed to applying full replacement value (FRV) rates for all gardens and trees including those that are around the present houses and which are currently being assessed.

3.6 Cultural Heritage Sites

Initial cultural heritage research was reported in the 2009 EIS SIA. The 2010 TB1 pre-construction survey identified ten cultural sites.

Three of the sites are previous houses, two were dance grounds, one was a bachelor initiation site and the remaining sites were associated with rituals to ancestral spirits.

L&CA has provided pigs and the landowners have carried out the appropriate rituals to move the spirits to a new location.

3.7 Vulnerable Households

The Project will assist elderly, young, landless, infirm and disabled people affected by resettlement to meet their needs appropriately during the physical relocation and reestablishment of houses and gardens.

Some categories of potentially vulnerable households to be closely monitored include:

- Two women and one man have pronounced disabilities and will require assistance at the time of relocation. Their post resettlement wellbeing will be monitored;
- Six individuals over 55, two of whom are over 60; and
- Twenty-four (24) households with 36 children under age five; however, no household has more than three under age five.

ELC maintains a list of vulnerable households and individuals across all resettlement sites, which is used for ongoing monitoring of these households' progress during and post resettlement. Livelihood Restoration receives the details of vulnerable households from resettlement and follows them up at their relocation site.

3.8 Resettlement Sites

Slightly more than half of the occupant households interviewed (51%) said they would move to their father's land [Question I10 of the household survey] (52% KLF, 62% HHR). Thirty percent said they would go to their mother's land (31% KLF), and the remaining 18% to a number of 'other' kin or non-kin host lands. This distribution pattern mirrors almost exactly choices made by affected KLF residents.

Almost 40% of households estimated the travel time to the new relocation site was less than 1 hours walk away, and 55% said between 1-4 hrs. Only two respondents indicated the relocation walking time was more than four hours.

Fifty-four percent of respondents indicated that their relocation locale would be to Tagobali land. This suggests many of the relocatees will simply move back up the road to the Anguale area where most of them came from.

In most cases, these initially declared relocation locales were within close proximity to existing TB1 houses and as indicated above on land already owned by the resident clan of Tagobali. Most TB1 resettlers will have a higher level of tenurial rights on their "relocated" land than they have at TB1.

When asked, "What do you own there?", 44.7% said they had both a house and garden, 5.2% said a garden only, 2.6% a house only and 47.3% said neither a house nor garden. None of these figures can be considered reliable.

3.9 Project Knowledge and Attitude to Relocation

The resettlement social survey recorded comments from TB1 occupants on their understanding of the Project.

When asked, "Are there any aspects of this Resettlement Action Plan that you do not agree with?", almost half (46%) said they were concerned about the housing component and Interest Bearing Deposit (IBD) compensation arrangements. Most respondents did not want to have any IBD provision but wanted to be paid in cash. Other concerns related to a general lack of understanding about the RAP process and what it entailed.

In response to the Question I5: “Are you willing to self-relocate?” two-thirds of TB1 land occupants expressed a willingness to relocate, as indicated in Figure 3-12.

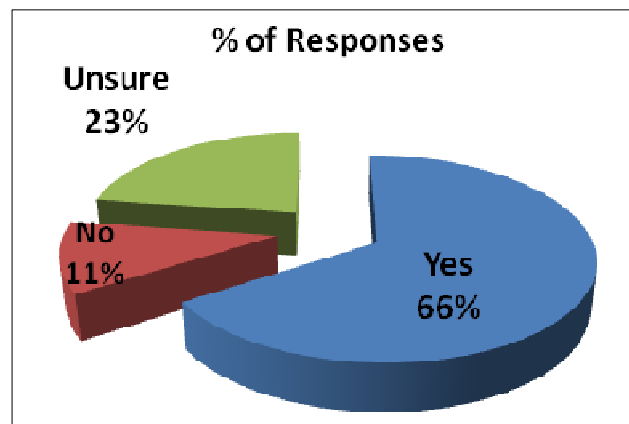


Figure 3-12: TB1 Respondents' Willingness to Relocate

In response to the Question I7: “Do you think your life will be better after the relocation?” 20% of respondents were unsure, 30% answered yes, and 50% responded no.

Significantly, 63% of the TB1 subset of long-term occupants was particularly pessimistic about the future. This negativity is consistent with expressed concerns about shortage of land, replacement houses and adequate compensation levels.

The increased levels of longer term occupants concerns about moving, and their lack of optimism about the future, may reflect their greater immediate loss of assets they will experience by contrast with the ‘newcomers’.

In answer to Question I8: “Do you think there will be any benefits from the relocation?” most affected land occupants understood the advantages of considerable cash stream benefits, employment and housing packages (Figure 3-13).

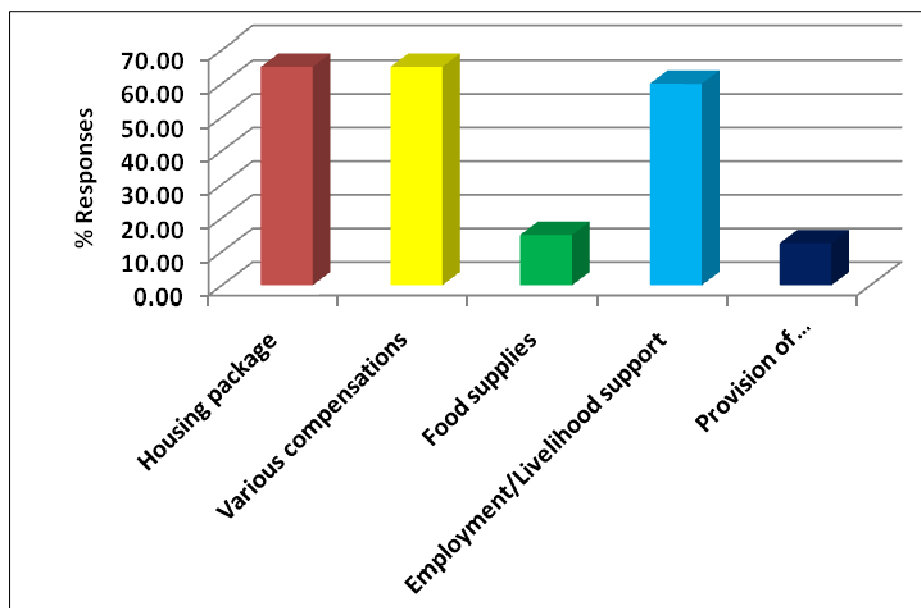


Figure 3-13: Perceived Benefits of Relocation

When asked if there was anything else they wished to say, 7.6% demanded equivalent resettlement packages to those provided elsewhere, 13% wanted improved provision of services, and 18% wanted improved houses. There was again a strong disapproval of the IBD component; they want all payment in cash to be paid before entry is made onto the TB1 site for work.

These findings are not atypical in the general context of Hides-Komo region resettlement. During initial disclosure, when these concerns are recorded, landowners voice all their anxieties. Over the following months, they become attenuated as they learn more about the resettlement process and prioritize their demands. In particular, with almost two years of resettlement impact in adjacent areas, newly affected landowners are wiser as to what they want and what they think they need, and how they should respond to gain maximum benefits from the Project.

4.0 CONSULTATION AND DISCLOSURE

4.1 Overview of Consultation and Disclosure

This section outlines consultation and disclosure activities undertaken for the RAP preparation.

An initial resettlement awareness road show was undertaken on 9 March 2011. In addition to RIT consultation activities, the ELC gave support. ELC accompanies RIT members during group and household consultation sessions in order to provide legal advice to households as well as to the RIT.

At the express request of the Project, MCJV also provided an independent public disclosure on 10 March 2011 to present the environment and business impacts for all affected households.

Table 4-1: Summary of TB1 Consultation Interactions for Affected Households and Communities

Consultation Type	Date	Number of Meetings	Number of Attendees per Meeting
Resettlement Public Disclosure Event	9 March 2011	1	62
MCJV Environment & Business Disclosure	10 March 2011	1	18
ELC Consultations	March-April 2011	8	2 – 8 per house

4.2 Consultation and Disclosure Methods

Verbal information (during community meetings and household meetings) on the proposed TB1 location was supported by various materials concerning the resettlement process. Information provided included:

- *Resettlement Information Booklet for the PNG LNG Project* (written in English, Huli and Pidgin); and
- Flipcharts and A0 vinyl sheets to support verbal presentations during public meetings.



Figure 4-1: Resettlement Public Disclosure 9 March 2011

Immediately after the first community and consultation meeting, TB1 households were consulted to establish their awareness and understanding of the resettlement process.

Survey results to assess feedback are summarized in Table 4-2, which shows that continuous public engagement and disclosure is required.

Table 4-2: Awareness of the RAP Consultation Process

Question No.	Question Posed	Yes (%)	No (%)	Unsure (%)	No Response (%)
I1	Did you attend the road-show presentations of the RAP?	73	28	0	0
I2	Do you think you understand the Resettlement Action Plan?	60	15	25	0
I3	Would you like the Project to explain the Resettlement Action Plan to you again?	58	35	8	0

4.2.1 Regional Stakeholder Issues

A number of ongoing issues within the wider Hides-Komo catchment area continue to preoccupy landowners.

- People in the region want to know about community development projects;
- Employment is a major concern of most resettlement-impacted people and they want to be confident that they have priority consideration in this regard. In effect, each resettlement affected catchment wants to ensure any intervention or construction on their site utilizes labor only from the people occupying that land;
- Lancos and seed capital funding have satisfied only the few. Many people in the region feel the government has not distributed the LBSA seed capital equitably.

Moreover, the existing tensions between Duguba Huli and Huli Huli continue to undermine the umbrella HGDC; and

- There are a number of court actions against the PNG government challenging the legality of the O&GA legislation provisions in respect to sub-surface ownership and benefits. One party to this litigation is a member from the Duguba Huli ethnic group.

4.3 RIT Consultation Summary

Table 4-3 is a sample consultation log record from the public engagement and disclosure program. The issues raised concerning employment, census and survey calculations, resettlement packages and compensation, land deprivation and shortage were common to most question and answer sessions in resettlement-impacted catchments.

Table 4-3: Sample RIT TB1 Consultation Sheet

Questions / Comments	Person Asking Question	Main Issue	Answer	Further Action required
Comment - on behalf of the community, landowners and councilors would like to see the resettlement process be transparent whereby all stakeholders can greatly benefit.	M	Benefits	Acknowledged	N/A
Issue - outstanding payments are still due to landowners for the initial clearing of the contractor laydown area and want to know who is responsible for paying the compensation?	M	Compensation	We will contact MCJV and request that send a representative to address your issue	Email sent to MCJV reps
Concern - permission was not obtained from the community for the use of chemicals in the area. He was concerned about the lack of awareness on the insecticides or (chemicals) impact to humans as well as the environment	M	Environment	We have no knowledge of what sprays were used. We will endeavor to find out if this occurred.	MCJV alerted and requested to address
Issue - social services non- existent in area; aid-post, schools located in tribal enemy's boundary in most cases people do not attend these facilities.	M	Social Services	A comprehensive community support program will be rolled out and community feedback and input sought on these plans.	L&CA Manager to address
Concern - women should also be given the opportunity for employment by the contractor	F	Employment	Acknowledged. We will ask the contractor to come and explain employment opportunities tomorrow.	MCJV to brief community. (Done on 10/3/2011)
Issue - expects the resettlement assistance package to be the same	M	Resettlement Compensation	Acknowledged. RIT will be following up this	RIT to follow C&S

Questions / Comments	Person Asking Question	Main Issue	Answer	Further Action required
as HGCP and Komo			disclosure with negotiations about the resettlement benefit packages.	surveys
Concern - locals are not happy to see outsiders being employed by contractor. They would like to be employed as Project is on their land and land shortage is now going to be an issue as he claims to have no other land to relocate to.	M	Employment	We will pass this concern on to the contractor.	MCJV informed

4.4 MCJV Consultation Summary

MCJV also provided an independent public disclosure on 10 March 2011. Table 4-4 is the consultation log record from that public engagement and disclosure program.

Table 4-4: MCJV Consultation Sheet

Questions / Comments	Person Asking Question	Main Issue	Answer	Further Action Required
How quickly can MCJV get in and start the crushing work?	M	Business	MCJV will start work on the crushing as soon as they get cleared to start by Exxon Mobil	N/A
What equipment and machines will MCJV be bringing to the crusher for the work?	M	Business	MCJV will bring in 2 loaders, 1 excavator and 1 dozer for the first work. When the crushing starts properly another 2 excavators and 3 trucks will be bought in for the work.	N/A
How many local people will MCJV employ for the work?	M	Employment	MCJV will be able to offer jobs to 30 local people but they will have to pass the medical examinations	Local Chief to provide MCJV with 30 names for medical screening
How will the local people know where the boundary of the quarry will be?	M	Business	MCJV will get the Surveyors to mark the outside boundary of the area with colored ribbon on trees	MCJV to survey and mark the boundary
When will the local people who have been doing night watchman duties be paid?	M	Compensation	MCJV Quarry Manager will go and get the pays as soon as this meeting is finished	Dispatched a representative to go to Pioneer Camp and bring the pays

4.5 ELC Consultation Summary

A number of consultations were held during the first week in April 2011 and it immediately became obvious that many land occupants in the TB1 community were not apprised of the formation of KiemuQC JV Lanco – the landowner company that has been negotiating with MCJV. Some land occupants expressed unhappiness with KiemuQC JV directors and claimed there was previous history of disappointing results when these same directors dealt with resource companies, such as their failure to secure a new school and aid-post.

ELC also noted a land dispute between Tagobali and Alo clan, both part of the Homani phratry. While Alo clan members have no gardens or houses on the site, they lay claim to some part of the TB1 site.

5.0 PROJECT IMPACTS

5.1 Introduction

Borrow pit construction will mean that people who currently reside within the locale, or use land and resources within this area, will no longer be able to do so and/or will have to relocate. Table 5-1 summarizes potential impacts and mitigation measures.

Table 5-1: Summary of Impacts and Mitigation Measures

Impact	Scale	Mitigation – Project Responses
Residential structures affected	Six Type 1, and 41 Type 2/3 houses, 47 structures affected.	Package reflects agreed cash and in-kind compensation provisions for affected land occupants. Packages differ according to the type of structure being affected and permanence of residence. Land occupant acceptance evidenced and signaled by signed agreements with ELC.
Loss of access to land and natural resources (deprivation)	Approximately 50.5 ha	The Company will pay the Landowning clans compensation as defined in the IPAs, in compliance with Section 118(2) of the Oil and Gas Act, at equivalent market rates. Three forms of payments will be made: a) Compensation for the use and enjoyment of the surface of the land (annual payment) b) Compensation for land surface damage (one-off payment), and c) Compensation for initial damage to naturally-occurring bush, vegetation, birds, animals or fish (one-off payment)
Borrow pit gravel	42-50 ha	The Company or Contractor will pay royalty for every cubic meter of gravel, sand or stone within the Timalia license area measured in situ, which is taken and used by the Company for civil construction or maintenance works. The rate negotiated between MCJV and Clan Representatives is currently K2.10 per cubic meter (GoPNG rate is K1.70).
Loss of gardens, trees and crops	Approximately 1.68 ha of field gardens in the central section (12 gardens) and 1.56 ha of house gardens. The majority of occupants do not have field gardens on the TB1 site.	Individual land occupants are entitled to one-off damage compensation payments. Compensation at the equivalent of market rates will be paid for crop losses, and temporary rations are provided to households resettling to assist with subsistence requirements until gardens are re-established. A livelihood restoration program will be implemented to assist affected households with restoring or improving livelihoods.
Disruption in social networks	Most TB1 land occupants have alternative residences, having only moved onto site in the last few months. Many will move to their father's clan land.	Most households will self-relocate to areas in close proximity or back to their recent points of departure. 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.

Impact	Scale	Mitigation – Project Responses
Impacts on business and employment	No functioning trade stores present at the time of survey. No loss of employment.	Not applicable. There will be some post Project employment and business opportunities developed to continue mining and selling aggregate.
Community services and facilities	No community infrastructure will be impacted by the development	
Cultural Sites	10 minor sites will be impacted	Compensation schedules for range of cultural heritage sites. Skeletal material to be handled by PNG National Museum. None found. Appropriate rituals have been undertaken by local landowners and caretakers of sites. Sacred stones and artifacts 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.
Influx of migrants	Possible regional population increase and influx due to construction activities, improved services and employment opportunities.	Squatter settlements will be difficult to establish in this area as most of the land is under customary ownership so that migrants without close relatives will find it hard to maintain any subsistence livelihood. Settlement by clan members and their relatives can occur, as is the situation on the site, where immediate benefits can be obtained, such as compensation payments or employment. The Project is currently developing Project Induced In-Migration response plans using a community-based process. The outcomes of these activities will assist in developing an area specific plan for the Hides and Komo areas. It is anticipated that these plans will be implemented by mid 2011.
Access around site	A demarcation fence around the site will restrict access across the site.	Access to the north and south of the site to the Timalia River will be unrestricted.
Access to water	No sites within the quarry are used	None. A portion of the compensation package is allocated to provision of water tanks for rainwater collection at replacement homes. Should any impacts on the larger community be identified then similar water collection centers will be constructed, as has been undertaken elsewhere on the Project.
Social Infrastructure	None	Landowners and land occupants will benefit from the region wide community infrastructure that will eventuate both from the Project discretionary programs and the Government commitments made in the LBBSA.

5.2 Cumulative Impacts

Cumulative impacts are expected to be minimal as the site is on the edge of the main Hides and Komo areas of development and impact. In addition, most settlers on the site are newcomers. Project resettlement experience to date suggests most affected land occupants self-relocate without undue and adverse impacts on their subsistence livelihoods or access to available land.

Resettlement sites have been identified by five of the eight resettled households qualifying for a full package – two of three resettlement sites are located close to the borrow pit, one near Komo and one near Hides.

The very successful livelihood restoration program will monitor the circumstances of land and food shortage, and based on the case-by-case findings the Project will respond with further measures where any person or family suffers hardship or is worse off than was the case in the pre-resettlement phase.

5.3 Eligibility and Entitlements

The RPF provides a full schedule of eligibility criteria for compensation and entitlements that will be adopted for the Project. Damage and deprivation payments will have regard for the customary classification of landowners, landholders and land users with respect to their tenurial status and portfolio of land rights and responsibilities.

Appendix 1 summarizes eligibility and entitlements relevant to the affected TB1 community for statutory damage and deprivation compensation. Once the total amount required for clan compensation in a specific area is identified, this amount is recognized as a liability, which is accrued and reserved in the Company account until such a time as payment can proceed.

Allocation of land between clans is agreed on through a process of clan mapping, the results of which are recorded in clan area maps for each area once complete. These maps are included in clan agency agreements, signed with each clan, in which the person(s) designated by the clans to receive payment from the Company are specified.

6.0 LIVELIHOOD RESTORATION PROGRAM

6.1 Introduction

The livelihoods restoration program across the Komo and Hides area was detailed in the HGCP RAP (Section 8). This program will be inclusive of all households affected by resettlement across the Project area, including TB1 affected households. This section provides an overview of the program described, with reference to TB1 as appropriate.

6.2 Implementation Schedule

Implementation will be phased, with the first phase directed at replacing mainly existing gardens and pilot agribusiness opportunities, and the second phase geared at the introduction of new opportunities, training in non-agricultural skills and diversification. There will be some overlap between phases. A similar schedule will be adopted as for the Hides and Komo sites developed by the Project.

6.3 Resources Needed to Undertake the Livelihood Program

The Livelihood Restoration (LR) Team supports all area resettlement projects. Each requires different staffing according to implementation stage. TB1 is the sixth implemented after Komo. An extension center that produces improved varieties of the staple foods crops have been established at Komo and Mabuli (near HGCP).

Each household being resettled will be assisted for two years after they move location. Thus, the program duration is second quarter of 2011 to second quarter 2013.

7.0 GRIEVANCE MANAGEMENT FRAMEWORK

The resettlement process considers grievances through the Grievance Procedure, which will apply across all Project activities. The Grievance Procedure is available to people affected by displacement, other local populations residing in the Project impact area, and other stakeholders directly affected by the Project.

The Project will disclose information about the Grievances Procedure to the affected TB1 community, adjoining landowners and interested persons and organizations. The transparency and fairness of the process will be explained through both verbal (via regular stakeholder meetings) and written (newsletters, posters, etc.) updates.

8.0 ORGANIZATIONAL ROLES AND RESPONSIBILITIES

Overall responsibility for the planning, implementation, and monitoring of the TB1 resettlement program rests with the Company. Further details of the organizational structure of the Company are provided in the HGCP (Section 11) RAP.

9.0 MONITORING AND EVALUATION

The purpose of the Monitoring and Evaluation (M&E) system is to provide Project management, and directly affected persons, households and communities, with timely, concise, indicative information. Information is provided on whether compensation, resettlement and related development investments are on track and achieving Project goals. That physically and economically displaced persons have had the opportunity to at least restore their livelihoods and standards of living and to indicate the need for any course corrections. The Resettlement Team Coordinator (RTC), supported by the Field Implementation Coordinators, will coordinate M&E internal and external implementation.

Preliminary monitoring of implementation activities will commence at the TB1 site when the RIT and ELC representatives monitor the payment of transit allowances to affected households as part of the household consultation and negotiation process. The Project will undertake input/output monitoring based on information collected on a range of socio-economic parameters – education, health, investment, expenditure, etc., – to assess the post-relocation status of affected households and to gauge the success or otherwise of implementation programs. Outputs will further be measured by a set of mainly quantitative indicators measured against the targets of each action.

The Project, for example, plans to distribute mosquito bed nets to all relocated households.

The output measure would be the number of affected people who received mosquito nets. Additional examples of output measures include:

- Households that received rations for nine months after relocation;
- Households that received replacement garden tools; and
- Displaced individuals from TB1 that attended training and benefited from livelihood restoration programs.

External outcome evaluation will be conducted by an independent external entity on a semi-annual basis during RAP implementation as defined in the RPF with the Project collecting the baseline information. The outcome evaluation will be conducted about four months prior to the expected completion of the TB1 RAP implementation to allow time for necessary actions prior to the external completion audit.

The Completion audit will occur, as a once off event, when all RAP measures have been implemented and, in terms of livelihood restoration, when a sufficient amount of time has passed to produce verifiable outcomes.

Further details of the monitoring process to be implemented can be obtained from the Komo (Section 10) and HGCP (Section 11) RAPs.

10.0 RESETTLEMENT IMPLEMENTATION SCHEDULE

Table 10-1 sets out the tasks required in order to implement resettlement. It should be noted that this schedule is preliminary until final resettlement planning is completed, after which a more detailed implementation schedule will be developed:

Table 10-1: Implementation Schedule

Activity or Task	Actions	2011						
		M	J	J	A	S	O	N+
Planning	Completion of RAP							
Approvals	Internal EHL approval of the RAP							
	RAP approval by Lenders							
	Internal approval of detailed implementation work plan							
	RAP Summary to community							
	Ration & building material mobilization							
Land Issues	Confirm resettlement sites & water sources							
Confirm and finalize compensation agreements	Carry out final identification of vulnerable households requiring assistance							
	Verify inventories of affected land and assets (incl. special valuations)							
	Finalize entitlement contracts (housing and compensation agreements)							
	Transit allowance, distribution tools & nets							
Compensation payments	Cash payments							
	Ration distribution							
	Housing package, distribution materials & advisors							
	Deferred compensation allocations							
Relocate households	According to phases of construction							
Graves, spiritual & other cultural sites	Relocate / recover							
Livelihood restoration and development	Replacement of gardens							
	Non-agric training & agribusiness programs							
Verification and monitoring	Design & implementation of monitoring and evaluation system (ending May 2013)							
	Local advocacy & compensation advisors							
	Internal monitoring (to 2013)							
	External evaluation (including a once off completion audit at the end of evaluation period)							

11.0 COST AND BUDGET ESTIMATE

Table 11-1 provides a summary of costs to replace and compensate assets as defined in the housing and compensation agreements, community assets and mitigation programs to restore and improve livelihoods. In addition, provision is included for the one-off IPCA payments to the clans, who also receive an annual rental payment of K700/ha.¹ Total costs for the TB1 resettlement process will be in the order of US\$1.1 million.

Table 11-1: Resettlement Costs

Item	Total US\$ (million)
Asset and garden compensation ²	0.61
Livelihood and other assistance	0.18
Community development projects	0.07
Other	0.03
IPCA payments	0.21
Total	1.10

¹ All IPCA payments will be reviewed to confirm equivalence to FRV.

² Tree and garden crop compensation payments will reflect FRV.

APPENDIX 1: ELIGIBILITY AND ENTITLEMENTS

Eligibility	Affected Category	Assistance/Compensation	Considerations for Implementation
Houses and other Fixed Assets (Physical Relocation) - Resettlement Assistance Package			
Recognized owners of the assets and structures (identified in the census and surveys by the cut-off date)	Category 1 Households with an available relocation home	Housing: The housing package totals K51,000. (a) Component 1) Household has the option of selecting K10,000 either in cash or deposited into a Bank Managed Fund - Interest Bearing Deposit or Savings Account, or as a deferred payment. (b) Component 2) Household will have K10,000 deposited into a Bank Managed Fund - Interest Bearing Deposit, or allocated as a deferred payment for a minimum of six months, on which the Company will provide a K400 bonus. (c) Component 3) Household will receive K30,000 for building and housing materials. Household has the option of selecting this as interest bearing deposit, or as a deferred payment, building materials, or savings account deposits. Alternative options with conditions are also available. (d) Component 4) For households with multiple wives and houses an additional sum of K10,000 will be provided to the wife of the household, upon completion of her house. The same applies to mature sons or daughters occupying a separate structure. (e) Transit assistance of K1,000. (f) Dismantling incentive of K500.	- Clearly inform about site development and relocation schedules - Consultation to determine list of options for materials, goods and equipment - Delivery of in-kind packages will be negotiated upon agreement and delivery will start at the moment of relocation

Eligibility	Affected Category	Assistance/Compensation	Considerations for Implementation
		Provided to all households: Transition rations for up to nine months (forty weeks). Livelihood restoration measures directed at establishing and maintaining subsistence patterns. Access without financial penalty to old house materials. Replacement garden tools. Health care program: malaria nets, and medical monitoring of relocated individuals' health. Provision of Compensation Advisor to assist and advise on investment and business options.	
	Category 2 Households with no available relocation land	Support will be provided for finding suitable land for relocation Up to kina 4,000 in cash and in-kind.	As for Category 1
	Category 3 Newcomer households	Newcomer households who have moved onto the site within the last 6-8 months and established speculative - type structures will receive a package of K1,250 for the structure and K750 for inconvenience and uncertainty created by the development process prior to the Projects involvement.	Evaluate all households to confirm that no vulnerable households exist, with the assistance of ELC
Land Deprivation			
Recognized landowners	Clans or other groups (e.g. ILGs) with rightful recognized claim to communal land	- Clans within TB1 consist of the Tagobali and possibly Alo, who have also claimed the TB1 area. Clan leaders are still to agree on the allocation of land within the quarry to each clan. - Annual payment for land deprivation as per guidelines set out in IPA, includes compensation for use of, and damage to surface land, as described below:	- Clearly inform about site development and relocation schedules. - Clearly inform affected group authorities about site development and land allocation schedules and regulations. - Compensation paid at agreed intervals directly and publicly to landowner.

Eligibility	Affected Category	Assistance/Compensation	Considerations for Implementation
		1. Compensation for the use and enjoyment of the surface of the land: 50.5 ha	The Company will pay Landowners at a rate per year (currently negotiated at K700 but to be verified against market rates) for each hectare of land occupied (but not otherwise damaged) by the Company for depriving Landowner(s) of the use of the surface of the land, for cutting Landowner(s) off from other parts of their land, and for any loss or restriction of rights of way, in compliance with Section 118(2).
		2. Compensation for land surface damage: approximately 43 ha	If the surface of any land of the Landowner(s) is damaged by the Company, the Company will make a one-off compensation payment (currently negotiated at K2,575, to be verified against market rates) to the Landowner(s) for each hectare of the land surface which is damaged by the Company.
		3. Compensation for initial damage to naturally occurring bush, vegetation, birds, animals or fish: 50.5 ha	The Company will make a single payment to the Landowner(s) for any damage on their land to the natural bush, birds, and fish (currently negotiated at K2,000, to be verified against market rates) for each hectare of land on which the Company damages the natural bush.
		Gravel Royalty: m3 (some 200,000m3)	The Company will pay royalty for every cubic meter of gravel, sand or stone within the TB1 license area measured in situ, which is taken and used by the Company for civil construction or maintenance works. The rate negotiated between MCJV and Clan Representatives is currently K2.10 per cubic meter.

Eligibility	Affected Category	Assistance/Compensation	Considerations for Implementation
	Individual/ household landowners for garden land	• Annual payment for land deprivation as per guidelines set out in the IPCA (as above if land individually owned). • Compensation for loss of crops and other assets as per Damage to Trees and Crops below. • Livelihood restoration measures as above. • Provision of Compensation Advisor.	• As above for clan land. (Note that there is no privately registered land in the Project area.)
		• Vulnerable individuals and groups including aged, young, infirm and disabled will obtain the following: • Assisted transit; • Provision of enhanced house facilities on request and after consultation; and • Other assistance on request and after consideration.	• Identify all vulnerable households and the nature of vulnerability prior to resettlement, and monitor closely during implementation to ensure effective
Damage to Trees and Crops			
Recognized land and resource users and owners	Clans or other groups with rightful recognized claim to communal land	• Cash compensation based FRV for trees naturally seeded in affected area as identified in the IPA, as included above for Land Deprivation.	• Clearly inform about site development and relocation schedules. • One-off compensation to community (landowners group) directly and publicly to landowner

Eligibility	Affected Category	Assistance/Compensation	Considerations for Implementation
	Individual/household landowners for trees and crops.	• Cash or in-kind compensation at FRV for affected area for crops and trees planted by individuals (excluding mature crops). • Compensation for garden infrastructure improvements (including garden fences and trenches). • Assistance to restore livelihoods through economic restoration programs.	• Clearly inform about site development and relocation schedules. • Cash compensation at FRV. Households will assist with the verification of trees to ensure that full market rates are paid. • Cost at replacement of trees considering "lost production" at full replacement value • One-off compensation or at agreed intervals to individual/household owners directly and publicly • Replacement or market value of trees and crops in the calculation of compensation amounts • Compensation will include land and resources not affected by the Project but that will not be accessible due to relocation of owners to distant locations. (see reference below: Reduced Access to Land and Resources) • Economic and livelihood restoration programs will have provisions directly targeting affected individuals/households • Provide compensation at or prior to the moment when the land/resource stops being available to the owner. • If significant portion of land established to gardens is lost then physical relocation will be considered (as included above for Houses and Other Fixed Assets).

Eligibility	Affected Category	Assistance/Compensation	Considerations for Implementation
Reduced access to Land and Resources			
Persons/ Clans recognized as landowners of land to which access is reduced	Clans or other groups with rightful recognized claim to communal land	• Cash or in-kind compensation at agreed intervals until reduction in access ceases. • Assistance to restore the livelihoods through economic restoration programs.	• Clearly inform about site development and relocation schedules. • Cash compensation at FRV • “Lost production” compensation will be considered for compensation. This means that if there is interrupted access to land during construction for a short time then affected people will be eligible for compensation for lost production – i.e. what they could have grown or done with the land had they had access. • One-off payment or compensation at agreed intervals to individual/household owner directly. This will be done publicly. • Economic and livelihood restoration programs will have provisions directly targeting affected individuals/households • Compensation provided at or prior to the moment when access to land/resource takes effect. • If access to land and resources is permanent due to distant relocation, Land Deprivation compensation will apply.
Persons recognized as landowners of land to which access is reduced	Individual/ household landowners and land users with reduced access to land due to Project activities.		
Impacts on Business and Employment			
All affected persons with monetary income through own business or as workers	Individuals with proven revenues from own business	• Cash payment for proven loss of reasonable profits due to physical displacement. • Cash and assistance to re-establish business or other suitable economic activity. • Training programs and employment related to local content development.	• Clearly inform about site development and relocation schedules. • Compensation will be assessed on a case-by-case basis.

Eligibility	Affected Category	Assistance/Compensation	Considerations for Implementation
	Individuals with proven loss of wages	- Cash payment for proven loss of wages due to physical displacement. - Training programs and employment related to local content development.	- Clearly inform about site development and relocation schedules. - Compensation will be assessed on a case-by-case basis.
Impacts on Community Infrastructure			
Owners of Public Infrastructure	National, Provincial or Local governments, Clans or ILOs with recognized ownership of infrastructure affected by the Project	- Infrastructure will be replaced to an as-before or higher standard. - Alternatively, compensation will be paid at full replacement cost, without allowance for depreciation.	- Clearly inform about site development, relocation schedules and potential impacts to infrastructure. - One-off payment or assistance to replace infrastructure as appropriate and assessed on a case-by-case basis.
Community social infrastructure	Relocation of community structures e.g. churches, schools, etc.	- Full replacement and construction by the Project. - Full replacement compensation and constructed by community. - If social infrastructure requires relocation, a suitable location will be identified to allow continued access for those affected.	Clearly inform about site development, relocation schedules and potential impacts to infrastructure.

APPENDIX 2: PHASED RESETTLEMENT/QUARRY START-UP

Approach

A phased access approach will be used to facilitate construction at the TB1 quarry while resettlement activities are completed. Prior to any physical construction activities, the following activities will take place:

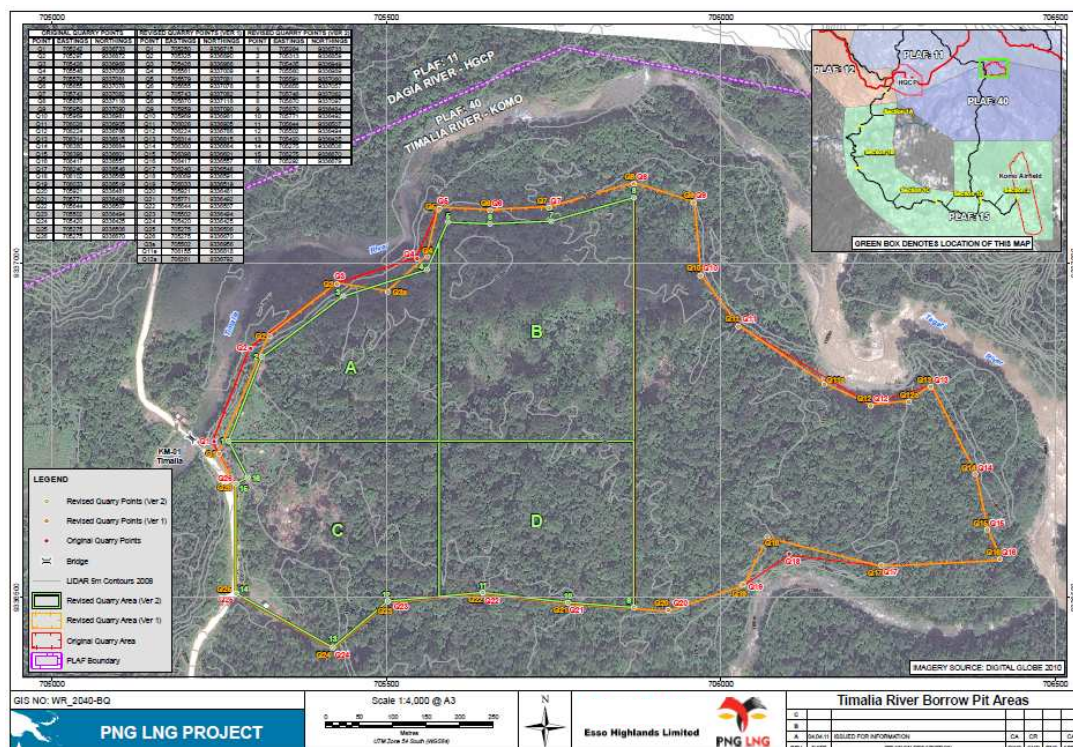
- Local community awareness program rolled out and ongoing, especially targeting risks associated with children and hazards associated with pedestrians, worksites and vehicles.
- Local area employment initiated.
- Safety and induction training for locally hired employees.

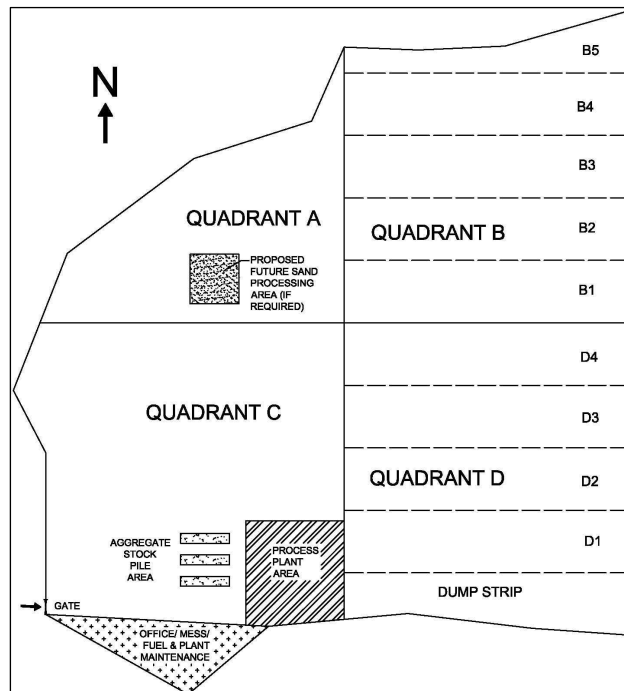
TB1 has been divided into quadrants, A, B, C and D. Households reside entirely within Quadrants A and C. Economic gardens are located in Quadrant B.

Start-Up Construction Activities

Quadrant C, Initial Works

Proposed development will begin in Quadrant C: Initial works, including site access, will start in Quadrant C clearing an area approx 100 x100 m along the southern boundary line, towards Quadrant D. The community will be engaged to build the first Huli style fence barrier at the road entry area each side of site entry gates. During this time, the community will prepare to commence works on the main Huli style community separation fence.





Existing Uses

Quadrant A:

- Household structures
- Kitchen gardens

Quadrant B:

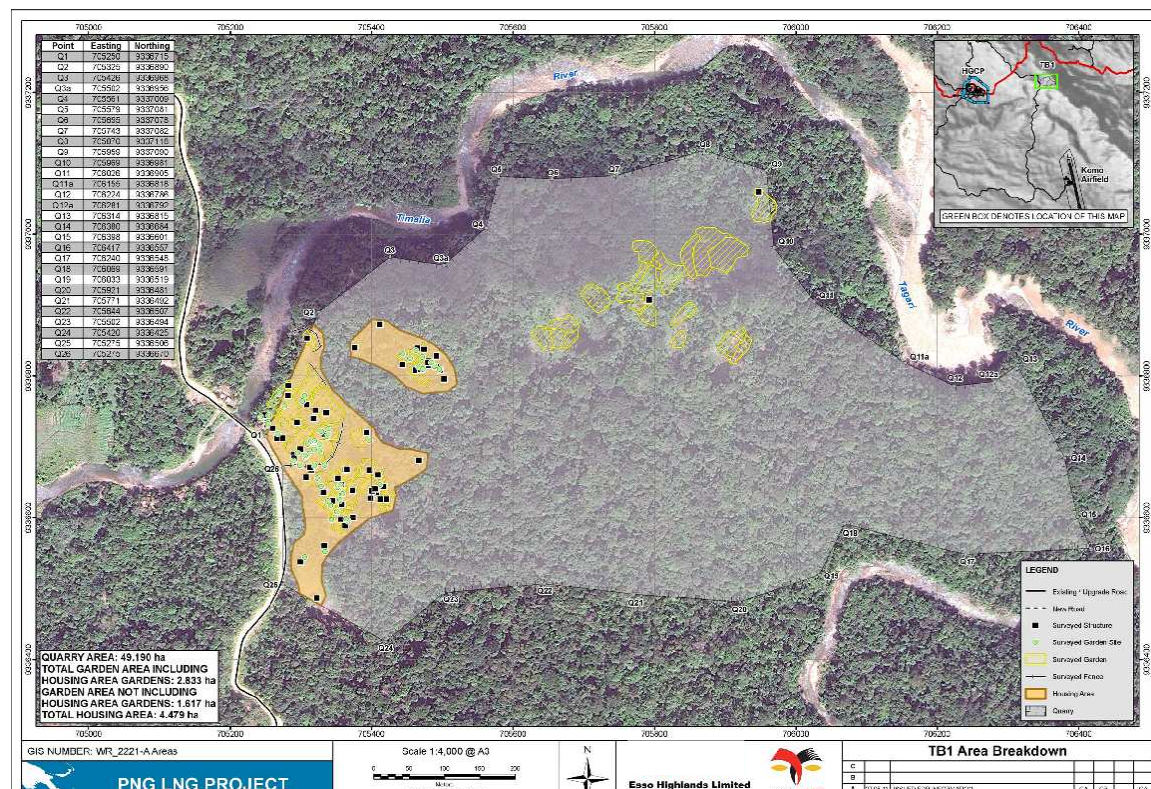
- Economic gardens

Quadrant C:

- Household structures
- Kitchen gardens

Quadrant D:

- No economic assets



Areas will be cleared for the Process Plant and stockpiles. Top soil removed from the process area will be used to create bund walls around the process area and a safety mesh barrier installed on top of the bund.

Bush clearing will be by hand through areas needed for the access road, stockpile and mobile process plant pad. Safety bunting will be installed as hand bush clearing progresses to provide temporary community separation from work areas whilst the main inner community separation Huli style fence is being erected.

Temporary bunting along this area will remain in place providing a second level of community access control / separation. Bush clearing will continue through quadrant C over into the first section of quadrant D marked as D1. Community access control to hand clearing areas in this preliminary stage is controlled using security and spotters.

Locally employed and trained spotters will be stationed around the process area along the safety barrier fencing to prevent unauthorized access by the community, especially children.

Quadrant D, Quarrying Activities

Quarry construction and mining activities in this area will be accessed through Quadrant C. Mining would progress northward from Quadrant D to B. By the time Quadrant D2 is reached, resettlement will have been completed.

Tree felling will be first undertaken through hand-cleared areas in Quadrant C as needed for access road, stockpiles and mobile process plant pad then over into quadrant D. Top soil will be removed from access road, process and mining areas as tree felling progresses and strategically placed as safety bunds around the perimeter of immediate work areas with safety bunting fence installed on top to further demarcate work areas.

Once the crusher pad area has been compacted, the track mounted process plant will be brought into position and set up for operation.

On completion of the main Huli community separation fencing for quarry extraction, or if resettlement has been completed, hauling of material will commence to feed the process plant. The first few days of production will be for sample testing and produce material to develop required hardstand areas for entry road, stockpile, equip and office workshop facilities.

Concurrent Resettlement and Construction Start-Up Schedule

The initial two-month schedule of activities is described below. This schedule is considered sufficient to complete the physical relocation of households from the site.

Community Health and Safety Actions

Site Entry

The only usable site entrance is along the Southern boundary in Quadrant C and this area has been cleared in the past by landowner saw mill operators. The entrance will be gated and a Huli-fence constructed to restrict and control vehicles entering and leaving the site.

- The entry will be controlled by locally, trained security personnel day and night;
- Only authorized personnel will be allowed to enter site;
- Visitors will be only allowed entry with approval of the Site supervisor or his designate; and
- All visitors will be required to report to the Site office.

The working pit areas will be patrolled by security each night to protect against unauthorized entry. In addition, all Pit faces are planned to be no more than 3 meters high and will be battered and left in a safe condition each evening.

Planned Schedule

Week	Quad	Construction Activity	Resettlement Activity
1-2	C, D	- Bush clearing by hand - Installation of temp safety bunting to provide barricades (netting as QA1) and signage - Use of spotters to avoid locals accessing work areas during start up commence in week 1 - Bush clearing will be ongoing	- Complete remaining agreements as needed - Verification of structure dismantling - Payment of Part A cash compensation and agricultural compensation - Rations and garden tools delivery to Type 1 households
3+	C, D	- Commence tree felling - Ongoing clearing over the next month only in construction areas	- Verification of structure dismantling - Payment of part A cash compensation and agricultural compensation - Verification of houses at resettlement sites - Monitoring of physical resettlement including vulnerable people
3-4	C, D	- Commence top soil removal - Set up stock piles/process plant area	- Verification of houses at resettlement sites - Monitoring of physical resettlement including vulnerable people
4 (est.)	C	Set up plant (duration 5 days max)	- Verification of houses at resettlement sites - Monitoring of physical resettlement including vulnerable people - Payment of payment part B cash compensation - Rations delivery to Type 1 households
4/5	D-D1	- Top soil removal of quadrant D Section D1 - Commence extraction/crushing for testing aggregates	Payment of payment part B cash compensation
5+	D	Continue with mining of quadrant D and process crushing activities awaiting access to other TB1 quadrants as per the resettlement implementation plan	- Payment of payment part B cash compensation - Rations delivery to Type 1 households