



Foreword

Welcome to our sixth issue of 'Green Leaves', SLP Environmental's regular e-newsletter providing a mixture of news, topical features and project updates. In this issue we take a look at the importance of environmental due diligence and site investigation to many sensitive business transactions and we present example projects we've recently undertaken in the region.

SLP Environmental was established in Bangkok, Thailand in January 2008 with a mission to provide premium quality environmental consultancy and sub-consultancy services within the South East Asian marketplace. At SLP our guiding principle is 'Environmental Improvement through Technical Excellence', and we are committed to providing cost effective environmental solutions that will both deliver our clients objectives and also benefit the natural environment and local communities. We are uniquely placed in the SE Asian market to deliver quality environmental services as we combine internationally acquired expertise and experience with an in-depth understanding of the regions regulatory frameworks and cultural sensitivities.

We offer a comprehensive range of high quality environmental consultancy services across a range of sectors including; real estate, manufacturing, petro-chemical, pharmaceutical, energy, waste & transport. Our satisfied clients include; private equity investment funds, manufacturers, lawyers, international consultancies and numerous blue chip corporations. Local knowledge is fundamental to successful project delivery in the ASEAN territories and we have a proven track record in Cambodia, China, Indonesia, Lao, Malaysia, Singapore, Sri Lanka, Thailand and Vietnam. For further information on our services please visit our website.

SPECIAL EDITION
 focusing on our
 Environmental,
 Health and Safety
 Due Diligence
 &
 Site Investigation
 Services

News Flash

We have moved offices:

Update your records

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PROVEN
 delivery record in the
 following territories:

- Cambodia
- **Indonesia**
- Lao PDR
- **Malaysia**
- Singapore
- **South Korea**
- Sri Lanka
- **Thailand**
- Vietnam

Malaysia Set for Growth in 2010



Regularly listed among the top 25 best destinations for foreign investments, assets attracting foreign investors to Malaysia are location, cultural ties with Singapore and Taiwan, its economic and political stability, an increasingly competent labor force and good infrastructure.

Malaysia's foreign direct investment in the manufacturing sector rose to a record high in 2008 of \$12.9 billion, up 38 percent from the previous year, but suffered badly in 2009 as a result of the economic downturn. Other key sectors with the highest FDI inflows are those of basic metal products, electrical and electronic products, chemical and chemical products, and food manufacturing. Key foreign investors include India via the ongoing Malaysia-India Comprehensive Economic Cooperation Agreement (CECA) Indian-ASEAN Agreement and is Malaysia's largest export destination and a major trading partner. This agreement will give the added boost to the growth of Indian companies in Malaysia.

Forecasters are more optimistic moving forward and investor interest in the ambitious Iskandar Malaysia industrial zone project in Southern Peninsula Malaysia has been strong. The Iskandar Malaysia industrial development zone has been allocated RM6.83 billion by the Government and it is the largest single development project ever to be

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Malaysia is the third largest economy in SE Asia with 2009 GDP (purchasing power parity) estimated at \$380 billion and a GDP growth forecast of 3.7% in 2010. Since the 1970's Malaysia has transformed itself from a producer of raw materials such as tin, petroleum, timber, copper, iron ore, natural gas and bauxite into an emerging multi-sector economy. Recently there has been a drive to shift the economy farther up the value-added production chain by attracting investments in the high technology industries, medical technology and pharmaceutical sectors, and there have also been several recent reforms in the services sector in a bid to attract foreign direct investment (FDI) which has stagnated somewhat in recent years.

continued from Page 1.... undertaken in the region. It will enjoy state-of-the-art facilities, excellent infrastructure and a range of attractive fiscal incentives for foreign investors.



SLP Environmental Consultants offer a comprehensive range of environmental consultancy services to support business transactions such as mergers, divestitures and acquisitions. We understand the critical importance of Environmental Due Diligence (also known as Phase 1 Environmental Site Assessment) to the risk and liability management process associated with any sensitive business transaction. We are uniquely placed in the Malaysian market to deliver high quality environmental consultancy services as we combine internationally acquired expertise and experience with an in-depth understanding of Malaysia's regulatory and legislative frameworks. This ensures that our reports both conform to international quality standards, such as ISO 14015 and ASTM E1527-05, and address compliance with the local regulatory requirements. SLP has experience providing environmental due diligence and compliance services for both individual sites and large property portfolios, and our experience also includes generating abnormal cost estimates to cover any pollution mitigation and/or land decontamination work that may be required. We excel at providing fast turnaround advice to clients, and we can review historical environmental information and provide concise opinions to tight deadlines. We also conduct rapid and comprehensive Phase 2 intrusive site investigations in

order to provide the additional assurance that is required for some transaction decisions.



Our reports are carefully tailored in scope and detail to the particular concerns at the facility or property under assessment, the nature and stage of the transaction and the needs of the client. We are thus able to provide clients with the information and professional insights they need to manage uncertainties and make real-world decisions whilst meeting strict reporting deadlines.

SLP Directors are Chartered Environmentalists (CEnv) and Chartered Scientists (CSci) as well as members of The Due Diligence and Environmental Compliance Consultants Groups. Our project experience covers a wide range of sectors, including; real estate, manufacturing, petro-chemical, pharmaceutical, energy, waste, transport and telecommunications and our satisfied clients include; private equity investment funds, manufacturers, developers, insurers, lawyers, risk & liability management firms, international environmental consultancies and numerous blue chip corporations.



SLP Environmental Consultants offer international quality Phase 1 Environmental Due Diligence, Environmental Site Assessment and Environment, Health and Safety (EHS) auditing services in Cambodia, China, Indonesia, Lao, Malaysia, Sri Lanka, Thailand and Vietnam.

Project Focus:

Phase 1 Environmental, Health & Safety Assessment (Phase 1 EHS), Chemical Production Facility, Peninsula MALAYSIA



SLP Environmental Consultants was appointed by a European client to undertake a Phase 1 Environmental, Health & Safety Assessment (Phase 1 EHS) of a chemical production and hazardous substances storage and distribution

facility in Peninsula Malaysia. The EHS liability and compliance assessment was instructed by the vendor as part of the divestment due diligence process and the report was uploaded into the transaction data room.

The Phase 1 EHS was conducted in general conformance with the methods and procedures described in *ISO:14015 (2001) - Environmental Management -- Environmental Assessment of Sites and Organizations*, but was supplemented with a preliminary assessment of Occupational Health and Safety matters.

The assessment comprised the production of a pre-audit questionnaire for completion by the facilities management, a detailed inspection of the site and its environs, interviews with key staff and a review of the records and data compiled by site management for the questionnaire. Desk study research was also undertaken with respect to the

environmental sensitivity of the study site area and this included information on historic landuses, local geology and hydrogeology, hydrology and protected areas.

Particular attention was paid during the site inspection to the management and operational practices associated with the storage and handling of hazardous substances, solid waste management, emissions to environmental media, water supply and waste water controls, soil and groundwater quality and occupational health and safety issues.

The assessment included a compliance review to check whether the operations and practices at the study site complied with the relevant Malaysian environmental and occupational health and safety related regulatory requirements and to make sure all the appropriate licenses, permits and permissions were in place for the facilities operations and activities. The facility was found to be issues were identified with respect to certain requirements under Hazardous Substances, Hazardous Wastes and Occupational Exposure in the Workplace legislation.



Project Focus:

Phase 2 Environmental Site Assessment (Site Investigation), Chemical Production Facility, Chonburi, THAILAND



SLP Environmental Consultants was appointed by a European client to undertake a Phase 2 Environmental Site Assessment (Phase 2 ESA) at a chemical production, storage and distribution facility in Central Thailand to assess whether past and/or current activities on the site had resulted in soil and groundwater contamination. The Phase 2 ESA was instructed by a potential purchaser of the facility as part of the pre-acquisition environmental due diligence process.



The Phase 2 ESA site investigation locations were targeted to focus on areas of potential environmental concern that were identified during the preceding Phase 1 ESA. The scope of works comprised the rotary boring of several probe holes across the study site to a depth of approximately 5m below ground level (bgl) and the recovery of soil samples for laboratory analysis at 1m intervals and wherever a change in strata or the presence of potential contamination was noted.



Groundwater monitoring wells were installed in several of the soil bores and these were developed and purged in accordance with industry best practice prior to the groundwater samples being

recovered. The recovered soil and groundwater samples were scheduled for environmental testing for a bespoke range of organic and inorganic chemical analyses at a laboratory accredited to the appropriate international quality standards. A coordinates and elevation survey relative to mean sea level was undertaken at each probehole location and this data was used to determine the hydraulic gradient and determine shallow groundwater flow direction.



The soil test results were compared with generic Thai Soil Quality Standards for an industrial site use to assess if past and current activities on the site had resulted in soil contamination at levels that may represent an unacceptable risk to human and/or environmental receptors. The groundwater results were screened against Thai Groundwater Quality Standards to assess whether the shallow groundwater body had been impacted as a result of operations on the study site.



The interpretative reporting included a qualitative risk assessment for each identified potentially vulnerable human and environmental receptor along with an overall environmental risk rating and recommendations for further assessment and environmental management measures in order to better quantify and control potential environmental risks.

Project Focus:

Phase 1 Environmental Site Assessment (Phase 1 ESA) Foundry & Machine Shop, Eastern Seaboard, THAILAND

SLP Environmental Consultants was appointed by a North American client to undertake a Phase 1 Environmental Site Assessment (Phase 1 ESA) supplemented by a local Environmental Compliance Review at a large Steel Foundry and Machine Shop facility located in Eastern Thailand. The Phase 1 ESA was instructed as part of the pre-acquisition environmental due diligence process and was conducted in accordance with the requirements of *The Standard Practice for Site Assessments: Phase 1 ESA Process (ASTM 1527-05)* insofar as was practicable in the Kingdom of Thailand.

The assessment comprised the production of a pre-audit questionnaire for completion by the facilities management, a detailed inspection of the site and its environs, interviews with key staff and a review of the records and data compiled by site management at our request. Desk study research was also undertaken with respect to the environmental sensitivity of the study site area and this included information on historic landuses, local geology and hydrogeology, hydrology and local ecosystems.

Particular attention was paid during the site inspection to the management and operational practices associated with the storage, handling and disposal of hazardous substances (on

and off-site), hazardous and non-hazardous solid waste management, wastewater management, emissions to environmental media, water and utilities, soil and groundwater quality and the potential presence of ozone depleting substances (ODS), polychlorinated biphenyls (PCBs) and asbestos containing materials (ACMs).



The assessment included a compliance review to check whether the operations and practices at the study site complied with the relevant Thai legislation and that all the appropriate licenses, permits and permissions were in place for the facilities operations and activities. The study concluded that Recognized Environmental Conditions (RECs) were identified and the facility was found to be non-compliant with respect to certain requirements under Thai legislation including the Factories Act and the Hazardous Substances Act.

Project Focus:

Phase 1 Environmental, Health & Safety Assessment (Phase 1 EHS) Hazardous Materials Chemical Storage Facility, Java, INDONESIA



SLP Environmental Consultants was appointed to undertake a Phase 1 Environment, Liability and Compliance Assessment of a chemical storage and distribution facility on Java Island, Indonesia. The EHS liability and compliance assessment was instructed by the vendor as part of the divestment due diligence process and the report was uploaded into the transaction data room.

The Phase 1 EHS was conducted in general conformance with the methods and procedures described in *ISO:14015 (2001) - Environmental Management -- Environmental Assessment of Sites and Organizations*, but was supplemented with a preliminary assessment of Occupational Health and Safety matters.

The assessment comprised the production of a pre-audit questionnaire for completion by the facilities management, a detailed inspection of the site and its environs, interviews with

key staff and a review of the records and data compiled by site management for the questionnaire. Desk study research was also undertaken with respect to the environmental sensitivity of the study site area and this included information on historic landuses, local geology and hydrogeology, hydrology & protected areas.

Particular attention was paid during the site inspection to the management and operational practices associated with the storage and handling of hazardous substances, solid waste management, emissions to environmental media, water supply and waste water controls, soil and groundwater quality and occupational health and safety issues.

The assessment included a compliance review to check whether the operations and practices at the study site complied with the relevant Indonesian environmental and occupational health and safety related regulatory requirements and to make sure all the appropriate licenses, permits and permissions were in place for the facilities operations and activities. The facility was found to be non-compliant with respect to requirements under Environmental Protection and Management, Hazardous Materials, Waste Management, Chemical Exposure in the Workplace and Road Transport legislation.

Project Focus:

Phase 1 Environmental Site Assessment & Preliminary Utility/Infrastructure & Coastal Hazards Review, Hambantota District, Southern SRI LANKA

SLP Environmental Consultants was appointed to undertake a Phase 1 Environmental Site Assessments and Utility, Infrastructure and Coastal Hazards reviews for a portfolio of prime beach front land holdings located in Southern Sri Lanka. The client was considering the acquisition of the sites and as part of the transaction process required an assessment of the environmental sensitivity of the study sites along with the utility and infrastructure options and coastal erosion issues associated with developing each study site.

The environmental due diligence assessments were conducted in general conformance with the methods and procedures described in the international standard *ISO 140015 on the execution of Environmental Assessments of Sites and Organizations* (EASO), published by the International Standards Organization (ISO).

The assessments included site and environ inspections, consultations with local and regional administrative and regulatory bodies, desk studies and background research on; the site setting, geology/hydrogeology/hydrology, ecology, current Sri Lankan environmental and coastal development legislation (and potential future changes to such) and the existing utility



infrastructure in the study site areas.

This information was utilised to undertake an assessment of the environmental sensitivity of the study sites and facilitate an assessment of the current and future potential environmental liabilities associated with a continued current use and the proposed redevelopment scenarios. The report also included recommendations with respect to Coastal Setback and Planning issues as well as an overview of the utility and infrastructure options for each site with recommendations for further studies and consultations as considered necessary to facilitate redevelopment activities.

The reporting included a qualitative risk assessment for each identified potentially vulnerable environmental receptor and an overall risk rating for each study site, as well as recommendations on the Environmental Management measures that should be adopted to ensure that any redevelopment impacts on the natural environment are kept to a minimum.



Staff News New Arrivals!



All the staff at SLP Environmental would like to send their Best Wishes and Congratulations to:

Nok & Adrian on the arrival of their baby boy Ananda on the 21st October 2009.

&

Liz and Steve who welcomed their first child Sophie Lyra into the World on the 18th December 2009...just in time for Christmas!



IN THE NEWS

Check out this month's Living in Thailand Magazine for an 'Ex-Files Article' on Steve & Liz Pearmain the founders of SLP Environmental in Bangkok, Thailand



Our Environmental Due Diligence Services

Environmental Due Diligence (EDD) assessment, also known as Phase 1 Environmental Site Assessment (Phase 1 ESA), is a critical part of the risk and liability management process associated with any sensitive business transaction such as mergers, divestitures and acquisitions. The primary objective of a Phase 1 ESA is to **identify any potential environmental liabilities** associated with the study site, and the process typically involves a desk study, detailed site inspection (site audit) and consultations with the relevant regulatory and administrative bodies.

We have experience providing EDD assessment and environmental compliance auditing services for both individual sites and large property portfolios, and our experience also includes generating abnormal cost estimates to cover pollution mitigation and/or land decontamination works that may be required. We excel at providing fast turnaround advice to clients, and can review historical environmental information and provide concise opinions to tight deadlines. We can also design and conduct rapid and comprehensive Phase 2 intrusive site investigations in order to provide the additional assurance that is often required for some transaction decisions.



Our advice is always commercially focused and clearly communicated, and we understand the particular constraints and challenges that can arise during the mergers, acquisitions and divestiture process. Our EDD reports are carefully tailored in scope and detail to the particular concerns at the facility or property under assessment, the nature and stage of the transaction and the needs of the client. We are thus able to provide clients with the information and professional insights they need to manage uncertainties and make real-world decisions while meeting strict reporting deadlines.

SLP are uniquely placed in the SE Asian market to deliver a quality EDD product as we combine internationally acquired expertise with an in-depth understanding of the regions regulatory frameworks. This ensures that our reports both conform to the highest international quality standards, such as **ISO 14015** and **ASTM E1527-05** and address compliance with the local regulatory requirements. Our multi-national management team is highly qualified and experienced and includes Chartered Environmentalists (CEnv) and Chartered Scientists (CSci). We are also members of The Due Diligence & Environmental Compliance Consultants Groups and the Mergers and Acquisitions Professionals.

For more information on how we can help you. Please contact us at:

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