



EXXONMOBIL PNG LIMITED



Papua New Guinea LNG Project
KUTUBU TO KANTOBO (KP80-153) CRP

ADDENDUM No.3:

**KP100.9 and KP0.90 Kutubu Spur line Exclusion
Zones**

PGHU-EH-SPZZZ-490034

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ACRONYMS

ACRONYM	Definition
CAA	Clan Agency Agreement
CCA	Clan Caretaking Agreement
EMPNG	ExxonMobil PNG Ltd
FRV	Full Replacement Value
HGCP	Hides Gas Conditioning Plant
IPCA	In Principle Clan Agreements
KP	Kilometer Point
L&CA	Lands & Community Affairs
LNG	Liquefied Natural Gas
MEZ	Mainline Exclusion Zone
PNG	Papua New Guinea
RAP	Resettlement Action Plan
RoW	Right of Way
VLO	Village Liaison Officer

1.0 Introduction

EMPNG conducts routine safety inspections along the pipeline Right-of-Way (RoW). During recent inspections of the pipeline between KP80-KP153 (Kutubu to Kantobo), it was concluded that there is potential for landslips at certain locations along the sections of the pipeline RoW near KP100.9 and KP0.90 Kutubu Spur line where fill materials were deposited during the construction phase of the PNG LNG project. While no immediate safety risks were identified, were a landslide to occur, the consequences could impact nearby communities in areas they use or occupy. To mitigate this risk, EMPNG intends to designate these areas as exclusion zones, prohibiting communities from occupying or entering these areas for the life of the project, beginning February 2022.

The proposed Exclusion Zones are all outside the current EMPNG lease boundary and are occupied by gardens and structures that will all have to be relocated for the safety of the communities.

This document has been prepared as Addendum 3 to Kutubu to Kantobo (KP80-KP153) CRP, document No. PGHU-EH-SPZZZ-490090, approved by the IESC, and describes the characteristics of the proposed impact areas and how physical and economic displacement of the occupants and users of these areas will be managed. The scope and format of the Addendum is consistent with Addendums written in the KP0-80 Kutubu to Hides RAP, and conforms with the requirements of the Land Access, Resettlement and Livelihood Restoration Management Plan - Production, document number PGGP-EH-OPZZZ-000004-006, as approved by the IESC. Details of the legal framework and the social/cultural/economic context of the area are given in the Kutubu to Kantobo (KP80-KP153) CRP which is available on the project website (www.pnglng.com).

2.0 Proposed Activities

The main activities required under the proposals are:

- Clearly demarcate the land to be encompassed by the Exclusion Zones
- Identify land-owning clans and respective clan leaders
- Engagement with relevant clans and clan leaders
- Relocate structures and gardens if found to be in the potential impact areas
- Review existing In Principle Compensation Agreements (IPCAs) and update as necessary
- Review existing Clan Agency Agreements (CAAs) and update as necessary
- Develop new CAAs as necessary
- Formalize the signing of new and / or revised CAAs to signify the beginning of the new terms of Land lease agreement between the landowners and EMPNG.

The proposal is for the areas encompassed by the Exclusion Zones to be leased by EMPNG for the life of the project, beginning February 2022. There will be no construction activities *per se*.

3.0 Description of Affected areas

Table 1 summarizes the details and status of each of the Exclusion Zone with respect to the existing leases and community agreements. All land-takes listed are new and will be added to the existing land lease program and amendments made to the IPCA and CAA where the Exclusion Zone overlaps the pipeline RoW, to cater for the additional area. There are no changes to the clans and their composition that is contained in the original CRP (Kutubu to Kantobo, KP80-153) and the IPCA signed during the Construction phase still remains in use. The table also shows the land-owning clans and the current IPCA documented and in use for the respective locations. No absentee landowners were identified as being associated with the area.

Table 1: Impact locations, total area, land owning clans and impacted and status of community agreements

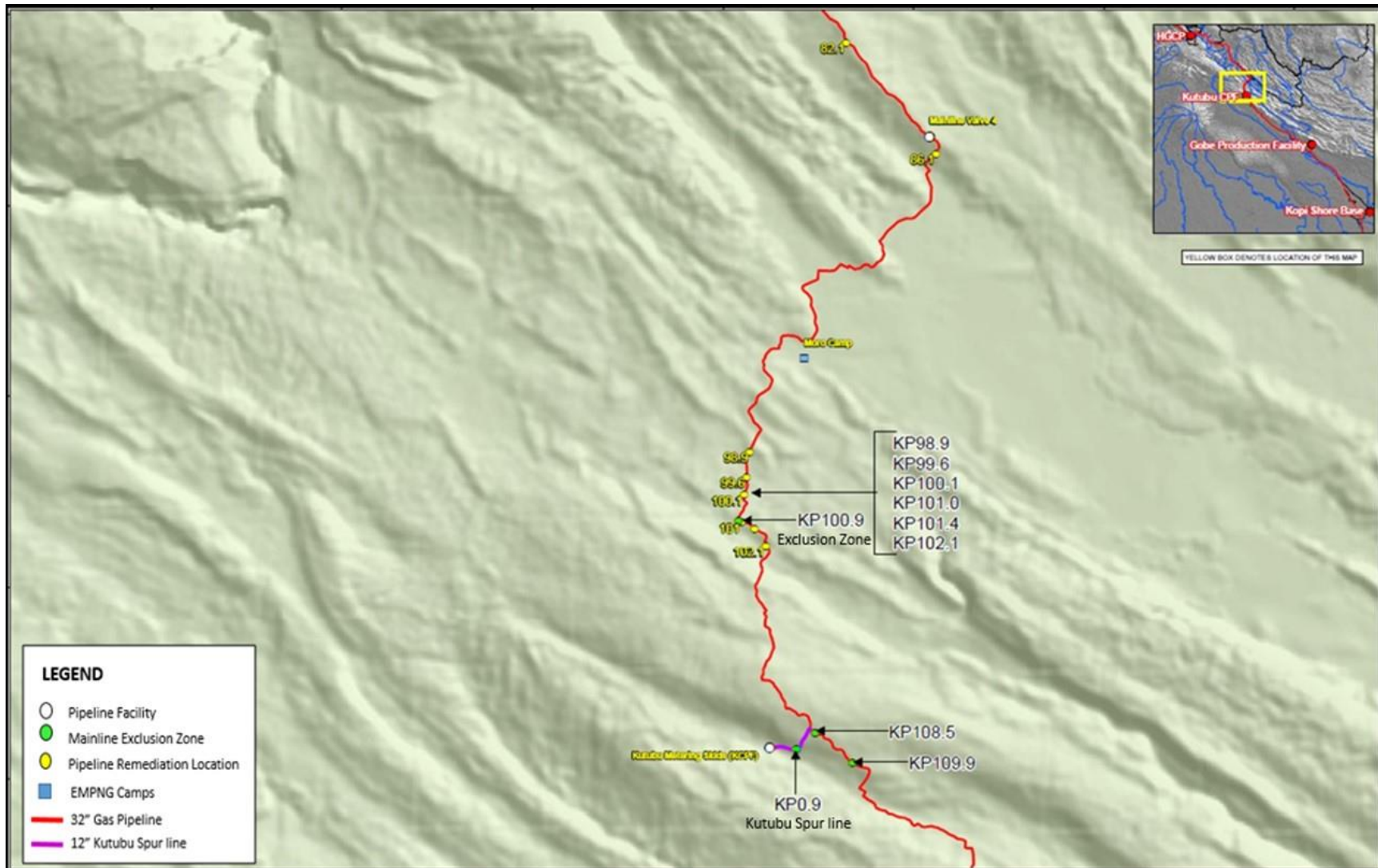
Impacted Location	Area (m ²)	Land owning clans	Relationship with existing leases	Covered by Existing CAA (Yes/No)	Covered by Existing IPCA (Yes/No)	IPCA Document No.
KP100.9	32,465	<ul style="list-style-type: none"> Ufuma¹ Yaferaka² 	Outside	No	Yes	PGHU-EH-SAZZZ-000701
KP0.90 Kutubu Spur line	20,452	<ul style="list-style-type: none"> Ufuma 	Outside	No	Yes	PGHU-EH-SAZZZ-000701

All cultural, spirit and oral sites in the impact areas were identified during construction phase and were managed.

Figure 1 indicates the approximate location of the proposed Exclusion Zones and will be effective as of the date of declaration of the new land-take. Aerial imagery for both locations and the resettlement features that will be impacted are provided in Attachments 1 and 2.

¹ All land users in both locations are from the Ufuma clan. Ufuma clan members have the legitimate land user rights

² Yaferaka clan owns very little portion of land in KP100.9 Exclusion Zone

Figure 1: Location Map - KP100.9 and KP0.90 Kutubu Spur line Exclusion Zones

4.0 Impacts

Two households will be displaced both physically and economically as a result of the land acquisition program, as summarized in Table 3. Social features that will be displaced as a result of the new land-take program are shown on their respective Resettlement features maps (Attachment 1 and Attachment 2). Both households will be provided resettlement assistance (Table 3). For physical displacements, the household at KP0.90 Kutubu Spur line is a genuinely occupied residential structures and will receive full resettlement packages. The structure at KP100.9 is a non-standard³ structure and will not require a full resettlement package.

Table 2: Land use aspects of proposed impact areas

Section of Pipeline line	Number of Households Impacted	Land use	Background Information	Resettlement assistance
KP100.9	1	<ul style="list-style-type: none"> Mostly fallow gardens An auxiliary structure 	<ul style="list-style-type: none"> Fallow gardens split between immediate and extended families for the purpose of compensation payments 	<ul style="list-style-type: none"> Compensation for gardens and trees at Full Replacement Value (FRV) Land deprivation payments
KP0.90 Kutubu Spur line	1	<ul style="list-style-type: none"> A residential structure, auxiliary structures (pig house, traditional pit latrine) and food gardens 	<ul style="list-style-type: none"> Permanent occupancy Gardens split between immediate and extended families for the purpose of compensation payments 	<ul style="list-style-type: none"> Resettlement package for displaced structure Compensation for gardens and trees Land deprivation payments (at FRV)

³ Non-standard structures are non-residential structures

5.0 Eligibility and Entitlements

Tables 3 and 4 summarize the eligibility and entitlements that will apply to affected communities/households.

Table 3: Physical displacement

Eligibility	Affected Category	Agreement	Assistance / Compensation	Considerations for Implementation
Recognized owner(s) of the assets and structures (as identified in the pre-construction surveys undertaken with structure owner in respective locations)	Type 1 structures (legally occupied residential structures at time of survey)	Resettlement Agreement between EMPNG and the owner of the asset – Standard Structure Agreement.	Between PGK 50828 - 58255	<p>Clearly communicate potential safety risk and that displacement is part of as Community Safety Mitigation</p> <p>Clearly communicate that the risks messaged are not expected to impact EMPNG assets and that the activities are solely for the safety of the householders</p> <p>Clearly explain these structures are categorized as residential structures where the household occupies it legitimately and that EMPNG has an obligation to assist the family to self-relocate to an area of their selection.</p>
Recognized owner(s) of the assets and structures (as identified in the pre-construction surveys undertaken with structure owner in respective locations)	Type Z structures (garden houses, chicken houses; cook houses, incomplete structures)	Resettlement Agreement between EMPNG and the owner of the asset (Non-standard or auxiliary structure)	PGK 500	<p>Clearly communicate potential safety risk and that displacement is part of a Community Safety Mitigation</p> <p>Clearly communicate that the landslip risks are not expected to impact EMPNG assets and that the activities are solely for the safety of the householders</p>
Recognized owner(s) of the assets and structures (as identified in the pre-construction surveys undertaken with structure owner in respective locations)	Type Y structures (pit latrines, sheds)	Resettlement Agreement between EMPNG and the owner of the asset (Non-standard or auxiliary structure)	PGK 50	<p>Clearly explain these structures are categorized as auxiliary structures and items like chicken houses, cooking structures, partially constructed structures, toilets, Haus wins (meeting structures) and garden houses fall into this category. One-off payments are made for these structures. Emphasis that the structures must be dismantled as they are within Exclusion Zone which is considered as not safe.</p>

Table 4: Economic displacement

Eligibility	Agreement	Assistance Compensation /	Considerations for Implementation
Recognized owner(s) of the assets/gardens (as identified in the pre-construction surveys undertaken with asset/garden owner in respective locations)	Economic Displacement Agreement between EMPNG and the owner of the economic asset. Compensation will be based on the 2014 Valuer General Rates with CPI increases for 2015 through to 2021	Full Replacement Value (FRV) for crops and trees planted by individuals which are within the impact areas.	One off cash compensation at FRV to individuals or household owners directly Due to safety risks, EMPNG will now permanently lease these area and compensate clans through the normal IPCA and CAA agreements. In return communities will not access these areas for any purpose.

All compensation payments under the displacement agreements will be executed in the field or at a location which best suits the landowner, provided it can be safely accessed by EMPNG. There are banking facilities near these areas so EMPNG will provide the opportunity for payments to be made through bank accounts.

6.0 Livelihood Restoration

Those who will be eligible for livelihood restoration support will be identified following the 'Determination of Livelihood Restoration (LR) Receiver' process. It is anticipated that there will be more than 1 household or individual requiring LR support.

The LR program seeks to at least restoring livelihoods and standard of living of eligible participants. The livelihood restoration program will be based on the program adopted during Construction phase of PNG LNG that continues to be successfully implemented throughout the Project impact area. This program consisted of:

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

7.0 Entitlement Cut Off Date

EMPNG undertook video and photo documentation of the impact areas being included in the new land-take program and complemented this with pre-construction surveys. The completion date of the pre-construction

survey represented the cut-off date for physical assets and improvements that will be compensated under the Resettlement Program and was communicated accordingly within the affected communities, as described below.

8.0 Consultation & Disclosure

Between November 14 and 16, 2021, households identified as being located within the landslide risk areas at KP100.9 and KP0.90 Kutubu Spur line, land owning clan members and the community at large were advised of areas at potential risk of landslide and those living or gardening within these areas needed to move away for their own safety.

The communities were advised that, for the new land-take, gardens and structures would be identified, recorded and compensated through EMPNG's Resettlement Compensation process.

Following these initial announcements, a series of gardens and structures were identified and recorded. Counts of physical and economic assets were made and approved by household representatives. The household representatives also signed the Compensation Claim form advising that their relatives and they would move out of the area and not return.

Public disclosures for the key messages were presented to all affected communities, and reinforced during the course of the pre-construction surveys of the new areas to be included in the programs. Details of the messages delivered to each group are presented in Table 5.

Table 5: Key Messages for Affected Community Groups

Key Messages for Affected Community Groups
<p>Exclusion Zones</p> <ul style="list-style-type: none"> • An Exclusion Zone is any area that is permanently restricted for unauthorized entry. • ExxonMobil PNG Limited (EMPNG) has Exclusion Zones in place in several locations along the pipeline that restricts landowners from entering the area. • EMPNG Engineers have been conducting aerial assessments for this location. During these aerial assessments, it was noticed that there were changes observed after the 2018 earthquake which indicates that there is a potential for landslide to occur within this area. • Such landslips could be significant and may pose a risk to you and your families - it will impact on your structures and gardens in these areas. • Landowners who enter the Exclusion Zones will be seen as trespassing. • We have serious concerns for the safety and wellbeing of members of the community who are living and or gardening near these Exclusion Zone area, hence we are urging people living in the potential impact zone to promptly leave their houses and relocate immediately. • It is unsafe to stay in the area. This includes entering the area to tend your gardens or harvest your crops and entering the area to hunt or gather flora and fauna. Your life and the lives of your family could be in danger. • The hillside could potentially move down and bury the structures and gardens at any time. • The Project will provide one-time compensation for their structures and gardens in the potential impact zone following site verification. • Deprivation payments will be paid for the impacted land for the life of the project and compensation will be paid for your crops only in the new extensions. A resettlement package will be provided to only those presently located in the new extensions area. Newcomers who arrive after today will not be eligible for any compensation.

- We are committed to the safety and health of our employees, contractors and you, the community.
- EMPNG will conduct various free, prior disclosures and cut-off with respective clans/landowners for the areas identified. This consultation involves environmental, social and engineering surveys.
- If you have any issues during this period, as in the past, register your issues or grievances with our Community Affairs team and VLOs.
- The Independent Advocate is present to assist with legal counsel support including over the phone support.

The public disclosure engagements resulted in lengthy discussions. Common questions and concerns raised and Company responses are listed in Table 6 and, Table 7 is the breakdown of the community consultation summary.

Table 6: Common Issues raised at public disclosures and Company response

Topic	Issue	Company Response
Duration of land rentals / deprivation payments	How long will the duration of land rentals be?	The new land-take for the Exclusion zones will result in additional rentals; the additional rentals will be added to the existing rentals and payments will be made for the life of the Project.
Type of payments	Will Company pay additional CAA for the new land-take?	Yes. Existing CAA will be amended to include the new land-take and the amended agreement signed by your clan agents.
Ownership of Mineral deposits in Exclusion zones	We believe there are valuable minerals in the area you have marked as exclusion zone and are concerned that we will have limited access to land ownership and the ownership of the minerals if it is true that the minerals are in the area Company intends to access for the life of the Project.	Company's earlier geological surveys, seismic and drilling test did not indicate any mineral deposits. Company however, has serious concerns for the safety and wellbeing of members of the community who are living and or gardening near or in these areas as there is potential for landslips in these areas.
Land lease agreement signing for Exclusion zones	We would like a special arrangement or agreement where we can sign but still have access to the land should it be proven that there really are mineral deposits in these areas.	Company Lands Officers will have engagement with clan prior land lease agreement negotiation and signing. Company's petroleum operation is regulated by the Oil and Gas Act 1998. We do not have any involvement on other natural resource likes of minerals. Should any investor or private individual wants to prospect in this site, we ask you inform or notify the company.

Table 7: Community Consultation Summary - Participants

Location	Date	Awareness Team	Land-owning clans in attendance	Number of Attendees			
				Male	Female	Children	Total
KP100.9 Puni Hamlet	14-Nov-2021	<ul style="list-style-type: none"> Land Access & Resettlement Community Affairs Lands 	<ul style="list-style-type: none"> Yaferaka Ufuma 	19	7	12	38
KP0.90 Kutubu Spur line Piti Hamlett	16-Nov-2019	<ul style="list-style-type: none"> Land Access & Resettlement Community Affairs Lands 	<ul style="list-style-type: none"> Ufuma 	10	8	7	25

9.0 Organizational Roles and Responsibilities

Overall responsibility for the planning, implementation and monitoring of physical and economic displacement rests with EMPNG. EMPNG's Lands & Community Affairs group (formerly Public & Government Affairs) has been and will continue to be responsible for these activities.

EMPNG provides impacted households access to an Independent Advocate who acts as an advisor to the households with respect to their rights, responsibilities, and options concerning resettlement, including trespass, in the context of both national PNG legislation and EMPNG plans and provisions. Further details of this role are provided in the Land Access, Resettlement and Livelihood Restoration Management Plan (2016), under section 4.2.3 Compensation and Assistance Advocacy.

10.0 Monitoring and Evaluation

As detailed in the PNG LNG Land Access, Resettlement and Livelihood Restoration Management Plan, outcome evaluations and monitoring will be undertaken to enable improvement or at least restoration of the livelihoods and standards of living of impacted households and the improvement of the living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement sites.

Standard of Living (SOL) evaluation and LR monitoring and initial evaluation will be undertaken by EMPNG. EMPNG will lead this program and provide a final report on the sustainability of the resettled households as well as undertake the final household LR evaluation.

Ongoing community engagement will continue via VLOs, supported by the grievance management process. These processes will enable the management of any emerging issues. L&CA will monitor payments of any compensation or other agreed assistance to enable conclusion in a timely manner.

11.0 Implementation Schedule

A schedule of tasks has been developed to plan and implement the major components of resettlement implementation from November – December 2021 through to 4rd quarter 2022 (Table 8). All compensation is scheduled for payment before the end of March 2022, with displacements completed also by the end of March 2022. Post displacement evaluation program is required for a household that will be physically displaced while those identified with sustainable gardens and given LR support will undergo 12 months of monitoring and evaluation. If EMPNG becomes aware of any post-displacement issues, for example via the grievance management process, follow-up activities, where applicable, will be addressed, with the expectation that all grievances related to the new land-take will be resolved by May 2022.

Table 8: RAP Implementation schedule

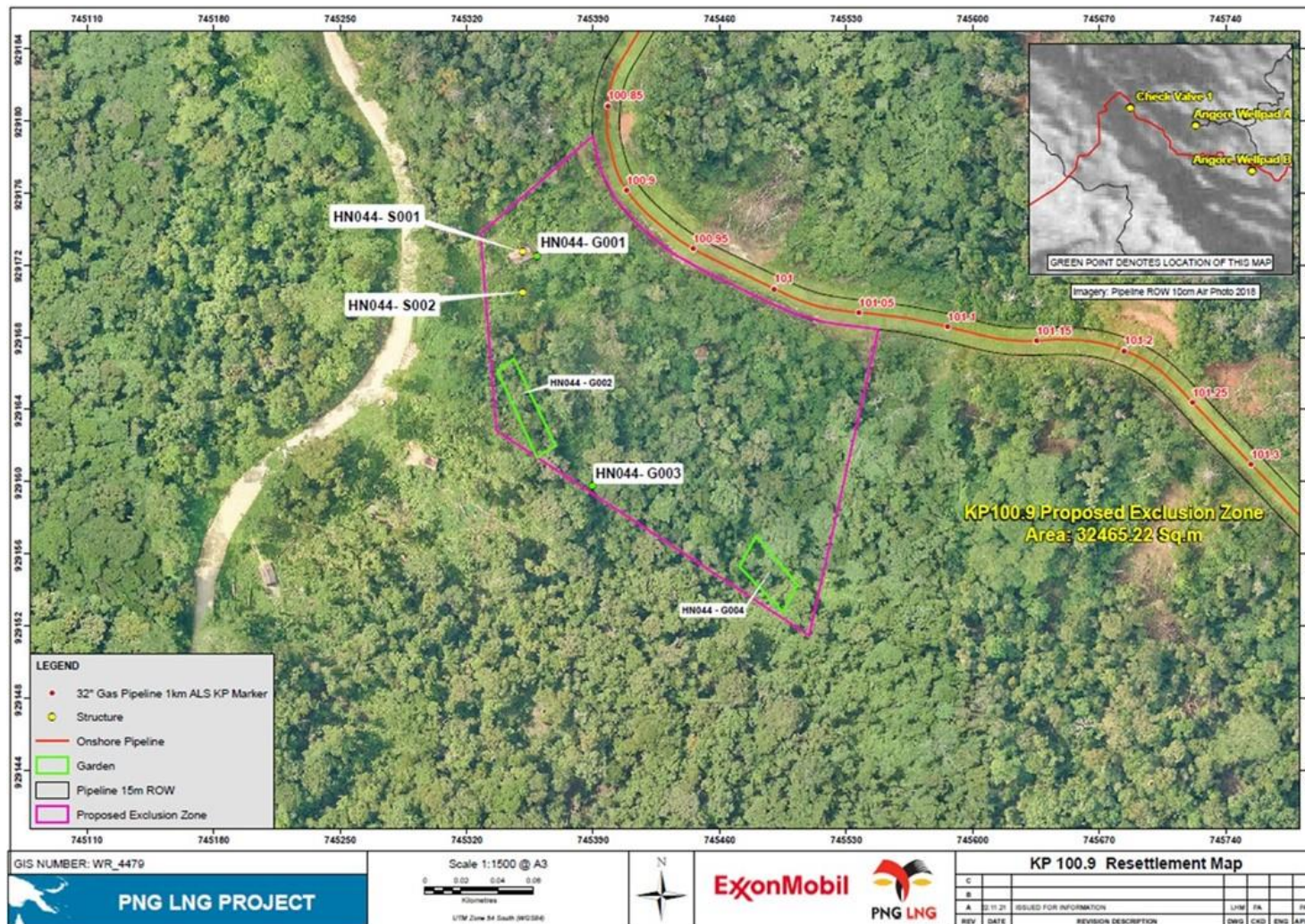
Activity or Task	Actions	2021		2022								Status of Completion
		N	D	J	F	M	A	M	J	J		
Planning	Completion of RAP Addendum										Completed	
Approvals	Internal EMPNG Approvals										Completed	
	RAP Submission to Lenders										In Progress	
Confirm and finalize compensation agreements	Verify inventories of affected land and assets										Completed	
	Finalize entitlement contracts										Incomplete	
Compensation payments and relocations	Electronic payment to individuals and relocation										Yet to start	
	Monitor payments and household dependent garden displacement										Yet to start	
Land Issues	Confirm relocation sites and any affected water sources										Yet to start	
Livelihood restoration support	Secure supplies of planting materials and livestock										Yet to start	
	Distribution of plants and stock										Yet to start	
Monitoring and Evaluation	Standard of living evaluation										Yet to start	
	1/2 Livelihood restoration evaluation										Yet to start	
	2/2 Livelihood restoration evaluation										By Dec 2022	
Outcome Evaluation	Conduct outcome evaluation and submit report in IESC Annual Monitoring report for review and close-up										By Feb 2023	

12.0 Resettlement Budget

Costs for implementing the resettlement program are estimated at approximately US\$164k, including all resettlement-related costs such as ongoing evaluation and stakeholder engagements associated with the activities. Man power costs are already incorporated into Production budgets.

ATTACHMENTS: LOCATIONS ELIGIBLE FOR RESETTLEMENT DISPLACEMENT COMPENSATION

Attachment 1: KP100.1 Exclusion Zone - Distribution of Gardens



Attachment 2: KP0.90 Kutubu Spur-line Exclusion Zone - Distribution of Gardens

