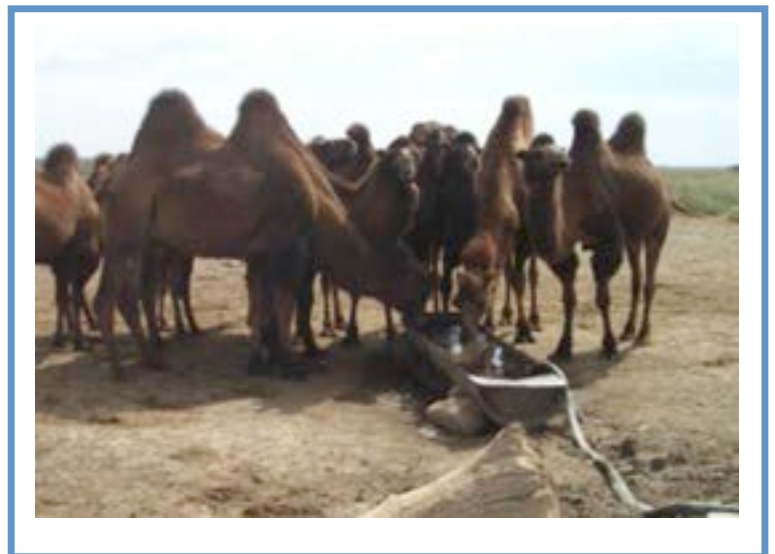


The Company Displacement Policy

The displacement of people, even on a small scale, is considered as a very complex process which is performed by well-defined steps. Maintaining an ongoing dialogue with the affected parties and the implementation of concrete actions is the only way to gain their trust. Terra Energy has realised that only a participative approach can lead to a fair development of the project and to solutions that are understood and accepted by everybody. Past experience has shown that resettlement projects could not succeed if better living conditions are all that is offered to the displaced.

To make sure that the relocation process is transparent, understood and accepted by all the parties, Terra Energy makes a commitment to adhere to the practices and the following procedures:

- The displacement of population will be conducted in a spirit of understanding of the cultural concerns of stakeholders and its implementation will be performed with compassion for those affected by the Project Development and subsequent Operations.
- Compensations of impacted herders will be based on a concept of fairness. They will take into account various elements, namely, socio-cultural organization (leadership and autonomy of the family household), the residual value of household's personal properties, source of annual income, and solutions for long term well-being.
- Terra Energy will provide to any person receiving cash payments assistance, advice so that the opportunity to adequately provide for themselves longer term is maximized, although cash payments will be by exception.
- The process of relocation will be managed by competent persons familiar with the requirements and the specificities of the plan.
- In consultation with all stakeholders, documents relating to the compensations will follow a well-defined procedure that will ensure the process is transparent, fair and equitable to all those who are affected.
- Terra Energy will offer technical assistance for the recovery of post-mining sites rehabilitated when they present features different from those that prevailed prior to occupation by the project. This post-mining use will be compatible with the objectives of the area.



The program of moving herders and compensation will be guided by the following principles:

- Fair and transparent negotiations with the affected persons;
- The herders will be compensated for loss of earnings and access to pasture if proven and appropriate;
- Minimal disruption to resettled/compensated persons and an effort to ensure long-term improvement of their livelihoods and living standards;
- Proper management of the displacement process to cause minimal environmental and socio-economic impacts.



Identification of Impact Areas and Households

Impact
Areas

Consultation
Communities

Impacted
Households

Cut-off-Date



Entitlement Matrix

Draft
Entitlement
Matrix

Establish
Resettlement
Committee

Entitlement
Matrix

Compensatio
n Contract



Implementation and Monitoring

Implement
Compensation
Program

Monitor Implementation
of the Compensation
Program with herders
Solicitor

Evaluation