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10 April 2018

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Dear Amy

Thank you for the opportunity to respond to the issues raised in the March 2017 article in *'The Conversation'* publication regarding the PNG LNG Project.

ExxonMobil PNG Limited (EMPNG), as operator of the PNG LNG Project, is committed to contributing to the development of Papua New Guinea, and to bringing economic benefits to the country. Papua New Guinea is a complex mosaic, with many of the current socio-economic challenges tied to historical issues that pre-date the onset of the PNG LNG Project by decades. While the PNG LNG Project is not the cause of PNG's or Hela's low socio-economic indicators, when tied to sound national economic policies, it can be part of a solution that helps Papua New Guineans build a more prosperous and sustainable future for themselves.

PNG LNG royalty payments due to the government began, and have continued, since the start of production operations in 2014. Payment and distribution of royalties and other benefits due to landowners in the Project area is the responsibility of the PNG government and is based upon benefits sharing agreements previously executed between the government and Project area landowners. Government distribution of royalties and benefits to LNG plant-area landowners began in 2017. Payment of royalties and other benefits due to landowners in Hela Province and other upstream areas will commence as benefits claims previously filed by certain landowners in the courts are resolved, and the government completes the additional landowner identification process that it commenced in the fourth quarter of 2017.

PNG LNG has contributed some 14 billion PGK (4.3 billion USD\*) to local businesses and the government through employment taxes, MRDC and Kumul Petroleum disbursements, development levies, royalties, and license maintenance fees. Of this, more than 3.5 billion PGK (1.07 billion USD) has been spent with landowner companies. Nearly 2600 employees and contractors are engaged in PNG LNG production operations. Approximately 82 percent are Papua New Guinean and 22 percent are women.

We maintain a social investment program that collaborates with government, donor and civil society priorities around education, community health, and broader socio-economic development. Moreover, we are a lead member of efforts such as the PNG Extractives Industry Transparency Initiative (PNG EITI). In local communities, we have invested more than 800 million PGK (246 million USD) to build infrastructure, develop social programs, and implement skills training. Our efforts have a tangible and direct impact on the community.



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Our support for local communities also includes disaster response and humanitarian relief in the aftermath of the recent earthquake. In addition to the company's US\$1 million contribution for humanitarian relief, we have donated more than 37 tons of food and 14 tons of potable water and a mix of shelters and other non-food items to the areas most affected by the earthquake. We have also distributed medical and other supplies provided by the Australian and New Zealand governments, the International Organization for Migration (IOM) and other donor and relief organizations. We are engaged with the PNG National Disaster Centre (NDC) and are coordinating our efforts with the NDC and UN-led Disaster Management Team.

For further details on the evolution of the PNG LNG Project we encourage you to review in detail the current and historical reporting available at [www.pnglng.com](http://www.pnglng.com), including [PNG LNG Environmental & Social Reports](#) to obtain a perspective on the comprehensive measures that the Project is taking to contribute to supporting community livelihoods.

ExxonMobil is committed to respecting human rights as a fundamental value in our company. We comply with applicable laws and regulations, and seek to work with suppliers and business partners who share this commitment. Our operations and approach to human rights are consistent with the goals of the United Nations *Guiding Principles on Business and Human Rights* and we have been a member of the *Voluntary Principles on Security and Human Rights* Initiative since 2002. The PNG government is responsible for law and order in the area of our project facilities. The Royal Papua New Guinea Constabulary coordinates all police and other government security personnel assigned to support our facilities, staff and operations. Additional detail on ExxonMobil's approach, principles, and policies on human rights and community engagement is available on the Corporation's website at [www.exxonmobil.com](http://www.exxonmobil.com).

ExxonMobil has set a standard for corporate excellence in PNG, and continues to demonstrate leadership across a spectrum of activities. We are proud of the role we play in supporting Papua New Guineans as they build a sustainable future for themselves. To build a future that Papua New Guineans deserve requires ongoing collaboration – led by the PNG government – between the public sector, industry and civil society.

ExxonMobil is committed to helping develop human, social and economic capacity in PNG.

Respectfully



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Public & Government Affairs  
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