Yemen LNG Company

ENVIRONMENTAL & SOCIAL MONITORING REPORT

2nd QUARTER 2010
(CONSTRUCTION AND OPERATIONS)
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# ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALARP</td>
<td>as Low as Reasonably Practicable</td>
</tr>
<tr>
<td>BAP</td>
<td>Biodiversity Action Plan</td>
</tr>
<tr>
<td>BVS</td>
<td>Block Valve Station</td>
</tr>
<tr>
<td>CBC</td>
<td>Committee for Business Continuity</td>
</tr>
<tr>
<td>CCP(s)</td>
<td>Contractor Control Plans</td>
</tr>
<tr>
<td>CCR</td>
<td>Crisis Control Room</td>
</tr>
<tr>
<td>COD</td>
<td>Chemical Oxygen Demand</td>
</tr>
<tr>
<td>COSHH</td>
<td>Control of Substances Hazardous to Health</td>
</tr>
<tr>
<td>CMS</td>
<td>Company Management System</td>
</tr>
<tr>
<td>CPU</td>
<td>Central Processing Unit</td>
</tr>
<tr>
<td>CRO</td>
<td>Community Relations Officers (replaces CLO role)</td>
</tr>
<tr>
<td>CRSD</td>
<td>Community Relations and Sustainable Development Department</td>
</tr>
<tr>
<td>EBS</td>
<td>Environmental Baseline Study</td>
</tr>
<tr>
<td>EMSA</td>
<td>Emergency Medical Services Agency</td>
</tr>
<tr>
<td>EPA</td>
<td>Environmental Protection Authority</td>
</tr>
<tr>
<td>EPL</td>
<td>Republic of Yemen Environmental Protection Law (1995)</td>
</tr>
<tr>
<td>EPC</td>
<td>Engineering, Procurement &amp; Construction</td>
</tr>
<tr>
<td>ESDV</td>
<td>Emergency Shutdown Valve</td>
</tr>
<tr>
<td>ERT</td>
<td>Emergency Response Team</td>
</tr>
<tr>
<td>ESIA</td>
<td>Environmental &amp; Social Impact Assessment</td>
</tr>
<tr>
<td>ESMP</td>
<td>Environmental and Social Management Plan</td>
</tr>
<tr>
<td>ESMS</td>
<td>Environmental and Social Management System</td>
</tr>
<tr>
<td>E&amp;I</td>
<td>Electrical and Instrumentation</td>
</tr>
<tr>
<td>E&amp;S</td>
<td>Environmental and Social</td>
</tr>
<tr>
<td>FAC</td>
<td>First Aid Case</td>
</tr>
<tr>
<td>FAD</td>
<td>Fish Aggregation Device</td>
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<tr>
<td>FAT</td>
<td>Factory Acceptance Test</td>
</tr>
<tr>
<td>FRC</td>
<td>French Red Cross</td>
</tr>
<tr>
<td>GARWSP</td>
<td>General Authority for Rural Water Supply Projects</td>
</tr>
<tr>
<td>GEOS</td>
<td>GEOS Ingénieurs Conseils SA (PCS consultants)</td>
</tr>
<tr>
<td>GM</td>
<td>General Manager</td>
</tr>
<tr>
<td>GRP</td>
<td>Glass Reinforced Plastic</td>
</tr>
<tr>
<td>GTG</td>
<td>Gas Turbine Generator</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resources</td>
</tr>
<tr>
<td>HSE</td>
<td>Heath, Safety and Environment</td>
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<tr>
<td>HSEQ</td>
<td>Health, Safety, Environment and Quality</td>
</tr>
<tr>
<td>HDPE</td>
<td>High Density Polyethylene</td>
</tr>
<tr>
<td>ICSS</td>
<td>Yemen LNG Integrated Control and Safety System</td>
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<tr>
<td>ICZM</td>
<td>Integrated Coastal Zone Management</td>
</tr>
<tr>
<td>IP</td>
<td>Injured Party</td>
</tr>
<tr>
<td>IRR</td>
<td>Issues and Response Report</td>
</tr>
<tr>
<td>ITR</td>
<td>Instrument Technical Room</td>
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<tr>
<td>IUCN</td>
<td>International Union for Conservation of Nature</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>---------</td>
<td>-------------</td>
</tr>
<tr>
<td>KP</td>
<td>Kilometer Point (relating to pipeline location)</td>
</tr>
<tr>
<td>KPU</td>
<td>Kamil Processing Unit</td>
</tr>
<tr>
<td>LEDP</td>
<td>Local Economic Development Plan</td>
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<tr>
<td>LNG</td>
<td>Liquefied Natural Gas</td>
</tr>
<tr>
<td>LTI</td>
<td>Lost Time Incident</td>
</tr>
<tr>
<td>LTIF</td>
<td>Lost time Injury Frequency</td>
</tr>
<tr>
<td>MAA</td>
<td>Maritime Affairs Authority</td>
</tr>
<tr>
<td>MAI</td>
<td>Ministry of Agriculture and Irrigation</td>
</tr>
<tr>
<td>MEDEVAC</td>
<td>Medical Evacuation</td>
</tr>
<tr>
<td>MEP</td>
<td>MacAlister Elliott &amp; Partners</td>
</tr>
<tr>
<td>MEZ</td>
<td>Maritime Exclusion Zone</td>
</tr>
<tr>
<td>MFW</td>
<td>Ministry of Fish Wealth</td>
</tr>
<tr>
<td>ML</td>
<td>Material, Plant or Production Loss Incident</td>
</tr>
<tr>
<td>MoE</td>
<td>Ministry of Education</td>
</tr>
<tr>
<td>MOF</td>
<td>Material Offloading Facility</td>
</tr>
<tr>
<td>MOM</td>
<td>Ministry of Oil and Minerals</td>
</tr>
<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>MRA</td>
<td>Maritime Restricted Area</td>
</tr>
<tr>
<td>MTC</td>
<td>Medical Treatment Case</td>
</tr>
<tr>
<td>NDT</td>
<td>Non-Destructive Testing</td>
</tr>
<tr>
<td>NGOs</td>
<td>Non-Governmental Organizations</td>
</tr>
<tr>
<td>NWRA</td>
<td>National Water Resources Association</td>
</tr>
<tr>
<td>OGP</td>
<td>International Association of Oil and Gas Producers</td>
</tr>
<tr>
<td>OSCP</td>
<td>Oil Spill Contingency Plan</td>
</tr>
<tr>
<td>OSPAR</td>
<td>Oslo Paris Convention for the Protection of the Marine Environment</td>
</tr>
<tr>
<td>PCS</td>
<td>Post Construction Survey</td>
</tr>
<tr>
<td>PTW</td>
<td>Permit to Work</td>
</tr>
<tr>
<td>QRA</td>
<td>Quantitative Risk Assessment</td>
</tr>
<tr>
<td>RAP</td>
<td>Resettlement Action Plan</td>
</tr>
<tr>
<td>RFSU</td>
<td>Ready For Startup</td>
</tr>
<tr>
<td>RFCC</td>
<td>Ready for Commissioning Certificate</td>
</tr>
<tr>
<td>ROW</td>
<td>Right of Way</td>
</tr>
<tr>
<td>ROY</td>
<td>Republic of Yemen</td>
</tr>
<tr>
<td>RTU</td>
<td>Remote Termination Unit</td>
</tr>
<tr>
<td>RWC</td>
<td>Restricted Work Case</td>
</tr>
<tr>
<td>SD</td>
<td>Sustainable Development</td>
</tr>
<tr>
<td>SEPOC</td>
<td>Safer Exploration and Production Operating Company</td>
</tr>
<tr>
<td>SFD</td>
<td>Social Fund for Development</td>
</tr>
<tr>
<td>SIMOP(s)</td>
<td>Simultaneous Operations</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprise</td>
</tr>
<tr>
<td>STP</td>
<td>Sewage Treatment Plant</td>
</tr>
<tr>
<td>SWM</td>
<td>Solid Waste Management</td>
</tr>
<tr>
<td>TEG</td>
<td>Triethylene Glycol</td>
</tr>
</tbody>
</table>
TRIR  Total Recordable Incident Rate
TSS  Total Suspended Solids
USAID  United States Agency for International Development
WSA  Waste Storage Area
YCG  Yemen Coast Guard
YFCA  Yemen Family Care Association
YGC  Yemen Gas Company
YLNG  Yemen LNG Company
YRCS  Yemen Red Crescent Society
1 EXECUTIVE SUMMARY

This Environmental and Social Monitoring Report is produced by the Yemen LNG Corporate HSEQ Department and it describes HSS&E performance for the second quarter of 2010. The following table summarises key achievements across project, environmental, social, health and safety.

1.1 Project Progress

<table>
<thead>
<tr>
<th>Overall Progress %</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
</tr>
<tr>
<td>EPC Plant</td>
<td>100%</td>
</tr>
<tr>
<td>EPC Pipeline</td>
<td>100%</td>
</tr>
<tr>
<td>Upstream Facilities</td>
<td>89.3%</td>
</tr>
<tr>
<td>Total Project</td>
<td>99.0%</td>
</tr>
</tbody>
</table>

Yemen LNG General Manager’s message to staff on the occasion of the LNG Plant inauguration on 6th June 2010 was as follows:

“The impeccable performance of the inauguration events was a confirmation of the quality, of the discipline and of the reactivity of Yemen LNG Company as a whole.

The Prime Minister, Government officials, the VIP guests, our shareholders and our clients, the media, and millions of TV viewers were impressed by the installations as well as by the organization.

They enjoyed the event and they highly praised your efforts. I would like to thank the organization committees, the management and all the staff, whether from Company or from contractors, for their dedication and their commitment to show Yemen LNG at its best on the D day, even though it was a D+7! Well done!

We will have more occasions in the future to gather our efforts to present Yemen LNG to the world. The next time is end of June with a visit of Asian journalists who will report to one billion people. Let us keep ready for this exciting challenge.”

François Rafin
General Manager
1.2 Environmental

- **IUCN Mission**: The second mission of IUCN (the International Union for the Conservation of Nature) took place at Balhaf. This is a tripartite arrangement between YLNG, the Yemeni Authorities and IUCN to review the strategy which Yemen LNG has set out to conserve biodiversity. In the words of one of the scientists from IUCN “Yemen LNG is unique in the World, nowhere else do such diverse corals live so close to an industrial plant”.

- **Australian Laboratory Services (ALS) Mission Report**: Meetings with ALS Company General Manager and their representatives in Yemen were held to discuss the status of their report of the monitoring results from their April 2010 mission in Balhaf.

- **CZMP Project Preparation Grant (PPG) Finalisation**: Ongoing liaison and coordination with YLNG Legal Department to finalize the MoU with EPA for the Company’s support of CZMP PPG work intended for the second half of 2010.

- **HSEQ (Sana’a Environmental team)** undertook a monitoring visit to Balhaf where they visited decommissioned camps, construction landfill, old and new incinerators (mixed waste dumped May 2010 still being sorted), recycling facilities, water intake and outflow and to the South Tower.

1.3 Social

- **Staff: Community Relations Field Assistants**: Yemen LNG has appointed 7 Community Relations Field Assistants within Yemen LNG’s Project neighbouring communities in Shabwah to enhance communication between the Company and its Project neighbours.

- **Training**: CRSD staff continues to receive formal and on-the job training.

- **Social Management Plan**: Social Management Plan components including Public Consultation and Disclosure, Resettlement Action Plan activities and Sustainable Development (SD) Programs continued to be implemented. Main challenges related to Sustainable Development Programs are; institutional strengthening related to the fisheries program (with special reference to ownership of infrastructure development), the lengthy period to finalise the Health Contract with Yemen Family Care Association, internal community conflict related to the Jela’ah water program and the lengthy period to finalise technical studies related to the Reverse Osmosis water project and the coastal community electricity project. Challenges related to Public Consultation and Disclosure (PCD) mainly include; management of community expectations related to SD projects and requests for employment. Reinstatement of waterways and channels as part of Yemen LNG’s Resettlement Action Plan was delayed by stoppages and the security situation in Shabwah.

- **Monitoring**: During the reporting period, several field monitoring visits (including an internal audit) have been undertaken to SD projects completed and those being implemented (including and internal audit). The Social Consultant continued to advise CRSD staff on updating the hard and soft copy documentation system and monitoring and evaluation systems to enhance project effectiveness and success.
1.4 Safety

- **World Day for Safety**: Sana’a Office HSEQ Committee organized the “World Day for Safety and Occupational Health”. Sana’a participation in WSD was focused on driving safety and the importance of wearing seat belts. Many participative activities were undertaken by the staff such as; hands on driving training, poster competition, H&S quizzes, advanced first aid training and awareness on defensive driving and emergency response training.

- **Yemen LNG awarded a Prestigious Total HSE Prize**: The Yemen LNG team in Arles, France was awarded a prestigious prize for HSE excellence. The occasion was the annual seminar for Total's worldwide HSE Managers and the prize was presented by Jean-Yves Durieux, Total's Vice President of HSE. The prize was for the work in building a strong welfare and labour relations policy on site at Balhaf. Yemen LNG is proud to be recognized in this way by our lead shareholder and this award recognizes that Yemen LNG continues to manage our business in an effective way which combines productivity with HSE excellence.

- **International HSE Conference in Rio de Janeiro**: The Yemen LNG HSEQ Manager delivered 5 papers on Yemen LNG successes to delegates at the biannual SPE International HSSE Conference in Rio de Janeiro. One paper focused on safety performance, two on biodiversity, one on cultural heritage and one on public participation. The whole conference was attended by over a thousand people from across the World including key Yemen LNG shareholders and suppliers.

- **Management Information System: Synergi Project**: Implementation of the Management Information System (Synergi) is progressing well. Discussions with Total were held to get their approval to have the latest version of Synergi installed in Yemen LNG. Meanwhile the Safety Data Analyst attended training on the new Synergi system to the companies HQ in Norway to start implementing the system in Yemen LNG. Web application has been installed as a playground in addition 50% of Synergi administration application has been installed by Yemen LNG IST.
2 INTRODUCTION TO MAIN REPORT

This report summarises the HSEQ aspects of the Yemen LNG project Construction and Operations phase activities undertaken during the second quarterly reporting period of 2010 (1st April – 30th June). It describes construction progress during the period (Plant and Pipeline) and it provides details of environmental and social reporting; monitoring and training activities; key public consultation and disclosure initiatives; the current status of Resettlement Action Plan activities and progress on the implementation of projects within the Sustainable Development Strategy framework.

3 BRIEF SUMMARY OF CONSTRUCTION PROGRESS

3.1 General Project

Based on data provided by Project, progress as defined by 30th June 2010 is as follows:

- Overall Yemen LNG construction progress is 99.0% vs. 99.1% May 2010 revised plan. The revised plan includes EPC Plant new re-baseline as of November 2008, Upstream new Re-baseline as of June 2008 and EPC Pipeline Re-baseline as of June 2007.

3.1.1 EPC Plant

- EPC plant progress is 100% vs. a revised plan of 100% (Re-baseline of November 2008). As such the construction of the LNG plant at Balhaf is completed. Key events are:-
  - First LNG drop was achieved on LNG train 2 on 1st April 2010
  - First LNG cargo from Train 2 on 15th April 2010
  - All LNG reflux pumps were repaired and re-instated on LNG trains
  - Official plant inauguration ceremony held on 6th June in the presence of the Prime Minister of the Republic of Yemen
  - LNG production sustained to allow overall Plant performance tests which started on LNG Train 2 on 30th June.

3.1.2 EPC Pipeline

- EPC Pipeline is 100% vs. a plan of 100% (Re-baseline). As such the construction of the main pipeline between Marib and Balhaf is completed.

3.1.3 Upstream Interface

- Upstream progress is 89.3% vs. a revised plan of 90.2% (Re-baseline of July 2008). Progress will be updated with the new Baseline following data obtained for Construction phase 2.
• **Phase 1 Construction and Commissioning:**

  - Commissioning of CPU 1 in coordination with SEPOC to solve technical issues linked to passing valves
  - On 1\textsuperscript{st} June, gas-in was established in CPU 1, and on 2\textsuperscript{nd} June gas was established to Balhaf.

• **Phase 2 Construction:**

  - Receipt of LLIs and other material deliveries to site
  - Progress as reported by SEPOC:

<table>
<thead>
<tr>
<th>Discipline</th>
<th>Wt. %</th>
<th>Planned-%</th>
<th>Actual-%</th>
<th>Variance-%</th>
<th>Contribution to Delay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil</td>
<td>37%</td>
<td>64%</td>
<td>67%</td>
<td>3%</td>
<td>-38%</td>
</tr>
<tr>
<td>Structural</td>
<td>5%</td>
<td>60%</td>
<td>59%</td>
<td>-1%</td>
<td>1%</td>
</tr>
<tr>
<td>A/G Piping</td>
<td>24%</td>
<td>60%</td>
<td>59%</td>
<td>-1%</td>
<td>7%</td>
</tr>
<tr>
<td>UG Piping</td>
<td>3%</td>
<td>63%</td>
<td>32%</td>
<td>-31%</td>
<td>30%</td>
</tr>
<tr>
<td>Mechanical Works</td>
<td>7%</td>
<td>67%</td>
<td>38%</td>
<td>-28%</td>
<td>68%</td>
</tr>
<tr>
<td>Electrical Works</td>
<td>14%</td>
<td>9%</td>
<td>4%</td>
<td>-5%</td>
<td>27%</td>
</tr>
<tr>
<td>Instrument Works</td>
<td>10%</td>
<td>2%</td>
<td>0%</td>
<td>-1%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>39%</td>
<td>36%</td>
<td>-3%</td>
<td></td>
</tr>
</tbody>
</table>

4  **UPDATE OF ENVIRONMENTAL AND SOCIAL STUDIES, SURVEYS, REPORTS AND INTERNAL MONITORING**

4.1  **Marine Environment**

4.1.1  **Sensitive Marine Works**

  - The NDE diving team continued with the removal of the submerged construction phase debris beneath the LNG loading jetty. Some of the recovered debris that been temporary stored at MOF Bridge was transferred to the central waste area for final disposal.

4.1.2  **Independent Monitoring by IUCN**
• The IUCN Independent Review Panel members conducted their second mission to Balhaf site during the period 9th to 12th May. The IUCN team was accompanied by HSEQ/ENV team, in addition to four members of the Authorities’ Environmental Monitoring Committee. The mission started with a kickoff meeting and finished with a closeout meeting with key staff at Balhaf site. The IUCN second mission concluded that, marine structures in the outfall and MOF areas offer potential substrate for new natural coral recruitments and growth, which is a significant indicator for a healthy marine bio-system, a fact which indicates a biomass recovery and consequently an increase in the natural recovery processes of the ecosystem.

4.2 Fisheries

• Fisheries initiatives undertaken during the first quarter are covered in sections 8.4 and 12.3.3.

4.3 Environmental

4.3.1 Waste Management

• Hawf have completed and sent to YLNG/HSEQ/ENV the final report on the highly successful Awareness and Cleaning campaign implemented during 1st Quarter 2010 in Bir Ali Town.

• In parallel with the initial awareness and cleaning campaign in Bir Ali, the final waste management project for Bir Ali town has been put in place. Existing community solid waste management practices have been reinforced and coordination with the existing Bir Ali cleaning project steering committee has been improved. Waste collection containers and cleaning tools have been provided and the existing garbage collection vehicle has been upgraded to increase collection capacity.
• With the coordination of HSEQ/ENV and CA/CRSD team, the General Manager of the Real Estate department in Shabwah Governorate has approved the ownership document for the proposed land to be allocated for the new Bir Ali landfill.

4.3.2 Water Quality Management

- Discussions at Balhaf on water quality included self imposed monthly water quality compliance at intake and outflow locations. Consideration was given to a weekly and monthly water monitoring schedule for potable and waste water.
- Stabilization of the Sewage Treatment Plant process achieved, with improved settlement in the Operations unit clarifiers, resulting in improved water quality.
- A breakdown of the spectrophotometer DR2800 in the CM1-2 water quality lab has been reported and the machine was sent to Sana’a for repair with CISY. An interim arrangement has been made to carry out analysis with the laboratory environment spectrophotometer.
- Audit report results from the HSE water quality monitoring which took place on site in February 2010 were issued and communicated to site HSE and to HSEQ.

4.3.3 Reinstatement and Cleaning Activities

- Reinstatement is ongoing at the following temporary site facilities: Hawk camp and workshop; TDD batching plant and workshop; SKS workshop; PLL camp and workshop; MEB camp and workshop; Gama camp and workshop.
- Reinstatement monitoring ongoing at the Hawk and Intracs Workshops, and TDD batch plant, where activities are observed as approaching completion. Ongoing demobilization observed in Subcontractor camps and remaining workshops.
- Good progress was made in signing off reinstated temporary site facilities. The following sites were signed off as completed: PLL workshop, STP common area. MEB camp, DHL site, Hawk eastern borrow pit, IPW camp, MEB quarry, Petrojet office/workshop, Metal wadi, SKS office and warehouse, Al Sulimaini warehouse, Griffin office, Gamma spool store.

4.4 Social

- Social initiatives undertaken during the first quarterly reporting period of 2010 are covered in Sections 7, 8 and 12.

4.5 Archaeology

- **Archaeological Baseline Survey for Proposed Landfill Sites:** The archaeology team has submitted the baseline report for the five proposed Bir Ali landfill locations. Meanwhile a survey was carried out for the selected landfill location (site 3) access road in the vicinity of Bir Ali.
• **Construction Phase Archives:** Archaeological archiving work for the Construction period is ongoing. Two hundred and fifty archaeological drawing sheets (A1 size) and seventy drawing sheets were plotted and satellite images and topographical maps for each of the archaeological sites along the pipeline were completed. Categorization and cataloguing of approximately 12,000 documentary photos taken of the Right of Way archaeological sites were completed.

![Map of archaeological sites](image1.png)

• **Archeological Inspection Around Balhaf Plant:** Work continued on post-construction archaeological inspections where 11 archaeological Bronze Age structure/tombs have been checked, documented, and fenced off by warning-tapes.

![Archaeological Inspection](image2.png)

• **ESMP Compliance Visit to the Plateau:** A monitoring Visit to the Plateau (KP 183 -184) was carried out during the reporting period. No non-compliance issues related to the ESMP were found during reinstatement work.

• **Board Members Visit to Sana’a National Museum:** On 24\(^{th}\) June, HSEQ/ENV in cooperation with the Corporate Affairs Department arranged a visit for Board members to the Yemen National Museum in Sana’a. The VIP visitors were welcomed by the Deputy Director of the museum, after which they had an informative tour of the museum’s exhibit halls, lead by the museum’s Educational Director. The group was accompanied by YLNG’s Events Coordinator and Archeologist and was provided with brochures and books published by YLNG.
• **Restoration of the South Tower:** This project has been modified to 2 phases; the first phase will be conducted by a joint archeological team from Yemen LNG and GOAM while the second phase will be completed by contractors with the presence of governmental reps (GOAM and MOM) according to the Yemeni law. In this respect a meeting was held on 12\(^{th}\) May with Balhaf City companies’ representatives in order to provide them with updates on the preparation progress of the first restoration phase (documentation and studies) and also to discuss several technical details with the companies’ technicians. A coordination meeting with MOM and GOAM will also be scheduled during July to discuss the implementation of the project which is due to be launched during August.

4.6 Health and Safety

4.6.1 Emergency Response (ER) and Crisis Management

• The Emergency Management Plan (Rev 3) has been issued.

• The Balhaf team successfully carried out a table top emergency drill on 19\(^{th}\) April. The scenario was a gas leak at the refrigerant storage area. ERT training was conducted for a new Duty Manager; the Yemen LNG Deputy GM.

• Emergency Training was conducted at the Balhaf Site and Sana’a offices for the HR, Communications, Radio Room and Incident Management teams. Three successful exercises were undertaken to evaluate the efficiency of the systems in place. Lessons learned are being addressed.

• Emergency Management duty managers and team rota for the 3\(^{rd}\) and 4\(^{th}\) quarters of 2010 has been finalized and quality reviewed before being issued.

• Sana’a Emergency Response was initiated for a Medevac on 13\(^{th}\) June following an injurious accident on site. The injured person was evacuated to the hospital and a successful operation performed. Lessons learned are being incorporated into a future revision of the Emergency Management Plan.

4.6.2 Health, Safety and Medical Matters

Several meetings have been held during the reporting period with contractors to review and address current issues. Examples of discussions held between Yemen LNG Safety team and contractors are summarized below:
• Discussions were held with ISOS and EMSA to clarify contractual issues re medical support and to discuss a number of ongoing medical cases.

• Meeting with Abu Ammar Company’s representative was held to finalize the installation of the Canteen’s fire alarm system and also the fire extinguisher signs (which will be posted on the top of each fire extinguisher in Sana’a office).

• Yemen LNG Safety team participated in carrying out two risk assessment studies “Hot tapping for the installation of additional filter at the common reception area” and “Using dust catchers without an adequate fire relief capacity”. The risk assessment studies have been undertaken to ensure that all hazards are identified and risks adequately controlled.

• Yemen LNG Safety team participated in the HAZOP study related to the depressurization of 34-VF-1202A/B through a new modified pipe line to the flare pit. The team studied all possible deviations and the risks associated with them. Actions have been already assigned to the respective staff in Sana’a and Balhaf.

• Yemen LNG Safety team assisted in conducting the Lost Time Injury investigation related to the ambulance rollover incident. The investigation team identified the root causes of the incident and discussed the recommendations which can be put in place to prevent such an incident from reoccurrence in the future.

• The documentation regarding the use of Yemgas’ warehouse at Balhaf (which is close to the flaring area and associated heat radiation) was reviewed.

• Risk assessment report was issued for the new Dust Catchers operation with specific focus on the need for adequate relieving capacity.

• Hygiene inspections for the kitchen and storage areas in Yemen LNG Guest House #1 were carried out. The overall inspection results demonstrated satisfactory levels of compliance with the need for improvement in some specific areas, corrective actions are in hand.

4.7 Staff Appointments

• **Safety Operations Lead**: A Yemeni national was recruited as Safety Operations Lead and commenced work in the Operational Safety entity on 3rd April.

• **Environmental Specialists**: Two Environmental Specialists joined the HSEQ/ENV team on a rotational basis in a temporary post until end of 2011; both are employed through the existing Golder Associates contract.

• **Environmental Trainee**: New environmental trainee joined the HSEQ/ENV team for a period of 2 months.

• **Compliance Coordinator**: The new Labour Compliance Coordinator joined the team of Labour Compliance Team; he is employed through the existing Golder Associates contract and will work on rotational basis.

• **Labour Compliance Officer** Interviews for the position of Labour Compliance Officer were conducted during the month in Sana’a. An offer was made to the successful candidate, he has declined the offer.
• **Community Relation Coordinator:** The newly appointed CRC in the North started on the job training in Sana’a for a period of 5 weeks before he starts with duties in the field.

• **Community Relation Assistants:** The new appointed Community Relation Assistants for the Plateau signed their contracts in Balhaf. The former CRC plateau conducted an orientation induction through which he explained the job descriptions to the new recruit.

5 **MANAGEMENT OF CHANGE**

Nothing to report.

6 **UPDATE ON ENVIRONMENTAL AND SOCIAL TRAINING ACTIVITIES**

6.1 **General Balhaf Training**

Nothing to report.

6.2 **Environmental and Social Training**

• **Training: Monitoring and Evaluation (M&E) Training for CRSD Team:** During the reporting period a two-day formal training session on Monitoring and Evaluation was held by the Social Consultant for all CRSD staff in Sana’a. The purpose of this training was to develop the staff capacity to keep a daily track and monitor the progress of their projects through applying M&E framework tool.

• **Staff Guidance:** Social Consultant continued to capacitate CRSD staff to comply with international standards and to align with the August 2009 Social Performance Review (SPR) requirements.

6.3 **Archaeology Training**

Nothing to report.
7 SUMMARY OF CONSULTATION AND COMMUNICATION ACTIVITIES

The following sections summarize the progress on, and activities related to, public consultation and disclosure as well as Authority and shareholder liaison undertaken by the Company.

7.1 Public Consultation and Disclosure Plan (PCDP)

In line with Yemen LNG’s PCDP and PCDP Addendum (dated Nov 2009) which are key supporting documents for the implementation of social performance measures throughout the operations phase of the Project, activities which have been undertaken during the reporting period are summarized below:

7.1.1 Yemen LNG Internal Communication:

- **Company Management System (CMS):** On 21st June, Heads of CRSD and Quality & Process met with CMS Head of Quality and Assistant to discuss overall progress made with CRSD process development. Head of CMS Quality recommended that CRSD staff attend training in tendering processes and contract management.

7.1.2 Project Area Awareness Campaigns

- **Fisheries - Maritime Exclusion Zone (MEZ) and Maritime Restricted Area (MRA):** CRSD team in liaison with the Yemen Navy and YLNG (Balhaf) Security developed key messages which will be used in leaflets that will be explained and distributed to fishermen in the coastal area around Balhaf during the 2nd awareness creation campaign related to the MRA/MEZ. In the meantime, Head of Security Operations in Balhaf reported that there are definite indications of improvement in communication and coordination between the Navy and fishermen.

- **Beekeeping:** Awareness materials to inform beekeepers on Elb trees plantation techniques to increase natural assets in the project area have been completed. Printing of Elb tree awareness material and capacity building brochures and development of training manual are ongoing.
• **Education - School Buses’ Logo:** 1000 A3 waterproof information leaflets/posters were distributed in all the project affected areas also to be posted on the 4 school buses of Yemen LNG. Community Relations team has started posting the Yemen LNG logo on school buses and will continue when schools start again.

• **Education - Guidelines for Teachers:** A draft set of guidelines for teachers have been developed including project sheets with baseline information and clear objectives as well as a monitoring matrix (with input, output, process and outcomes indicators). The guideline aims to assist teachers in creating awareness amongst students to value and take ownership of, and responsibility for, school classrooms, furniture and materials provided by Yemen LNG. The guideline is currently being reviewed by the Social Consultant.

• **Vulnerability Alleviation - Physically Disabled:** Draft awareness materials to operate and maintain equipment to assist people with disabilities (eg wheelchairs) in addition to safety considerations in their use are being prepared by the Social Consultant and Reinstatement Action Plan Coordinator; The project is designed to support the physically disabled in Jela’ah village and an awareness consultation event will be held in Jela’ah where questions, answers and concerns will be captured in order to prepare the contents of the awareness leaflet accordingly. The project for the disabled forms part of the implementation of the Resettlement Action Plan.

7.1.3 **Wider Stakeholder Engagement**

Various meetings and workshops have been held during the reporting period to support Yemen LNG's commitment to stakeholder consultation and disclosure. Examples of dialogue between stakeholders and Yemen LNG are summarised below:

7.1.3.1 **Liaison with Authorities**

• **Fisheries 2010-2013 Program Workshop**
A 3-day participatory workshop was held from 28th - 30th June to develop a draft scope of work for Yemen LNG’s 3-year Fisheries Program. CRSD hosted the first day of the fisheries workshop in Sana’a to discuss the current status of fisheries in Yemen LNG’s project area as well as the wider fisheries context in Yemen and Shabwah in order to develop the draft scope of work for an integrated 3-year sustainable fisheries programme. Attendees included several Yemen LNG staff (including CRSD management and team members and HSEQ (Environment, Lender Compliance and Social Consultant), representatives from the Ministry of Fish Wealth, Fisheries Union and Cooperatives in Shabwah, Ministry of Oil and Minerals and 2 fisheries experts. The fishing history of the Balhaf area along with current needs of fishermen and efforts to assist them was provided during Yemen LNG
presentations. Perspectives of local fishermen, government representatives (MOM and MFW), and fisheries specialists were gained during discussions.

7.1.3.2 Liaison with Communities

- **Attaq Association for the Rehabilitation of Disabled People:** CRSD has sponsored the visit of 51 persons of the Association members and staff to Sana’a. Through this visit, the disabled people will exchange information and experiences with other disabled people in the different disabled organizations in Sana’a in addition to visiting the Capital’s recreation areas and landmarks.

- **General Manager met with AlHaira and Lasbar Village Committee:** In May the Yemen LNG General Manager, Corporate Affairs Manager and Head of SD Programs met with the AlHaira and Lasbar Village Committee at Yemen LNG’s offices in Sana’a to discuss and agree on cooperation to implement SD Programs and to do maintenance on the pipeline in their area. The meeting was successful as both parties agreed on future collaboration to ensure a stable and harmonious operating environment.

7.1.3.3 Community Newsletter

- The fifth edition of the Community Newsletter is ongoing; development of key messages is in process.

7.1.4 Grievance / Issues Management System

- **PCDP Issues and Response Mechanism:** During May an information session was held to brief newly appointed departmental focal points on the objectives of Yemen LNG’s Public Consultation and Disclosure Plan (PCDP) including the Issues and Response Mechanism. The PCD Coordinator explained the roles of focal points and process to be followed to close out issues raised by stakeholders. It has been agreed that issues will be
addressed by the concerned departments within 2 weeks and that regular meetings will be held with focal points to ensure effective communication.

7.2 ESMP & Lender Liaison

- **Workshops on Implementing Sustainable Development Objectives**: Workshops were held on the approach to implement sustainable development objectives, including use of local labour and contractors and the review of the current contracts register.

- **Contracts and Tendering Management Level 2 and Level 3**: Contracts and Tendering Contractor Management and Coordination, and Procurement and Materials Management Level 2 and Level 3 processes were provided to Head of Shareholders Relations, in order to send them to the Audit Committee for their review.

- **Technical Referential Environmental Documents**: Two Level 2 Technical Referential Environmental documents, the Environmental standards register and the Aspects and Impacts register were issued for implementation and communicated to the concerned entities.

- **Bio-Wastewater Treatment Seminar**: A comprehensive report from the Bio-wastewater treatment seminar organized by Horizon in Sana’a on 10th March 2010 was issued and communicated. The report covers the event activities and includes information on the wastewater treatment system.

- **2009 Social Performance Review Commitments Register**: Head of CRSD Quality and Processes continues to develop/update commitments register (based on the recommendations from the August 2009 Social Performance Review). Head of CRSD and Social Consultant will analyse the register and develop an action plan to ensure that outstanding commitments are fulfilled in compliance with Lenders’ requirements.

- **OGP Document Guidelines**: On 10th April in Rio de Janeiro the HSEQ Manager chaired the first meeting of a cross-industry task force to kick off the rewriting of the OGP document "Guidelines for the Development & Application of HSE Management Systems".

- **2009 Environmental and Social Annual Construction Monitoring Report**: General Manager has approved the 2009 Environmental and Social Monitoring Annual Report which was sent to the Lenders’ Intercreditor Agent on 6th April.

- **1Q2010 E&S Compliance Report**: The 1Q2010 E&S Compliance Report to the Lending Agencies was approved by General Manager and issued to the lenders’ Intercreditor Agent on 3rd June.

7.3 Project / Shareholder Liaison

- **2009 CRSD Key Performance Indicators- TOTAL EP Yemen**: A document on CRSD key performance indicators during 2009 was submitted to Total E&P Yemen.
• **TOTAL, Paris - Documentary on Yemen LNG:** On 28th April, a delegation from Total Paris interviewed CRSD Management on CRSD programs and activities. Interviews were filmed for a documentary on Yemen LNG which will be issued by Total Paris.

7.4 Authority Liaison

7.4.1 Ministry of Oil and Minerals (MOM)

• **Meeting with GM of Gas Division, MOM:** During June, CRSD team had a meeting with the General Manager of Gas Division in MOM. The purpose of the meeting was to update MOM about the current activities of the CRSD programs including the public consultation activities in the project targeted areas.

• **Integrated Coastal Zone Management Project (ICZMP):** The intended MoU with EPA which covers the company support of the CZMP Project Preparation Grant work during the second half of 2010 is being finalized with legal department.

7.4.2 Shabwah Governorate

• **Meeting with Shabwah Governor:** As part of ongoing consultation and efforts to strengthen coordination between Yemen LNG and the Shabwah Local Authorities, Yemen LNG General Manager, Corporate Affairs Manager and members met with the Shabwah Governor, Deputy Governors, Local Council members and General Managers of various Governmental offices on 24th April in Attaq. The meeting discussed plans and progress related to Yemen LNG’s Sustainable Development Programs as well as proposing training and employment opportunities for people from Shabwah.

• **Vice Prime Minister Visits Shabwah:** The Vice Prime Minister for Domestic Affairs (VPMDA), visited several districts in the Shabwah Governorate. The CRSD Adviser, in his personal capacity, was invited to attend two meetings in Attaq during which he made use of the opportunity to explain Yemen LNG’s Corporate Social Responsibility (CSR) actions.

8 SUMMARÝ OF LAND ACQUISITION AND COMPENSATION ACTIVITIES

8.1 Land Acquisition

Nothing to report.
8.2 Land Compensation
Nothing to report.

8.3 Short Term Economic Loss Compensation
No short term economic loss compensation claims have been received during the reporting period as construction and construction-related impacts have ceased along the pipeline route.

8.4 Fisheries Compensation

- **Fisheries 2010-2013 Program Planning:** Based on information gained through an intensive consultation process with fisheries stakeholder since September 2008 (including meetings and workshops with fishermen, cooperatives, fisheries union, local and central authorities, local and international fisheries specialists, IUCN, needs assessments analyses) and on a participatory approach followed during the 3-day workshop, a draft scope of work including research, resource management, improved technology, infrastructure development and capacity building and training components was put together by 2 invited fisheries specialist, Yemen LNG CRSD Advisor and Social Consultant. This draft scope of work, which is in line with Yemen’s Fisheries Strategy and the Millennium Development Goals for Yemen, was reviewed by and discussed with MOM, MFW, Fisheries Union and Cooperative representatives, CRSD Management and staff and Corporate Affairs Manager. Comments were incorporated into the draft plan which was presented to Yemen LNG General Manager and Deputy General Manager on day 3 of the workshop. An internal meeting will be held to obtain their views for the purpose of revising/adapting/ finalizing the draft scope of work and for further discussion with the Shabwah Governor and relevant authorities prior to the tender process.

- **FADs Data Collection:** Consulting Company MEP is in touch with communities at Jela’ah and BirAli and the recent replacement of FADs is already bearing fruit. FAD no 3 at Jela’ah at present has an abundance of Longtail Tuna which results in good landings for Jela’ah fishermen. Of great interest is that the replaced FAD no 11 towards Bir Ali has already aggregated Yellow fin tuna with increasing landings noted at Bir Ali even before the FAD mats are installed.
• **Fishermen Compensation:** The Deputy Minister of Oil and Minerals, met with Fishermen Cooperatives and related authorities in Attaq to discuss the fishermen compensation issue. Attendees at the meeting concluded that “the process of fishermen compensation was completed and was based on the lists and financial limits for each Cooperative, and that all the documents related to this process will be kept with the Gas Department at Attaq, for future audit”.

• **Yemen LNG - USAID Memorandum of Understanding (MoU):** The draft Obligation Grant Agreement between the United States Agency for International Development (USAID) and MacAlister (MEP) in support of Yemen LNG’s Sustainable Fisheries Program in the coastal areas around Balhaf, Shabwah Governorate has been received from USAID.

9 ESMP IMPLEMENTATION

As part of the general implementation of the ESMP the following activities have been completed:

9.1 Terrestrial Environment

9.1.1 Environment - EPC Plant

• **Environmental Monitoring Program at Balhaf:** The environmental monitoring program at Balhaf has continued with a mission held on 9th to 15th April 2010, in order to evaluate the environmental performance of the LNG plant at Balhaf and its supporting facilities. The monitoring was aimed at providing information on the environment emissions in particular the quality of stack emissions, ambient air, boundary noise and potable water at the Balhaf site.

• **Construction of Incinerator and Waste Collection Handover:** Construction of incinerator and Waste Collection Area have been taken over by Yemen LNG waste contractors CISY. There are still some outstanding items which need to be closed, including removal of metal waste. Waste recovered from the plant during the month includes; black powder, insulation waste and empty drums.

9.1.2 Environment – Upstream

Nothing to report
9.2 Marine Environment

9.2.1 Coral Monitoring and the Biodiversity Action Plan (BAP)

- **Coral Specimens Exportation Mission**: Arrangements are being made for CITES compliant exportation of the coral specimens (collected during Aden, Burum and Mukalla Total/YLNG marine biodiversity mission) to University of Milan, Italy for study.

- **Sea Water Temperature loggers**: The sea water temperature loggers were installed during the period April 30th to May 1st, by NDE divers. 8 loggers were deployed in the coral areas, the remaining 2 loggers will be installed in near future at 2 reference sites. The loggers will be used for continuous measurement of seawater temperature at the 10 locations.

9.2.2 Fish and Marine Biodiversity

- **Fish Mortality Phenomenon around Balhaf Site**: An investigation was undertaken by the HSEQ department in relation to reports of a high level of fish mortality on the beaches located east and west of the Yemen LNG plant. Yemen LNG initiated an immediate investigation in order to try and determine the circumstances which might have led to this event occurring. Following this study, which concluded that the fish mortality was a localised phenomenon caused by natural events, a further and fully independent study was initiated by a professor from the University of Sana’a. The independent scientific review concluded that the cause of the mortality was a natural phenomenon occurring in the Indian Ocean which is associated with seasonal upwelling of cold water and nutrients due to the current weather conditions and that this phenomenon, which tends to affect certain species of fish more than others, has occurred in the past. Local fishermen confirmed this finding.
9.3 Labour Management

- **Contractor Staff Demobilization**: Most Contractor and subcontractor staff have been demobilised successfully over the reporting period. The table below is a reflection of the personnel on site on 20\textsuperscript{th} May 2010.

![BALHAF POS 20 MAY 2010](image)

- **Monitoring Legal Compliance**: During the reporting period Labour Risk Advisors closely monitored legal compliance with regards to severance settlements by subcontractors. Legal Compliance Audits of Contractors have been scheduled for the 3\textsuperscript{rd} Quarter of 2010.

- **Employment Profile Analysis of employment by Contractors in Balhaf per Governorate**: An analysis of all Contractor employment in Balhaf was conducted during the 2\textsuperscript{nd} Quarter. Key findings were as follows :-

  - **Major Yemen LNG Contractors** (*Main contributors to Employment*)
    756 Yemeni Nationals are employed by 7 major Yemen LNG Contractors. The 2 biggest contributors to employment are Griffin Security (289 post current demobilisation) and CISY (278).

  - **Analysis of Employment Main Contributors per Governorate.**
    An analysis of the employment profiles of the 7 main YLNG Contractors who are employers of Yemeni Nationals (Griffin, CISY, Tanmia, EMC, Bin Malik, Rihyan and Cemesa), indicated that 46.8\% are from Shabwah, 20.4\% from Hadhramout, followed by 8.2\% from Sana’a and 1.7\% of those employed are from Marib.
Employees from Rudhoom District.

Employees from the Rudhoom district represent 43.2% of those coming from Shabwah Governorate.

9.4 Archaeology & Cultural Heritage

Archaeology activities are in line with ESMP cultural heritage commitments (see Section 4.5 for archaeological activities during the reporting period).
9.5 Public Consultation and Disclosure Plan (PCDP)

Public Consultation and Disclosure activities are in line with ESMP commitments (see Section 7.1 for PCDP activities during the reporting period).

9.6 Resettlement Action Plan (RAP) Commitments

Yemen LNG continues to mitigate impacts of the main line and liquefaction plant on the income and livelihood of people living in nearby communities, especially the fishermen in the coastal area of Ras Balhaf as per the Resettlement Action Plan (RAP) commitments. Activities conducted during the reporting period include the following:

- **Program for Vulnerable People** During the reporting period Yemen LNG and the Association for the Rehabilitation of Disabled People in Attaq implemented a project for the disabled as per an agreement signed between the two parties on 1st June. Wheelchairs and relevant equipment were provided to eleven disabled people and awareness on the use and maintenance of equipment was done prior to the handover. The project forms part of Yemen LNG’s Resettlement Action Plan (RAP) which has been ongoing since the construction phase including; compensation, livelihood restoration, reinstatement and vulnerability alleviation. The Jela’ah project is a pilot project from which lessons will be learned from monitoring in order to implement similar projects in other Yemen LNG neighbouring villages in the coastal area and along the pipeline.

- **Reinstatement of Roads, Waterways and Water Channels**: During May, engineers from Operations Department visited the North, Plateau, and South areas of the pipeline to complete a survey related to reinstatement of waterways and water channels which are crossed by the pipeline. CRC-North and the LRH Officer accompanied the mission. Community members/owners of channels were included in discussions to ensure their understanding and to manage their expectations. On the Plateau archaeological surveys were completed. Work was expected to commence on 19th June but, due to a stoppage caused by local contractors, work could not commence. At KP 127: following new specifications and as agreed with Operations, a new proposal (including scope of work and budget) was received from contractor which was reviewed and approved. A Purchase Order has been issued and contractor will be contacted by C&P department.
9.7 Contractor Control Plans (CCPs)
Compliance with CCPs is ongoing as described in this report.

9.8 Operations and Upstream ESMP
Yemen LNG SIMOPS QRA reports were reviewed for the Yemen LNG Project and Yemgas offices in light of the requirements to use this office for an extended period of time. The scenario post RFSU2 and when the 2 LNG trains are running was evaluated to ensure there is no additional/associated risks with the usage of these offices during normal operational period.

10 NON-COMPLIANCES
No non-compliances were recorded during the reporting period.

11 HEALTH, SAFETY & ENVIRONMENTAL INCIDENTS

11.1 Overview of Health & Safety Performance
The summary of safety performance for the past 12 months ending 30th June 2010 identifies that both LTIF (measured as lost time injury frequency per million man hours) and TRIR (measured as total recordable incident rate per million man hours) remain within the set benchmark (LTIF benchmark was set at 0.50 and TRIR benchmark was set at 1.80 for 2010) and better than the industry average as determined by the International Association of Oil and Gas Producers (OGP). The Company performance is illustrated in the chart below:
11.2 Tabulation of Incidents during Reporting Period

<table>
<thead>
<tr>
<th>Description</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>Total 2Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatalities</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lost Time Injuries</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Restricted Work Cases</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Medical Treatment Cases</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>First Aid Cases</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>ED</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Material, Plant or Production Loss</td>
<td>5</td>
<td>10</td>
<td>4</td>
<td>19</td>
</tr>
<tr>
<td>Near Miss Incidents</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>13</td>
</tr>
</tbody>
</table>

11.3 Tabular Statistics (incidents rates per million man-hours worked)

<table>
<thead>
<tr>
<th>Description</th>
<th>Q2 2010</th>
<th>Cumulative Since 1 January 2009</th>
<th>YLNG Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lost Time Injuries – LTI</td>
<td>2</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Lost Time Injuries Frequency – LTIF</td>
<td>1.78</td>
<td>0.23</td>
<td>&lt; 0.50</td>
</tr>
<tr>
<td>Total Recordable Injuries Rate – TRIR</td>
<td>7.15</td>
<td>1.31</td>
<td>&lt; 1.80</td>
</tr>
<tr>
<td>MTC$^1$ + RWC$^2$</td>
<td>6</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>First Aid Cases</td>
<td>7</td>
<td>29</td>
<td></td>
</tr>
</tbody>
</table>
11.4 Key incidents During Reporting Period

11.4.1 Lost Time Injuries

- **LTI – 15th April;** (Road Access from Wadi Jardan to Al-Alam Camp): At approximately 12:45 an ambulance was returning from standby duty at BVS 7 to its base through Wadi Jardan when the driver lost control and rolled over on the main road. The IP suffered fractures to his knee and his shoulder. The IP was wearing his seat belt. A detailed investigation was carried out to establish the facts in this incident and a copy of the report has been forwarded to the Lenders’ technical consultants.

- **LTI - 13th June;** (Maintenance workshop): Senior machinist technician had his right forearm amputated by an electrical hacksaw in the maintenance workshop while he was doing surface roughness work on an HDPE pipe. His colleague immediately pushed the Emergency pushbutton to stop the machine and raised the alarm. The IP was stabilized by the medical team, and was medevaced to Sana’a where he was operated upon. He is currently recovering well and will receive prosthetic support at a specialist clinic in Germany. A detailed investigation was carried out to establish the facts in this incident and a copy of the report has been forwarded to the Lenders’ technical consultants.

11.4.2 Restricted Work Cases

- **RWC - 23rd April;** (Fire Station): At around 03:00 am a fire fighter (whilst on standby duty) injured his right wrist with a hairline fracture when he fell backwards onto his outstretched arm.

11.4.3 Medical Treatment Cases

- **MTC - 3rd May;** (Punj Lloyd Workshop): At around 15.30, during the lifting of a fabricated rack into a container on the back of a trailer, a wooden plank fell from the rack hitting the driver on the forehead and nose. He was not wearing a safety helmet at the time of the incident. The IP was taken to the Intracs Clinic where the injuries were treated with seven stitches.

- **MTC - 4th May;** (BVS): At around 12am a Yemen LNG person fell down a slope during a mission at a BVS, he received injuries which required three stitches.
• **MTC - 6th May;** (Common Reception Facilities): At around 09:00am a worker sustained an injury to his left hand middle finger while fixing a structural beam in the CRF. His finger was caught within the beam structure when he attempted to check that the bolt holes were aligned properly at the cyclone top section. He was treated at the site clinic.

• **MTC - 7th May;** (Gas Turbine Generators): At around 09:30 am while performing the weekly fire monitor test in the GTG area, it was agreed with CCR to test the sequencing of LLP test of the pumps from the field by discharging the water from the fire monitors. During the test, when the pressure decreased to 3 Barg, the main pump started with 14 barg at the ring main and the monitor handle rod became loose releasing the monitor body downwards, and the torque reaction caused a sudden movement allowing the handle to strike a fire fighter on the shoulder and lower lip.

• **MTC - 2nd June;** At 09:45 am, Hawk crane operator assistant injured his right thumb while he was arranging the load on the trailer truck. Probable incident contributing factors are; load unbalance on the trailer, the load to be properly arranged on trailer to prevent recurrence.

11.4.4 Medevac

• **Sana’a Medevac:** 13th June in Maintenance workshop on site senior machinist Technician had his right forearm amputated by the electrical hacksaw while he was doing surface roughness work on an HDPE pipe. Medevac was initiated to Sana’a where he was successfully operated upon.

11.4.5 Environmental Issues

• **Oil Spill - 2nd May;** approximately 400 litres of lube oil spilled from the oil breather between the Mixed Refrigerant (MR) compressor and turbine at Train 2. The spilled lube oil was recovered and the area was cleaned up.

12 SUMMARY OF SUSTAINABLE DEVELOPMENT PROGRAMMES AND ACTIVITIES

12.1 Overview

• The main focus areas of SD programs are; social (health and education), economic (fisheries, agriculture and apiculture) and vulnerability alleviation (water and electricity). Each of the eight programs within these 5 focus areas includes; capacity building and training, infrastructure development, industry development and SME development. Program implementation is mainly phased over a period of three to five years and the different projects within the broader programs are currently in different phases of the project cycle which include project initiation, planning, execution, control and validation and close-out and validation.
12.2 Social Programs

12.2.1 Programs for Women

- **Social Empowerment and Gender Equality Promotion**: During April, CRSD team discussed with Project Coordinator the proposal for Women Social Empowerment and Gender Equality Promotion training project.

- **Support to Sana’a NGOs**: Contracts regulating the funding from Yemen LNG to three Sana’a based NGO associations which will focus on capacity building and economic development for women based in Sana’a was approved by Yemen LNG Deputy General Manager. Sponsorship made available to these NGO’s will allow them to provide training to several women in handicraft, sewing, cooking, illiteracy classes, among other activities. The construction of the premises has been completed and training in handicraft targeting 35 women has commenced during early June. In addition, the possibility of marketing Bir Ali weaving products was considered and product samples have already been sent to the NGO.

- **Advanced Straw and Palm Leaf Training Program**: During June, Project Coordinator visited Bir Ali Women Association to discuss logistical arrangements related to the implementation of the capacity building and advanced straw and palm leaf weaving training program for 24 women from Bir Ali. The training which will be given by the Al Shroq Women’s Association from Mukalla was delayed by internal administrative matters and is expected to start during Q3 of 2010.
• **Needs Assessments Workshops:** During the reporting period, 2 needs assessment workshops to inform Yemen LNG’s SD Program for women were held in Al Dhahera and Eyad villages. The workshops were highly successful as seventy women from Al Dhahera and fifty four women from Eyad attended. Based on needs identified and priority ranking achieved previously, needs assessment results will be discussed with the Authorities to plan intervention and support programs in line with Yemen’s National Strategy for Women’s Development.

![Image of workshop participants]

• **Capacity Building Support to Bir Ali Women’s Association:** Arrangement between Projects Coordinator, Bir Ali Women Association and Al-Shroq Women’s Association to implement a package of training courses (including marketing, finance, planning, reporting system and feasibility studies for small income generation projects) is ongoing. Project documents were submitted to C&P Department for tender and contractual procedures. The training is due to commence during beginning of 3Q 2010.

12.2.2 Health Programs

• **5 Years Health Program:** During the reporting period, the SD Health program was discussed with the Shabwah Governor. In the meantime CRSD team met with Executive Director of Yemen Family Care Association (YFCA) to discuss project components based on Shabwah Governor’s recommendations. YFCA stressed that the mobile clinics are the most important component of the project. Social Consultant agreed and pointed out that the main objective of the program, namely to reduce morbidity and mortality rates in the area (especially amongst women and children), will not be achieved without services rendered by mobile clinics as patients are mostly brought to hospitals when it’s too late. YFCA has been requested to prepare a detailed scope of work for discussion with the Governor. It was suggested that YFCA attends the meeting with the Governor to explain components and to answer questions.

• **Memorandum of Understanding (MoU):** The services covered by the Yemen Family Care Association contract will be discussed and reviewed by MOM and the Governor of Shabwah. Therefore, the MOU will be on hold until this consultation process is finalized.

• **First Aid Training:** Yemen LNG team SD in coordination with Yemen Red Crescent (YRC) is preparing First Aid Training plan for groups of women and students from Bir Ali. The training campaign will be supported by Yemen LNG SD team providing Yemen Red Crescent with awareness material.
• **Support to Fight Dengue Fever:** Yemen Red Crescent (YRC) and Shabwah Health Office have requested Yemen LNG to support their efforts against the Dengue Fever epidemic and submitted a list of materials and equipment needed. Availability and cost of items are being investigated by Yemen LNG CRSD team.

12.2.3 **Education Programs**

• **Infrastructure Development (Phase 3):** The Scope of Work for the construction and renovation of 10 schools over the next 3 years (to be implemented by Public Works) along with the Memorandum of Understanding with Ministry of Education were completed and submitted to Yemen LNG General Manager for approval.

• **Temporary Classrooms Supply:** Due to construction of new classrooms by Government, Bir Ali Village Committee requested 5 temporary classrooms to enable students to continue studying during construction phase. Procurement process is ongoing to provide 5 fabricated temporary classrooms for Bir Ali School, 3 at La’abel school in the Plateau and 2 to Al Shoraij schools in the AlBarik area. Meanwhile, CRSD has provided for immediate needs some tents to Bir Ali School until the fabricated tents are ready for delivery. Supplier confirmed that 5 tents will be assembled while constructions of permanent classrooms are ongoing.

• **School Bags Project Monitoring & Evaluation (M&E):** Monitoring and evaluation results confirmed that provision of school bags is important in supporting parents financially and for (increased) school attendance. It is much appreciated by the communities and plays an important role in increasing Yemen LNG’s visibility in the area. Project Coordinator is preparing a questionnaire to obtain in process to community recommendations for future projects.

• **English Course for Fishermen:** As part of capacity building, Education Program Coordinator held several meetings with training institutes in Sana’a to discuss English course designs for fishermen in coastal villages. During June the Youth Economic Development Center (YEDC) in coordination with CRSD, conducted placement tests in Jela’ah for the 1st group of 107 youths between 15 - 25 years old from fishermen communities in the coastal villages. Another placement test will take place during 3Q 2010.
12.3 Economic Programs

12.3.1 Apiculture

- **Yemen LNG Leader in Sustainable Beekeeping in the Arab World:** At a joint international workshop on beekeeping held in Seyun, Hadhramaut during May which was attended by 300 people from all around the Arab World, including the Saudi Arabian and Yemeni Ministers of Agriculture, Yemen LNG’s efforts to sustain beekeeping in its project area (through increasing and developing the quality of infrastructure, capacity building and training of beekeepers and overseeing the plantation of Elb trees to increase natural assets) were highly commended. The presentation on Yemen LNG’s SD Beekeeping Program which was given by CRSD Advisor was well received and attendees considered Yemen LNG’s efforts, and experience in Elb plantation, as a unique milestone to be achieved by an Oil and Gas Company in the Arab World and also as a benchmark for social responsibility in the area. Yemen LNG made use of the opportunity to capacitate workshop attendees through displaying and distributing awareness materials that have been developed for capacity building and training of beekeepers in the Company’s project area. Attendees appreciated the well designed messages, graphical display of information.

- **Project Monitoring:** During the reporting period, regular monitoring visits and meetings were held between the extension specialist, field Coordinators, project Coordinator and beneficiaries. The extension of the beekeeping project to more beneficiaries in the north area was proposed. During June, the Yemen LNG beekeeping team met in Balhaf to discuss the July-December 2010 plan. It was agreed that new locations for project implementation will be added (i.e. Al Rakah and Ayad), it was also agreed that the situation in Wadi Salmoun will be investigated. The preparation for the project experts’ mission to Yemen in July and other project issues was addressed.
- **Materials for the Beekeepers**: Elb trees plantation materials as part of the 2010 project plan were delivered to most beekeepers and distribution continues in the Plateau villages (Haba, Laba’al, Al Ghobaira) and in the Wadi Maheed area.

- **Bees for the Beekeepers**: Purchase Order to providing SD beekeeping project with bees was issued, however, the beekeepers specialists recommended to keep the bees in cooler areas for a while until they get stronger when the rain season starts, only then the bees can be released. This will guarantee a longer life for the bees. The beekeeping team will consider the beekeepers specialist recommendation before delivering the bees.

- **Elb Trees**: Several visits have been brought to villages in the Plateau (Al Ghobaira, La’abel, Gharq, Al Sharafah, Al Khalefah) and Wadi Maheed (Hasah, Qulqul, and Aromah) to monitor the project’s plantations. Most trees were in good condition, healthy and growing well. As evidence of project success many beekeepers in different areas planted Elb trees of their own initiative and they are requesting to be included in the water support initiated by Yemen LNG to enhance their productivity.

- **Floods**: During a monitoring field visit to the North (Sa’adah and Ayad villages), Plateau (Al Sheaefa-Hasah) and Wadi Maheed (Qulqul Baddyan) the field team found that Elb trees were heavily flooded due to recent rains which fell in the area, which is expected to cause them damage. Extension specialist discussed with beekeepers ways to mitigate negative impacts on the plantations.

- **Fencing**: Material to protect Elb trees against rabbits were delivered and installed in several locations (especially in Tabak and other Wadi Maheed villages).

- **SME Development: Marketing of Honey**: In the perspective of implementing SME, arrangements are being made for a honey shop in Azzan and also the possibility to sell honey from the project area at the shop inside Balhaf plant. The Project Coordinator had several meetings with CAC Bank to support SME implementation, she also met with Jela’ah village community members to discuss SME opportunities in coastal villages. Terms of Reference draft has been finalised for submission to Project Coordinator.

**12.3.2 Agriculture**

Implementation of Yemen LNG’s first phase Agriculture project is ongoing. The section over the page summarises project progress during 2Q of 2010:
• **Project Monitoring:** Visits in the light of the improvement and diversification of family subsistence and nutrition were undertaken by CRSD team. Al Haibalah pilot farm project was visited for demonstration purposes, during which the beneficiaries expressed their interest in the project and some other locals requested support to establish their own farm. In Al Juwairy where three palm tree farms are being fenced by implementing agent TGH, the beneficiaries also expressed their satisfaction with Yemen LNG, as the project is providing drop irrigation systems, fences and farming advices and good work quality delivery. Yemen LNG CRSD team in its effort to improve communities’ livelihood maintains regular consultation with implementing agents and beneficiaries in Al Juwairy and Ayn Ba’ambad in order to fence more farms and to support through the provision of more seeds and other materials.

• **Flood Protection:** After the tender process was completed and the contract developed, flood protection work has started in Al Haibolah, Wadi Salmon and Wadi Halm, and it is progressing well. The gabion spur, removing of the Saisaban tree from upstream and downstream of the bridges and the dikes formation works have all been completed successfully. During the work implementation, the villagers have decided to relocate some of the earth dikes from the downstream to upstream, their request, which was reasonable, has been accordingly implemented. Also the Village Committee has enhanced the protection of the earth dike against wind by placing plant branches and shrubs on the top of some of the dikes. However, CRSD Adviser informed the VC members and other villagers that monitoring and uprooting of the new growth of the Saisaban trees will be at their full responsibility. All the attendees were very grateful for Yemen LNG taking action toward flooding protection.

• **Spraying Campaign against Parasites; Palm Tree Protection:** The campaign against parasites in Wadi Maheed and the coastal areas is continuing. Moreover, Yemen LNG have received a request from the Ministry of Agriculture in Attaq for the procurement of five “Dubas” insect spraying devices. This has been passed to Contracts & Procurement department for processing.

• **Livestock Health:** During the reporting period the distribution campaign of concentrated fodder as part of the livestock programme continued in the coastal area where 164 families were assisted. The implementing agent trained 20 women in Bir Ali on good practices in managing common livestock diseases, 25 from Ayn Bama’abad and 42 women from Al Juwairy and Jela’a also benefited from the training programme. Meanwhile an assessment is being done to evaluate the impact of the fodder and diseases program which has already been implemented.

• **Improvement and Diversification of Family Subsistence and Nutrition:** 60 lemon trees have been distributed to four farmers at Al Al Juwairy village to be planted in their home farm, TGH provided the farmers with guidance concerning plantation practices. The fencing of household farms in the coastal areas and guiding of farmers on plantation practices have been completed in Al Ayn and Al Juwairy villages, two farms Ayn Bama’abad were fenced and fencing of two more farms is ongoing. Fish fertilizer made by Bir Ali women’s association was introduced to farmers in Al Juwairy while awareness introducing the advantages of using
the same fish fertilizer was created amongst Wadi Maheed farmers with the collaboration of TGH. This is an excellent example of establishing a consumption pattern of fish products and exploiting opportunities for the socio-economic enhancement of Yemen LNG’s project’ neighbours.

- **Planned Integrated Food Security Project for AlRawdha and Jardan Districts (Phase 2):** During the reporting period CRSD Adviser and CR field team continued to visit areas that will be targeted for agriculture project implementation (as per the proposal submitted by Triangle Generation Humanitarian (TGH). The purpose of these visits is to collect additional information, to have discussions with communities, and to evaluate proposed activities prior to final discussion with TGH. Wadi Shawla (A’al Hannam) in Jardan district was visited during the reporting period.

- **Support to Agriculture Activities:** A tractor has been made available to three farmers from AlJuwairy to clean and enlarge their agriculture land. TGH provided the Bir Ali Women Association with a Seiseban (tree) milling machine along with training to use it.

### 12.3.3 Fisheries Program

- **Infrastructure Development:**
  - **Feasibility Study for Jela’ah Auction:** Social Consultant finalized Scope of Work (SoW) for consulting services to be rendered by a Yemeni Company ‘Environment and Natural Resources’. Scope of Work document focuses on institutional strengthening of Cooperatives and a feasibility study (including an ESIA) for the construction of an auction at Jela’ah. The social component of the ESIA will also include recommendations on SME development related to the auction and fisheries value chain. Project Coordinator for Fisheries will discuss the Scope of Work with the Yemeni Company in order to finalize document for submission to CRSD Management for approval.
  - **Construction of Ministry of Fish Wealth (MFW) Office (Bir Ali):** Contract for the construction of MFW office in Bir Ali was signed with a local contractor. CRSD in coordination with C&P Dept are in the process of hiring a civil engineer to supervise construction work. Names of possible candidates have been submitted to the Contracts Department.
  - **Capacity Building and Training:** SD team discussed Fishery Union (FU) proposal for capacity building of Fisheries Sector. Several training institutes in Aden that focus on capacity building for the fisheries sector have been identified in collaboration with the Shabwah Fishery Union. The said institutes have been visited by the Project Coordinator for Fisheries and an evaluation report is being prepared.
  - **3-Year Fisheries Planning:** See point 8.4.
Fish Aggregation Devices (FAD):

- **Contract with MacAlister Elliott & Partners Ltd (MEP):** The MEP proposal for FADs re-deployment and mats maintenance was presented to Yemen LNG Tender Committee (TC) for contract amendment. CRSD team in coordination with MEP will develop a plan as recommended by TC. In addition an anomaly/report was submitted for approval to cover costs of re-deployment of FADs in April 2010 which also covers data collection and analyses for the period January 2010 - June 2010.

- **FADs Deployment:** On 13th and 14th April, the MEP team with CRSD team deployed 5 FADs (FAD# 3, 6, 10, 11 & 12) which were successfully launched using Lamnalco Sana’a Tug. The depths to the seabed for each FAD location, which is important in maintaining correct tension and longevity of the anchoring system, were measured by 4 methods (depth sounder of the tug, fish finder position, high tensile plunge line and the navy escorts’ sounder), the 4 methods gave consistent readings before the deployment process took place.

- **FAD Mats and Re-Deployment:** Two proposals were submitted by MEP for Re-deployment of FADs nos. 5 and 9: installation of mats for all FADs utilising three different kinds of materials made from natural resources in the area, includes designs for habitat mats from Polypropylene pipe, PVC pipe and wooden habitat mats using timber from Balhaf and woven palm leaf mats made by Bir Ali women. The Social Consultant and MEP suggested that the re-deployment of FAD 5 should be undertaken as a community project to enhance the local fishermen’s capability to utilise and manage their local resources efficiently and sustainably (in order to start to take ownership of FADs and to better understand the concept of FADs so that they can foreseeably work towards the building and managing of their own FADs.

- **FAD Status:** Refer to the following table for status of the FADs.
<table>
<thead>
<tr>
<th>FAD No.</th>
<th>Current FAD Position</th>
<th>Condition</th>
<th>Repair Work</th>
<th>Equipment needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Correct</td>
<td>No reported Problems</td>
<td>Non</td>
<td>Non</td>
</tr>
<tr>
<td>2</td>
<td>Correct</td>
<td>No reported Problems</td>
<td>Non</td>
<td>Non</td>
</tr>
<tr>
<td>3</td>
<td>Correct</td>
<td>No reported Problems</td>
<td>Non</td>
<td>Non</td>
</tr>
<tr>
<td>4</td>
<td>Correct</td>
<td>No reported Problems</td>
<td>Check slack on rope and add floats if needed tow to deeper water</td>
<td>10 Floats</td>
</tr>
<tr>
<td>5</td>
<td>Irgah</td>
<td>Lax with rope below = rope length 150 – 200m</td>
<td>Re splice an eye onto bottom of rope and attach to new concrete block and deploy</td>
<td>Concrete block Chain, Shackles x 2, 20 Floats</td>
</tr>
<tr>
<td>6</td>
<td>Correct</td>
<td>No reported Problems</td>
<td>Check slack on rope and add floats if needed tow to deeper water</td>
<td>10 Floats</td>
</tr>
<tr>
<td>7</td>
<td>Correct</td>
<td>No reported Problems</td>
<td>Check slack on rope and add floats if needed tow to deeper water</td>
<td>10 Floats</td>
</tr>
<tr>
<td>8</td>
<td>Correct</td>
<td>No reported Problems</td>
<td>Check slack on rope and add floats if needed tow to deeper water</td>
<td>10 Floats</td>
</tr>
<tr>
<td>9</td>
<td>Bir Ali</td>
<td>Adrift with no rope attached</td>
<td>Return to Ballal</td>
<td>To be decided</td>
</tr>
<tr>
<td>10</td>
<td>Irgah</td>
<td>No information</td>
<td>Re splice an eye onto bottom of rope and attach to new concrete block and deploy</td>
<td>Concrete block Chain, Shackles x 2, 20 Floats</td>
</tr>
<tr>
<td>11</td>
<td>Between Al Aym &amp; Al Nashaymah</td>
<td>Adrift with rope attached but no information on length</td>
<td>Re splice an eye onto bottom of rope and attach to new concrete block and deploy</td>
<td>Concrete block Chain, Shackles x 2, 20 Floats</td>
</tr>
<tr>
<td>12</td>
<td>Correct</td>
<td>No reported Problems</td>
<td>Check slack on rope and add floats if needed tow to deeper water</td>
<td>10 Floats</td>
</tr>
</tbody>
</table>

12.4 Vulnerability Alleviation Programs

The vulnerability programs include water and electricity projects and progress is summarized below.

12.4.1 Water

During the reporting period, the Head of SD Programs attended a bid opening session in Attaq regarding 5 Yemen LNG water projects including three projects in Hasah and Aroumeh (Wadi Mahyeed), AlKhedlh; AlHyerh and Lasbar and a water spring connection project (Wadi Salmoun). The bid opening session was attended by representatives from Yemen Red Crescent Society, Shabwah Rural Water Authority and Village Committees. Bids were evaluated and contractors selected and the bid evaluation report sent to French Red Cross Headquarters for approval. In the perspective of launching water projects phase 3 list of projects program were identified and commented by CRSD Adviser prior to discussions with Community Relations Officers and Shabwah Rural Water Authority. A Scope of Work was sent to French Red Cross Head of Mission who will submit a proposal to conduct technical and social assessment.

- Water Project Progress Phase 2:
  - **French Red Cross Contract (FRC) Amendment:** Tender Committee approved the extension of the contract period with FRC to 30th June 2010. Head of SD met with FRC acting head of mission to discuss the progress in water project phase 2 and future cooperation.
**Amgikhar Dam Rehabilitation:** During the reporting period, French Red Cross (FRC) Engineer and Yemen Red Crescent (YRC) visited the area to hand over the project to the site contractor and also to launch the implementation of awareness creation on health and hygiene related to water use. Work on the water tank base and walls construction have been completed; and digging of pipeline trenches is progressing well. 85% of project work is already completed.

**Rehabilitation of Hassah and Aroumeh Water Connections:** Work on the water tank base was completed and construction of water tank walls is on-going. Replacement of the main pipeline connecting the tank with the well was also completed. Overall, 50% of project work has been completed.

**Tabak Projects:** During the reporting period the maintenance of the water mainline between Tabak and Masfaleh village (location of water well) was completed. 80% of the construction work on the new mainline was achieved.

**Jela’ah Project:** French Red Cross (FRC) team met with Village Water Committee to discuss technical modifications required to improve the efficiency of the network and better manage the project. Modifications work was completed as agreed with Village Committee, and water reached all targeted houses. In addition, FRC is working with the Village Water Committee in the perspective of ensuring infrastructure maintenance for the sustainability of the project.

**AlKhedlh Project:** During the reporting period French Red Cross completed project technical studies and launched work. The opening access road to the water well location was completed; water spring collection chamber is completed and trenched for water network is continuing. 60% of project has been completed.

**AlHyerh and Lasbar Water Spring Connection Project (Wadi Salmoon):** An agreement was signed between Project Partnership, French Red Cross (FRC) and the Village Committee; FRC handed over work to contractor who had started construction of 3 water spring collection chambers.

**Project Reverse Osmosis (RO) Plant at Balhaf:** Yemen LNG intends to provide neighboring communities with potable water from the Reverse Osmosis plant that is situated inside Balhaf. Social Consultant developed a project plan which was submitted to Corporate Affairs Manager and a Scope of Work (SOW) including a feasibility study for technical work which was sent to a Water Engineering Consultant who had been requested by the Corporate Affairs Manager and Head of SD Programs to submit a proposal.

**Temporary Water Supply to Mafraq Balhaf:** Mafraq Balhaf, a village located in the vicinity of Balhaf plant, has a serious lack of potable water. Yemen LG is considering providing the village with water through rental of water trucks until a sustainable plan for water provision has been developed and implemented.
12.4.2 Electricity

- **Solar Home Systems Project**: During the reporting period, Head of SD accompanied by representatives from Public Authority for Rural Electricity (PARE) and Technical Service Center TSC (SHS Vendor), visited Mafraq Balhaf and Al Haibolah villages. The purpose of the visit was to conduct the final check for SHS installation and to discuss with Village Committee (VC) the alternatives to manage the project with more involvement from the Village Committee.

- **Electricity for Rodum**: Yemen LNG intends to support neighbouring communities to have access to electricity services by implementing an electricity project for coastal villages. A Scope of Work (SoW) including a topographic survey and study design was prepared and is being reviewed by CRSD.

13 UPDATE ON SIGNIFICANT CHANGES IN APPLICABLE ENVIRONMENTAL LAWS

No significant update occurred to the environmental Yemeni regulations.

14 MATERIAL ENVIRONMENTAL CLAIMS AGAINST YEMEN LNG

To date there have been no environmental claims against YLNG from the Authorities.

END OF REPORT