

On 2 October 2023, the French daily newspaper *Le Monde* published [an article](#) on the Papua LNG project in Papua New Guinea. The questions posed by the journalists were answered in detail. However, given the limited use of our responses in the article and in the interest of transparency, the Company has decided to publish its exhaustive answers.

1- This week, the International Energy Agency mentioned again that to keep global warming under 1.5°C, there must be no further investment in gas infrastructure. How do you justify this project despite having committed to the Paris Agreement?

TotalEnergies' ambition is to be a major player in the energy transition, committed to net zero by 2050, together with society. The Company's strategy is to continue providing the energy the world needs now, notably natural gas to replace coal, and to minimize its projects' emissions, while responsibly and sustainably accelerating the transition to low carbon energy solutions.

This is how, in concrete terms, we support the goals of the 2015 Paris Agreement, which calls for a reduction in greenhouse gas emissions in the context of sustainable development and the fight against poverty.

The Papua New Guinea project is consistent with this strategy: it is ideally located to supply liquefied natural gas to Asia, a region where demand for electricity is rising fast and where 85% of that electricity is currently generated from coal.

Replacing coal by natural gas to produce electricity will halve the CO₂ emissions.

2- When do you expect the final investment decision?

The final investment decision (FID) is expected in 2024.

3- What measures have been taken to reduce the project's carbon footprint? Can you confirm that the liquefaction trains will be supplied by a gas-fired power plant? Do these measures concern Scope 3?

On all its new projects, TotalEnergies seeks to use the best technology available to minimize emissions.

Specifically, in Papua New Guinea, two main measures are planned to minimize CO₂ emissions:

- Reinjecting the native CO₂ from the production wells from the first day of production: a world first on a project of this size,
- In the existing natural gas liquefaction plant, operated by ExxonMobil (PNG LNG project), the electric liquefaction trains will be supplied by a combined-cycle gas turbine and a photovoltaic farm (70 to 120 MW). The examination of this hybrid system is currently being finalized.

4- What measures are planned to reduce the project's ecological impact? How many hectares of forest will be cleared?

Papua LNG is fully committed to reducing the project's footprint to the strict minimum: two years of planning and design have led to a reduction in land take of over 30% compared to the initial plans. This involves maximum reuse of existing sites (the logistics base, the current PNG LNG liquefaction plant) and existing roads, and a development plan for the reforestation of the platforms, the pipeline routes and unused access roads following the construction phase. Detailed technical studies are still underway to pursue this effort.

Papua LNG also plans to go further than the target of zero net deforestation, which is TotalEnergies' minimum commitment on all its new sites. An ambitious target has been set to plant 1,000 hectares in five years. In Kuriva, 125 hectares have already been planted, before the project's FID. We are working with the national forest authorities to develop a nursery to produce 500 hectares of saplings a year.

We have been proactive and pragmatic in launching further biodiversity initiatives, building other nurseries for the rarest species, creating a mangrove nursery and awareness center in view of creating a mangrove conservation area, and launching a training program for forest rangers. The creation of biodiversity conservation zones in direct connection with the areas impacted by the project is currently under development, in line with international standards, and a first team of forest rangers is being recruited.

Papua LNG has also invited independent international and local experts, recognized for their contributions to the environment and socio-economic development, to work with the project on a consultation panel. These experts are completely independent and are not being paid. They formulate recommendations, which are made public (www.papualng.com.pg). Working with our partners, our goal is to make Papua LNG best-in-class in terms of sustainability. Papua LNG is committed to building constructive, long-term relationships with its stakeholders and providing benefits for the country.

5- Do you plan to invest in renewable projects in Papua New Guinea?

There are several renewable projects under examination, in line with the Government's renewables roadmap. These range from the installation of a photovoltaic plant of 70 to 120 MW supplying the liquefaction units to the offer of photovoltaic production for hotels, warehouses, production units and the mine, the free solarization of mini-networks for neighboring communities, the distribution of solar lamp kits, and charging of personal devices.

6- Have you secured the rights to lease all the land you need for the project? If not, how much of it have you obtained?

Short-term leases for the concerned land were signed during the exploration and examination phases, now completed. Long-term contracts are being finalized with the same clans. The communities recognized by the government as landowners will also receive royalties in accordance with the benefit sharing agreement defined by the government.

The area concerned by the project is not very densely populated, and the villages concerned, along the rivers and the coast, are not directly impacted. There will be no population displacement.

7- How much of the gas produced will be exported overseas?

In line with the agreements signed between the project's partners and Papua New Guinea, 95% of the gas will be exported and sold on Asian markets, to meet the growing demand for LNG in Asia, and 5% of the gas will be sold on the domestic market to support the production that the country needs.

8- Some clan leaders erected a dam across the river to access the site and protest against the project. Is that dam still in place? What do you think about this protest?

There was no blocking of the waterway by the communities, with which the project is in close contact, specifically through the network of liaison officers known as Community Liaison Officer (CLO) and Village Liaison Officer (VLO), whose role is to explain the project to the communities, and to feed back their expectations and any demands or concerns.

Papua LNG's societal teams are constantly attentive to complaints about the use of the Purari River and have taken action to reduce the impact caused by its co-use to transport building materials to the project (slower speed and lookouts in the prow of each ship).

These measures will be maintained during the project's construction phase and operation phase.

9- Is there really no financial risk to this project at a time when the IEA is predicting a decline in demand for natural gas by the end of the decade?

Natural gas can replace coal for numerous applications (power generation, manufacturing, etc.), so it has an immediate positive impact, since its carbon emissions are half those of coal.

Flexible and easily dispatchable, natural gas is also an ideal partner for renewable energies, which are intermittent and seasonal by nature, for power generation. In addition, LNG has demonstrated its key role in connecting gas consuming countries with large natural gas resources.

TotalEnergies' strategy is based on 5% annual growth in demand for LNG, largely driven by Asia, the world's greatest user of coal, and Europe.

TotalEnergies is continuing to provide the energy the world needs, replacing coal by gas, while sustainably accelerating the transition to low carbon energy solutions.