

ESHIA public meeting notes

Date	4.10.03
Time	18.00-19.30
Settlement	Aniva
Location	Cultural Centre
Number of attendees	6

1. What newspapers will publish information on work places? Will the information be available in Internet?

Information about vacancies is published in the regional paper "Sovietsky Sakhalin", on the television and on the Company's internet site www.sakhalinenergy.com.

As it was mentioned earlier, the contractors will advertise positions through a variety of methods including mass media and local employment centers, news bulletin boards in communities which will have updates on local employment opportunities and CLOs will help distribute information on job opportunities.

2. What will construction camps look like?

The camp will consist of modular houses that can be erected in short terms. They are self-contained, i.e. they have their own water supply, disposal, heating and power supply systems. Besides medical services will be provided in such camps. There also will be a canteen, a rest room, some offices, laundry and living rooms for 2-4 people. There is a special Camp Management Policy according to which no alcohol and/or drugs possession and/or consumption is allowed and no social visitors permitted to the camp.

3. What materials will be used for pipeline construction: those manufactured in Russia or foreign-made?

4. Will only foreign equipment be used for construction the LNG plant?

During construction phase Russian materials will be used providing they comply with the existing norms and standards. To enlarge Russian Content in the project some changes were made during the design stage. However some equipment and materials necessary for pipelines or LNG plant construction is not produced in Russia. In this case we'll use foreign equipment.

5. What will the Russian party get in case of an emergency?

I would like to mention that our main objective is to mitigate any impact on the environment. Our approach to the oil spills is "Prevention not response". Oil

spill response plan is in place for the Phase 1, similar plans will be prepared for each of the Phase 2 facility.

Damages caused by spills from non-tanker spills are covered by Contractor or the Company's insurance. For example, the Vityaz complex:

- Molikpaq and Pipeline to SALM:
 - Operator's Extra Expense coverage not less than US \$200,000,000.
 - General Liability Insurance not less than US \$150,000,000.

- FSO and SALM Sakhalin Energy requires the FSO owner to maintain:
 - Protection and Indemnity (P & I) Insurance of US \$700,000,000 per incident for FSO and US\$100,000,000 for the SALM.

6. Shelf projects included advantages (road construction, separate accounts, work places), where are they? Why don't we have them?

During Sakhalin II project implementation Russian party and Sakhalin in particular receives some benefits. Infrastructure is being upgraded (construction and upgrade of roads, bridges, culverts, railroads etc), new employment opportunities with the Company and with its contractors, the Company donated money to the Sakhalin Development Fund which was spent on construction of new hospitals, schools, the Company regularly supports social and community programs. Special equipment for some hospitals on the island was purchased on the money the Company donated. During the project implementation health infrastructure upgrade will be carried out.

Besides the benefits received from the projects include:

- 55,6 mln USD – royalty payment
- 100 mln USD – Sakhalin Development Fund
- 45 mln USD – bonus payments
- 10 mln USD – income tax payments
- 1 mln USD – support of social and community programs

Besides the project brings indirect benefit, e.g. development of small business, service industry etc. It is envisaged that by 2010 the income to the regional budget will be 230 mln USD whereas now the expenditures of the budget is 250 mln USD.

7. People of what ages can be employed?

Sakhalin Energy works on the territory of Russian Federation and must follow all the Russian laws. When dealing with employment issues, such as age, the Company follows Russian Labor Code.

8. Will the contractors or the Company employ drivers with own transport?

We do not have such information, most probably not because all the transport will be either brought here or rented from local companies.

9. Will a railroad be built in the North?

It is not in the Company's plans to build a railroad in the North.

10. What categories of workers are considered as highly qualified personnel? How can one determine his qualification?

I am not a specialist in categories evaluation, but if you have 5-6 category then it is considered to be the highest ones. Besides various certifications exist for the right to perform some single-purpose tasks. I think the local Employment Center will be able to provide you with more information.

11. What construction work will be performed in Aniva?

The bridge over the Kolka river will be repaired, four culverts will be upgraded. Besides oil and gas pipelines will be laid in Aniva.

12. Will pipes be laid in Aniva?

Yes, the pipelines will cross Aniva district.

13. Is gasification of Yuzhno-Sakhalinsk and Aniva provided?

PSA stipulates that local people can have their gas share from the Project. The Company and the administration agreed that the gas can be used for the needs of the island and the Far East as far as Khabarovsk Territory. The administration asked to provide tapping points for further gasification. Two gas terminals will be constructed in the north and in the south-north area. The discussion today is where exactly the gas will go from the south terminal.

14. How can one contact a Community Liaison Officer who supervises our region?

Community Liaison Officer for Aniva district is Svetlana Nebet. Her phone is (4242) 47 33 17.

15. Does the Company give business development loans, support small business?

No.

16. Are university graduates employed?

Yes, if he or she meets all the requirements to a certain position.

17. What specialties are needed?

During the construction period the following types of jobs will be available: office specialists, bulldozer and excavation equipment operators, insulating works specialists, electricians, carpenters, reinforced concrete, welders, sideboom pipelayer operators, metalwork assemblers, testing equipment technicians.

18. Do foreigners working in Sakhalin study Russian?

Yes, a lot of foreigners wish to study Russian language and succeed in this.

19. Do all the employed experts have to know English?

If English is a requirement this will be mentioned in the announcement. English is not a requirement for all the positions.

20. Where are CVs sent?

Resumes can be sent to the Company's office in Yuzhno at 35 Dzerzhinskogo St. to the attention of the Human Resources Department.