

March 9, 2010

NEXI

Results of Environmental Review

(1) Reference Number

09-059

(2) Project Name

LNG Project

(3) Project Site

Southern Highlands Province and other areas, Papua New Guinea

(4) Project Outline

Gas development and construction of LNG plant, etc.

(5) Category

A

(6) Reason of Categorization

The project falls into the sectors defined under the Environmental Guidelines as “oil and natural gas development,” “pipelines,” “oil, gas and chemical terminals” and “ports and harbors,” and it is located in sensitive areas (i.e. nationally-designated protected areas, habitats of rare species requiring protection, areas inhabited by indigenous peoples, etc.) and has sensitive characteristics (i.e. involuntary resettlement, etc.) under the Environmental Guidelines.

(7) Environmental Permission / Approval by the Environmental Authority

The Environmental Impact Statement has been made under the relevant environmental regulations in Papua New Guinea, and was approved by the Department of Environment and Conservation (DEC) in September 2009.

(8) Anti-Pollution Measures

The appropriate measures are taken to meet the international standards for air quality and noise levels and to meet the local and international standards for water

quality. Other anti-pollution measures are taken appropriately and no particular adverse impact is expected.

(9) Natural Environmental Considerations

To reduce and mitigate impacts on the nationally-designated protected areas located in and around the project area, appropriate measures are taken through the measures such as selection of appropriate pipeline route, application of appropriate manner of construction, and establishment of biodiversity conservation plan.

Regarding considerations for the rare species requiring protection, mitigation measures including minimization of project footprint and restoration of vegetation are taken to reduce vegetation losses. In addition, measures such as preconstruction ecology survey and specific management measures are taken to mitigate habitat losses.

(10) Social Considerations

Regarding considerations for the people and indigenous peoples affected socio-economically by the project as well as considerations for cultural heritages affected by the project, mitigation measures are taken in accordance with respective management plans.

(11) Monitoring

Monitoring of wastewater, air, noise, etc. will be conducted in accordance with the requirement of the DEC, and results of the monitoring will be reported to the DEC. In addition, monitoring associated with living environments of the affected people and monitoring of biota including habitats of rare species requiring protection will be conducted.