



SAKHALIN ENERGY INVESTMENT COMPANY LTD

PUBLIC CONSULTATION AND DISCLOSURE PLAN

**Version 08
January 2011**

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INTRODUCTION

Sakhalin Energy Investment Company Ltd. (“Sakhalin Energy”) considers regular and meaningful engagement with the public and key stakeholders, as well as the public disclosure of relevant project information, to be important elements for the successful development of the Sakhalin-2 Project (“the Project”). To this end, since the Phase 1 component of the Sakhalin-2 Project began in 1992, the Company has actively sought to engage with stakeholders and provide information about its activities. This will continue throughout the life of the Phase 2 Project.

Sakhalin Energy’s General Business Principles state a clear commitment to transparent and open stakeholder engagement and the Company takes this into consideration in the following objectives and approaches towards this engagement:

- ▶ It should be meaningful, purposeful and open, as inclusive as possible and practicable, and should incorporate as diverse a range of views and interests as possible;
- ▶ It should aim to build strong, positive relationships with the community and other stakeholders, to provide effective mechanisms for the exchange of views about previously identified issues and the ways in which Sakhalin Energy manages them, and to create conditions where emerging issues of concern are brought to its attention and addressed in a timely manner; and
- ▶ It should be documented and the records or summary of the records made public where possible, with the exception of those issues relating to personal information and privacy of individuals.

The Company’s strategy for public consultation and disclosure of information has evolved over its more than ten years of engagement with Sakhalin communities and other interested parties. It has been shaped by their feedback to provide what we intend to be a meaningful approach to ensuring they are suitably informed of Project activities and that the Company has an effective means for hearing their concerns. Further to this direct feedback, Sakhalin Energy has complied with the legal requirements of the Russian Federation for public consultation as well as International Finance Corporation (IFC) Guidance Note F on the preparation of a Public Consultation and Disclosure Plan (PCDP).

This PCDP describes Sakhalin Energy’s plans and programmes for public consultation and the disclosure of information for the Project. Given the size of the Project, Sakhalin Energy is committed to regularly engaging with the public and other stakeholders at the local level where the Project is occurring and more widely at national and international levels. The PCDP describes Sakhalin Energy’s plans for consultation at all three levels and includes:

- Brief description of the Project;
- Summary of legal requirements and applicable international guidelines and conventions on consultation and disclosure;
- Details of stakeholder groupings and how they are identified;
- Feedback from consultation ;
- Consultation in the operation phase ;
- Description of the role of the Community Liaison Organization;
- Explanation of Sakhalin Energy’s grievance mechanism;
- Key contact details.

There are six appendices to this document:

- Appendix 1 sets out the Company’s General Statement of Business Principles, which guides the Company’s operating philosophy;

- Appendix 2 provides contact details for locations of bulletin boards;
- Appendix 3 provides information on Sakhalin Energy Information Centers
- Appendix 4 provides a summary of non-governmental and community organisations which have been involved to date;
- Appendix 5 lists the existing stakeholders in Japan, in particular, on the island of Hokkaido which is situated in relatively close proximity to the southern end of Sakhalin Island;
- Appendix 6 provides a more detailed overview of the Community Liaison Organisation.

Sakhalin Energy will update this Plan on an annual basis or as required to take into account feedback from stakeholders consulted. This is the eight edition of the PCDP, which has been updated to include more recent consultation strategies and activities.

1 PROJECT DESCRIPTION

1.1 INTRODUCTION

Sakhalin Energy is developing the Project under a Production Sharing Agreement (PSA) concluded in 1994 between the Russian Federation Government, the Sakhalin Oblast Administration and Sakhalin Energy. The contract was the first agreement of its kind to be signed in Russia. Sakhalin Energy's investment of approximately \$20 billion will be the largest single direct foreign investment in Russia to date.

The Project has two licence areas offshore of the northeast coast of Sakhalin Island: Piltun-Astokhskoye (predominantly oil); and Lunskoye (predominantly gas). Both fields were discovered in the 1980s and together contain approximately 600 million tonnes of crude oil and over 700 billion cubic metres (24 trillion cubic feet) of gas. Sakhalin Energy is taking a phased approach to development of the Project.

1.2 PHASE 1

Under Phase 1, which was the first offshore oil and gas development in Russia, Sakhalin Energy developed part of the Piltun-Astokhskoye field. It has been producing oil from this field during the ice-free season – about half the year – since 1999 from the Vityaz production complex, which is built around the Molikpaq platform at the Astokh feature of the Piltun-Astokhskoye field. Peak production reaches approximately 90,000 barrels of oil per day (about 11,000 tonnes per day).

1.3 PHASE 2

Phase 2 of the Project enabled year-round integrated oil and gas production involving full development of both the Piltun-Astokhskoye and Lunskoye fields (the “Phase 2 Project”).

Two new purpose-built offshore platforms were installed, one at the Piltun-Astokhskoye field (PA-B) north of the existing Molikpaq platform, and the second at Lunskoye (Lun-A). Both of the new platforms have concrete gravity base structures built in Russia.

Sub-sea pipelines transfer natural gas and hydrocarbon liquids produced offshore to the Island. For the Lunskoye field the produced fluids are processed by an onshore processing facility (OPF). Here, the gas and condensate are separated and processed so that the product can be transported by pipeline more than 600 kilometres to a liquefied natural gas (LNG) plant and oil export terminal (OET) at the south of the island.

The OET and LNG plant were built on a 200-hectare site at Prigorodnoye on Aniva Bay 15 kilometres east of Korsakov. The LNG plant is the first built in Russia with an annual production capacity of approximately 9.6 million tonnes. There are two liquefaction units, called trains, each with an annual capacity of 4.8 million tonnes. The LNG plant has two storage tanks and liquefied gas is exported via an 805-metre jetty in Aniva Bay. On 18 February 2009 the inauguration of the LNG plant was held, announced by President of the Russian Federation Dmitry Medvedev. Many distinguished guests from all over the world attended this historic event including, the Prime Minister of Japan, the Duke of York from the United Kingdom and the Netherlands Minister for Economic Affairs, as well as representatives from Company's shareholders, lenders and customers. On 29 March 2009 the first scheduled Russian LNG cargo has been successfully loaded from the LNG plant onto the LNG carrier Energy Frontier and delivered to Japan. It was the first ever Russian gas delivered to Japan.

The OET is located 500 metres east of the LNG plant and provides oil storage in two tanks. Oil is exported via a 4.5 km sub-sea pipeline and from a tanker-loading unit located offshore in Aniva Bay. Year-round production from OET began on 12 December 2008. Oil and gas is shipped to markets in the Asia Pacific region and beyond. Sakhalin Energy is working to supply gas and oil locally, subject to agreements with the Russian authorities.

As part of Phase 2 of the Project, Sakhalin Energy carried out extensive improvements to Sakhalin Island's infrastructure. Over forty bridges and about 150 kilometres of public roads were upgraded, repaired, or replaced during the Project and similar stretches of new roads were built. Ports and railways were also upgraded where required, and the Project has provided funds to support the upgrade of the airport at Nogliki. In many cases, work was done on public or publicly used assets in partnership with the local authorities.

Information about the Project can also be found at www.sakhalinenergy.ru and www.sakhalinenergy.com.

2 LEGAL REQUIREMENTS AND STANDARDS

Sakhalin Energy aims to ensure that the Sakhalin-2 Project complies in all material respects with Russian law and the regulatory requirements for public consultation. Sakhalin Energy also complies with IFC Guidance Note F on Public Consultation and Disclosure.

Although the Russian Federation has not yet ratified the Aarhus Convention on the Access to Environmental Information and Public Participation in Environmental Decision Making or the Convention on Environmental Impact Assessment in a Trans-boundary Context (Espoo), the Company recognises the importance of these conventions, and has made efforts to meet the spirit of their intent insofar as it is applicable for a private sector company to do so.

This section outlines the key Russian Federation legislation and international guidelines and conventions concerning public consultation that apply to the Project and how Sakhalin Energy has addressed them. It also sets out Sakhalin Energy's own principles concerning public consultation and the disclosure of information.

2.1 RUSSIAN REGULATORY CONTEXT

2.1.1 Russian Regulatory Requirements

Russian regulatory requirements for public consultation and the disclosure of information generally focus on consultation around environmental impact assessments (EIA).

Project sponsors are required by Russian Federation Executive Order #372 of May 18, 2000 to prepare a preliminary environmental assessment at an early stage in a project's development, which then form a component of the public information and consultation process. The key consultation element in Russian Law is the public hearings process, which allows the public to comment both orally and in writing on an EIA. The project sponsors must then amend the EIA to incorporate comments received from the public. This EIA must be approved by the Russian authorities as part of the Technical and Economic Substantiation of Construction (known by its Russian acronym, "TEOC") in order for project execution to proceed.

If environmental effects are considered likely, the TEOC is also submitted for State Ecological Expertise. The federal law on Ecological Expert Examination (No. 174-FZ, 23 November 1995) states that the Expertise is a process of establishing the compliance of a proposed project with environmental requirements in order to determine whether or not the project may be implemented. It is a governmental tool to ensure that businesses embarking on new projects minimise any resulting damage to the environment. The examination is complex and comprehensive and involves the review of technical and legal documents, comprehensive economic draft programmes, environmental safety compliance reports and land conservation plans to consider the potential impact on subsoil resources, water resources, forests, land, air, flora and fauna.

Ecological Expertise is an important element of the Russian EIA review process, and public involvement in the process is determined under Federal Law 'On Ecological Expertise', No. 174-FZ (November 1995). The Ecological Expertise process is divided into two sections: State Environmental Expert Review and Public Environmental Expert Review ("Public Ecological Expertise"). The latter is an opportunity for interested parties to comment on the quality of the developer's EIA and to submit any objections. Article 22 of the abovementioned Federal Law states that, "Public Ecological Expertise initiated by citizens or non-governmental organisations will be performed either prior to Government Ecological Expertise or in parallel with it."

2.1.2 The EIA Process

In accordance with the regulatory processes outlined above, Sakhalin Energy carried out a preliminary EIA for Phase 1 of the Sakhalin-2 Project in 1997 and undertook an associated programme of public hearings. Following the Public Hearings, the EIA was revised to take into account comments received from the Public, and the Russian authorities approved this revised version, thereby allowing Phase 1 to proceed.

In 2001, Sakhalin Energy commissioned an EIA for the second phase of the project. Public hearings were organised in late 2001 in cooperation with the Sakhalin authorities. Comments made and concerns raised before, during and after the public hearings were taken into account and appended to the EIA before it was submitted as part of the TEOC for approval by the Russian regulatory authorities in early 2002.

Two Russian non-governmental organisations, namely the Russian Geographical Society (RGS) and Sakhalin Environmental Watch (SEW), requested and received TEOC documentation, which they reviewed as part of a Public Ecological Expertise. RGS submitted a positive conclusion to the Expertise whereas SEW did not offer a response. The Public Ecological Expertise was concluded in May 2003 and the Environmental Expertise concluded in June 2003. TEOC approval was provided to the Phase 2 Project in December 2003.

2.2 INTERNATIONAL GUIDELINES

Sakhalin Energy aims to comply with international best practice on public consultation and disclosure in developing the Sakhalin-2 Project. It has developed this PCDDP in accordance with IFC Guidance Note F on PCDDP as a reference for best practice (Section 3.2.1) and takes into account relevant international conventions on public participation where appropriate (Section 3.2.2).

2.2.1 World Bank Group Guidelines

The Company has complied with IFC Guidance Note F on the Preparation of a Public Consultation and Disclosure Plan in its approach to consultation and disclosure, and in the development of this PCDDP. Guidance Note F advises on “technically sound and culturally appropriate approaches to consultation and disclosure” and make clear that the public, particularly local communities should be involved in decision-making in project development. It also underscores the need to identify and work with key stakeholders in an attempt to build mutual understanding and create confidence and trust.

The Company’s compliance with the implementation of Guidance Note F was demonstrated through the frequent and meaningful engagement that has been undertaken with key stakeholders during the Environmental, Social and Health Impact Assessment (ESHIA) process and the public disclosure of the ESHIA materials in 2003 and its Addenda in 2005 as well as other documentation deemed to be of interest to the general public. The Company also remains committed to ongoing engagement with key stakeholders during the construction and operational phases of the Project. In compliance with Guidance Note F, the PCDDP:

- (i) Describes local requirements for consultation and disclosure;
- (ii) Identifies key stakeholder groups;
- (iii) Provides a strategy and reference to a timetable for sharing information and consulting with each of these groups during various phases of the project;
- (iv) Describes resources and responsibilities for implementing the PCDDP activities;
- (v) References the grievance procedure through which people affected by the Project can bring their grievances to the Company for consideration and redress; and
- (vi) Details reporting/documentation of consultation and disclosure activities.

Guidance Note F can be viewed on the IFC website at www.ifc.org.

2.2.2 International Conventions

The two international conventions that are relevant to public consultation and disclosure are the UNECE Convention on the Access to Environmental Information, Public Participation in Environmental Decision Making and Access to Environmental Justice “Aarhus Convention” (1998) and the UNECE Convention on Environmental Impact Assessment in a Transboundary

Context (Espoo) (1991). Both conventions oblige public authorities to undertake activities in relation to consultation and the disclosure of information. Whilst the Russian Federation has yet to ratify either convention, Sakhalin Energy nevertheless recognises the purpose of the conventions and endeavours to embrace the spirit of their intent insofar as it is reasonable for a private sector company to do so.

2.2.2.1 Espoo Convention

Espoo aims to promote consultation between signatory states where operations in one state have the potential to affect the environment in another. In nation states that have ratified the Espoo Convention, a project proponent would notify a “competent authority” if the project were considered to have potential for significant trans-boundary impacts. The authorities would then invite the potentially affected neighbouring state to participate in the EIA process. Should the invitation be accepted, an equivalent degree of public consultation should take place in both states. Espoo does not provide for private companies or individuals to initiate the process, instead leaving this as a responsibility of the governments that have ratified the Convention. The Convention does however provide for notification to be done through a third party, and in this situation, a private company may play a strong role.

It is clear from the geography of Sakhalin Island and the Project that trans-boundary consultation efforts should involve Japan, specifically Hokkaido Island. Although the Russian Federation has not yet ratified Espoo, Sakhalin Energy acknowledges the benefits of seeking to fulfil the spirit of the Convention in its development of the Project.

In addressing the spirit of Espoo, the Company has undertaken a number of multi-stakeholder forums and technical meetings in Hokkaido and Tokyo since 2002, and has established positive links at a technical level with organisations such as the Marine Disaster Prevention Centre. More detail on the Company’s strategy for engagement with the Japanese public and other key stakeholders is provided in Section 6.6 (this Section is available in Japanese as well as in Russian and English).

2.2.2.2 Aarhus Convention

The objective of the Aarhus Convention is to guarantee the rights of public access to information and to promote public participation in decision-making, as well as access to justice in environmental matters.

Aarhus establishes two main principles in relation to disclosure of environmental information:

- It obliges public authorities to make sure that information relating to the environment is available on request without discrimination;
- It also establishes the principle that environmental information should be provided proactively to any affected party.

Despite the responsibilities that the Aarhus Convention places on governments rather than private companies, as with the Espoo Convention, Sakhalin Energy acknowledges the benefits of seeking to act in the spirit of Aarhus, as demonstrated by its own requirements for public consultation and disclosure (see Section 2.3 below).

2.3 COMPANY REQUIREMENTS

Sakhalin Energy has taken into account the guidelines and recommendations for public consultation and disclosure published by the IFC (Section 3.1) as well as relevant international conventions (Section 3.2) in developing its own standards for public consultation and disclosure. It also takes into account the consultation and disclosure commitments made publicly in the statement of general business principles.

Sakhalin Energy’s General Statement of Business Principles (Appendix 1) includes the following:

“Sakhalin Energy recognises regular dialogue and engagement with our stakeholders is essential. We are committed to reporting of our performance by providing full relevant information to legitimately interested parties, subject to any overriding considerations of business confidentiality.”

In addition, Sakhalin Energy takes into consideration the following objectives and approaches for consultations:

- Public consultation should be meaningful, purposeful and open, as inclusive as possible and practicable, and should incorporate as diverse a range of views and interests as possible;
- Consultation should aim to build strong, positive relationships with the community and other stakeholders, to provide effective mechanisms for the exchange of views about previously identified issues and the ways in which Sakhalin Energy manages them, and to create conditions where emerging issues of concern are brought to its attention and addressed in a timely manner;
- Consultation should be documented and the records of consultation made public where appropriate and possible.

Where clear World Bank Group guidelines or policies (e.g. IFC Safeguard Policies) exist for specific issues (such as on involuntary resettlement and indigenous people) Sakhalin Energy aims to comply with international best practice. There are occasional instances where it is not possible to comply, for example because to do so would give rise to a conflict with Russian Federation law. The Company has, however, undertaken a comparison of the Project's standards and specifications to relevant World Bank Group guidelines and policies and European Commission Directives, which was set out in the Health, Safety, Environment and Social Action Plan (HSESAP). In addition, an overview of the Company's intent to meeting the spirit of key conventions and treaties that have not yet been ratified by the Russian Federation but which are nevertheless deemed to have relevance to the Project was set out in the HSESAP. The first edition of the HSESAP was posted on the Company's websites in Russian and English in January 2006.

The HSESAP is a living document and as such it is subject to periodic review. Good environmental practice requires that the effectiveness of HSESAP commitments be monitored to determine whether mitigation measures are effective. Through this process the Company determines whether any commitment needs amending, either to be made more explicit or altered, or to remove the commitment if the action to which it refers has ceased. As a result of this monitoring activity, the HSESAP was revised in 2007, and published on the Company website along with a rationale for each change made. In 2011 the Company in agreements with lenders and their environmental independent consultant (EIC) will finalise the third revision with its posting on the Company's website.¹

¹ Publication of the third revision of HSESAP on the Company's Web-site has been postponed till February 2011 due to reschedule of the Project Completion, which was achieved in February 2011.

3 CONSULTATION AND INFORMATION DISCLOSURE

3.1 STAKEHOLDER ENGAGEMENT

Stakeholders are persons or groups who have an interest in, are directly affected by, or are in a position to influence Sakhalin Energy's activities.

Sakhalin Energy has been informing and consulting a range of stakeholders about the Sakhalin-2 Project since work on the Project began in 1992. Stakeholders addressed in this document include:

- Directly affected communities²;
- Other communities on Sakhalin Island;
- Vulnerable community groups (e.g. Indigenous Peoples);
- Stakeholders in Japan, particularly on Hokkaido Island;
- Community and other non-governmental organisations (local, regional, international);
- Media (local, regional, national, international) and other interest groups such as academic institutions and foundations

Sakhalin Energy has programmes of engagement with all of these groups, and these are discussed in Section 6.

There are many other stakeholder groups with whom Sakhalin Energy engages in the course of its business. For example, it works closely with representatives of the Russian federal, regional and local authorities at various levels. Mechanisms for engagement with government authorities, customers, employees, contractors, shareholders and lenders, with which Sakhalin Energy has regular contact in the course of its business, are not addressed in this document. This document focuses on stakeholders who do not have formal relationships with Sakhalin Energy and who, as a result, may wish to use this document for information and guidance. Key stakeholders are listed in Appendix 4.

Sakhalin Energy will provide support to Lenders public engagement activities associated with the project as agreed and appropriate.

² An affected community is one in the vicinity of a permanent Project facility, their SPZ and RoW, temporary installations used for Project's operation. In event of an oil spill or other such event this definition is expanded to include additional communities.

3.2 COMMUNICATION METHODS

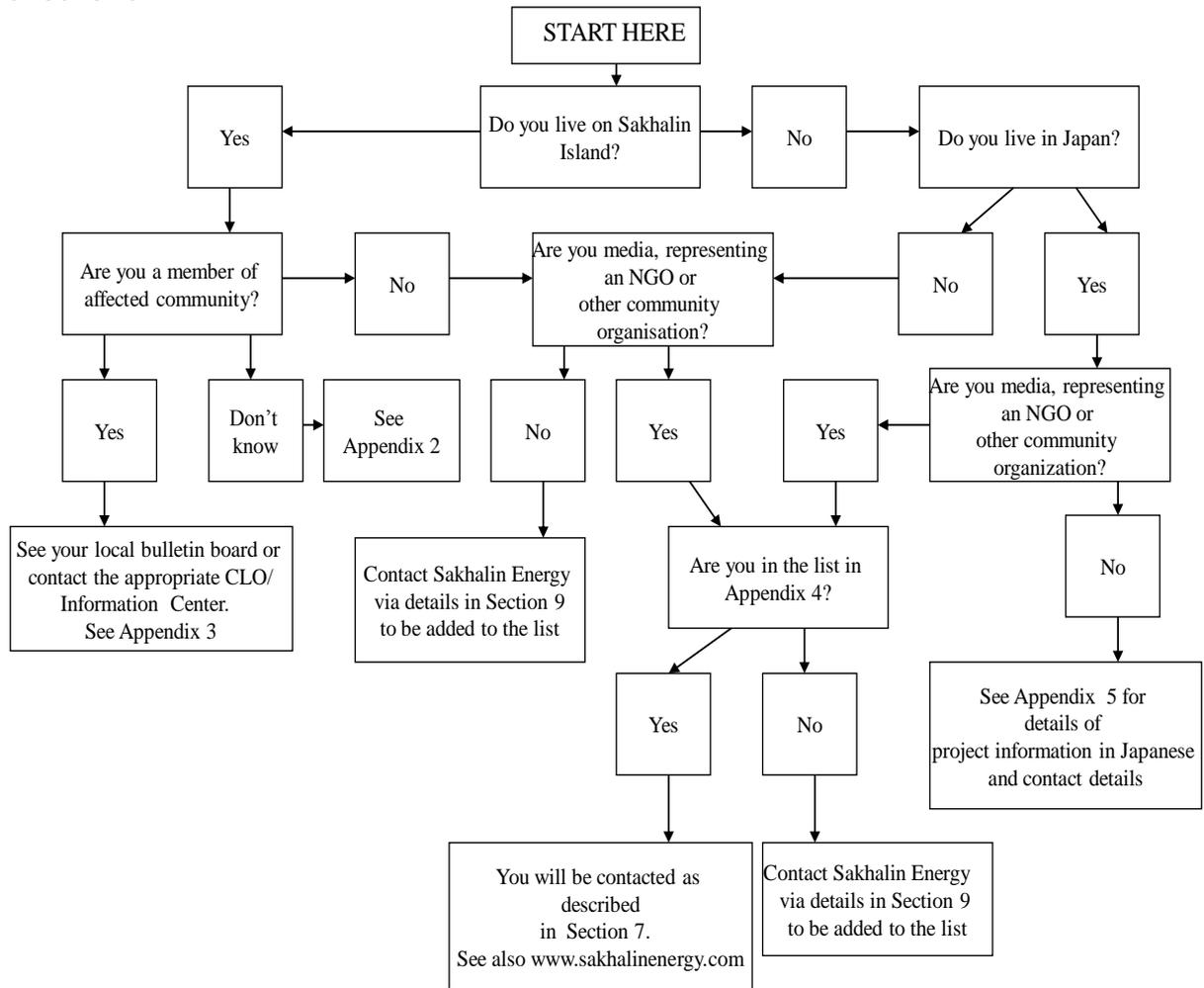
The table below describes the various mechanisms used by Sakhalin Energy to communicate with its stakeholders, and relevant communication methods.

Table 2: Communication Methods

STAKEHOLDER GROUP	COMMUNICATIONS METHOD
Affected communities (Section 6.2)	<ul style="list-style-type: none"> - Regional and district papers - Television and radio - Meetings with key community members (authorities, social, etc.) - Information centres with bulletin boards, internet access and printed information on the project and ongoing activity in the company - Open hours - Location of information materials and documents in communities (e.g. in libraries) - Active dissemination of relevant information (leaflets, brochures) - Public consultations and meetings, with participation of Company's technical experts and the management (as required) - Consultations under SIA/Monitoring activity (during Operation in case of Project expansions as appropriate) - Website
Other communities on Sakhalin (Section 6.4)	<ul style="list-style-type: none"> - The Company's representatives meetings with community key members (administrations, social, etc.) - Consultations under SIA activity (during Operation in case of Project expansions as appropriate) - Location of information materials and documents in communities (e.g. in libraries) - Bulletin boards - Regional and district papers - District libraries - Website
Indigenous People (Section 6.3)	<ul style="list-style-type: none"> - IP CLO meetings with IP communities and organisations under the scope of Sakhalin Minorities Development Plan (SIMDP) - Consultations with IP communities and organisations under the scope of SIMDP including its further development - Open hours
Stakeholders in Japan (Section 6.6)	<ul style="list-style-type: none"> - Meetings - Presentations - Libraries - Website - Expert panels, working groups
Community and other non-governmental organisations (local, regional, national and international) (Section 6.5, Appendix 4)	<ul style="list-style-type: none"> - Website - Face-to-face meetings (as required) - Correspondence (letter and email) - Site tours
Media (Section 6.7)	<ul style="list-style-type: none"> - Press releases - Good news stories - Website - Face to face meetings (as required) - Press conferences (as required) - Interviews and site visits for press representative travelling to Sakhalin (as required) - Media visits and briefings

The chart below shows how stakeholders can be grouped; how new stakeholders can identify themselves; how they can be identified by Sakhalin Energy; or how they can

contact Sakhalin Energy. New stakeholders are regularly identified and included in consultation.



3.3 STAKEHOLDERS ENGAGEMENT WITHIN FRAME OF SUSTAINABLE DEVELOPMENT REPORT PREPARATION

In 2009 Sakhalin Energy joined the UN Global Compact (www.unglobalcompact.org) and decided to follow the public non-financial reporting standard of the Global Reporting Initiative, GRI (www.globalreporting.org).

Sustainable Development Report covers the results of Sakhalin Energy activities, including environmental protection, personnel development, stakeholder engagement, social projects and other aspects. Sustainable Development Report is in public domain at the Company's official website, Sakhalin Energy Information Centers, located in the Sakhalin communities and is widely distributed among stakeholders listed in section 3.1.

As part of the reports preparations the Company commits to hold regular consultations with stakeholders so they can share their opinions on the Company's activity and make recommendations on further development of the Company's responsibility in production, environment and social areas.

Consultations are conducted in a form of dialogue twice a year. During the first round of a dialogue the Company presents information on Company's activity for the reporting period to stakeholders. Participants of the dialogue comment and discuss what additional information of wide audience interest might be included into the report, ask questions. During the second round of a dialogue the Company responds to the stakeholders comments and questions received during the first round of a dialogue. Results of consultations are included into Sustainable Development Report of the corresponding reporting period.

4 CONSULTATION PROCESS

Sakhalin Energy has carried out extensive and island-wide consultation in relation to the Project for more than a decade, and as a consequence has built many strong relationships on the Island. Consultation has also allowed Sakhalin Energy to identify and develop relations with a large number of different groups of stakeholders (see Section 3) as well as to develop appropriate mechanisms for engagement.

Throughout its consultation, Sakhalin Energy has endeavoured to ensure that:

- The people and groups it consults with are representative and inclusive of vulnerable groups such as the elderly;
- Local traditions are respected in discussions and decision-making;
- The types of face-to-face meetings arranged are varied to create conditions that encourage the widest possible range of people to participate.

The consultation process and the outcomes are described in detail in the Social Impact Assessment (SIA) (2003) and its addendum. Both documents can be viewed at www.sakhalinenergy.ru (Russian) and www.sakhalinenergy.com (English). They are also available in the Sakhalin public libraries listed in Appendix 2 and from Sakhalin Energy on request (Section 9). Sakhalin Energy has an additional engagement programme with the Island's Indigenous Peoples, which is described in the Sakhalin Indigenous Minorities Development Plan (SIMDP), which was launched and made available on the website in 2006.

4.1 PHASE 2 PROJECT ENGAGEMENT WITH COMMUNITY-BASED ORGANISATIONS AND NON-GOVERNMENTAL ORGANISATIONS

Sakhalin Energy will endeavour to continue to make available its technical experts for discussions on pertinent issues with key organisations and communities on request, and to provide occasional site tours where possible.

5 FEEDBACK FROM CONSULTATION

Sakhalin Energy keeps records of public meetings in a database, and can make minutes of relevant meetings available where possible (on its website and in libraries throughout Sakhalin Island). The External Affairs team is responsible for ensuring that any actions arising from meetings are addressed. Feedback from stakeholders in relation to the issues and project-related concerns are taken into consideration when developing policies and work programmes.

The Company welcomes feedback on public consultation and suggestions for improving disclosure and communication. The detailed information on how Sakhalin Energy addressed the consultations feedback is described in the Public Consultation and Disclosure Report. This PCDP will be updated periodically to reflect these suggestions as appropriate.

6 CONSULTATION DURING OPERATION

Sakhalin Energy has developed programmes for engaging with each of the stakeholder groups identified in Section 3. These include a number of commitments to release information in printed or electronic form into the public domain. For convenience, these are summarised below.

The date, time and venue for all key consultation meetings will be posted in a calendar on the Company website as well as advised to the stakeholders via other methods of communication. This will include IP activities, which will also be made available in culturally appropriate ways where required.

6.1 PUBLIC DOMAIN INFORMATION

Sakhalin Energy intends to release information into the public domain regularly and systematically during implementation of the Sakhalin-2 Project. It will announce the release of information into the public domain on its public website www.sakhalinenergy.ru (Russian) and www.sakhalinenergy.com (English). As a minimum, it will:

- Publish an annual report in Russian and English, which will be distributed to key stakeholders throughout and outside of Sakhalin Island, placed in libraries in those communities listed in Appendix 2, and posted on the Sakhalin Energy public websites;
- Make available the ESHIA, ESHIA addenda and key documents such as the Resettlement Action Plan (RAP), Sakhalin Indigenous Minorities Development Plan (SIMDP), Marine Mammal Protection Plan and oil spill response documentation, for the life of the Project, or as appropriate;
- Make publicly available additional environmental and social position papers and selected key environmental or social monitoring reports, as appropriate;
- Produce *Community Project Updates*, which will be published in 9 district newspapers. The Company will include within these Community Project Update information on the project implementation;
- Produce a weekly “Energy” TV programme providing information about the Project’s development;
- Update the public website with project information. The website has a feedback feature to encourage questions and comment;
- Update the community about the resolution of major issues through the media or other mechanisms as appropriate;
- Post additional company information and information about employment opportunities via media;
- Make news announcements by email and at times in press conferences to local, regional, national and international media. Copies of media announcements will also be placed on the public website. Staff will be available to answer queries related to media announcements by telephone;
- Company will endeavour to respond to correspondence received from the stakeholders within 14 working days and on grievances within 10 working days of receipt. The Company’s response will be sent by post or e-mail to the address indicated by a stakeholder that initiated the contact. [Please note that whilst we will do our best to meet this timeframe, delays may be possible, for example when translation is required to enable certain staff members (e.g. those with a particular technical expertise) to contribute to the response.]

6.2 CONSULTATION AND INFORMATION DISCLOSURE IN PROJECT AFFECTED COMMUNITIES

Sakhalin Energy's general aims and approaches for all consultation are discussed in Section 2.3.

Sakhalin Energy endeavours to ensure that the people and groups it consults with are representative and inclusive of vulnerable groups such as the elderly; local traditions are respected in discussions and decision-making; and that face-to-face meetings arranged are varied and create conditions that encourage diverse participation.

Sakhalin Energy undertakes a public meetings programme in key project-affected communities during the operations period. The Company shall provide transport to and from the meeting locations to facilitate public attendance at these meetings as required. During Operations public meetings will be held in the affected communities when required for transfer of important information.

The date, time and venue for the public meetings shall be announced in key Sakhalin newspapers (as listed in Table 9) three weeks prior to any public meeting. Key stakeholders with whom the Company has frequently engaged shall be informed of the meetings by e-mail or in writing. The schedule for public meetings is also available on the Company's website.

6.2.1 The Company Information Centers Activity in Communities

The Sakhalin Energy Information Centers Network established on the basis of district and settlement libraries in 23 communities ensures an effective tool of communication and system of receiving feedback from communities residing in close vicinity to Sakhalin-2 assets,

Sakhalin Energy will continue to provide regular information to affected communities via Company Information Centers. Details on role and responsibilities of the Company Information Centers described in Section 7 and Appendix 6.

In the Company Information Centers residents can lodge grievances. Sakhalin Energy has developed a Public Grievance Procedure to ensure that grievances are resolved as efficiently as possible (Section 9). The steps that should be undertaken to lodge a grievance are available in the libraries listed in Appendix 2, and on the Sakhalin Energy website. As well Company Information Centers Consultants have been trained to record grievances.

Municipal Liaison Coordinator will also make visits to project-affected communities on Sakhalin Island to ensure that communities have regular access to a representative of the company to discuss any project-related issues. Information on these visits will be announced in advance on bulletin boards. Details on role and responsibilities of the Municipal Liaison Coordinator described in Section 7 and Appendix 6.

In addition to the Company Information Centers Network, Sakhalin Energy also provides printed information about the project and provides means for people to provide feedback in written form. Sakhalin Energy encourages people with grievances to complete a Public Grievance Form, which is appended to the public grievance leaflet given in Section 8, as these are processed as a high priority).

6.2.2 Other Methods of Communication with Affected Communities

Sakhalin Energy provides regular information about project implementation in advertisements, question and answer sessions and in local media (newspapers are listed in Section 6.7 and Appendix 2) and on its public website in Russian and English: www.sakhalinenergy.ru (Russian) and www.sakhalinenergy.com (English).

Sakhalin Energy operates a special free hotline for telephone queries and complaints from communities within Sakhalin Island. The number is 8 4242 662400 (dial from Sakhalin Island). For people who would prefer to speak to a woman or to a man, or who would like to speak to

someone in Russian, English, Sakhalin Energy operates a number of special telephone lines, which are listed in Section 9. See Appendix 5 for arrangements in Japan.

Sakhalin Energy's Social Assessment Team monitors relations between Contractors/Subcontractors and local communities and conducts public opinion surveys annually in project-affected communities that will be continued in 2011. Originally this programme was designed to assess the impact of the Phase 2 project and develop recommendations to Company management to mitigate these impacts. See also Social Impact Monitoring Programme for more detail.

6.2.3 Consultations and Information Disclosure in Regard with Construction of Gas Transfer Terminal (GTT)

In regard with construction of two GTT in southern and northern parts of the island in 2011 the Company will conduct twice a year public, group and individual consultation with stakeholders residing in Val and Yuzhno-Sakhalinsk within frame of Social Impact Monitoring Programme.

As required the Contractor's representatives in cooperation with the Company's specialists will participate in consultation with communities and local authorities (for example, in public meetings).

During consultation the Company will provide information on the Project Implementation Status and will receive feedback on communities concerns and monitor the impact mitigation measures implementation described in the Social Impact Assessment Report for the GTT construction. The SIA Report is available at the Company website (www.sakhalinenergy.ru).

6.2.4 Consultations and Information Disclosure with Residents in the Vicinity of LNG/TLU Accommodation Facilities

The Company specialists have regular engagement with Korsakov residents living in the street located in close proximity to LNG/TLU Accommodation Facilities under Monitoring Programme. Meeting objectives are to identify potential concerns, resolved grievances monitoring and inform on project implementation status.

6.2.5 Consultations and Information Disclosure with Dachas at Prigorodnoye

The size of the sanitary protection zone (SPZ) around the Prigorodnoye LNG plant/OET was set as 1,000 meters from the emission sources. There are no communities within this location, however, approximately 40 dachas lie in close proximity to the edge of the SPZ³. Garden season in this part of the island is from May to October. The Prigorodnoye dacha residents, closest to the SPZ edge, belong to the dacha community 'Stroitel'.

As part of further engagement with the "Stroitel" dacha community the Company will implement the following key activities in 2011:

- Ongoing monitoring of the QoL indicators (in the presence of dacha community representative when monitor air quality and noise level)
- Meetings with Sakhalin Energy specialists (when required)
- Inviting dacha community "Stroitel" representatives to participate in stakeholders consultation within frame of 2010 Sustainable Development Report preparation (see Section 3.3 for details).

Members of dacha community "Stroitel" can apply to the Company Information Center in Korsakov with questions related to the Sakhalin-2 Project activity.

3 An SPZ is a designated area around an industrial facility separating it from any nearby residential areas, established to protect local residents from any negative effects of industrial activities.

6.2.6 Cancellation of meetings due to unforeseen circumstances

If the company needs to cancel a meeting due to weather, illness or other unforeseen event then the event will be rescheduled as soon as practicable following the cancellation and the Company will alert the local media and/or government etc as appropriate to confirm that the meeting has been cancelled and what alternative arrangements have been made.

If it is not possible to reschedule then the company will provide a copy of the presentation materials and other relevant documents to the local administration and library.

6.3 INDIGENOUS STAKEHOLDERS

6.3.1 Sakhalin Indigenous Minorities Development Plan (SIMDP) Consultations

The Company has undertaken regular engagement with indigenous peoples in the north east of Sakhalin Island. The consultation activities and supplemental assistance to be provided in 2011-2015 are detailed in the Sakhalin Indigenous Minorities Development Plan (SIMDP) for 2011-2015, which was prepared in 2010 in accordance with World Bank Operational Directive 4.20 (further –SIMDP-2). A key part of the development of the plans was the participation of indigenous communities in the development of the SIMDPs (first SIMDP was implemented in 2006-2010). Even more the Second SIMDP was developed in accordance with the free, prior and informed consent (FPIC) principle of the United Nations Declaration on the Rights of Indigenous Peoples (2007). It gives uniqueness to SIMDP-2: for the first time the industrial company successfully applied this principle in engagement with society.

Detailed information on consultations held under SIMDP is provided in the Public Consultation and Disclosure Report.

Further consultations with the indigenous people planned for the coming year will be focused on the implementation of SIMDP-2, i.e. explaining its status, the process, gathering concerns and ideas for potential projects, reminding on the Public Grievance Procedure and the way it works. Information on the SIMDP is available at the Company website (<http://www.sakhalinenergy.ru/>) and the SIMDP website (<http://www.simdp.ru/>).

6.3.2 Consultations with the Reindeer Herders

Reindeer herders living in Val settlement in Nogliki district were the only indigenous group directly affected by the Project construction activities. During operations phase regular engagement will be held within the framework of SIMDP via IP CLO.

In 2011 the Company will continue engagement with reindeer herders as part of consultation process in regard with the GTT construction (see Section 6.2.3.). Consultations will be conducted directly with reindeer herders as well as with their representatives individually and/or in groups in Val settlement and/or encampments.

6.4 CONSULTATIONS AND DISCLOSURE IN OTHER SAKHALIN COMMUNITIES

Sakhalin Energy's consultation extends to the main district centres as well as other towns, villages and settlements. For a full list of Company information boards, public places (e.g. libraries) where project information is placed regularly, please see Appendix 2.

Sakhalin residents can consult the two main Sakhalin Island newspapers for details of project news. These are: Gubernskiye Vedomosti and Sovetsky Sakhalin.

In addition, project news and information relevant to specific communities are published as required in the following district newspapers:

Table 9: District Newspapers are used for Project News and information Distribution

DISTRICT	NEWSPAPER(S)
Aniva	Utro Rodiny
Dolinsk	Dolinskaya Pravda

DISTRICT	NEWSPAPER(S)
Kholmsk	Kholmskaya Panorama
Korsakov	Voskhod
Makarov	Novaya Gazeta
Nogliki	Znamya Truda
Tymovsk	Tymovsky Vestnik
Poronaysk	Express, Zvezda
Smirnykh	Novaya Zhizn

6.5 COMMUNITY AND OTHER NON-GOVERNMENTAL ORGANISATIONS

6.5.1 General

All important information about the Company activity is made publicly available either through the Company website or through local media. When key documents are made publicly available notifications are also made in the Sakhalin media (Appendix 2) and placed in public libraries on the Island. Copies are also available upon request. The Annual Report and other publications that may be of interest will be provided during the course of the year.

Meetings with community and NGO organisations are organised via phone, fax or email. For public events, information about meeting dates, times and venues is published in the listed newspapers. There is not a rigid timetable of NGO consultation. The Company endeavours to meet with key NGOs on a basis that is convenient for both parties. The Company is open and available for such meetings. The Company endeavours to continue to make available technical experts for discussions on pertinent issues with key organisations and communities on request, and to provide occasional site tours where possible and as allowed by the operational facilities regime. For meetings of a technical or substantive nature either party should provide the other with a minimum of 30 days notice of the request to meet.

In addition to discussing concerns or issues the Company has been actively engaged in discussions with international organisations regarding possible sustainable development and social investment projects and initiatives in partnership with Sakhalin Energy.

6.5.2 Local

Sakhalin Energy will meet with key NGOs on a basis that is convenient for both parties or upon reasonable request that specifies the purpose of and timeline for a meeting/visit. Municipal Liaison Coordinator, IP CLO and the Company's specialists also meet with groups in communities.

6.5.3 Regional and National

Sakhalin Energy representatives where possible meet with representatives of the national and Russian Far East NGO community when these groups visit Sakhalin, or alternatively when company representatives visit the Far East or Moscow. Where practicable, meetings have been arranged with our technical staff. The Company plans to continue this practice in the future.

The Company has also regularly engaged with Japanese NGOs. Detail on Japanese engagement is provided in Chapter 6.6.

6.5.4 International

Recognising the importance of a reasonably justified approach to environmental issues, the Company continued cooperation with the International Union for Conservation of Nature and Natural Resources (IUCN) and proposed to establish a specialists group to provide consulting that will enable the Company to adopt optimal solutions during construction and operations of offshore facilities that do not impact gray whales. In November 2006 the first meeting with the

Western Gray Whale Advisory Panel (WGWAP) was held, convened by the IUCN at Sakhalin Energy's request. The general meetings are held on a bi-annual basis accompanied by a number of focus group meetings on certain issues. The experts are drawing up recommendations for improvements in offshore construction, operation and research, which are carefully considered by Sakhalin Energy for their applicability to the Company's research and mitigation programmes.

Sakhalin Energy representatives where possible meet with representatives of the international NGO and governmental organisations or interest groups when these groups visit Sakhalin, or alternatively when our representatives visit other countries.

International NGOs are also updated on the project progress and have a forum to discuss their concerns/issues when meeting with representatives of Sakhalin Energy's shareholder companies at international events, such as Sakhalin Oil and Gas Conference.

6.6 JAPANESE STAKEHOLDER ENGAGEMENT

6.6.1 Introduction

Due to the proximity of Sakhalin Island to Hokkaido Island the Company recognises the importance of engagement with stakeholders in Japan, particularly those who may be affected by the Project. These include Japanese businesses that may benefit from the economic development in the region (e.g. those in the travel, tourism and other service sectors) as well as those who could be adversely affected in the event of, for example, an oil spill such as fishing communities. Sakhalin Energy has established relationships with the Hokkaido authorities and other stakeholder groups on Hokkaido, including the Marine Disaster Prevention Centre (MDPC) and fisheries cooperatives.

As it was agreed with the lenders, in 2010 the Company started establishment of sustainable, flexible engagement scheme with Japanese stakeholders through involvement of Russian External Affairs staff and Japanese translator. Responsibilities of the EA person include engagement with Japanese-speaking stakeholders such as government and community representatives, media and non-governmental organisations, during implementation of the Sakhalin-2 Project. Lenders' representatives participate in each meeting and provide their feedback to the Sakhalin Energy representatives. Such engagement process will be sustained from 2011 onwards. Stakeholders in Japan who to date the Company has been in contact with are listed in Appendix 5 below.

Representatives of Sakhalin Energy's External Affairs department visit Tokyo and Hokkaido Island (Sapporo) at least twice each year to meet with stakeholders who wish to discuss project-related issues. Technical experts are made available to provide presentations at these meetings, and to answer questions. A calendar of key stakeholder meetings will be maintained on the Sakhalin Energy website.

In 2011 the technical specialist discussions will continue to be held so that detailed discussion regarding trans-boundary issues can take place.

The Company also meets with representatives of Japanese community and non-governmental organisations who visit Sakhalin Island and wish to discuss project-related issues with Sakhalin Energy.

Japanese stakeholders are identified through a variety of mechanisms including meetings with organisations, letters, email and with assistance from organisations in Japan with which Sakhalin Energy does business. Meetings are organised via email, letter and phone.

6.6.2 Materials available in Japanese

On topics that are of a relevant transboundary nature, Sakhalin Energy translates key public domain information into Japanese. Principally this includes information about trans-boundary environmental and social issues. The list of materials have already been made available in Japanese could be found in the Public Consultation and Disclosure Report.

Other relevant material will be made available in Japanese as they become available. Company media releases will be translated on an *ad hoc* basis.

Hard copies of documents available in Japanese are available for review at the following libraries in Japan:

Wakkanai Library
4-1-1, Daikoku, Wakkanai-shi, Hokkaido
Tel: 81-162-23-3874

Monbetsu Library
3-1-8, Saiwaicho, Monbetsu-shi, Hokkaido
Tel: 81-1582-4-2111

Abashiri Library
3 chome, Kita 2 jyo Nishi, Abashiri-shi, Hokkaido
Tel: 81-152-43-2426

Hokkaido Library
41, Higashi-machi, Bunkyo-dai, Ebetsu-shi, Hokkaido
Tel: 81-11-386-8521

For more information, please contact Sakhalin Energy at

SEIC-ask-japan@sakhalinenergy.ru or telephone +7 4242 66 2778 (English).

6.6.3 Public consultation activities in Japan

Sakhalin Energy acknowledges the benefits of good communication with Japanese stakeholders and in seeking to fulfil the spirit of the Espoo Convention in the development of the Project. During 2011 the Company will undertake a number of consultation and engagement activities in Japan. This programme has been developed with feedback from stakeholders, including the participants at several meetings in Japan, which the Company have attended and/or initiated.

Key stakeholder activities in 2011:

- Participation in Monbetsu Symposium – February 2011;
- Participation in the General Meetings of Hokkaido Fishery Association, Japan Coast Guard, Hokkaido Government;
- Two meetings with Okhotsk communities, mainly local fisherfolk, to be held during 2011.

A review of the engagement activities in Japan will be undertaken at the end of Quarter 4 2011 to determine the 2012 programme in consultation with JBIC. The updated engagements will be listed in the calendar on the Company website.

6.7 MEDIA AND OTHER INTEREST GROUPS

Sakhalin Energy's External Affairs departments in both Moscow and Yuzhno-Sakhalinsk communicate regularly with representatives of the mass media as well as other interest groups such as educational and research institutions.

Formal meetings, such as press conferences, media briefings and discussion are held when required. There is also informal interaction with representatives of these groups.

Media are informed in advance of press conferences and other meetings by telephone, fax or email as appropriate.

Media & Issues Team monitors the local media on monthly basis.

Table 10. Multi-media activity

Format	Frequency	Language
Media briefings for Sakhalin	When appropriate	Russian

journalists		
TV programme 'Energy'	Weekly	Russian
Monthly community project update	Monthly	Russian
'At a Glance' page in the internet site	Regularly	Russian/English
"Vesti" newspaper	Monthly	Russian

7 COMMUNITY LIAISON ORGANIZATION

7.1 SAKHALIN ENERGY COMMUNITY LIAISON ORGANIZATION

In accordance with international best practice, e.g. IFC Guidance Note F on Public Consultation and Disclosure, Community Liaison Organization are now an integral component of large oil and gas projects.

Community Liaison Organization was established in Sakhalin Energy in 2003 and provided interface between the Company and the community. It has evolved throughout the life of the project and starting 2011 Sakhalin Energy Community Liaison Organization consists of Sakhalin Energy Information Centers Network, Municipal Liaison Coordinator, CLO and Indigenous People CLO. CLO based in Nogliki, Municipal Liaison Coordinator in Yuzhno-Sakhalinsk.

Sakhalin Energy Information Centers established on basis of district and settlement libraries in period 2008-2010. Within Sakhalin Energy, their role is to provide regular updates on project activities (e.g. help residents to find required information in Internet or give printed information, etc.) and to help ensure that actual or potential grievances are dealt with in a timely and effective manner (e.g. support local resident to fill up grievance form and communicate it to Company). The benefits of the Sakhalin Energy Information Centers Network:

- Libraries network expands to all potentially project affected communities (near those Project facilities are located);
- Communities residents have easy access to the Company information at convenient time;
- Opportunity to provide access to information on any type of data carriers.

Librarians - Consultants of Sakhalin Energy Information Centers are capable to provide services during regular library business hours.

The overall purpose of the Company Information Centers is being available to help address the public to find answers to the potentially numerous questions concerning project activities. Specifically the Information Centers will:

- Provide the Project and Company related information in hard-copies and multimedia data carries;
- Provide access to the Company website: www.sakhalinenergy.ru;
- Assist local residents with job application processes and informing them about employment opportunities (usually they can advise about employment opportunities using information on Company's internet);
- Distribute information on local business development opportunities (the same as above);
- Assist in arranging meetings between the local stakeholders and company representatives;
- Assist in filling the Grievance leaflet (form);
- Address community concerns and grievances related to the Project activity (e.g. assist with meeting arrangement).

It is important to note that it is not the Information Centers job to solve the problem, but rather to assist in finding information of interest and, if required, to send query to the Company via Municipal Liaison Coordinator.

The Company Information Center Consultants received adequate training, visited the Company assets. The Municipal Liaison Coordinator is in charge of the Company Information Centers activity, located in Yuzhno-Sakhalinsk.

The Table 10 shows the Community Liaison Organization as of January 2011.

Table 10: Community Liaison Organization

Organisation	No.	Details	Locations	Contact Details
Corporate	1	Sakhalin Energy Municipal Liaison Coordinator	Yuzhno	66 2296
	1	Community Liaison Officer	Nogliki	29 4408
	1	Sakhalin Energy IP Community Liaison Officer Addresses issues related to Indigenous People issues	Val	29 4208
Information Centers	23	Sakhalin Energy Information Centers Consultants	23 district centers and settlements (see Appendix 3 for details)	See Appendix 3 for contact details

7.2 OPEN HOURS

The Company Information Centers are open in 23 communities of 9 districts and will remain operational during the operational phase. Community residents can contact the Company Information Center Consultant any time during the regular library business hours at their convenience. The up-to date list of Company Information Centers is maintained at the Sakhalin Energy website: www.sakhalinenergy.ru.

Municipal Liaison Coordinator's open hours are arranged on ad hoc basis in the Company's Information Centers opened in the libraries; population is being informed on the open hours via, billboards and local papers as required.

7.3 KEY SAKHALIN ENERGY INFORMATION CENTERS ACTIVITIES

The network of Sakhalin Energy Information Centers plays a key role in developing and maintaining good community relationships. Information Center Consultants – librarians are local residents and have a good understanding of community issues and can have an ongoing dialogue with stakeholders in the community.

Community relations are maintained through various activities, the most important of which are as follows:

- Provide the project/ Company related information on residents requests (job opportunities, preparing a resume/job application, information about grant programmes);
- Assist in arrangement of pre-arranged and unprompted meetings with local residents. Pre-arranged meetings are either initiated by the company specialists or requested by community stakeholders;
- Assist in resume/job application preparation;
- Address community concerns and grievances related to the Project activity (e.g. support local resident to fill up grievance form and communicate it to Company);
- Assist local residents with job application processes (e.g. communicate resume via e-mail) and informing them about employment opportunities (usually they can advise about employment opportunities using information on Company's internet);
- Distribute information on business development opportunities (usually they can inform/advise about business opportunities using information on Company's internet);

- Raising public awareness of the Grievance Procedure (The Grievance Procedure leaflet and poster are available at each Information Center; the consultants are able to explain the process as are trained on Grievance Procedure).

Through phone calls, e-mails and face-to-face meetings Information Centers Consultants regularly inform Municipal Liaison Coordinator about community issues and concerns.

For additional information on the Company Information Centers roles and responsibilities, and other relevant material, please see Appendix 6.

8 PUBLIC GRIEVANCE PROCEDURE

8.1 REPORTING GRIEVANCES

A grievance can be defined as an actual or perceived problem that might give ground for complaint. As a general policy, Sakhalin Energy will work pro-actively towards the prevention of grievances through the implementation of impact mitigation measures and community liaison activities that enable Sakhalin Energy to anticipate and address potential issues before they become grievances. Nevertheless, should grievances emerge, Sakhalin Energy is committed to addressing these in a timely and effective manner in accordance with Russian Federation Law, international best practice and the Company's internal Grievance Procedure. Resolution of the grievances related to the activities of Sakhalin Energy's suppliers, contractors and sub-contractors is carried out through the respective Asset Managers. The Company's Asset Managers are responsible for the implementation of the Grievance Procedure within individual Asset teams including contractor and sub-contractor organisations.

Sakhalin Energy endeavours to investigate and resolve grievances within 20 working days from receipt of the grievance. The maximum resolution period should not normally exceed 45 working days and within this period a required action is either completed or agreed with the complainant.

The Company has developed and periodically updates a public grievance leaflet, which advises those with a grievance on how they can lodge a grievance relating to Sakhalin-2 Project activities. This also applies to individuals who have been part of an involuntary resettlement programme (for information on resettlement issues, please refer to the Resettlement Action Plan provided on the Sakhalin Energy website).

The public grievance leaflet was revised in 2010 to reflect recent updates in the process. The revised Public Grievance Leaflet is set out below, including the form that should be completed should anyone wish to lodge a grievance. The leaflet will be distributed in the communities, including the Company Information Centers as well as during public meetings regarding the Project implementation. Also the Information Centers consultants can advise on how to complete the grievance form. A slightly modified version of the leaflet is available in Japanese, and is appended to the Chapter 6.6, which is translated into Japanese.

Public Grievance Leaflet is available at:

- Sakhalin Energy Information Centers, located in the libraries of Sokol, Onory, Byukly, Smirnykh, Roschino, Novoye, Kirovskoye, Yasnoye, Tymovskoye, Vostok, Vostochnoye, Sovetskoye, Vzmorye, Pobedino, Molodezhnoye, Troitskoye, Gastello, Kholmsk, Dolinsk, Makarov, Poronaisk, Korsakov, Dolinks;
- District libraries;
- Company offices, located at:
- 35, Dzerzhinskogo Str, Yuzhno-Sakhalinsk
- Sakhalin Energy website: www.sakhalinenergy.com

Advertising of the Grievance Procedure is one of the integral parts of the Company community engagement programme. Extensive information campaign will be launched in the Q2 of 2011.

Grievance procedure has been developed in 2010 which is to address any concerns related to SIMDP (Sakhalin Indigenous Minorities Development Plan) implementation. This procedure was discussed and approved during development of SIMDP (see the clause 6.3.1 about the Second SIMDP).

Release and distribution of brochure which describes this procedure and ways of its implication is scheduled for 2011. Besides this brochure includes the form, which can be used by stakeholders who may wish to apply to the Company or other parties of SIMDP with any complaint or concern.

8.2 PUBLIC GRIEVANCE LEAFLET

ABOUT THIS LEAFLET

Large and complex projects, such as the Sakhalin-2 Project, can sometimes cause problems and/or difficulties for those living within or adjacent to the project area. We want to hear about any concerns (also known as 'grievances') that might have been caused by our activities or business practices so that we can do our best to try and resolve them in a timely manner.

This leaflet provides detailed information on the Sakhalin Energy Public Grievance Procedure. The leaflet tells you how you can inform us of a grievance. It also sets out the steps that we will take to address your concerns. You can raise a grievance with Sakhalin Energy if you believe the Company's business practices or development of the Sakhalin-2 Project is having a detrimental impact on the community, the environment or on quality of your life.

We will look into all grievances that we receive. Sometimes we may find that a grievance is not connected to our activity or that we are working within the applicable Russian and international standards (e.g. noise standards). In these cases we will explain this in writing to you. In all other cases we will investigate whether we have failed to work to our intended standard and, if we have, identify measures, which might be taken to protect against the incident occurring again.

HOW DO I REPORT A GRIEVANCE?

There are several ways you can report a grievance:

- Send a completed Grievance Form (given at the end of this leaflet) to the address on the back of the form;
- Contact Sakhalin Energy Information Centre located in your community;
- Contact Company's representatives who deal with community grievances (phones are listed with at the end of this leaflet).
- Send an email to the following address Grievancereport@Sakhalinenergy.ru
- Call Sakhalin Energy directly on a confidential phone line at **+7 4242 66 2400**. (For security reasons, there are no recorders or caller identification devices attached. If the phone is not answered, please call back); or
- Report your concerns via a confidential website www.seicconfidential.com which is completely anonymous.

CONFIDENTIALITY AND ANONYMITY

You may wish to raise a concern in confidence under this procedure. If you ask Sakhalin Energy to protect your identity, it will not be disclosed without your consent. Details of submissions and allegations will remain secure within the team responsible for investigating your concerns. However, the situation may arise where it will not be possible to resolve the matter without revealing your identity (for instance where you are required to give evidence in court). The investigative team will discuss with you whether and how best to proceed.

You may also choose to raise a concern anonymously. However, remember that if you do not tell Sakhalin Energy who you are it may make it more difficult to look into the matter, to protect your position or to give you feedback. Accordingly, while Sakhalin Energy will consider

anonymous reports, they are not encouraged. If you do insist on raising a concern anonymously, you will need to provide sufficient facts and data to enable the investigative team to look into the matter without your assistance.

WHAT HAPPENS ONCE I HAVE FILED A GRIEVANCE?

In some instances, for example when you have contacted one of our CLOs and they are able to act immediately, it may be possible to resolve your grievance straight away. Where this is not possible we will work through the steps shown below:

Step 1: Receive Complaint

- Once we receive your completed form or get notification of your problem, we will assign someone to be responsible for resolving your grievance.

Step 2: Acknowledgement

- We will acknowledge receipt of your grievance by letter within 10 working days of having received the grievance.
- Our acknowledgement will specify a contact person, grievance reference indicator and an anticipated target date when you can expect to receive an update on actions taken.

Step 3: Investigation

- We will work to understand the cause of your grievance. We may need to contact you during this time.

Step 4: Resolution

- Once we have investigated your grievance, we will write to you with the results of the investigation and of our proposed course of action, should we believe any to be necessary.
- If you consider the grievance to be satisfactorily resolved we would appreciate your sharing that with us by signing a Statement of Satisfaction.
- If the grievance remains unresolved it will be reassessed and we will have further dialogue with you to discuss if there are any further steps, which may be taken.

Step 5: Follow Up

- If you are happy for us to do so, Sakhalin Energy may contact you at a later stage to ensure that our activities continue to pose no further problems.

Sakhalin Energy Public Grievance Form

You can submit your grievance anonymously if you wish. However, the more information you can provide, including your contact details, the more efficiently we will be able to follow-up.

Sakhalin Energy Reference No:	
Full Name: Note: <i>You can remain anonymous if you prefer or request not to disclose your identity to the third parties without your consent</i>	<hr/> <hr/> <input type="checkbox"/> I request not to disclose my identity without my consent <input type="checkbox"/> I wish to raise my grievance anonymously
Contact Information: <i>Please mark how you wish to be contacted (mail, telephone, e-mail).</i> Note: <i>You do not have to give your details if you do not wish to provide them.</i>	<input type="checkbox"/> Address: _____ <input type="checkbox"/> Telephone: _____ <input type="checkbox"/> E-mail: _____
Passport number: Note: <i>You do not have to give your passport details if you do not wish to do so.</i>	<hr/>
Indigenous Peoples-related?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Preferred Language for communication: <i>Please mark how you wish to be contacted.</i>	<input type="checkbox"/> Russian <input type="checkbox"/> English <input type="checkbox"/> Other <i>(please indicate)</i> _____
Description of Incident or Grievance (What happened? When did it happen? Where did it happen? Who did it happen to? What is the result of the problem?): 	
What would you like to see happen to resolve the problem? 	

Signature: _____ Date: _____

Consent to disclose grievance-related information to the third parties

I am aware that this grievance of mine (in full or in part) refers to actions or failure to act of third parties, which are not Sakhalin Energy (for example, contractors of Sakhalin Energy). I understand that in order to efficiently resolve my grievance Sakhalin Energy will have to contact these third parties so as to check into the facts stated in the grievance and work out a solution. I hereby agree that Sakhalin Energy can disclose this grievance (as well as additional information that I have provided and will provide to Sakhalin Energy in connection with this grievance) to third parties to whose actions or failure to act my grievance refers (at that Sakhalin Energy shall not disclose information, which could contribute to identifying me personally, if I requested so by ticking in the grievance registration form).

Signature: _____ Date: _____

Please return this form to: External Affairs, Community Grievance Procedure Focal Point, Sakhalin Energy Investment Company Ltd, 35 Dzerzhinskogo St., Yuzhno-Sakhalinsk 693020, Russian Federation

Phones of Sakhalin Energy representatives who deal with community grievances

Contact	Phone number*
Public Grievance Procedure Coordinator	66-28-93
Community Liaison Organization	66-22-96 29-44-08 29-42-08

* International code +7 4242, Russian and local code 8 4242+.

9 CONTACT INFORMATION

For more information about the Sakhalin-2 Project, please visit www.sakhalinenergy.ru. (Russian) and www.sakhalinenergy.com. (English).

Sakhalin Energy can also be contacted by:

- e-mail at ask-sakhalinenergy@sakhalinenergy.ru;
- fax to the External Affairs Manager at +7 4242 662012;
- letter to the External Affairs Manager
Sakhalin Energy Investment Company Limited
35, Dzerzhinskogo Str
693020, Yuzhno-Sakhalinsk
Russian Federation
- Toll free hotline telephone for grievances (any social related issues): 8 4242 662400.
Available for Russian and English speakers, also, as preferred by applicant, the conversation can be supported in Russian or English. If there is a sensitive issue and the caller prefers to speak to a woman, the caller should state the request and someone will return the call.
- telephone +7 4242 299593 (Indigenous);
- telephone + 8 4242 662778 (for Japanese Stakeholders, in English; an interpreter to/from Japanese can be arranged upon necessity);
- telephone in Moscow +7 495 956 1750.

APPENDIX 1 STATEMENT OF GENERAL BUSINESS PRINCIPLES

OUR VALUES

Sakhalin Energy employees share a set of core values - honesty, integrity and respect for people. We also firmly believe in the fundamental importance of trust, openness, teamwork and professionalism, and pride in what we do.

SUSTAINABLE DEVELOPMENT

As part of the Business Principles, we commit to contribute to sustainable development. This requires balancing short and long term interests, integrating economic, environmental and social considerations into business decision-making.

RESPONSIBILITIES

Sakhalin Energy recognises six areas of responsibility. It is the duty of management to continuously assess the priorities and discharge these inseparable responsibilities on the basis of that assessment.

a. To shareholders

To protect shareholders' investment, and provide a long-term return competitive with those of other leading companies in the industry.

b. To the Russian Party

To respect our obligations towards the Federation of Russia and the Sakhalin Oblast and to protect its rights under the Production Sharing Agreement entered into by Sakhalin Energy and those parties.

c. To customers

To win and maintain customers by developing and providing products and services which offer value in terms of price, quality, safety and environmental impact, which are supported by the requisite technological, environmental and commercial expertise.

d. To employees

To respect the human rights of our employees and to provide them with good and safe working conditions, competitive terms and conditions of employment.

To promote the development and best use of the talents of our employees; to create an inclusive work environment where every employee has an equal opportunity to develop his or her skills and talents. To encourage the involvement of employees in the planning and direction of their work; to provide them with channels to report concerns. We recognise that commercial success depends on the full commitment of all employees.

e. To those with whom we do business

To seek mutually beneficial relationships with contractors and suppliers to promote the application of these Sakhalin Energy General Business Principles or equivalent principles in such relationships. The ability to promote these principles effectively will be an important factor in the decision to enter into or remain in such relationships.

f. To society

To conduct business as responsible corporate members of society, to observe the laws of the Russian Federation and the other countries in which Sakhalin Energy operates, to support fundamental human rights in line with the legitimate role of business, and to give proper regard to health, safety, security and the environment.

Principle 1: Economic

Long-term profitability is essential to achieving our business goals and to our continued growth. It is a measure both of efficiency and of the value that customers place on Sakhalin Energy's products and services. It supplies the necessary corporate resources for the continuing investment that is required to develop and produce future energy supplies to meet customer needs. Without profits and a strong financial foundation, it would not be possible to fulfill our responsibilities.

Criteria for investment and divestment decisions include sustainable development considerations (economic, social and environmental) and an appraisal of the risks of the investment.

Principle 2: Competition

Sakhalin Energy supports free enterprise. We seek to compete fairly and ethically and within the framework of applicable competition laws; we will not prevent others from competing freely with us.

Principle 3: Business Integrity

Sakhalin Energy insists on honesty, integrity and fairness in all aspects of our business and expects the same in our relationships with all those with whom we do business. The direct or indirect offer, payment, soliciting or acceptance of bribes in any form is unacceptable. Facilitation payments are also bribes and should not be made.

Employees must avoid conflicts of interest between their private activities and their part in the conduct of company business. Employees must also declare to their employing company potential conflicts of interest. All business transactions on behalf of Sakhalin Energy must be reflected accurately and fairly in the accounts of the company in accordance with established procedures and are subject to audit and disclosure.

Principle 4: Political activities:

a. Of companies

Sakhalin Energy act in a socially responsible manner within the laws of the Russian Federation and the other countries in which we operate in pursuit of our legitimate commercial objectives.

Sakhalin Energy does not make payments to political parties, organizations or their representatives or take part in party politics. However, when dealing with governments, Sakhalin Energy has the right and the responsibility to make our position known on any matters, which affect us, our employees, our customers, our shareholders or local communities in a manner, that is in accordance with our values and the Business Principles.

b. Of employees

Where individuals wish to engage in activities in the community, including standing for election to public office, they will be given the opportunity to do so where this is appropriate in the light of local circumstances.

Principle 5: Health, Safety, Security and the Environment

Sakhalin Energy has a systematic approach to health, safety, security and environmental management in order to achieve continuous performance improvement.

To this end, Sakhalin Energy manages these matters as critical business activities, set standards and targets for improvement, and measure, appraise and report performance externally. We continually look for ways to reduce the environmental impact of our operations, products and services.

Principle 6: Local Communities

Sakhalin Energy aims to be good neighbours by continuously improving the ways in which we contribute directly or indirectly to the general well-being of the communities within which we work.

We manage the social impacts of our business activities carefully and work with others to enhance the benefits to local communities, and to mitigate any negative impacts from our activities.

In addition, Sakhalin Energy takes a constructive interest in societal matters, directly or indirectly related to our business.

Principle 7: Communication and Engagement

Sakhalin Energy recognises that regular dialogue and engagement with our stakeholders is essential. We are committed to reporting of our performance by providing full relevant information to legitimately interested parties, subject to any overriding considerations of business confidentiality.

In our interactions with employees, business partners and local communities, we seek to listen and respond to them honestly and responsibly.

Principle 8: Compliance

We comply with all applicable laws and regulations of the countries in which we operate.

Living by our Principles

Our shared core values of honesty, integrity and respect for people, underpin all the work we do and are the foundation of our Business Principles.

The Business Principles apply to all transactions, large or small, and drive the behaviour expected of every employee in every Sakhalin Energy Company in the conduct of its business at all times.

We are judged by how we act. Our reputation will be upheld if we act in accordance with the law and the Business Principles. We encourage our business partners to live by them or by equivalent principles.

We encourage our employees to demonstrate leadership, accountability and teamwork, and through these behaviours, to contribute to the overall success of Sakhalin Energy.

It is the responsibility of management to lead by example, to ensure that all employees are aware of these principles, and behave in accordance with the spirit as well as with the letter of this statement.

The application of these principles is underpinned by a comprehensive set of assurance procedures, which are designed to make sure that our employees understand the principles and confirm that they act in accordance with them.

As part of the assurance system, it is also the responsibility of management to provide employees with safe and confidential channels to raise concerns and report instances of non-compliance. In turn, it is the responsibility of Sakhalin Energy employees to report suspected breaches of the Business Principles to Sakhalin Energy.

The Business Principles have for many years been fundamental to how we conduct our business and living by them is crucial to our continued success.

APPENDIX 2 BULLETIN BOARD LOCATIONS

DISTRICT	COMMUNITY	POP.	KEY PROJECT ASSET IN/NEAR COMMUNITY	SAKHALIN ENERGY DOCUMENTS/INFORMATION MATERIALS LOCATION	BULLETIN BOARD LOCATION	COMMUNITY LIAISON ORGANIZATION'S CONTACT	DISTRICT NEWS-PAPER**
Nogliki	Val	1,450		Nogliki	Nogliki	29 42 08 29 44 08	Znamya Truda
	Venskoye	6		Nogliki	Nogliki		
	Nogliki	11,200		District library (7 Sovetskaya St., Tel. +8 42444 910 57 Administration	District library		
	Nysh	710	OPF (apart of 70 km from the community, camp is on construction site)	Nogliki Library	Nogliki		
Tymovsky	Chir-Unvd	285		Molodezhnoe	Molodezhnoe, library	29 42 08 29 44 08	Tymovsky Vestnik
	Voskresenovka	297		Molodezhnoe	Molodezhnoe, library		
	Molodezhnoye	1,033		Library/ Information Center	Library (14 Sovetskaya St.)		
	Tymovskoye	9,000		District library, Administration	District library (14 Kharitonov St., tel. +8 42447 224 78)		
	Voskhod	696		Tymovskoye/ Kirovskoye	Tymovskoye/Kirovskoye, library		

DISTRICT	COMMUNITY	POP.	KEY PROJECT ASSET IN/NEAR COMMUNITY	SAKHALIN ENERGY DOCUMENTS/INFORMATION MATERIALS LOCATION	BULLETIN BOARD LOCATION	COMMUNITY LIAISON ORGANIZATION'S CONTACT	DISTRICT NEWS-PAPER**
	Podgornoe	287		Tymovskoye/Kirovskoye	Tymovskoye/Kirovskoye, library		
	Kirovskoye			Library	Library branch office		
	Yasnoye	1,640		Library	Library branch office (2 Titova Str.)		
	Palevo	114		Yasnoye	Yasnoye, library		
Smirnykh	Onor	1,874		Library (7 Transportnaya St.)	Library	29 42 08 29 44 08	Novaya Zhizn
	Roschino	821		Library (11 Parkovaya St.)	Library		
	Pobedino	1,959		Library (52-a Centralnaya St.)	Library		
	Smirnykh	7,600		District library, (12 Lenin St., tel. +8 42452 223 67), Administration	District library, (12 Lenin St., tel. +8 42452 223 67)		
	Elniki	126		Smirnykh	Smirnykh, library		
	Buyukly	2,223		Library (28 Lesnaya St.)	Library		
Poronaysk	Leonidovo	2,300		Poronaysk, library	Poronaysk, library	29 42 08 29 44 08	Express Zvezda

DISTRICT	COMMUNITY	POP.	KEY PROJECT ASSET IN/NEAR COMMUNITY	SAKHALIN ENERGY DOCUMENTS/INFORMATION MATERIALS LOCATION	BULLETIN BOARD LOCATION	COMMUNITY LIAISON ORGANIZATION'S CONTACT	DISTRICT NEWS-PAPER**
	Poronaisk	20,600		Library Administration	District Library (45 Gagarina St., tel. +8 42431 427 13)		
	Tikhmenevo	1,200		Gastello, library	Gastello, library		
	Gastello	1,300	Booster station	Administration Library	Library (42-2, Centralnaya Str.)		
	Vostok	583		Administration Library	Library (10a, Gagarina Str.)		
Makarov	Novoye	894		Library	Library (11-7, Centralnaya Str.)	29 44 08 29 41 85	Novaya Gazeta
	Gornoye	384		Novoye, library	Novoye, library		
	Tumanovo	32		Novoye, library	Novoye, library		
	Makarov	8,700		District library (9-a 50 Let Oktyabrya St., tel. +8 42443 533 78) & Administration	District library (9-a 50 Let Oktyabrya St., tel. +8 42443 533 78)		
	Vostochny	570		Library	Library (8, Privokzalnaya Str.)		
	Pugachevo	107 64		Vostochny	Vostochny, library		
Dolinsk	Vzmorye	67		Library	Library (22, Pionerskaya Str.)	29 41 85	Dolinskaya Pravda
	Sovetskoye	791		Library, Administration,	Library (122, Centralnaya Str.)		

DISTRICT	COMMUNITY	POP.	KEY PROJECT ASSET IN/NEAR COMMUNITY	SAKHALIN ENERGY DOCUMENTS/INFORMATION MATERIALS LOCATION	BULLETIN BOARD LOCATION	COMMUNITY LIAISON ORGANIZATION'S CONTACT	DISTRICT NEWS-PAPER**
	Dolinsk	13,800		District library, Administration	District library (31 Lenin St., tel. +8 42442 252 84)		
	Pokrovka/Oktyabrskoye/Sosnovka/Ruchi			District library	District library		
	Sokol	5,000		Administration Library	Library (26, Sovkhoznaya Str.)		
Yuzhno Area	Novaya Derevnya/Elochki/Dalnee			Yuzhno Library	Yuzhno Library	29 41 85 29 42 08	Sovietsky Sakhalin/Gubernskiye Vedomosti (regional papers available in all other districts)
	Yuzhno	179,200	Head office	City library, City administration (173 Lenin St.)	City library (244 Lenin St., tel. (22) 42-45-59)		
Aniva	Troitskoye	3,576		Administration Library	Library (10, Pervomaiskaya Str.)	29 41 85	Utro Rodiny
	Novo-Troitskoye			Library	Troitskoye, library		
	Aniva	8,600		District library,	District library (10 Pervomaiskaya St., tel. (41) 512-84)		
	Mitsulevka	211		Library	Troitskoye, library		
Korsakov	Solovyevka	1,395		Administration Library	Library (Centralnaya St.)	29 41 85	Voskhod

DISTRICT	COMMUNITY	POP.	KEY PROJECT ASSET IN/NEAR COMMUNITY	SAKHALIN ENERGY DOCUMENTS/INFORMATION MATERIALS LOCATION	BULLETIN BOARD LOCATION	COMMUNITY LIAISON ORGANIZATION'S CONTACT	DISTRICT NEWS-PAPER**
	Ozersky	2000	LNG/OET	-	Administration		
	Chapayev	800	LNG/OET	-	Korsakov		
	Korsakov	36,500	LNG/OET,	District library, Administration	District library, (18 Sovetskaya St., tel. +8 42435 208 68), Children library (38 Sovetskaya St) Administration		
	Prigorodnoye	0	LNG/OET	Korsakov	Korsakov		
Kholmsk	Kholmsk	39,300	Port access	District library, Administration	District library (124 Sovetskaya St., tel. +8 42433 508 62),	29 41 85	Kholmskaya Panorama

APPENDIX 3 SAKHALIN ENERGY INFORMATION CENTERS LOCATIONS

District	Settlements	Adress
Aniva	<ul style="list-style-type: none"> • Troitskoye 	<ul style="list-style-type: none"> • 10, Pervomaiskaya Str.
Dolinsk	<ul style="list-style-type: none"> • Dolinsk • Sokol • Sovetskoye • Vzmorye 	<ul style="list-style-type: none"> • 31 Lenin St., tel. +8 42442 252 84 • 26, Sovkhoznyaya Str • 122, Centralnaya Str. • Pionerskaya Str.
Makarov	<ul style="list-style-type: none"> • Makarov • Novoye • Vostochnoye 	<ul style="list-style-type: none"> • 9-a 50 Let Oktyabrya St., tel. +8 42443 533 78 • 11-7, Centralnaya Str. • 8, Privokzalnaya Str
Poronaysk	<ul style="list-style-type: none"> • Vostok • Gastello • Poronaysk 	<ul style="list-style-type: none"> • 10a, Gagarina Str • 42-2, Centralnaya Str. • 45 Gagarina St., tel. +8 42431 427 13
Smirnykh	<ul style="list-style-type: none"> • Pobedino • Smirnykh • Onor • Buyukly • Roschino 	<ul style="list-style-type: none"> • 52-a Centralnaya St. • 12 Lenin St., tel. +8 42452 223 67 • 7 Transportnaya St. • 28 Lesnaya St. • 11 Parkovaya St.
Tymovsk	<ul style="list-style-type: none"> • Molodezhnoye • Tymovskoye • Kirovskoye • Yasnoye 	<ul style="list-style-type: none"> • 14 Sovetskaya St. • 14 Kharitonov St., tel. +8 42447 224 78 • ул. Центральная, 70 • 2 Titova Str.
Kholmsk	<ul style="list-style-type: none"> • Kholmsk 	<ul style="list-style-type: none"> • 124 Sovetskaya St.tel. +8 42433 508 62
Korsakov	<ul style="list-style-type: none"> • Korsakov 	<ul style="list-style-type: none"> • 7 Molodyezhnyi Per.
Nogliki	<ul style="list-style-type: none"> • Nogliki 	<ul style="list-style-type: none"> • 5 "a Pogranichnaya St. "Tel. +8 42444 910 57

APPENDIX 4 COMMUNITIES, NGOS AND OTHER STAKEHOLDERS

Organisations on this list receive news updates from Sakhalin Energy. To be added to the list, please contact Sakhalin Energy (see Section 9 of the Public Consultation and Disclosure Plan for details).

Local & RFE	National	Regional	International
<ul style="list-style-type: none"> • Sakhalin Environment Watch • ISAR – Far East • Sakhalin Fishing Associations and co-operatives • Russian Geographical Society • Marine Rescue Centre • Rodnik Environmental Centre • Green Island School • Sakhalin Initiatives • Int. Academy of Nature and Social studies • Russian-American Business Training Centre • Young Talents of Sakhalin • Sakhalin State University • Institute of Advanced Teachers Training • AntiAIDS Foundation • Sakhalin Regional Anti-AIDS Centre • The Youth Association • Sakhalin Branch of Russian Journalists Association • WWF – RFE • Podrostok • Boomerang • Club Romantic • Sakhalin Community • Youth Parliament Chamber • Youth Achievements • Disabled Children’s Organisation • Sakhalin Oblast Student’s Youth Association 	<ul style="list-style-type: none"> • WWF – Russia • IFAW-Russia • Greenpeace – Russia • IUCN - Russia • EcoJuris • RAIPON • Rodnik 	<ul style="list-style-type: none"> • Consulate General, Japan – Yuzhno • Hokkaido Government • Wakkanai Municipal Government • Abashiri Municipal Government • Monbetsu Municipal Government • Rumoi Municipal Government • Governmental Fishing Agencies • Hokkaido Bureau of Economy, Trade and Industry • Hokkaido Regional Assembly • Tourism Authorities • Japan Coast Guard – Tokyo and Regional Headquarters • Hokkaido Fishing Associations • Hokkaido regional fishing cooperatives in Wakkanai, Sarufutsu, Esashi, Abashiri, Kitarumoi, Otaru, Tokoro, Yuubetsu, Oumu, Ishikari • Japan Environment Disaster Information Centre • Hokkaido University • Ship & Ocean Foundation • Friends of Earth Japan • IFAW – Japan • WWF Japan • Wildlife Preservation Bureau of Hokkaido 	<ul style="list-style-type: none"> • WWF International • WWF Switzerland • WWF USA • IFAW • IUCN • Pacific Environment • Wild Salmon Centre • International Bird Rescue Research Center • Kidsave International

Local & RFE	National	Regional	International
<ul style="list-style-type: none"> • Association of Indigenous People • Poronaysk Lyceum of Traditional Industries of the People of the North • Military Veterans Organisation • Korsakov Business Association • Knowledge is Power 		<ul style="list-style-type: none"> • Etopilika • Hokkaido Raptores Research • Wild Bird Society of Japan • Yamashina Institute for Ornithology • Okhotsk Environmental Protection Network 	

APPENDIX 5. LIST OF EXISTING JAPANESE STAKEHOLDERS ON SAKHALIN ENERGY DATABASE

Detailed description of Japanese stakeholders principles are described in Section 6.6 of this plan.

Japanese stakeholders	Japanese stakeholders
<ul style="list-style-type: none"> • Consulate General – Yuzhno • Hokkaido Government • Wakkanai Municipal Government • Abashiri Municipal Government • Monbetsu Municipal Government • Rumoi Rumoi Municipal Government • Governmental Fishing Agencies • Hokkaido Bureau of Economy, Trade and Industry • Hokkaido Regional Assembly • Tourism Authorities • Hokkaido Fishing Associations • Hokkaido regional fishing cooperatives in Wakkanai, Sarufutsu, Esashi, Abashiri, Kitarumoi, Otaru, Tokoro, Yuubetsu, Oumu, Ishikari 	<ul style="list-style-type: none"> • Japan Coast Guard – Tokyo and Regional Headquarters • Japan Environment Disaster Information Centre, Hokkaido University • Ship & Ocean Foundation • Friends of Earth Japan • IFAW – Japan • WWFJapan • Wildlife Preservation Bureau of Hokkaido • Etopilika • Hokkaido Raptors Research • Wild Bird Society of Japan • Yamashina Institute for Ornithology • Okhotsk Environmental Protection Network

If an organisation or individual would like to be added to the list of interested stakeholders they should contact Sakhalin Energy:

Via email: SEIC-ask-japan@sakhalinenergy.ru

Via telephone: +7 4242 66 2778 (English speaking)

Via fax: +7 4242 662012

List of libraries in Japan where Sakhalin Energy materials are available for review:

Wakkanai Library
4-1-1, Daikoku, Wakkanai-shi, Hokkaido
Tel : 81-162-23-3874

Monbetsu Library
3-1-8, Saiwaicho, Monbetsu-shi, Hokkaido
Tel : 81-1582-4-2111

Abashiri Library
3 chome, Kita 2 jyo Nishi, Abashiri-shi, Hokkaido
Tel : 81-152-43-2426

Hokkaido Library
41, Higashi-machi, Bunkyo-dai, Ebetsu-shi, Hokkaido
Tel : 81-11-386-8521

APPENDIX 6 COMMUNITY LIAISON ORGANIZATION OVERVIEW

Sakhalin Energy Information Centers Key Responsibilities

Key Sakhalin Energy Information Centers activities include the following:

- Update billboards with information provided by the Company;
- Provide visitors with the Company's materials in hard and soft copies;
- Assist local residents with information search at the Company's website;
- Make the public aware of the grievance procedure, including the public grievance leaflet, the Public Grievance Form, and with whom grievances should be lodged;

Information Center Consultants keep the Municipal Liaison Coordinator (MLC) and CLO updated regularly on all issues and applications received from residents. Depending on the issue, if required, community residents can approach the MLC or CLO directly.

Information Center Consultants receive annual training.

Exemplary training agenda is as follows:

- Public grievance procedure;
- Information on Sakhalin - 2 project;
- Company's Internet site: where and how to find the required information;
- Rules of safe behaviour in the pipeline right-of-way;
- Sakhalin Energy social and grant projects, requirements to registration of applications;
- Visits to Company's facilities.

Key Responsibilities of the Community Liaison Officer

CLO has the following responsibilities:

- Organization of activities of the Company's information centres;
- Provision of Company's printed materials to information centers;
- Liaison with IC consultants, logistic support for issues related to conflict and grievance settlement;
- Liaison with IC consultants, logistic support for issues related to implementation of social and sustainable development programs;
- Support information centers in getting additional information on the Project activities in accordance with applications of population;
- Organization and holding meetings with local residents;
- Obtain regular feedback from community residents, through the community visits, open hours, Company information centres, and other pro- active means such as public meetings;
- Compile contact lists and other community information sets;
- Maintain professional understanding of local issues and problems through the community visits and Company information centres;
- Inform key Sakhalin Energy audiences of community background information and current issues through regular reporting to interested Corporate parties;
- Monitor relations between Contractors and local communities;
- Track project impacts on communities and attitudes/expectations associated with Project implementation, and provide regular feedback to the Company.

Key Responsibilities of the Municipal Liaison Coordinator

In addition to general CLO responsibilities, the Municipal Liaison Coordinator has the following specific responsibilities:

- Implementation of Community Awareness Program;
- Coordinate activities and regularly communicate with CLO;

- Provide technical support in grievance process;

Municipal Liaison Coordinator regularly communicates with Information Centers consultants, overviews and coordinates Information Centers general activity, provides technical support and organises and facilitates meetings as required.

Key Responsibilities of the IP CLO

IP CLO has the following responsibilities:

- Assistance with implementation of the SIMDP in the six districts of compact living of IP;
- Liaison with indigenous and non-indigenous residents of Val;
- Liaison with indigenous people of Nogliki and Tymovsk and addressing IP-related issues in these communities;
- Provide technical support in grievance process for IP residents.

The IP CLO conducts open hours in accordance with approved schedule and meets with key IP representatives and stakeholders in Nogliki and Tymovsk Districts on a regular basis. The IP CLO participates in other IP/SIMDP-related consultation activities carried out by the Company in Nogliki District and other districts as required.

Community Information Boards

Information boards have been placed in 27 communities along the pipeline right-of-way. They are located in local libraries, which are regularly used by community residents. The boards are used to post relevant information, including:

- Job recruitment and contact information;
- Notices of any meetings;
- Notices of planned visits of the company representatives and others, including where people can visit them to ask questions.

Information on the location of community information boards is provided in Appendix 2 of the PCDP. In 2011 it is planned to arrange information boards in IP communities.

