

TOK SAVE from Total E&P PNG Limited Managing Director



I would like through the Community Liaison Officers who are ‘my ears, eyes and mouth’ in the communities, and also more directly to address a few important messages for the year to come as we have just entered into it.

As you know, Total E&P PNG Limited (TEP PNG) is progressing its work within PRL-15 with the objective of finalising the most appropriate locations for key Project facilities. Several activities are now taking place that shall soon confirm where the producing well pads, trunk line, Central Processing Facility and pipeline will finally be. You shall be informed on these as soon as they are ready.

The field activities you see in PRL-15 are only a part of our work; in addition studies and plans are being developed to ensure that the Project will respect the environment and the people of PRL-15 and that the Project is technically and economically viable, for the benefit of all stakeholders. It means that there is still work to be done before the construction kicks off. Rest assured that TEP PNG remains committed to delivering the Project in a timely manner. CLOs will continue to provide you with updates.

In parallel, TEP PNG has completed the SMLI for PRL-15 a few weeks ago and will submit it to the Department of Petroleum and Energy for their vetting. Regarding landownership recognition, the Ministerial determination identifies the Project area landowners and subsequently the future beneficiaries.

It is important to remember that only the Minister of Petroleum, and not TEP PNG, has the authority to recognize the Project Area Landowners of PRL-15 (and subsequently the beneficiaries), as prescribed by the Oil and Gas Act. To support you in understanding this process, TEP PNG has proposed to engage a dedicated legal support that will inform you properly on the necessary requirements linked to the Development Forum process, after Ministerial determination is made.

Therefore and by extension, TEP PNG is not entitled to decide that any company is a landowner company until the project area landowners are officially recognised. This recognition is the sole responsibility of the Minister for Petroleum, not the developer.

Thus, letters emanating from various businesses have been received claiming to be the rightful landowner companies. TEP PNG will not engage in with any of these companies as long as the ministerial determination has not been done. Regarding business development, TEP PNG has continued to support SORIL and its subsidiaries as this collaboration was inherited from the previous operator InterOil and with the assumption that SORIL

represented the interests of all the clans of PRL-15 and related clans for your own benefit. Meetings have taken place and documents signed by all PRL-15 clans and directors of this company. This was understood as a support to a local company and not as a determination that they were a Landowner Company.

Regarding land compensation, I hope that all of you appreciate the initiative taken by TEP PNG to sign Clan Land Use and Compensation Agreements (CLUCA) with you. It is important to point out that this is not required by the Law, including the Oil and Gas Act. TEP PNG is doing it as a demonstration of respect to the people of PRL-15. TEP PNG has received *Additional rights of entry to enter into private land* from DPE (the “form 24”) but we believe that it is important for you to know in advance the compensation rates applied and to sign a document that formalises our agreement.

This point highlights a situation that we are facing on the seismic activities that shall take place within PRL-15 that are operated by Oil Search Limited (OSL). Due to their PNG experience, OSL were contracted by ExxonMobil, the Operator of the neighbouring licences of PRL-15 to undertake their extensive 2D seismic program, and many of you are fully aware of this exercise, and indeed some of you are working for OSL. Consequently it made sense for TEP PNG on behalf of PRL-15 to contract OSL to progressively undertake the 2D seismic within PRL-15 as well. Therefore you shall understand that the recruitment of the workers required by OSL has to be dealt with directly between OSL and the clans as the recruitment is to be understood within the overall staffing campaign of OSL in the different blocks.

We understand and appreciate your aspirations that you will benefit from the Project. But be aware that the Project is still at an early stage of its development and that there are many studies, etc. that must be completed and regulatory steps to be followed. Now it is in everyone’s interest to perform the activities planned this year to advance on the Project technical aspects so as to be able to start the process that shall lead to the Development Forum and for the State and Developer to Final Investment Decision.

Community Relations officers are mobilised to provide you with any answer you may need, receive your grievances and consult you on issues that may arise in relation to the Project. A toll free line is also available that allows you to contact the company for any question you may have.

I also invite the councillor and clan leaders to attend the proposed ‘*PRL-15 Total & Komuniti Lida Kibung*’. This forum shall take place every three months to give to the councillors, clan leaders and community groups representatives an opportunity to meet with TEP PNG social management. This regular interaction is meant to give you an opportunity to address directly your questions to TEP PNG social management and benefit from the updates related to the Project and discuss different matters, e.g. Development forum preparation, community investment, ways of improving communication, legal support, etc.

As we welcome the New Year I take this occasion to thank the people of your community who are or have been working directly or indirectly on our operations for their commitment, hard work and good spirit. We are proud to work with you, you are our neighbours and

important stakeholders and we shall work to progress various opportunities for communities to participate in this Project.

Finally we wish you and your family and community a prosperous year 2018 and ask that you take care of your families and be safe at all times.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Philippe Blanchard', with a long horizontal stroke extending to the right.

Philippe Blanchard

Managing Director, Total E&P PNG Limited,
Acting in its capacity as Operator of PRL-15