

Mr. Gareth Lewis
Compliance and Community Liaison Officer
SW Wales PPC Team
Natural Resources Wales (NRW)
Maes Newydd
Llandarcy
Neath Port Talbot
SA10 6JQ

Ref No: SHLNG-HSSEQ-C-486

Date: 31 March 2016

Dear Mr Lewis,

Operator: South Hook LNG Terminal Company LTD.
Environmental Permit Number EPR/ XP3538LD
Groundwater Monitoring Review 2015 – South Hook Groundwater, Coastal Spring and Surface Water Monitoring Proposals

As we discussed during your recent site meeting to the Terminal, of 17 March 2016, the current extensive programme of groundwater monitoring was designed principally to monitor groundwater quality following the site development and construction activities.

As the site has now been fully operational for more than 5 years, the risk of pollution to groundwater from our site activities are considered to be considerably reduced, compared with the pre-operational phases. This is confirmed by the recent Groundwater Monitoring Review 2015 (report attached) that was undertaken by RPS Planning and Development (RPS), which was also presented and discussed during our meeting.

RPS was commissioned to undertake a robust and detailed water monitoring review for the site monitoring data that included consideration of the current conditions on the site. Our approach to water monitoring on site has been based on a systematic appraisal of the risks of contamination and the RPS report (attached) uses the recent data to continue and build upon the historical understanding to inform the reduced water quality monitoring programme that is proposed accordingly. The revised water monitoring programme proposed in the RPS report reflects the current understanding of the water quality and monitoring requirements for the site. We will continue to review the results of the revised monitoring programme, with a view to reducing the monitoring programme further, as appropriate, to reflect further understanding and anticipated reduction in future potential environmental risks posed by the site.

Condition 3.1.3 of SHLNG's permit (EPR/XP3538LD) states that

"Periodic monitoring shall be carried out at least once every 5 years for groundwater and 10 years for soil, unless such monitoring is based on a systematic appraisal of the risk of contamination"

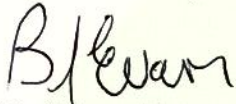
In this regard the SHLNG groundwater monitoring programme currently implemented and as proposed in the RPS report, are separate from, additional to and exceed the requirements required by condition 3.1.3 of the EPR Environmental Permit. In compliance with this permit condition, the Company has determined that periodic monitoring shall be carried out in accordance with the groundwater monitoring programme proposed in this report, as amended, and at a frequency of least once every 5 years.

In view of the above, as discussed at our meeting of 17 March 2016, the Company therefore intends to reduce the current groundwater and coastal spring water quality monitoring programme from the current regimes to that proposed in the RPS report (attached).

Therefore we shall be pleased to receive any comments that the NRW might have to the above proposals at your earliest convenience, and by 20 April 2016 at the latest, as it is our intention to implement the revised monitoring programme in the near future.

Please do not hesitate to contact me should you have any queries.

Yours sincerely,



Dr. Shane Evans
Senior Environmental Engineer

Attach:

- Groundwater Monitoring Review 2015 (file 160315 R JER5575U AG GWMR2015 Rev2 - Compiled.pdf, dated 15 March 2016)