

CHAPTER VI

STATEMENT OF ENVIRONMENTAL FEASIBILITY

Based on correlation and interaction assessment of environmental impact as well as environmental management and environmental monitoring direction as described in Chapter IV and Chapter V, it could be concluded that the proposed activities of Tangguh LNG Expansion Project is environmentally feasible, considering the following feasibility criteria:

1. The Spatial Plan is in compliance with the provisions of the regulations. The proposed activities of the Tangguh LNG Expansion Project are mostly located in Teluk Bintuni Regency and another part is in Fakfak Regency. It conforms with the spatial plan according to Regional Regulation of Teluk Bintuni Regency No. 4 Year 2012, Regional Gazette of Teluk Bintuni Regency No. 81 Year 2012 concerning Regional Spatial Plan of Teluk Bintuni Regency and Regional Regulation of Fakfak Regency No. 8 Year 2012 concerning Regional Spatial Plan of Fakfak Regency.
2. The proposed activities of the Tangguh LNG Expansion Project support the policies established by central government and/or local government. Based on Presidential Regulation No. 65 Year 2011 concerning Development Acceleration of Papua and West Papua, Teluk Bintuni is a Strategic Area for Oil and Gas Development in West Papua Province.
3. Security of the Tangguh LNG Expansion Project activities will be based on the Integrated Community Based Security (ICBS) approach in which the project security is as part of local community security itself, and adheres to the Voluntary Principles of Security and Human Rights (VPSHR), as part of Tangguh LNG's commitment to human rights.
4. Magnitude and significance of impacts have been carefully evaluated and described in Chapter III - Predictions and Evaluation of Significant Impacts, for each hypothetical significant impacts (DPH) resulted from scoping process which specified in the ANDAL Terms of Reference for pre-construction, construction, operation phases, and in general for post-operation phase. Based on the evaluation, environmental components with significant source of impact are as follows:
 - i. Gas Exploitation Activities: noise, seawater quality, marine biota, economy and socio-culture;
 - ii. Gas Transmission Activities: economy and socio-culture.
 - iii. LNG Plant Activities: greenhouse gas, noise, hydrology, hydrogeology, soil, surface water quality, terrestrial flora, terrestrial fauna, marine biota, demography, economy, socio-culture, education, and public health.
 - iv. Marine Facilities Activities: marine biota, economy, and socio-culture.

5. Holistic evaluation toward all significant impacts as an integrated impact that are interrelated and interacted has been undertaken, and the details presented in Chapter IV - Holistic Evaluation of Environmental Impact. The ANDAL Assessment also provides alternatives evaluation of activities components due to preparation of the ANDAL document is in parallel with the Detail Design of the project (FEED - Front End Engineering Design). Based on holistic evaluation, the following information was concluded:
 - i. The form of interrelation and interaction between significant impacts and their characteristics among others frequency of occurring impact, duration and intensity of impact will then be used to determine significance and magnitude of impacts that interact in the same space and time.
 - ii. Activity components that most commonly cause significant impacts are as follows:
 - i. Gas Exploitation Activities which cause most significant impacts are, respectively, transportation of offshore platform in Bintuni Bay waters and existence of offshore platforms;
 - ii. Gas Transmission Activities which cause most significant impacts are seabed trenching, pipeline installation and rock dumping;
 - iii. LNG Plant activities which cause most significant impacts are respectively recruitment and termination of labor; land clearing, site preparation and cut and fill; and
 - iv. Marine Facilities Activities which cause most significant impacts are respectively sea transportation for workforce, equipment and materials, construction of BOF (Bulk Offloading Facility), LNG loading and transporting.

Chapter V - Environmental Management Direction specifies directions of environmental management and will be further elaborated in RKL-RPL document that is more operational

6. The Proponent will conduct Environmental Management and Monitoring as described in this Environmental Impact Assessment (AMDAL) document to minimize negative significant impacts that might arise from the activities and maximize positive impact generated from the existence of the Tangguh LNG. The Proponent will cooperate with relevant institutions and other related parties in implementing environmental management and environmental monitoring activities based on technological, social, and institutional approach.
7. The proposed business and/or activities are expected to provide benefits and positive changes for the local community in general and the surrounding Indigenous People¹ in particular, which should not disturb social values and norms as well as local customs or emic view of the local community. Positive

¹ Indigenous People refers specifically to Papuan Indigenous Community that lives around Tangguh LNG operations area as the main beneficiaries, and in general refers to Papuan Indigenous People as regulated in the Special Autonomy Law no 21 of 2001, and Government Regulation as Replacement of Law No 1 Year 2008.

benefits from the proposed activities of the Tangguh LNG Expansion Project have been presented in Chapter I of this ANDAL Document, those are:

- i. Contribute in fulfilling domestic gas needs, considering that 40% of LNG Train 3's production will be allocated to the domestic market;
- ii. Support local governments (West Papua Province, Teluk Bintuni Regency, Fakfak Regency) in fulfilling local electricity demand by allocating a certain amount of gas produced under the Tangguh LNG Expansion Project as fuel for electric generators to be constructed in West Papua. For this purpose, Tangguh LNG will support feasibility studies for the construction of gas-powered generator that will, among others, address the economics of reserves and fields, preparedness of the infrastructure, opportunities in the gas market, national energy policies, and public interest. Tangguh LNG understands that a recommendation from the Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) and approval from the Minister of Energy and Mineral Resources (ESDM) to allocate specific amounts of gas under the Tangguh LNG Expansion Project are needed before gas can be supplied and sold;
- iii. Support the improvement of local livelihoods in Teluk Bintuni Regency by selling excess power produced by Tangguh LNG to the State Electricity Company (PLN). A 4 MW power has been ready and started to be distributed in February 2014, and the next 4 MW is being prepared to be distributed in the coming year;
- iv. Increase revenue for the national and local governments based on LNG sales and the related taxes;
- v. Open up job and business opportunities for the local community, which would help to boost income levels and promote livelihood diversification;
- vi. Strengthen existing partnerships and continue investments in economic and social development of the local community and the community in Teluk Bintuni;
- vii. Strengthen the capacity and expertise of Indonesian manpower, especially local Papuan community, in the oil and gas technology sector through training and mentoring; and
- viii. Increase access to healthcare and education through community investment programs.



8. Prior to commencement of the Tangguh LNG Expansion Project activities, environmental and social baseline studies were conducted to obtain information on ecological entities that are key species; have ecological importance, economic importance; and/or scientific importance. The details have been discussed in ANDAL Chapter II (Environmental Baseline) Sub Chapter 2.2 regarding Biology. The data from the study is applied as a main consideration in evaluating the impact of the proposed activities as specified in ANDAL Chapter III document. Environmental Management and Environmental Monitoring Plan has been developed to minimize impact to the environment.
9. The Onshore proposed activities of the Tangguh LNG expansion will be conducted in the same location as existing Tangguh LNG operation area (LNG Train 1 and 2) so that no disturbance will arise toward business and/or activities which have been located around the proposed business and/or activities locations. In terms of activities that will be performed by other PSC (Genting Oil Kasuri Limited) that are partly overlapping with location of Tangguh LNG activities, SKK Migas and other relevant institutions will provide direction and coordination to minimize disturbance to each activity.
10. At the time of ANDAL document preparation; there was no calculation of environmental carrying capacity and bearing capacity for the Teluk Bintuni area. Therefore, predictions of impact were undertaken according to available data/information, supported by environmental impact modeling results.