

REPORT OF THE:

**INDEPENDENT  
ENVIRONMENTAL & SOCIAL  
CONSULTANT**

**ENVIRONMENTAL & SOCIAL  
COMPLIANCE MONITORING**

**PAPUA NEW GUINEA  
LNG PROJECT**

Site Visit: August 2012



*Prepared for*

Export-Import Bank of the United States

Export Finance and Insurance Corporation

Japan Bank for International Cooperation

Società Italiana di Assicurazione dei Crediti all'Esportazione

Export-Import Bank of China

Nippon Export and Investment Insurance

Commercial Banks

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**ACRONYMS**

<b>BSA</b>	Benefits Sharing Agreement
<b>CBI</b>	Chicago Bridge and Iron
<b>CBIC</b>	Chicago Bridge and Iron & Clough JV (EPC4)
<b>CCJV</b>	Clough Curtain Brothers JV (C1)
<b>CDS</b>	Community Strategy Support
<b>CJ JV</b>	Chiyoda JGC JV (EPC3)
<b>CTA</b>	Common Terms Agreement
<b>DPE</b>	Department of Petroleum and Energy
<b>EHL</b>	Esso Highlands Limited
<b>ESMP</b>	Environment and Social Management Plan
<b>ESMS</b>	Environmental and Social Management System
<b>HDD</b>	Horizontal Directional Drillings
<b>HGCP</b>	Hides Gas Conditioning Plant
<b>HH</b>	Highlands Highway
<b>HWMA</b>	Hides Waste Management Area
<b>IESC</b>	Independent Environmental and Social Consultant
<b>iHDSS</b>	Integrated Health and Demographic Surveillance System
<b>ILG</b>	Incorporated Land Groups
<b>ILO</b>	International Labor Organization
<b>ILS</b>	International Labor Standards
<b>IMR</b>	Papua New Guinea Institute of Medical Research
<b>IPCAs</b>	In-Principle Compensation Agreements
<b>LESR</b>	Lender Environmental and Social Requirements
<b>MCJV</b>	McConnell Dowell CC Group JV (EPC5B)
<b>MOC</b>	Management of Change
<b>MRDC</b>	Mineral Resources Development Company
<b>OCN</b>	Other Country National
<b>ODP</b>	Offset Delivery Plan
<b>OSL</b>	Oil Search Limited
<b>RAP</b>	Resettlement Action Plan
<b>RoW</b>	Right-of-Way
<b>RPF</b>	Resettlement Policy Framework
<b>RPNGC</b>	Royal Papua New Guinea Constabulary
<b>SMP</b>	Social Management Plan
<b>SOP</b>	Standard Operating Practice
<b>WMA</b>	Wildlife Management Area
<b>WQ</b>	Water Quality
<b>WWTP</b>	Wastewater Treatment Plant

## ***EXECUTIVE SUMMARY AND CONCLUSIONS***

D'Appolonia S.p.A. (D'Appolonia), located in Genoa, Italy, has been appointed as the post-financial close Independent Environmental and Social Consultant (IESC)<sup>1</sup> for the Papua New Guinea Liquefied Natural Gas Project (PNG LNG or the "Project") being developed by Esso Highlands Limited (EHL), the designated Operator and a subsidiary of ExxonMobil Corporation and also representing a consortium of co-venturers including Oil Search Limited (OSL), Santos Ltd, JX Nippon Oil & Gas Exploration Corporation and PNG State and landowners as represented by Mineral Resources Development Company (MRDC) and Petromin PNG Holdings Limited.

D'Appolonia's role as the IESC is to support the Export Credit Agencies (ECAs) providing Project financing, including the Export-Import Bank of the United States (USEXIM); Japan Bank for International Cooperation (JBIC); Export Finance and Insurance Corporation (EFIC) of Australia; Servizi Assicurativi del Commercio Estero (SACE) from Italy; Export-Import Bank of China (CEXIM); and Nippon Export and Investment Insurance (NEXI), as well as a group of commercial banks, collectively referred to as the Lenders or Lender Group.

The overall role of D'Appolonia as the IESC within the PNG LNG Project is to assess and report to the Lender Group on the compliance with the environmental and social provisions contained within the Environmental and Social Management Plan (ESMP), the associated Lender Environmental and Social Requirements (LESR) document, and Schedule H3 Environmental and Social Milestones Schedule to the Common Terms Agreement (CTA) (herein referred to as "Milestones Schedule"). Specifically within the IESC scope of work, the following requirements for an audit visit are identified:

- evaluate the Project's compliance with Environmental and Social Laws, the Environmental and Social Management Plan and Applicable Lender Environmental and Social Standards ("Environmental and Social Requirements") and evaluate the Project's proposed corrective action regarding any failure by the Project to comply with Environmental and Social Requirements in all material respects;
- evaluate issues identified during previous monitoring visits relating to compliance with the Environmental and Social Requirements;
- evaluate the Project's environmental and social reports, described in Section 12.2(b)(vi) of the CTA; and
- evaluate compliance by the Project in all material respects with the Milestones Schedule.

This report represents the seventh post-financial close field visit to PNG to monitor conformances with Project environmental and social commitments made during actual Project development. This visit was conducted August 26 – 31, 2012 in PNG.

At the time this site visit was planned, because of security concerns associated with the recent parliamentary elections in the country, the IESC, the Project, and the Lenders agreed to mobilize a limited team as compared with that for the previous site visits. Accordingly, the visit was limited to a number of face-to face meetings, presentations and desktop reviews held in the Project offices in Port Moresby with no field visits to the Project construction areas. The only sources of information used to prepare this report were therefore those provided by EHL through presentations and additional documents consistent with the trip schedule provided in Appendix B.

This report represents therefore an interim review to provide an update on the Project status limited to only some of the topics normally covered by the IESC during a "standard" site visit and a follow-up of the status of the non-conformances included in the issues Table with respect to the Project commitments as included in the ESMP and the other reference documents. The report also includes a short summary of the construction status as included in the latest PNG LNG Quarterly Environmental and Social Report (Q2 2012) recently posted in the PNG LNG website (Appendix A). Topics not covered in this visit will be

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<sup>1</sup> *IESC Team members in the field: Giovanni De Franchi (Project Manager and Team Leader), Robert Barclay (Social Development Specialist).*

*IESC Team members not in the field: William J. Johnson (Earth Scientist/Cultural Heritage Specialist and acting Team Leader), Amber Frugte (Labor Specialist, Louise Johnson (Biodiversity and Natural Resource Management Specialist), and Mark Pedersen (Aquatic/Marine Specialist).*

addressed during the next regular site visit expected to take place in October 2012 when the entire IESC team will be mobilized.

The main observations of this field visit are summarized as follows.

### ***Election Outcome***

The PNG national election was held in July 2012. The election caused minimal disruption to Project critical path activities and, in fact, the election period was characterized by the Project as having the lowest number of incidents since March 2011. It is surmised that communities were focused on election issues and not the Project. The election was widely considered to have been a success with preliminary data indicating that some 3.7 million of the 4.8 million eligible voters cast a vote. This represents a 77% voter turn-out. Peter O'Neill's National Congress party won the largest number of seats and Mr. Peter O'Neill was re-elected as Prime Minister by an overwhelming majority in Parliament. Mr. O'Neill has subsequently formed a coalition government including the parties of ex-Prime Ministers Sir Michael Somare and Sir Julius Chan. For the first 18 months of a new Parliament, a no confidence vote in the Prime Minister is not allowed, so a period of relative political stability is expected at least for the remainder of the Project construction period and commissioning.

### ***Environmental Management – Waste and Wastewater***

In terms of solid waste management, it has been confirmed that the Gobe landfill will not be constructed. A new landfill cell will be constructed at the Hides Waste Management Facility (HWMF), which is considered adequate to handle the solid waste currently produced and projected to be generated during Production. It is understood that the MOC package has been developed and approved by EHL management; engineering design is ongoing and operation of the new cell is expected by Q1 2013 based on current waste forecasting.

One issue identified during the November 2011 and March 2012 field visits was associated with the quality of effluent discharged from the wastewater treatment plants across the Project. Although the infrastructure for wastewater management is generally in place, some concerns were raised on performance of individual treatment plants and the persistent non-compliance of effluent discharges identified from the laboratory records. The normal practice is to discharge effluent from the treatment units directly to land. The exception is the WWTP operated at the 11 Mile Base at Lae whose outlet is still piped into a nearby creek.

Since the November 2011 site visit, the Project has undertaken a major cross-contractor initiative to correct deficiencies with respect to WWTPs. Main problems identified were associated with the overhaul of some of the units, delays in plant de-sludging, and fouling or clogging of the systems due to improper disposal practices, chlorine dosages, and sample holding times because of the logistical challenges of shipping water samples from remote camp locations to an Australian laboratory. As a result of the overall review process, defective components throughout the different wastewater facilities have been replaced and a number of remedial solutions identified. Actions have also been undertaken to improve the effectiveness of effluent testing procedures with extensive adoption of infield Water Quality monitoring kits to increase on-site analysis capability and allow for "real time" performance feedback. Overall, this is a subject that has been addressed by EHL with the development and implementation of a Project-wide SOP to optimize WWTP operations throughout the different contractors to ensure that ESMP goals are being met.

Although the overall process to improve WWTPs is still a work in progress and some of the issues identified in the previous site visits have yet to be completely solved, the IESC recognizes significant efforts of the Project to face this challenging situation. A throughout review in the field of WWTP performance will be undertaken during the next October site visit. Meanwhile, the general Level 1 non-conformance assigned in the previous visit is downgraded to a field observation.

### ***Erosion and Sediment Control***

Erosion and sediment control still represent a critical component of construction activities and continue to require a significant effort as project construction proceeds. Because this mission was limited to a desktop review with no visits to the different project locations where construction is ongoing, there was no possibility for the IESC to verify effective progresses in the field. One of the issues identified by the IESC in the last visit was associated with the potential implications between the significant erosion phenomena at the Komo Airfield and their probable ecological impact downstream of the construction areas with an observed increased turbidity or sedimentation. Although the IESC did not visit the Komo site during this

trip, we were provided with an update of the actions taken by the project to control sediment runoff at the Komo Airfield.

Following the non-conformance assigned in March, the Project has undertaken a thorough revamping of the existing erosion and sediment control systems installed at the site including the installation of log and vegetation row barriers, silt fences, jute matting, sand bag lining, surface sealing, check and sediment dams. Furthermore, methods for the erosion prevention at the source were enhanced through extensive use of surface sealing, slope breakers, benching and terracing, track compacting, slope tamping and temporary drains installation, sediment ponds, and installation of sediment barriers and sediment catchment re-vegetation. To control/limit sediment runoff from spoil disposal areas, a number of techniques have been identified including: avoiding/minimizing side casting; preventing "edge pooling"; selection of appropriate spoil locations upfront; installation of effective drainage that maintains free flow of surface water; compaction the sides of drainage channels by tamping; and proceeding with reinstatement as soon as practical.

Although the overall process to manage erosion and sediment control is still a work in progress that will require ongoing effort from the Project, the IESC has appreciated the prompt reaction to the non-conformance raised during the March visit by reviewing/revamping the existing soil and erosion control measures installed at site and by introducing new techniques systems. Accordingly, the general Level 1 non-conformance assigned in March is downgraded to a field observation.

### ***Ecological Management and Biodiversity***

During the visit the IESC was briefly updated on the status of the activities undertaken by the Biodiversity Working Group and the progress in developing the Biodiversity Offset Delivery Plan (ODP) (Milestone #15) and the Lake Kutubu conservation program (Milestone #16). Initial draft publication of the ODP for IESC/Lenders review was expected by end Q2 2012, following deferment from the original Milestones Schedule. In June 2012 EHL requested a further extension to Q3 2012 to allow for internal review and approval. This request was approved by the IESC/Lenders and formalized through an MOC process. According to the information provided during this visit, the Biodiversity ODP format, structure, graphics, language as well as presentation of key outcomes have been optimized since preparation of the original document. The plan is now structured with an extended summary with an overview of EHL's offset program intended for public disclosure and as a basis for ongoing engagement with key stakeholders; a Framework for Biodiversity Offset that provides the background and basis for the offset program, describes EHL's work done to date and contains the rationale and criteria for offset, stakeholder consultation, legislative and social framework, conservation priorities in the Kikori River Basin, constraints/opportunities/options for biodiversity offset; and a Biodiversity ODP with the program for implementation of the five components of the biodiversity offset program including details on how each of the components will be implemented, resourced, financed, monitored and reported.

At the time of the visit the Biodiversity ODP was under final review by EHL's Biodiversity Strategy Steering Committee and expected to be submitted to the IESC/Lender Group for review by end of September 2012. No further MOC is requested. One positive observation is that it has been understood that EHL Operations has been involved in the process, as the majority of the initiatives included in the program will be ultimately delivered during the Production phase of the Project. The recruitment process for a full-time resource that was ongoing at the time of the March visit has now been completed and a new senior biodiversity advisor is due to start work early Q4 2012.

Regarding the Lake Kutubu conservation program, details are being developed with OSL for a Joint Program of Work. Engagement with the Lake Kutubu WMA Committee is proceeding and a number of meetings have been held since March 2012. The first draft of the document, reportedly to have been structured as an extended summary to outline the main components of the program, is scheduled to be submitted for IESC/Lender Group review by the end of September 2012. Similar to the Biodiversity ODP, no further MOC is requested.

### ***Noise***

During the March 2012 visit a Level I non-conformance was raised because of the persistent noise exceedances measured at MCJV's Pioneer and Main camps at the Komo airfield. Since March, MCJV has taken different actions to investigate the reasons for these exceedances including the addition of two new monitoring locations at each camp, one inside the fence and one 25 meters outside, at the nearest dwelling. Nevertheless, measures taken in April, May, and June confirmed consistently high results, especially at the

Main camp and even in quiet areas. Actions taken by MCJV to resolve this situation have included the replacement of the diesel generator at Pioneer camp for a smaller and quieter unit, the construction of a wooden wall around Main camp generator and staff re-training in noise monitoring protocol. EHL field environmental team verification undertaken in the same period did not identify exceedances of the limits although measurements were taken at locations slightly different than those used by MCJV. Reasons under investigation include a review of the monitoring procedures including the use of the monitoring instrument, a review of the practices to log and download monitored data and how the results are interpolated and analyzed. The process to address the nature of these noise problems at Komo camps is still a work in progress and the reasons for these anomalies are yet to be understood. Accordingly, the Level I non-conformance is maintained.

In addition to the actions taken by MCJV to determine the reasons behind these high noise values, EHL has started a third-party Project-wide review to assess how the provisions included in the Project Noise and Vibration Management Plan are implemented throughout the different project locations. The activity includes a desktop review of PNG LNG Project noise monitoring program at the different contractors, a review of the monitoring procedures, training modules to contractors and internal field personnel, and instructions on how the results of the monitoring have to be reported. The first results of this monitoring exercise should be available by October. With on-site drilling activities due to commence shortly, awareness programs for Project community liaison personnel have also started to provide information to key community groups on high noise activities likely to occur during drilling operations.

From the information provided, no community grievances associated with noise or vibrations have been recorded to date. Vibration monitoring has yet to start both along the pipeline and at the active quarries currently exploited by the Project as no blasting is reportedly taking place.

#### ***Land Access and Resettlement***

During the March 2012 visit, the IESC expressed concern that RAP preparation had fallen behind Project requirements to access land particularly for EPC 5A. A focus of the August IESC review was discussion with EHL to arrive at a more efficient approach to completing pipeline RAPs. As an outcome of this review, a strategy was agreed whereby EHL would prepare one RAP to cover the remaining 80 km of pipeline (KP 0 – KP 80). The IESC was satisfied that with some relatively minor additional fieldwork, EHL would have adequate census and survey information and would have completed sufficiently robust consultation to support the RAP finalization. The KP 0-80 RAP has been committed for completion prior to the October 2012 review. Two further RAPs will be produced:

- Spine:line: HGCP to Wellpad B;
- Angore spurline.

Scheduled completion for Project land access and resettlement was to have been 3Q 2012. The current forecast is for completion to occur in 4Q 2012. Reportedly reasons for the delay include the following:

- Tumbi landslide;
- Hides and Homa-Poua work stoppages;
- limited RPNGC support over the election period; and,
- loss of five resettlement personnel (including two coordinators) who resigned to run for election.

The remaining areas where pipeline land access is needed (Homa-Poua, Benaria, and Angore) are known tribal fighting areas with limited road access. Negotiations are proving slow as ways of dealing with legacy land conflicts are negotiated. Stoppages caused by landowners, security threats and recent assaults on resettlement personnel have also slowed progress. Speculative house construction is a continuing challenge. The Project has martialled resources in an integrated manner to address this situation:

- more intensive and continuous community engagement before, during and after resettlement and construction;
- more proactive requests for support from the Department of Petroleum and Energy (DPE) and PNGC when community resistance is encountered;
- introduction of revised processes for dealing with speculative development including use of video surveys prior to census and survey, and use of non-negotiable rates for speculative structures and gardens;
- integration of pre-construction surveys with land access census and survey activities; and,

- earlier introduction of Community Development Support.

On its own account, EHL's land access and resettlement teams are proceeding with due patience and caution given the potential volatility of landowner tensions along this stretch of pipeline. The effectiveness of Project measures will be assessed firsthand by the IESC during its October 2012 review.

A thorough and insightful internal resettlement monitoring report was provided for Q2 2012. The report focused on KP55-KP69. It makes a number of important recommendations and highlights the need for IPCAs to be disclosed and resolved prior to resettlement discussions. The report also highlights the need for additional resources to be recruited for monitoring and evaluation so that coverage can be more effective.

### ***Community Security***

EHL reported that there were fewer security incidents in June than in any month since March 2011. From a Project perspective, the pre- and post-election period (May-July) was uncharacteristically quiet. It was surmised that communities' interest was focused on the election rather than Project-related issues. EHL's careful planning notwithstanding, this was an excellent outcome.

EHL's Security Manager reported the death of a contractor worker on the evening of 3 April 2012. That evening a melee between the RPNGC and workers at Tamadigi occurred inside the EPC 5A Camp 4 operated by Spiecapag after the RPNGC moved to make an arrest. During the ensuing melee, the RPNGC took a defensive position and were hailed with rocks for several hours. Police fired warning shots into the air. The camp went into lock-down. The RPNGC demobilized in vehicles at around 10 pm. The dead man was found inside the camp, and was taken to a nearby medical clinic where he was pronounced dead. The local community subsequently conducted a Haus Kri at the camp. According to the camp doctor, the body bore no wounds or obvious injury. EHL made representations to the RPNGC Commissioner requesting an investigation. An internal police investigation has reportedly been completed. A coronial inquest is to be held but, at the time of the review, no date had been set.

### ***Community Support Strategy***

The Community Support Strategy (CDS) team updated IESC on progress since the March 2012 review. CDS has been focusing on the following:

- ensuring that the roll-over of CDS activities to the Operations/Production phase is effectively managed, including provision of training to Operations management on CDS functions;
- 5-year forward planning and budget setting (in accordance with ExxonMobil internal planning processes); and,
- developing exit strategies and replacement activities for current CDS activities.

The CDS team shared a Terms of Reference for the independent mid-term evaluation of its activities with the IESC. The mid-term evaluation is expected to commence around the time of the IESC's next review (October 2012).

### ***Demobilization***

Subsequent to the last review, EHL has developed a project-wide demobilization strategy and procedures. Applying these procedures, 150 C1 contract workers from Mendi and Kopi had been demobilized without incident. Further C1 demobilization in Hides was imminent. It is important that these early and relatively small scale demobilizations are used to refine procedures in preparation for the more substantial lay-offs to come.

### ***Community Health***

The IESC has commented in a number of previous reviews that the Community Health Program undertaken by EHL is one of the most comprehensive ever undertaken for a private sector development project and was likely to leave behind a positive legacy. During the March 2012 visit, the IESC expressed concerns at the abrupt departure of the Community Health Manager and Newfields, the community health consultants, who together had been instrumental in setting up the program. Since the March 2012 review, the Community Health team had experienced losses in some key national staffing positions and recognized a need to rebuild its team. EHL presented a strategy for strengthening its Community Health team that included remobilizing expatriate support (including the former Community Health Manager and Newfields)

for 6-9 months and re-recruiting for some key positions. A key learning was the need to incorporate some redundancy to accommodate inevitable staff losses.

EHL presented preliminary findings of the iHDSS baseline survey covering the four villages in the vicinity of the LNG terminal (Boera, Porebada, LeaLea, Papa). A final survey report will be completed in November 2012. Preliminary iHDSS baseline survey findings for the Hides-Komo area will be presented during the IESC's October 2012 visit. IESC will withhold commenting until it has seen the final reports.

While in terms of sustainability, it makes good sense that the Project's demographic surveillance system is integrated with the Papua New Guinea Institute of Medical Research (IMR), it has become apparent that IMR's rightful concern with the rigorous processing of the data conflicts with the Project's need for more rapid feedback as part of its overall social monitoring system. The 18 months that will elapse between completion of the iDHSS baseline fieldwork in May 2011 and first report completion (expected in November 2012) is too long for Project purposes. EHL is fully aware of this shortcoming. EHL has supported capacity building of IMR to strengthen its staffing and capabilities in the areas of data entry and management, logistics and accounting. As an outcome of August 2012 discussions, EHL has undertaken to discuss a possible compromise with IMR, whereby EHL might be able to undertake some rapid, early data analysis for its management purposes, ahead of IMR's final presentation of findings. The IESC hopes that a compromise can be reached which recognizes IMR's ownership of the data, the need for rigorous analysis and that addresses any privacy concerns. If such a compromise is not forthcoming, EHL will need to rapidly develop and implement an alternative social monitoring approach. Accordingly, the Level II non-conformance is maintained.

The basic findings of this interim site visit review are presented in the form of observations, comments and recommendations that are generally described according to topics within each section. The findings are summarized in the Issues Table provided in Section 1.

## 1 ISSUES TABLE

This chapter tabulates a summary of the non-conformances raised in this report, consistent with the IESC TOR. The Table has been structured to provide a color-coding for strict non-conformances raised during each site visit, as well as IESC observations for situations that if left unattended could result in a non-conformance. Non-conformance is referenced with respect to Project commitments as included in the ESMP and associated Management Plans, the LESR, the Milestones Schedule, the Project Safety Management Plan, the Project Health Management Plan, the Project Regulatory Compliance Plan, and the Project Security Management Plan (collectively referred to as “Project documents” in the definitions below) and with respect to on-going compliance with Applicable Lender Environmental and Social Standards. As noted in the Executive Summary, “Applicable Lender Environmental and Social Standards” means the environmental and social standards applied by the Loan Facility Lenders to the Project in the form attached to Schedule H-1 (Environmental and Social – Applicable Lender Environmental and Social Standards) of the CTA. The Project should note that compliance with the Applicable Lender Environmental and Social Standards is not limited to the pre-construction due diligence, but is an on-going process. The nomenclature of the color-coded categorizations are assigned based on non-conformance levels similar to the non-conformance levels defined in the ESMP, somewhat revised to reflect the point of view of the IESC and to address that certain non-conformances need to be framed in the context of the Applicable Lender Environmental and Social Standards. The following descriptions are provided:

- **High:** Level III critical non-conformance, typically including observed damage to or a reasonable expectation of impending damage or irreversible impact to an identified resource or community and/or a major breach to a commitment as defined in Project documents or the Applicable Lender Environmental and Social Standards. A Level III non-conformance can also be based on repeated Level II non-conformances or intentional disregard of specific prohibitions or Project standards. In some cases, Level III non-conformances or repeated Level III non-conformances may, but not necessarily, represent a material non-compliance with the CTA. This would be decided on a case-by-case basis;
- **Medium:** Level II non-conformance representing a situation that has not yet resulted in clearly identified damage or irreversible impact to a sensitive or important resource or community, but requires expeditious corrective action and site-specific attention to prevent such effects. A Level II non-conformance can also represent a significant breach of a commitment, or a risk of a significant breach if not expeditiously addressed, requiring corrective action as defined in Project documents or Applicable Lender Environmental and Social Standards. A Level II non-conformance can also be based on repeated Level I non-conformances;
- **Low:** Level I non-conformance not consistent with stated commitments as defined in Project documents, but not believed to represent an immediate threat or impact to an identified important resource or community. A Level I non-conformance can also represent a minor breach of a commitment requiring corrective action as defined in Applicable Lender Environmental and Social Standards;
- **IESC Observation:** A potential non-conformance situation that could eventually become inconsistent with stated commitments as defined in Project documents or the Applicable Lender Environmental and Social Standards.

N°	Site Visit	Closing Date	Description	Non-Conformance	Reference	Status	Comments / Report Reference
<b>Environment and Social Management</b>							
2 M4.2	Jul-Aug. '11	Note <sup>3</sup>	Central management responsibility for labor and industrial relations (IR) issues within the Project organization is insufficient to date. The Project could benefit from centralized and informed strategizing in terms of dealing with the multitude of labor and IR issues at a Project wide level - labor unrest, strikes, work stoppages etc.	IESC Observation	ESMP in general	Open	Make a senior management member responsible and accountable for labor and IR issues at a Project wide level. Recruit specialist staff or specialized third party assistance to strategize and manage labor and IR issues at a Project wide level. Conduct an internal review to ascertain if labor management is fully consistent with EHL's own commitments and expectations. Review labor practices at contractor level as not all contractors seem to have the same practices, resulting in project wide inconsistencies.
<b>Environmental Issues – Waste and Wastewater Treatment</b>							
M5.2	Nov. '11	Aug. '12	WWTPs at all of the EPC Contractors except EPC3 have shown persistent discharge compliance problems.	IESC Observation	Water Management Plan	Open	Although the overall process to improve WWTPs is still a work in progress and some of the issues identified in the previous site visits have yet to be completely solved, the IESC recognizes the significant efforts of the Project to face this challenging situation. A throughout review in the field of the WWTPs performances will be performed during the next October site visit. The Level 1 NC assigned in the previous visit is downgraded to a field observation.
M6.1	March '12	Note <sup>3</sup>	'Outside the fence' waste prevention awareness needs improvement to avoid litter being discarded along the RoW and road-sides	IESC Observation	Performance Standard 6/ Waste Management Plan	Open	Following the observation raised during the March site visit, the Project has reportedly taken a number of actions including the development of awareness and training material and delivery programs within camps and among the communities. Progresses in the field will be within the scope of the October field visit.
<b>Environmental Issues – Noise</b>							
M6.2	March '12		Noise levels recorded at the Pioneer and Main Camps for MCJV have persistently been recorded at levels higher than the daytime limit of 55 dBA.	I	Noise and Vibration Management Plan	Open	Although both MCJV and EHL are taking actions, the process to address the nature of these noise problems at Komo camps is still a work in progress and the reasons for these anomalies are yet to be understood. Accordingly, the level I NC is maintained.

<sup>2</sup> In order to better track project progress and accomplishments, the issues identified during each site visit are identified by a letter (M) and number (e.g. M1) that identifies the site visit (e.g.: M1 for the first visit, M2 for the second visit, etc.) followed by a digit that identifies the specific issue found (e.g. M2.4 refers to issue 4 found in visit 2).

<sup>3</sup> This topic was not covered during this site visit and will be addressed during the October 2012 trip.

N°	Site Visit	Closing Date	Description	Non-Conformance	Reference	Status	Comments / Report Reference
<b>Environmental Issues – Erosion and Sediment Control</b>							
M6.3	March '12	Aug. '12	Although significant effort is being placed on erosion and sediment control at the Komo Airfield, significant improvements are needed. The freshwater ecological monitoring has found probable ecological impact downstream of the Komo Airfield, interpreted to most likely relate to increased turbidity or sedimentation, which is an indicator that the control systems are not effective.	IESC Observation	Erosion and Sediment Control Management Plan.	Open	Following the NC assigned in March 2012, the Project has undertaken a throughout in field review of the existing erosion and sediment control systems installed at the site. Although the overall process to manage erosion and sediment control is still a work in progress that will require ongoing effort from the Project, the IESC has appreciated the prompt reaction to the non-conformance raised during the March visit by reviewing/revamping the existing soil and erosion control measures installed at site and by introducing new techniques systems. Accordingly, the general Level 1 non-conformance assigned in March is downgraded to a field observation.
<b>Environmental Issues – Biodiversity and Ecological Management</b>							
M3.10	March '11	Note <sup>3</sup>	Reinstatement, erosion control and induced access control commitments along access roads in the 'interim period' after Spiecapag's initial reinstatement efforts (during construction phase) and before operations, when EHL will assume full responsibility, are not defined.	IESC Observation	Performance Standard 6	Open	As construction progresses, responsibility for the management and stewardship of completed facilities and infrastructure is transferred, in some cases from one EPC Contractor to another, and in other cases from EPC Contractor to EHL. In general a punch list system is utilized to manage this handover and acceptance process. This should focus on issues such as reinstatement, erosion control and induced access, to ensure that a consistent management focus is retained during the handover period. IESC urges due attention be paid to the transition process and interim measures be taken where necessary to counter and transitional gaps that might potentially occur. Such measures should ensure that roles and responsibilities are clearly defined, and include monitoring to ensure effective mitigation is maintained during transition.
<b>Social Issues – Resettlement</b>							
M3.14	March '11	Aug '12	IFC PS 1 and PS 5 require that particular attention be paid to vulnerable people at each stage of the resettlement process. While vulnerable households are noted during RAP preparation, there is limited evidence of systematic monitoring or follow-up of their circumstances post-relocation.	Reduced to Level I	Performance Standards 1 and 5	Closed	The Project team had completed the two outstanding actions: <ul style="list-style-type: none"> <li>- A field audit of all vulnerable households affected to date had been completed. 49 vulnerable households have been identified. 12 households were identified as high priority cases and are in the process of receiving various kinds of special assistance.</li> <li>- A vulnerable peoples monitoring program has been established.</li> </ul> IESC will continue to closely monitor outcomes of the vulnerable.

N°	Site Visit	Closing Date	Description	Non-Conformance	Reference	Status	Comments / Report Reference
M6.4	March '12	Aug '12	Resettlement was observed to have occurred at Paua and along the Hides logistics route even although RAPs for these areas had not been approved.	II	IFC PS 5, RPF	Closed	<p>The Resettlement team has completed the requisite corrective actions to close this non-conformance:</p> <ul style="list-style-type: none"> <li>- RAPs to cover the Paua and Logistics Route resettlement have been retrospectively completed and approved by the IESC.</li> <li>- The resettlement team has mobilized an additional census and survey team (and has introduced a video survey team to more rapidly document pre-cut-off conditions).</li> <li>- A schedule of future RAPs was provided.</li> </ul>
M6.5	March '12		The RPF specifies that external, outcome monitoring will begin approximately six months following relocation and will be continued biannually for a sufficient period for the effectiveness of measures to be evaluated (RPF, Section 10.1.2). The IESC has not seen a report since August 2011.	I	RPF, Section 10.1	Reduced to Level 1 (Aug '12)	<p>A monitoring report for KP 55-69 covering the period up until July 2012 was submitted by EHL in August 2012. This is a start, but something short of comprehensive resettlement monitoring. IESC needs to see:</p> <ul style="list-style-type: none"> <li>- Additional M&amp;E resource allocated so that breadth of monitoring can be expanded</li> <li>- M&amp;E report coverage expanded to cover all active resettlement areas.</li> </ul>
<b>Social Issues – Community Health and Security</b>							
M6.6	March '12		There has been a protracted delay in releasing the results of the Integrated Health and Demographic Surveillance System baseline socio-economic survey and baseline nutrition survey. It is now more than 9 months since the surveys were completed. The Project team could not provide any clear commitment as to when the results would be released. The iHDSS surveys were designed to provide a platform for both community health and broader social monitoring. A critical Project monitoring commitment has not been delivered.	II	Community Health, Safety and Security MP	Open	<p>In August 2012, the Project presented preliminary findings from the baseline iHDSS surveys for the villages neighboring the LNG plant. The following corrective actions are required:</p> <ul style="list-style-type: none"> <li>- Complete iHDSS baseline report for LNG villages by September 2012;</li> <li>- Complete baseline report for Hides Komo by November 2012;</li> <li>- Raise with IMR need for Project to have early access to iHDSS data as a management tool (not for public disclosure).</li> </ul>

N°	Site Visit	Closing Date	Description	Non-Conformance	Reference	Status	Comments / Report Reference
M7.1	Aug. '12		The Project has recently started the “Hides-5 S&G Program” in the Project area, a survey studies program that comprises all preparatory works such as scouting, surveys, topographical mapping, preliminary geotechnical data acquisition and preliminary community affairs work, excluding well pad/road construction or drilling. The IESC has received a Certificate from the Project for this activity in connection with the CTA that certifies that the Hides-5 S&G Program is not expected to prevent the Project from complying in all material respects with all applicable Environmental and Social Laws, the Environmental and Social Management Plan and Applicable Lender Environmental and Social Standards.	IESC Observation	Various Project Health and Safety Plans  Community Health, Safety and Security MP	Open	Although from the information provided the IESC has understood that this initial stage of the Hides-5 S&G Program will not have any impact on the Project area, the proposed program looks more than simple exploration. If successful, it will contribute to feed gas back to the HGCP and it might end up in an expansion of the Project footprint. The IESC will monitor the progresses of the program and is looking for periodic update on the status of the program development from the Project.
<b>Social Issues – Procurement and Supply</b>							
M6.7	March '12	Note <sup>3</sup>	The Project makes substantial efforts to offer technical support and capacity building to its supply chain. Although these efforts include stringent occupational safety and health protocols, the Project could benefit from improvements in terms of assessing, monitoring and reporting on the basic requirements of IFC Performance Standard 2 concerning supply chains.	IESC Observation	Procurement and Supply Management Plan  Labor and Working Conditions Management Plan	Open	This observation replaces Observation M4.10 from the July-August 2011 field visit. Compliance with PS2 with respect to supply chains involves verifying and monitoring the occurrence of child or forced labor or lack thereof. A verification process for (new) PNG suppliers should be developed (see Section 5.9.2.1).
<b>Labor and Human Resources - Labor and Worker Conditions</b>							
M6.8	March '12	Note <sup>3</sup>	With respect to Project compliance with PNG labor law, especially in the field of working hours and R&R and the possible need for exemptions, legislative texts need further interpretation, but for now it appears that it is not certain that all Contractors are compliant with PNG labor law. EHL received its labor law exemptions on two minor issues in place since March 2012, but EHL has not carried out an update on the exemption status of its contractors.	IESC Observation	Labor and Workers Conditions Management Plan	Open	Review Project compliance with PNG labor legislation on working hours, including breaks, days of rest, rotation schedules, etc. More concretely, verify: (i) whether contractors comply with PNG labor legislation, (ii) if not, whether they obtained relevant exemptions, (iii) which mitigation measures have been adopted, (iv) if so, whether there has been any stakeholder consultation on these measures, (v) whether working hours, R&R etc. conform to international standards and how they compare to the sector norm, and finally (vi) whether there are health and safety impacts on workers also and including impacts on psychological health.

N°	Site Visit	Closing Date	Description	Non-Conformance	Reference	Status	Comments / Report Reference
M6.9	March '12	Note <sup>3</sup>	OCNs working at the PNG LNG Project are still experiencing differentiated working conditions in terms of for example recruitment practices of agencies in country of origin, working hours, R&R schedules etc. or access to an effective grievance mechanism.	IESC Observation	Labor and Workers Conditions Management Plan	Open	Request EPC Contractors to review recruitment practices of their suppliers of OCN workers, not so much formally on the basis of the legitimacy of these agencies - as even legitimate agencies can engage in illegitimate acts, but informally on the basis of a 'civil society reputation check' in the country of origin through for example NGOs, trade unions or worker's rights experts to verify any rumors of illegitimate activities by these agencies. Discuss possible rollout of OCN Workers Council such as at EPC5B with the other EPC Contractors. Have Project Contractors improve on and provide ongoing information on grievance mechanisms towards OCNs, more specifically at EPC5A. Review the legitimacy of a differentiated R&R schedule for staff holding equal positions based on country of origin, more specifically at EPC4.
<b>Labor and Human Resources – Camp Management</b>							
M5.6	Nov '11	Note <sup>3</sup>	There is a continued and pressing need for EHL to rigidly implement, monitor and evaluate all risk mitigation measures proposed in the risk assessment reports for personal-space-reduction at EPC3 and in the Upstream Area. These risk assessment reports and the mitigation measures they contain have been instrumental in lifting the Level 1 Non Conformance during the IESC July 2011 review and are therefore critical to implement.	IESC Observation	Footnote <sup>4</sup>	Open	The situation during the March 2012 visit reinforced these observations as IESC found that C1 and EPC4 are either experiencing or expecting problems with available space/person. Moreover, EHL issued a non-conformance on minimum space/person requirements for C1, as monitoring revealed that different containers had been delivered than expected (6-to-a-room).

<sup>4</sup> Risk assessment reports for personal-space-reduction at EPC3 and in the Upstream Area; Camp Management Plan; Labor and Workers Conditions Management Plan; Minimum Health Requirements for Project Execution; Health Inspection Guidelines

N°	Site Visit	Closing Date	Description	Non-Conformance	Reference	Status	Comments / Report Reference
M6.10	March '12	Aug. '12	On the basis of interviewed medical staff at some of the camps on occupational health issues, an increase in psychological health problems among workers in the camps is being observed, manifesting mainly as stress due to long-term isolation and an ongoing sense of the security threat in PNG, predominantly in the Highlands. Medics expect this situation to only worsen as work pressure and stress will be increasing due to construction targets nearing deadlines.	IESC Observation	Camp Management Plan	Closed	Carry out a rapid psychological health assessment among the Project's work force, predominantly in the Highlands, through EHL medical officers at contractor level and medical staff at camp clinics. More specifically focus on stress due to long-term isolation and an ongoing sense of the security threat in PNG and possible exacerbation thereof as work pressure and stress increase upon Project completion.
<b>Labor and Human Resources – Gender</b>							
6.11	March '12	Note <sup>3</sup>	The quality and effective implementation of women's grievance mechanisms varies greatly across the Project. The approach taken by EPC4 may well turn out to be an example of best practice and worth sharing with the other EPCs	IESC Observation	Labor and Workers Conditions Management Plan  Camp Management Plan	Open	Have a dedicated Gender expert carry out a rapid evaluation of women's grievance mechanisms across the Project in order to identify strengths and weaknesses and share lessons learned. Closely monitor developments at EPC4, as the approach taken there may well turn out to be an example of best practice and worth sharing with the other EPCs.
6.12	March '12	Note <sup>3</sup>	The other major issue is the impact of women's changed status to 'women-in-employment'. Across the Project, but especially in the Hides women often suffer (violent) domestic implications for being employed by the Project. This is further worsened because 'women's-control-over-income' is culturally challenged. In the Huli cultural context women face incredible pressure to hand in their earnings due to (male) community demands. This facilitates men in accessing alcohol and weapons and resorting to more violence. All women expressed a desire to have access to bank accounts.	IESC Observation	Labor and Workers Conditions Management Plan + Camp Management Plan	Open	Have a dedicated Gender expert make a rapid assessment of the most pressing issues for women employed by the Project and design tailor-made solutions, especially for women in the Hides, at Project level - including concise instructions for Contractors and Lancos. Take up the issue of domestic violence and related social problems that have been unintentionally aggravated by the Project, with relevant governmental and non-governmental bodies and drive the development of a multi stakeholder strategy, building on core competencies of each stakeholder and using their respective spheres of influence. The Community Health Program is conducting a successful 'marriage and relations counseling' program at the community level. IESC sees a great opportunity for this program to support the aspects of the Project with gender workplace issues by developing a specific focus on violence issues related to women-in-employment. This view was shared and validated by program staff.

N°	Site Visit	Closing Date	Description	Non-Conformance	Reference	Status	Comments / Report Reference
<b>Workers Health and Safety</b>							
M4.17	Jul-Aug. '11	Note <sup>3</sup>	<p>Safety impacts of excessive working hours/structural overtime, lack of adequate breaks and rotation schedules at the level of the Project's (sub) contractors are potential risks.</p> <p>This is especially the case for workers along the pipeline.</p>	IESC Observation	Various Project Health and Safety Plans	Open	This is a continued observation/recommendation. Improve monitoring (excessive) overtime issues at Contractor and subcontractor level, mainly for OCNs along the pipeline.
M4.18	Jul-Aug. '11 and March '12	Note <sup>3</sup>	<p>A significant health issue is the obesity risk among PNG workers and all obesity-related long-term health risks, including diabetes and cardiovascular disease. An increase in obesity rates may be due to dietary and lifestyle changes, i.e. exposure of PNG workers to Western diet and the abundant availability of food in the camps, as well as a likely Melanesian genetic predisposition to store fat. Community Health Program staff do share this concern.</p> <p>During the March 2012 visit the IESC noted that in various camp canteens (C1, EPC4, EPC5B) practical measures had been taken to reduce calorie intake and enhance intake of nutritious food. Measures varied from moving dessert tables to the back of the canteen to not allowing more than one menu choice on a plate per serving, while allowing for repeat servings.</p>	IESC Observation	Various Project Health and Safety Plans	Open	<p>Consult with a dietician specialized in Melanesian obesity issues, to re-think the menus offered in camp canteens as well as the food packages issued to PNG workers;</p> <p>and,</p> <p>build on practical measures taken in certain camp canteens to reduce calorie intake and promote intake of nutritious food and share effective measures across the Project.</p>
<b>Cultural Resource Management</b>							
M6.13	March '12	Note <sup>3</sup>	The artifacts excavated from the Hides area prior to the start of major construction have not yet undergone rigorous scientific analysis.	IESC Observation	CRM Plan	Open	EHL is urged to ensure appropriate arrangements are in place for managing this material, as interpretation and reporting are keystones of cultural heritage management.

**APPENDIX A**  
**PROJECT CONSTRUCTION STATUS**

The Project consists of three components:

- *LNG Plant and Marine Facilities Site* (plant and marine terminal facilities) at a location designated Portions 2456 and 2457 located approximately 20 km northwest of the capital city of Port Moresby, PNG. A significant component of the marine facilities component is the jetty to be constructed as a trestle on pile foundations;
- *Upstream Offshore Pipeline (Marine Project Area)* extending 407 km that begins at the Omati River landfall and extends to the marine facilities located at the LNG Plant site;
- *Upstream Facilities and Onshore Pipeline* consisting of wells at the Juha, Hides, Angore, Agogo, and Southeast Hedinia fields, a new Hides Gas Conditioning Plant (HGCP), a new Juha Production Facility, expansion of the existing Agogo Production Facility, and expansion of the existing Kutubu and Gobe Production Facilities, which all tie into a main onshore pipeline 284 km from the Hides Plant to the Omati River landfall where it connects with the offshore pipeline.

The development of the above three components is well underway and a number of key construction milestones were achieved as of the end of June.

As the IESC did not visit the field during this mission, the following updated of the Project construction status was taken from the latest LNG Quarterly Environmental and Social Report (Q2 2012) recently posted in the PNG LNG website.

- *EPC3 – LNG Plant and Marine Terminal (Chiyoda JGC JV - CJJV)*: This joint-venture EPC contract between Chiyoda and JGC Corporation, both engineering and construction firms headquartered in Yokohama, Japan, is for construction of the 6.6 million tons per annum (MTPA) LNG plant, with two 3.3 million trains, including facilities for inlet processing, treating, liquefaction, storage, and the marine terminal. Construction is reported to be ahead of schedule. At the LNG site, construction of the outer shells and roof installation for the two LNG tanks has been completed. The 2.4-kilometre jetty trestle installation has also been completed with the pipe rack modules installation on the jetty underway. Heavy lifts for Train 1 were completed and heavy lift cranes began lifting equipment on Train 2. All Train 1 air-fin fan coolers are installed and instrument cable pulling has commenced. Pipe installation and steel erection on Train 2 continues. In the utilities area, seven power generation local electric rooms and three main utility substations have been installed on their foundations. Meanwhile, construction of the cryogenic inner shell of the northern LNG tank is in progress, and ten of the thirteen miscellaneous tanks have been erected;
- *EPC 2 – Offshore Pipeline (Saipem)*: This contract was for the 407 km of offshore pipeline that begins at the Omati River landfall and extends to the marine facilities located at the LNG Plant site. The installation of the pipeline is now complete including the installation of both the shallow water and deep-water sections of the offshore pipeline and completion of above water tie-in to connect the two sections has started. The installation of the subsea fiber optic communications cable - result of a collaboration between the Project, the Independent Public Business Corporation of Papua New Guinea, the Southern Highlands Provincial Government and Oil Search Limited - progressed, with the Omati River shore pull complete and over 60 kilometers of cable laid in the shallow waters in the Omati River area. The cable will be a shared facility for operational communications between the HGCP and LNG sites and will also be used by the other three parties to improve communications at various locations between the Southern Highlands and Port Moresby;
- *C1 – Upstream Infrastructure (Clough Curtain Brothers JV - CCJV)*: responsible for Kopi Shore Base; Southern Supply Route; Highlands Highway upgrades; HGCP access road and site preparation; Hides well pads and access roads; construction of the Hides Waste Management Area (HWMA); and associated work camps. During Q2, 14 out of 22 kilometers of the wellpad access road were completed as well as the installation of a second washdown facility on the wellpad access road. Construction at the HGCP continues with the process area completed and handed over to the HGCP and Hides wellpads contractor. Wellpad B construction was completed during April, handed over to the drilling contractor with set-up of the drilling rig ongoing. At wellpad C, bulk earthworks were completed and installation of drilling cellars has commenced. Earthworks began on the produced water injection wellpad, which will be the Project's third drilling location. The HWMA has been completed and handed over to EPC4;

- *EPC5A – Onshore Pipelines and Infrastructure (Spiecapag)*: Spie Capag SA of Colombes, France is working to install the onshore pipelines and associated infrastructures for the project. This effort includes the construction of a 292 km 32 – 34-inch gas pipeline, 109 km of 8-inch condensate pipeline, and the Hides Spine and gas field flowlines and also including above ground facilities (e.g. mainline valve stations, meter stations, pig launcher/receiver stations, cathodic protection equipment), power and optic telecommunications cables. Infrastructure includes road upgrades, access road construction, bridge improvements, camps and associated facilities for waste management, vehicle washdowns, helipads, etc. Progresses in the field are as follows: approximately 160 km of pipe backfilled, 170 kilometers welded, 90 km hydrotested and almost 180 kilometres of the pipeline Right of Way (ROW) cleared and graded including the section of the gas spurline from the Kutubu Central Processing Facility. The third and largest of four Horizontal Directional Drillings (HDD) was also completed this quarter under the Mubi River. In terms of camps, as of August 2012, Camp 1 at Kopi (KP 266), Camp 2 at Kaiam (KP 226), and Camp 3 at Gobe (KP 191) have been completely decommissioned; Camp 4 at Tamadigi (KP 145) is in full operation; Camp 5 located in a brownfield site next to EHL Moro Camp B (KP 93) started operation in June. In addition, two smallest camps, Hegero (KP76) and Tubage (a third party camp nearby Deware camp / Laydown area) started operations in July and June, respectively;
- *EPC4 – Upstream Facilities including Hides Gas Conditioning Plant (HGCP) and Well Pads (CBI Clough JV - CBIC)*: this joint venture of Chicago Bridge & Iron Company (CBI) from Amsterdam, Netherlands and Clough Limited from Perth, Australia is responsible for the design and construction of the production facility, the 960 Mcfd/day capacity HGCP, the HGCP Industrial Park, and the Rotator Housing Community. At the HGCP construction site, installation of the site perimeter security fencing is ongoing while pile driving in the process area is progressing. Concrete pouring for the equipment foundations began in the utility area of the plant and structural steel and underground piping installation commenced. Camp expansion also progressed with the addition of more than 50 beds and the early commissioning of the camp's wastewater treatment plant;
- *EPC5B – Komo Airfield (McConnell Dowell CC Group JV - MCJV)*: A joint venture of McConnell Dowell Corporation Limited (Victoria, Australia) and Consolidated Contractors Company (Athens, Greece) is engaged to construct the Komo airfield 10 kilometers southeast of the HGCP. Earthworks are reported to be progressing with more than 800 meters of runway at final grade achieved. Permanent facility construction is underway with 75 percent of the steel erection for the support facilities reportedly completed;
- *Drilling - Nabors Drilling International Limited*: currently the detailed well design and technical specifications for the drilling program are being finalized with an integrated execution being planned with the Project. The current workscope is to drill 10 high-rate gas wells (8-Hides; 2-Angore) with two produced water disposal wells. The set-up of the first of two drill rigs planned for the work (Rig 702) began in May and was almost completed at the time of the visit. The second rig (Rig 703) has arrived in country from Houston and has started its journey from Lae to Hides along the Highlands Highway. All major service contracts have been executed and ordering of equipment for the initial eight wells is complete;
- *Associated Gas Development*: The Associated Gas Development contractor started construction at the Gobe Production Facility where bulk earthworks to remove existing underground lines and install equipment footing for the new triethylene glycol unit. Construction activities at the Kutubu Central Processing Facility included the completion of commissioning and performance testing of the triethylene glycol unit and associated gas cooler. The thermal oxidizer is nearing completion, while the condensate storage tank foam and deluge system is progressing well. At the Kumul Marine Terminal, the platform accommodation has now been refurbished and two new platform generators commissioned and installed.

**APPENDIX B**

**IESC 7<sup>TH</sup> MONITORING VISIT – TRIP SUMMARY AND DOCUMENTS PROVIDED**

## **TRIP SUMMARY**

### ***August 26:***

IESC team member Giovanni De Franchi and Robert Barclay arrive in POM.

### ***August 27:***

IESC Environmental:

- Review IESC recommendations from March – Visit 6 - report
- Discuss RAP/CSR progress update and working session (including scope/reporting format of ‘umbrella CRPs’ and ‘inlier RAPs’, PCS vs C&S requirements, inconvenience payments in the case of re-routes, reporting format of Phase 1 resettlement
- Initial discussion on Completion certificates

### ***August 28:***

- Discussion on RAP/CRP progress update and working session
- Work progress and RAPs
- WWTP update (Project Wide)
- Livelihood monitoring review, including independent RAP audit scope requirements and timing

### ***August 29:***

- Session on Community Health update and review of relevant IESC recommendations and observations (draft report from Visit 6)
- Update on the DSS baseline survey findings covering all project areas
- Update on Komo Erosion & Sediment Control and follow up on Monitoring report No. 6 Recommendations/Observations
- CSS Update and review, including scope and timing of Mid-term review
- Update on Komo Noise review and follow-up to non-conformance raised in March
- Security update (including briefing of Tamadigi camp incident)
- Post election update

### ***August 30:***

IESC Environmental, Social and LWC Team:

- Follow-up discussion on RAP/CRP
- Health assessment (worker stress) follow-up (refer 6<sup>th</sup> Monitoring Report, Section 7, Health & Safety)
- HRM discussions based on labor exemptions at EPC contractor level, (refer 6<sup>th</sup> Monitoring Report, Section 6, Labor & Working Conditions)
- Session on Biodiversity update
- Scoping and planning of October Monitoring Visit

### ***August 31***

- De-briefing session with senior management
- IESC team departs POM to return home

## **DOCUMENTATION RECEIVED**

### **On-site documents:**

- *Construction update status from EHL Q2 2012 report*
- *PNG LNG Project Non conformance M6.6 and Recommendation R283/284 - .ppt presentation*
- *PNG LNG Project Integrated Health and Demographic Surveillance System - .ppt presentation*
- *Erosion Prevention and Sediment Control – Komo Airfield - .ppt presentation*
- *Biodiversity Offset Delivery Plan - .ppt presentation*
- *Summary of EPC5B Komo Site Noise Monitoring - .ppt presentation*
- *WWTPs – Project-wide Overview - .ppt presentation*
- *Wastewater Treatment Plants Sop - .pdf*
- *Public and Government Affairs Update - .ppt presentation*
- *Resettlement Update and RAP Status IESC Visit - .ppt presentation*
- *Resettlement Update and RAP Status IESC Visit - .ppt presentation*
- *PNG LNG Project Monthly Progress Report June 2012 - .pdf*
- *Komo FET Monitoring Table - .xlsx sheet*

### **Post-Mission documents**

- *Caution Bay Fisheries Report Q2, 2012 - pdf*