

Results of Environmental Review

- (1) Reference Number
18-011
- (2) Project Name
Natural gas development and LNG plant construction
- (3) Project Site
Cabo Delgado, Mozambique
- (4) Project Outline
Natural gas development and construction of LNG plant
- (5) Category
Category A
- (6) Reason of Categorization
The project falls into the large-scale Oil and natural gas development sector and Oil, gas and chemical terminals sector, is located in a sensitive area, and has sensitive characteristics under the Environmental Guidelines.
- (7) Environmental Permission/Approval by the Environmental Authority
The Environmental Impact Assessment report was made under the laws and regulations in Mozambique, and was approved by the competent environmental authority of Mozambique on June 16, 2014 with conditions.
- (8) Anti-Pollution Measures
Appropriate measures will be taken against pollutions, including air quality, water quality, waste, soil, noise and odor, etc.
- (9) Natural Environmental Considerations
There are no nature reserves in the project site. Appropriate measures will be taken to protect the precious species and habitats.

(10) Social Considerations

Relocation of residents accompanying the implementation of this project occurs. Resettlement Action Plan (RAP) was developed in accordance with international standards. Compensation and livelihoods restoration programs will be provided the affected people based on the RAP.

(11) Applicable International Standards

IFC Performance Standard

(12) Monitoring

The project proponent will conduct monitoring regularly and report the monitoring results to relevant authority.

End

Questions

Q1. Please provide the address of the project site.

Address of the project site: Cape Afungi, Cabo Delgado Province, the Republic of Mozambique

Q2. Please provide brief explanation of the project.

Mozambique Gas Development Project is designed to produce, collect, and process natural gas in northern Mozambique and transport the gas (in liquefied form) to international markets. The natural gas will be extracted from offshore gas reservoirs (gas resource is located approximately 35 km offshore in water depths from 500m to >1,300m) via subsea wells and collected and transported to the onshore LNG facility (2 trains of nominal 5 mmtpa production capacity) by subsea pipelines. Gas will be processed, converted to liquid and stored in storage tanks. The liquefied gas will then be transported through pipeline to an export jetty where the LNG will be loaded onto LNG vessels to be shipped to international markets.

Q3. Will NEXI insurance be applied to a new project or an executing project? In case of an executing project, please inform of strong claims by stakeholders such as local residents, as well as improvement guidance or cessation orders for construction work / operations, from environmental authorities.

- | | |
|-----------------------------------------------------------------|--------------------------------------------------------------|
| <input checked="" type="checkbox"/> New Project | <input type="checkbox"/> Executing Project (with Claim etc.) |
| <input type="checkbox"/> Executing Project (without Claim etc.) | <input type="checkbox"/> Others (Please specify) |

Q4. In case of this project, is it necessary to execute Environmental Impact Assessment (EIA) based on the laws or regulations of the country where the project is to be implemented? If necessary, please inform the progress of EIA.

- | | |
|----------------------------------------------------------|-----------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Required (Completed) | <input type="checkbox"/> Required (Under execution or under planning) |
| <input type="checkbox"/> Not Required | <input type="checkbox"/> Others (Please specify) |

Q5. In case that EIA is already completed, please inform whether EIA report is already approved based on the environmental assessment system of the country where the project is to be implemented or not. If EIA report is already approved, please provide the date and name of authorities of the approval.

- | | |
|-------------------------------------------------------|------------------------------------------------------------|
| <input type="checkbox"/> Approved (without condition) | <input checked="" type="checkbox"/> Approved (conditional) |
| <input type="checkbox"/> Under approval process | <input type="checkbox"/> Others (Please specify) |

Date of Approval: June 16, 2014

Name of Authorities: MICOA - Ministry of Coordination of Environmental Affairs

Q6. If environmental permit(s) other than EIA is required, please provide the name of required permit(s). Have you obtained required permit(s)?

- | | |
|---------------------------------------|--------------------------------------------------------------------|
| <input type="checkbox"/> Obtained | <input checked="" type="checkbox"/> Required, but not obtained yet |
| <input type="checkbox"/> Not required | <input type="checkbox"/> Others (Please specify) |

Name(s) of required permit(s): Resettlement Action Plan (RAP) needs approval before env. license is issued.

Q7. Will the insurance be used for the undertaking that cannot specify the project at this stage (e.g. export or lease of machinery that has no relation with specific project, or Two Step Loan that cannot specify the project at the time of loan agreement)?

(No)

If you answered "Yes", it is not necessary to reply to the following questions.
If you answered "No", please reply to the following questions.

Q8. Are there any environmentally sensitive area(s) shown below in and around project site(s)?

(Yes)

If you answered "Yes", please select applicable items by marking, and reply to following questions.

If you answered "No", please reply to questions 9 and after.

- (1) National parks, protected areas designated by government (coastal areas, wetlands, habitats of minorities or indigenous populations, heritage sites, etc.)
- (2) Primeval forests, tropical natural forests
- (3) Ecologically important habitats (coral reefs, mangrove, tidal flats, etc.)
- (4) Habitats of endangered species of which protection is required under local laws and international agreements.
- (5) Areas that have risks of large scale increase in soil salinity or soil erosion
- (6) Desertification areas
- (7) Areas with special values from archaeological, historical and/or cultural viewpoints
- (8) Habitats of minorities, indigenous populations, nomadic people with traditional life style, or areas with special social value

Q9. Does the project involve following characteristics?

(Yes)

If you answered "Yes", please describe the scale of applicable characteristics, and reply to the questions 10 and after.

If you answered "No", please reply to questions 11 and after.

- (1) Involuntary resettlement (Number of resettlers: approx. 500 families e.g. 2,500 individuals)
- (2) Pumping of groundwater (Scale: 120,000m³ /year)
- (3) Land reclamation, development and/or clearing (Scale: 3000 ha)
- (4) Deforestation (Scale: ha)

Q10. Under the environmental impact assessment system of the country where the project is to be implemented, do the applicable characteristics from (1) – (4) above and their scale serve as basis for executing an EIA for the project?

- They do They do not
- Others (Please specify)

Q11. Will the value insured by NEXI in the export, loan or investment project be equal or less than 5% of the total project cost, or equal or less than SDR 10 million? (In the case of additional support for a past project, this shall be the accumulated total amount)

(No)

If you answered "Yes", it is not necessary to reply to the following questions.

If you answered "No", please reply to questions 12 and after.

Q12. Does the project belong to either of the sectors that impact on the environment is deemed immaterial or is not anticipated under normal conditions (e.g. maintenance of the existing facilities, non-expansionary renovation project, acquisition of rights or interests without additional capital investment)?

(No)

If you answered "Yes", it is not necessary to reply to following questions.
If you answered "No", please reply to the questions 13 and after.

Q13. Does the project belong to the following sectors?

(Yes)

If you answered "Yes", please specify the sector by marking, and reply to questions 14 and after.
If you answered "No", it is not necessary to reply to the following questions.

- (1) Mining
- (2) Oil and natural gas development
- (3) Pipelines
- (4) Iron and steel (projects that include large furnaces)
- (5) Non-ferrous metals smelting and refining
- (6) Petrochemicals (manufacture of raw materials; including complexes)
- (7) Petroleum refining
- (8) Oil, gas and chemical terminals
- (9) Paper and pulp
- (10) Manufacturing and transport of toxic or poisonous substances regulated by international treaties, etc.
- (11) Thermal power
- (12) Nuclear power
- (13) Hydro power, dams and reservoirs
- (14) Power transmission and distribution lines involving large-scale involuntary resettlement, large-scale logging or submarine electrical cables
- (15) Roads, railways and bridges
- (16) Airports
- (17) Ports and harbors
- (18) Sewage and wastewater treatment having sensitive characteristics or located in sensitive areas or their vicinity
- (19) Waste management and disposal
- (20) Agriculture involving large-scale land clearing or irrigation
- (21) Forestry
- (22) Tourism (Construction of hotel, etc.)

Q14. Please provide information on the scale of the project (project area, area of plants and buildings, production capacity, amounts of power generation, etc.) Further, please explain whether an execution of EIA is required on account of the large scale of the project in the country where the project is implemented.

The Project is located in the Afungi peninsula in the Cabo Delgado Province, 30km south of the Tanzanian border. The exploration activities have resulted in 50 to 70+ trillion cubic feet (Tcf) of estimated recoverable gas.

The Land for Liquefaction Facilities is approx. 64 square kilometers on Afungi Peninsula and the LNG facility shall include 2 trains of 5 mmtpa production capacity each.

The Project scope includes (i) offshore gas development (ii) marine facilities (iii) onshore Gas processing and liquefaction (iv) supporting infrastructure as described below:

- (i) Offshore gas development
 - Subsea production wells
 - subsea gathering manifolds
 - pipelines connecting the offshore field to the onshore processing facilities
- (ii) Marine facilities
 - marine offloading facility
 - LNG Export jetty and berthing areas
- (iii) onshore gas processing and liquefaction
 - two 5 mmtpa liquefaction trains
 - gas processing and treating facilities and

- LNG storage tanks

- (iv) Supporting infrastructure

- Utilities, accomodation, access roads, airport

In the frame of this project the completion of an EIA is required. A comprehensive EIA (including social impacts) was conducted from 2011 through 2013, the draft was released for public review and comment, and the final EIA was approved by MICOA on June 16 2014.