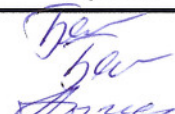




Sakhalin Energy Investment Company, Ltd Controlled Document

Sakhalin II Assets								
Asset	Origin	Module	Discipline	Doc Type	Doc No.	Sheet No.	Rev No.	
Document Number:		7000	S	90	01	T	0064	00 E
<p>Title:</p> <p style="text-align: center;">Report of social impact assessment with regards to the Residential Complex for LNG/OET Service personnel Project (Prigorodnoye permanent accommodation) Отчет по оценке социального воздействия в связи комплексом для проживания персонала завода СПГ/ТОН (жилой комплекс Пригородного)</p>								
Custodian: Olga Beck (SEIC-C-EA)					Classification: <i>Unclassified</i>			
Issue Purpose		I/FR For Information/Review AFD Approved for Design AFC Approved for Construction AFU Approved For Use			SUP/OBS Superseded / Obsolete ASB As-Built PUR Issued for Purchase ENQ Issued for Enquiry			
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02	AFU	Approved For Use	Olga Beck (SEIC-C-EA)				30.11.10	
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Location of Change			Brief Description of Change to Latest Revision					
01			Approved for use					
02			Additions have been included in accordance with recommendations made by AEA-T, lender's consultant on environmental and social issues of Sakhalin-2 Project. The additions include the map of permanent accommodation (see the Appendix) and mitigation measures implementation status (chapter 5).					
03			Additions have been included in accordance with recommendations made by AEA-T, lender's consultant on environmental and social issues of Sakhalin-2 Project. The additions include mitigation measures for operation period (chapter 6).					

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1 PROJECT DESCRIPTION

For the personnel to be involved into LNG/OET operation it is planned to construct the Residential Complex (Prigorodnoye permanent accommodation) with the capacity of 100 vacancies.

The detailed design provisions the construction of:

- main block (public-residential) for 100 people;
- maintenance unit;
- guard house;
- truck bay;
- transformer substation;
- fire water tank;
- effluent treatment facility;
- fuel storage;
- water supply well;
- recreation area.

The build-up area is about 0.5 ha.

The detailed design provisions the following territory improvement measures for the period of operation of the residential complex:

- construction of access roads to the buildings and structures;
- construction of asphalt concrete surfacing of the passages;
- landscaping of the territory;
- maintaining a sanitary protection zone of the buildings;
- lighting of the territory using different types of lighting installations;
- construction of a concrete platform for municipal solid waste containers.

For the construction period the detailed design provisions:

- fencing of the construction site;
- land planning with water disposal arrangement;
- construction of hard surfacing of the access roads to the construction site, to prevent mud from getting onto the road and sidewalk;
- installation of solid municipal waste containers and a construction waste collection box.

The prospecting construction period is 18.7 months.

Several options were investigated in view of potential environmental, technical and social issues. Below baseline is for chosen option.



2 BASELINE

Several land plots located within the City of Korsakov and the Korsakov district have been suggested by the Korsakov District Administration for construction of a permanent residential complex for LNG plant/OET service personnel. A group of specialists from *Sakhalin Energy* and the Korsakov District Administration has evaluated the potential sites for construction. A site located in the south-eastern part of Korsakov was chosen as the most acceptable variant of the location. Land category—municipal property.

In April 2006, the Social Impact Assessment Team performed an on-site investigation in the area of the land plot planned for construction of the residential complex for LNG plant/OET service personnel for the purpose of assessment of the potential impact and development of control measures.

In the course of the works a land plot located in the south-eastern part of the city within the area of low-rise buildings was investigated. The territory is located within the Korsakov plateau scarf with a slight surface slope towards north-west.

The prospecting territory for the residential complex location is a land plot covered with grass and shrubs, with the areas of construction and domestic waste accumulation. The site is free from buildings. Earlier, construction of low-rise houses was planned on this land plot. Remains of construction materials (possibly, remains of a building, the owner is unknown) are visible on the surface in the south-western part. The land plot area is about 5 ha.

The land plot is located between Baikalskaya and Ofiterskaya streets. The land plot is adjacent to the City of Korsakov lands. The nearest residential buildings are located (south-west) 50 m along Baikalskaya street (approximately 20 houses along the street). There are 5 houses located in the vicinity of the planned construction site. There are residential buildings about 150 m from the plateau edge behind the gully. There are industrial facilities (warehouses, sheds, sites, etc.) opposite the construction site across the road. These industrial facilities are fenced.

There is an access road to the territory of the planned residential complex from Kirpichnaya Street. The access road is used by the local population. Besides, the road which is planned to be used during construction and operation is adjoined by two other roads. One, along the foot of the hill, where the construction is planned, is used as an access to the land plots located behind the gully, the other—as an access to the houses located at Baikalskaya Street.

3 DESCRIPTION OF POTENTIAL IMPACT/ISSUES

It is anticipated that during the construction period the following potential inconveniences can be caused to the residents living in the vicinity of the planned construction site:

- noise and dust during construction activities, transportation of building materials and equipment;
- road surface quality degradation due to running of construction machinery and weights handling;
- limitation of access for personal vehicles of the residents living in this area due to road surface quality degradation;
- limitation of the traffic on the access roads within the close proximity to the construction site during renovation of the access road;
- disturbance of the residents by the construction contractor's personnel and other inconvenience for neighbouring community.



4 PROPOSED IMPACT MANAGEMENT MEASURES

General measures:

- inform the interested parties on the terms and types of construction activities (including public consultations);
- make amends to the land users according to the principles of the Resettlement Action Plan (in case of a damaging event).

Special measures:

- carry out construction activities during daytime only;
- limit the speed of construction machinery and cargo-carrying vehicles;
- maintain the used access road in the condition suitable for use by personal cars;
- water the road surface regularly during the dry season to reduce dusting;
- provide unobstructed passage to the local residents along the access roads during the construction period.

5 MITIGATION MEASURES IMPLEMENTATION STATUS

Mitigation measures	Status
General measures	
Notification of stakeholders about schedule and type of construction activities (including public hearings)	Completed (including public hearings)
Compensation for losses to land users in accordance with RAP standards (in case of losses occur)	Completed
Special measures	
Carry out construction works during daytime only	Completed
Provide for speed limitation for construction vehicles and trucks	Completed
Maintain the access road in the condition appropriate for lights vehicles use.	Completed
To spray water over the road surface during dry seasons.	Completed
To provide easy access for local residents during construction works.	Completed

In addition to the measures listed above, the following has also been implemented:

- Asphalt pavement put on Baykalskaya street from boundaries of living blocks till the last building, and
- Drainage ditches have been arranged.

These additional works were made based on requests from Baykalskaya street residents and upon consultations with them.



6 MITIGATION AND MONITORING FOR OPERATION

For the operation of LNG accommodation the following measures:

- Road safety
- Code of conduct of residents of LNG accommodation
- Regular monitoring twice per year (including interviews with people from neighbour community and contractor staff to identify any issues related to LNG accommodation and if identified to develop additional appropriate mitigation measures).

APPENDIX: THE MAP OF THE RESIDENTIAL COMPLEX FOR LNG/OET SERVICE PERSONNEL PROJECT (PRIGORODNOYE PERMANENT ACCOMMODATION).

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