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MAY 2022

Sakhalin Energy





congratulations

DEAR COLLEAGUES!

On behalf of Sakhalin Energy and in my personal capacity, I would like to extend my sincere congratulations to you on Victory Day!

The 9th of May 1945 has always been one of the most glorious, solemn, and special moments for all of us. This holiday has become an icon of the honour and valour that our people demonstrated in the battles for their Motherland.

Our tribute today is to the generation of victors, those who not only defended their homelands but bestowed the right to live in peace on the peoples of Europe, at the cost of their lives and through the hardest trials. The contribution of Soviet oil workers, who, despite all the difficulties, supplied the front with fuel and selflessly restored the oil and gas industry under the harsh conditions of the post-war period, is inestimable.

We and our children owe the peaceful and clear blue sky that we have seen in the post-war period to this generation of victors! Their decisions and deeds manifest true courage, selflessness, and unity of our multinational people in the struggle for the independence and freedom of our Motherland!

It is our duty to save the memory of the heroism exhibited in the monstrous war against fascism, of the victory over the ruthless and merciless Nazi invaders.

May you and your loved ones enjoy prosperity and new peaceful achievements in your labour for the benefit of the Motherland!

> Roman Dashkov Chief Executive Officer

Read in the issue

On a Festive Day...

The Magnetism of Remembrance

On the eve of 9 May, the holiday of the Great Victory, let us embark on a journey to Pobeda (Victory) Museum & Memorial Complex, the most recently established museum of the island. We asked its General Manager Yuri Filipenko to take us around

#allsakhalinedup 14-15

More than 10 km

is the length of the longest well of Sakhalin-2

Read more on page 4

CURRENT EVENTS

30-31
March

Company's Board of Directors and the Sakhalin-2 Supervisory Board quarterly meetings were held I April

2021 Sustainable Development Report was published on the Company's internal website **9** April

Sakhalin Energy team won silver in the swimming relay (see more on page 15) 15 April

Fundraising as part of the Ski for Good Deeds corporate charity campaign is over (see more on page 13) **ا** ک April

Sakhalin Energy celebrates its 28th anniversary (see more on page 13) April

Sakhalin Energy won the Best Corporate Media of the Year national contest (see more on page 12)

New Structure

Dear colleagues, please be advised that, in line with decision of the Committee of Executive Directors, the first stage of Sakhalin Energy's organisational structure update has been completed. A detailed chart of the updated organisational structure is attached.

Please note that **Andrey Oleinikov** has been appointed to the position of Deputy Chief Executive Officer that provides for the performance of the CEO duties during his absence.

Andrey Oleinikov is also the Head of the Company's Branch in Yuzhno-Sakhalinsk. His functional authority includes the management of the Branch's operational activities with the right to involve any organisational units to solve operational tasks.

Some units of the Office of the CEO: Industrial and Fire Safety, Blowout and Emergency Response Department, C-HSE Department, Facilities Management and Development Division, Information Technology and Information Management Department, become

directly subordinate to Andrey Oleinikov. Moreover, Chief Compliance Engineer is directly subordinate to the Deputy CEO.

Igor Abramov has been appointed to the position of Chief Compliance Engineer. He will manage engagement and cooperation with government supervisory and oversight authorities using a one-stop-shop approach on a number of issues, including industrial and fire safety, blowout prevention, and emergency prevention and response. This position will functionally report to the Head of Production Directorate.

Alexander Singurov has been appointed to the position of Head of Production Directorate. The following positions report directly to the Head of Production Directorate:

• Deputy Production Director — Operations, **Denis Smirnov**. His responsibilities include ensuring that the Company's offshore and onshore production assets, including Prigorodnoye, run smoothly and efficiently;

director's column

- Deputy Production Director Maintenance and Major Overhauls, **Evgeniy Udovenko**. His responsibilities include establishing and maintaining proper technical expertise in the Company, managing maintenance and turnaround activities, as well as ensuring equipment reliability and availability;
- Deputy Production Director Projects, **Andrey Zaytsev**. In this role, he will manage the Company's investment activities, including our key projects, OPFC and Molikpaq platform rejuvenation;
- Head of Production Support Department, **Dmitriy Panteleev**. He will be responsible for managing engineering and technical support activities, as well as safe equipment operations and production planning.

I would also like to remind you that the Company's Finance Directorate is now headed by **Roman Sinitskiy**, while **Olesia Matrenina** has been appointed as the Head of Legal Directorate. The Chief Executive Officer has the right to introduce any further personnel changes.

On behalf of the CED, I wish our entire united team the best in delivering professional results.

Roman Dashkov Chief Executive Officer



Information Security

Dear colleagues, in the current circumstances, Sakhalin Energy management continues to ensure stable and efficient operation of the Company. This process requires a particular focus on managing information security and preventing the risk of uncontrolled dissemination of any information about our project!

First of all, our approach aims to protect corporate resources and preserve the integrity of internal data to ensure business sustainability and continuity. Any leakage of information about the Company's activities, and especially confidential data constituting professional and commercial secrets, may lead to risks of reducing the sustainability of the Company's operations.

In order to avoid such a situation, I urge each employee to take the most responsible approach to compliance with information security requirements and uphold the highest standards of ethical business conduct where **negligence** is **unacceptable**. In this regard, I ask you to monitor the internal and external information flows with particular attention and not to discuss confidential information with staff not involved in the respective tasks.

At the same time, working-level discussions of operational issues should be kept within the Company.

I would like to emphasise that communication with media representatives and other stakeholders is carried out by the Corporate Affairs Department in accordance with the Company Media and Representation Policy.

Compliance with these requirements will allow the Company to maintain competitive advantages in any situation and fulfil its obligations to the staff, contractors, as well as Shareholders and the Russian party to the fullest extent.

Everyone working under the Sakhalin-2 project should be aware of the high values of the Company, which ensure its reputation and high international status. I am confident that with this approach we will be able to maintain favourable conditions for conducting our business in this tense situation.

Roman Dashkov Chief Executive Officer



director's column

Optimisation of Staff Remuneration

DEAR COLLEAGUES!

The company's senior management continues to take the steps required to ensure the company's business continuity while strictly honouring its commitments to, and taking care of, the staff in the current situation. Despite the wideranging restrictions imposed on the Russian Federation, the Committee of Executive Directors decided to optimise the remuneration of Sakhalin Energy's employees.

The company has adopted an ad hoc measure, effective on 1 March 2022, to strengthen its employee value proposition. All employees from the RF and the CIS countries uation, Sakhalin Energy's management retains the ability

are getting a permanent 15% pay rise, double the average to apply additional flexible incentives to make sure that applied in the annual salary review round since the beginning of 2022. Relevant addenda to your employment contracts will take effect as soon as they are signed by both

I am confident that this information will be positively perceived by the staff and boost their motivation and commitment to reaching the key objectives of their respective subdivisions.

Please note that, through its efforts to monitor the sit-

employees receive competitive compensation and benefits.

The current external environment is definitely a challenge for all of us. I urge every manager and specialist in the company to respond with dignity, by demonstrating mutual support, effective teamwork, and a professional attitude. I am sure that we will successfully make it through this arduous leg of our work journey and emerge even stronger!

> Roman Dashkov Chief Executive Officer

> > visit

<u>safety</u>

"Safety Has Been and Will Remain Our Top Priority"

HSE MC meeting chaired by the Chief Executive Officer of Sakhalin Energy was held on 12 April.

"Safety has been and will remain our top priority. At this point, the Company has developed the best practices which are based on the requirements of the Russian Federation, Shareholders' standards, and our own corporate culture. As a responsible employer, the Company is committed to ensuring the safety of employees and production reliability in any situation. The ground for this commitment is high-quality risk assessment, planning, study of grey zones or uncertainties and mechanisms developed to respond to potential changes", Roman Dashkov said.

been scheduled with a special focus on offshore platforms and contractors.

Evgeniy Udovenko, Deputy Production Director – Maintenance and Major Overhauls, also found it necessary to apply a proactive approach in working with contractors. "I guarantee that the planned maintenance quality assessment will be carried in full by own resources. The predictive analytics is being actively developed. Currently, any task that for some reason cannot be completed by a contractor can be completed by the Company. This is the result of implementing a long-term strategy: it was not yesterday



Evgeny Kovalyov, Head of HSE Department, presented the update on the Company's Scorecard performance. "In general, there is a positive trend for all indicators except for Golden Person, which is lower mainly due to the transition of employees to new full-time positions as part of transfer of competencies from the foreign personnel", Evgeny Kovaly-

The Chief Executive Officer stressed that it was necessary to ensure continuous interaction with the teams and receive feedback from employees on the existing gaps in competences. In that work, the role of asset managers was extremely important as well as the role of HSE leadership visits where focus areas should be carefully reviewed for each asset by the Company's senior management. Alexander Singurov, Head of Production Directorate, confirmed that HSE visits to production assets had that we decided to become independent", Evgeniy Udovenko said.

Roman Sinitskiy, Head of Finance Directorate, also mentioned the assessment of new contractors, highlighting the importance of their early engagement in the corporate safety culture.

"We have a lot of work ahead which is complicated by external factors. Business is facing intense pressure, but the Company's management is making every effort to ensure the sustainability of the Company amid the current political and economic turbulence. Today, we are focused on negotiating with alternative vendors and searching for new sales markets. It is very important for each employee to produce adequate self-evaluation and demonstrate self-discipline", Roman Dashkov concluded.

Natalia Gonchar :

To Effective Cooperation

Vitaly Kaplunov, the Director of Far Eastern Department of the Federal Service for Supervision of Natural Resources, made an official visit to Sakhalin Island. As part of the programme, the delegation visited the Prigorodnoye production complex.





Alexander Singurov, the Head of Production Directorate, welcomed the delegation at the production facility on behalf of the Company. The visitors got acquainted with Sakhalin Energy activities and its corporate values, learned about Sakhalin-2 project specifics, its unique technologies, and performance indicators.

The key subject of the visit programme was Sakhalin Energy environmental activities. The visitors discussed environmental condition in the area of the Prigorodnoye production complex. Members of the delegation were provided with materials on environmental control and waste management, energy consumption and greenhouse gas emissions, monitoring of water bodies, river ecosystems and protected bird species, and ballast water management. The parties noted the effective cooperation between the company and the authority, as well as a huge potential for further cooperation between business and government bodies.

A bus tour around the production complex was the final event of the visit. In the end, the visitors thanked Sakhalin Energy representatives for a warm reception at the first LNG plant in Russia.

Yulia Vatutina

achievement

Record Well

The longest well in the history of the Sakhalin-2 project drilled and commissioned at Piltun-Astokhskaya-B (PA-B) platform. Its measured depth exceeds 10 thousand meters.

During all stages of construction, the company specialists prioritised safety issues, which allowed to carry out planned activities in the normal course and without interruption during the COVID-19 pandemic.

In the process of drilling the well the company used screw downhole motors manufactured by domestic producer — Radius-Service. This is the first example of application of such equipment on the Russian shelf. In addition, during implementation of the project Sakhalin Energy used casing pipes manufactured by a Russian company TMK, whose products have already been repeatedly used under the Sakhalin-2 project.

The well has already reached its design capacity. Today, its daily average production represents 20% of the total average daily oil export from the PA-B platform.

"In general, current well portfolio fully ensures stable hydrocarbon production and full load of our production facilities. This enables the company to focus more on the implementing activities aimed at maintaining the safe operation of existing assets, ensuring business continuity and efficient development of the resource base," noted Roman Dashkov, Chief Executive Officer of Sakhalin Energy.



According to him, in 2021, following the results of a cycle of work on the construction of alternative geological and hydrodynamic models, the company confirmed the long-term production forecast and achieved the design field development indicators. All this was made possible by implementing the drilling programme with the application of lean production methods, conducting geological and technical activities and production wells workovers. During well integrity test an efficiency rate at the level of 99% has been achieved.

Pavel Ryabchikov

CONTINUOUS

The Path from Point A to Point B, and So on Alphabetically

When you prepare material for this column for each issue, you interview employees about the methods of implementation of the continuous improvement programme and involuntarily think about how you can physically imagine it. As a road from point A to infinity? As a spiral movement? Carl Pineaha, Lead Quality Assurance Specialist and Konstantin Pikanov, Quality Control and Quality Assurance Engineer

do "visualise" the continuous improvement process in the Production Directorate.

— It's more like a path from point A to point B and so on alphabetically. You see, any process in the Company must be conducted in accordance with strictly regulated procedures. After all, all the standards that relate to the safety of production, appeared for a reason — they are based on long-term experience, best international practices, and proven methodologies — that's not an exaggeration. Of course, changes are possible, moreover — in some cases they are necessary, but only after careful analysis based on the assessments that we carry out at our facilities. But this is not a leap from one turn of the spiral to another — it is a structured, well-

Please tell us about the strategy of the continuous improvement in the Production directorate.

calibrated and consistent improvement of all processes.

— On the one hand, there is a Company-wide programme based on the philosophy of continuous improvement. On the other hand, in this overall strategy, each unit has its own specific lines of focus, which is dictated by the peculiarities of everyday processes. Our work focuses on Quality preparation and execution for planned turnarounds at the Company's production facilities. The key tasks are to ensure equipment maintenance is performed safely, meeting specifications through robust Quality methods, efficiently and in a timely manner as schedule. At the same time, we try to solve it not in a stereotyped way but moving up the next step given the above factors.



— Let's talk about these steps. In the summer of 2021, a megaturnaround of the Sakhalin-2 integrated gas production chain took place. What lessons have you learned? What improvements have you planned?

— We continue to learn things at work on a daily basis, such that each turnaround is unique. We all have a responsibility to ensure we capture previous learnings and identify mitigations to lower risks. In the last few years, the Company has focused on digitalisation, and we have not been left out of this process. One example, participants involved in turnarounds have the opportunity to promptly share with colleagues their lessons learnt, where we have recently designed a very simple online form. The innovation which applies to all Company production facilities, allows us to create a common "bank" of lessons for analysing to improve performance. It will allow us to remove the undesirables and relaunch production delivery to our buyers after completion of turnarounds up until the next planned shutdown.

— During the turnarounds, it is important not only to complete the work on time, but to ensure the delivery of a Quality product. What "unit news" could you share in this regard?

—We have launched a turnaround Quality manual for all Company assets. This allows when developing vigorous Quality plans, that the underpinning increased efforts in identifying bottlenecks or gaps to be addressed, is demonstrated through a healthier course of actions in preparation for a turnaround. I would like to point out that recognised gaps will always require an immense portion of synergy between assets in order to furnish a Quality product. Considering the former, it is visible that the willingness and eagerness to learn the faculty of Quality is worthy, and as one team we can achieve good results to ensure our customers remain satisfied.

— And what good would it do for a specific specialist who needs, for example, to replace a pump? How would the new instructions help thom?



— First off, we are pleased to announce that we are now in the very early stages of developing a maintenance Quality manual which will eventually supersede the turnaround manual. This is going to be challenging but, extremely exciting, as we are further expanding our Quality management process into the overall maintenance arena, without impairing the already existing assurance processes.

The Quality approach we have for turnarounds will be likewise for all maintenance activities including pumps plus more, where the anticipated process will help specialists pay more attention on the things that really matter. The idea is not to have a bureaucratic procedure and processes at the frontline, but a real aid such that it will allow the team to improve on Quality. Sounds simple, and it will be.

— We often emphasise that the continuous improvement programme is integrated into the overall operation of the Company. Following this philosophy, every employee coming to work should remain mindful on the issue: "Can I improve something today?".

— Sakhalin Energy, as a Company of the continuous production cycle, can't help but look into the future. That is why we want our employees to gain the inherited ability to think in terms of improvement with regards to all areas of the business.

We in Quality are quite familiar when it comes to the improvement process, it's second to none and part of our role. There are many reasons for improvement and key for Quality is customer requirements and enhancing customer satisfaction. Therefore, after each turnaround, we carry out an after-action review being part of the turnaround process which evaluates the performance against KPIs and implementation process. This is how we come up with a plan to improve business processes, in which we move from an individual case to an overall strategy for the next planned turnaround.

-Your schedule includes frequent trips to our production facilities, contractor's base, and working close with asset teams. What is this all about, what issues do you deal with?

— Most important to me, when wanting to achieve Quality and in fact, total Quality management, is to concentrate on teamwork, communication, customer focus, integration, systematic methods, facts, and last but not least, development. This can only be achieved by regular contact with the teams and not only from the office, but in the field so we can deal with matters instantaneously where the lift of energy really transpires.

We are a resilient and ambitious team within the turnaround interface subdivision and across the assets, and there is only one direction for us all, to be the best organisation using Quality within turnarounds. So, the only way to achieve our goals is consolidation, reflect on issues from a constructive standpoint, and utilising a proactive policy to attain best results.

Our vision includes a cohesive organisation where Quality Assurance will manage the process centrally supported by Quality Control engineers in the asset. This may sound a little optimistic, but it works well as we have seen and experienced in our existing collaborated working environment. Building the above is key for Quality success!

Interview by Elena Gurshal



The Right Course

The Company has summed up the results of the competition for the best projects in the field of the Russian content development, ' implemented during the second half of 2021. The competition covered twelve initiatives, four of which were recognised the best. And this time, a record number of winners was registered – 38 employees! Timur Gafarov, Technical Director and Roman Sinitskiy, Head of Finance Directorate, congratulated the participants on their victory and presented them with diplomas and commemorative gifts.



russian content

Timur Gafarov, Technical Director: The company promptly took the right course to increase the Russian content not only in the area of technology, but also in the sphere of human resources – so now, in the current situation, we maintain the robustness of our business and look forward to the future with confidence. Today's ceremony once again emphasised that our staff is technically savvy and properly oriented to the development of the Russian content. We all know that "our school" is built fundamentally, qualitatively. I am in deep gratitude to you for professional zeal in moving forward to promote Russian companies. That's the spirit and confidence to move forward."

Roman Sinitskiy, Head of Finance Directorate: "It is very nice to see familiar faces at the ceremony - many of you have been here before. The current situation in the world once again proved that we have chosen the right path: dependence on foreign supplies is reduced, our competences within the Company are growing. It is encouraging that the proposed initiatives do not remain on paper – these are real deliveries, operating equipment and completed tasks. It is the biggest reward to see the result of your work, its monetisation as a benefit for the Company. Remember how difficult it was to move at the beginning of the path and how confident we are, moving to new tracks now. This will help us not only to pass the test, but also to develop steadily, despite external factors. I am proud of you and the Russian Content Development Team and thank you for the work done".

Denis Smirnov, Deputy Head of Production Directorate: "On behalf of the Production Directorate I want to thank everyone for the care about the Company and the safety of production facilities, for which we are responsible, for their reliability and efficiency. Now more than ever, the optimal investment of financial resources is relevant in the field of import substitution — working with Russian manufacturers provides a basis for ensuring the safety of our assets".

* An incentive programme for contribution to the development of the Russian Content under the Sakhalin-2 project was developed in 2019 with the purpose of motivation of personnel. It is aimed at increasing the number of implemented import substitution initiatives, as well as increasing the Russian content in accordance with the Company's obligations under the Production Sharing

Oksana Popadeykina

Problem with No Simple Solution

Contract for the supply of high-tech pipeline valves for offshore oil and gas production platforms of the Sakhalin-2 project has been a debut for Natalya Gerus and Yury Lopashchuk. We asked the colleagues to tell about the project success.

 Can you please explain, what are these valves designed for, and why was there a need to conclude a new contract?

Yury Lopashchuk, Lead Mechanical Engineer of the Design Subdivision: "Let me start with some technical details. Manual shut-off valves are used at the platforms to isolate flowlines and instrumentation components from high pressure sources, as well as for sampling, maintenance of instrumentation, and other operations."

Natalya Gerus, Contracting Specialist of the Implementation Department, SCM Department: "The previous contract with foreign suppliers expired in 2020. Long before that we started drafting a new contract. A list of potential suppliers was far too long: it included more than 100 Russian and foreign companies! Then we held a twostage pre-qualification (technical part and quality control) and selected 13 enterprises to participate in the tender. Having analysed commercial proposals (final stage of the tender), the contract was awarded to a Russian company Penztyazhpromarmatura (PTPA). It is the first time all-time record for our subdivision. We had to send letters, that valves produced in Russia will be used at oil and gas production platforms of Sakhalin Energy. All valves will be manufactured in full compliance with international design and quality assurance standards."

- As far as I understand, it all comes down to technical evaluation, if such a number of participants was disqualified

Yu. L.: "Yes, along with the financial part. The Company to submit the best proposals in terms of compliance with the technical requirements, quality and price, wins the tender."

- The tender was initially designed to attract Russian suppliers specifically, wasn't it?

N. G.: "The Company has been implementing the Russian Content Development Strategy for many years. We intend to attract specifically Russian suppliers to participate in the project. However, as Yury already mentioned, they shall be ready to manufacture high-quality equipment. It is dictated by industrial safety – the top priority of Sakhalin Energy."

Yu. L.: "Some Russian manufacturers are already producing pipeline valves, including those following the standards applied at Sakhalin Energy. Meeting our standards guarantees manufacturing quality and high reliability of equipment.

When we were preparing to consider technical capabilities of the participants, to me the main problem was to develop an evaluation matrix with a scoring system. We had to develop the criteria to assure that the participant actually meets all requirements virtually from scratch. We had no school book with the answers on the last page to check if our decision was correct. We had to maintain balance: to not focus on minor technical details, but rather define the question in a manner so that the answer could cover the entire range of procured equipment. In other words, there was no simple solution. Also, it was my first tender."

– Natalya, what challenges did you face?

N. G.: "For me just like for Yury, it was the first contract. There were 103 participants in the tender. To date, it is an questionnaires, answer questions, request specifications. and do all that promptly and almost simultaneously. I can recall that on 31 December our manager Natalya Gribanova and I were sending questionnaires to bidders, and we were afraid not to make it before a chime of bells (smiling). In addition, supply dates were limited: a part of gate valves had to arrive already in 2022. Valves shall be available for hydrocarbons production at the drilled well. At that moment I realised what the load of responsibility feels like."

- At the round table devoted to import substitution of valves, Anton Gorelkin, Deputy General Manager of Sales, PTPA, said that Sakhalin Energy requirements significantly differ from the ones adopted by other customers. However, PTPA considers it not as a barrier but rather an opportunity to grow in the technical area. Did the manufacturer actually have to make serious adjustments to win the tender?

Yu. L.: "We have been communicating with the manufacturer's specialists for many years already, they have made several work visits. In autumn 2020, I visited Penza, when PTPA built a test stand for shut-off valves and tested their operability. I also got familiar with the

plant's production facilities. It felt like the yesterday and today got together, as PTPA traces its history back to 1951 and has been manufacturing pipeline valves for 68 years now. The entity actively cooperates with the companies of Gazprom Group, Transneft, and participates in the import substitution programme."

- How did the contract conclusion happen?

N. G.: "It happened at the last day of 2021 Sakhalin Oil and Gas Far Eastern Energy Forum. The contract for the supply of high-tech pipeline valves for the Sakhalin-2 project was signed by the Chief Executive Officer of Sakhalin Energy, Roman Dashkov, and the General Director of Penztyazhpromarmatura, Alexander Chernyshev."

 And then you were awarded by the Company for outstanding contribution to Russian content development under the Sakhalin-2 project, right?

N. G.: "I cannot even describe the feeling I had at that moment. I guess, excitement is the correct word. It feels great to find recognition after completing a mission. See, how it rhymes?"

Yu. L.: "I guess, I can relax after the first shipment – it is expected in the nearest time."

- I thought that you have already turned the page of your job history.

Yu. L.: "Before shipment, my colleague and I plan a visit to PTPA. We will supervise and monitor product testing. It is a crucial point, a moment of truth. We will evaluate not only products quality and the degree of its compliance with all requirements to shut-off valves of the Russian manufacturer; I will also be evaluated as a Technical Authority."

N. G.: "Unlike maintenance, the contract cannot be stopped. Each employee of our subdivision has their own contract portfolio. For example, my portfolio includes all three offshore platforms under the project. Of course, contracts differ in scope and purpose: we have service contracts, materials supply contracts, and so on. And for each project, we search for a customised solution. We cannot copy and paste them. Think of it as a child: you have to "raise" it, bring it to a tender by hand, and keep accompanying it later on.

It is the same with PTPA: it does not work on its own, we need to supervise the progress. That is why we stay in touch, solve the arising issues, and discuss current details. In other words, signing the contract does not end with a full stop, but an ellipsis. It is always to be continued."

Interview by Elena Gurshal

personnel

Students Learn from Experts

The phase "forget everything you've been taught" is the ultimate nightmare for college graduates. Despite being Gubkin Russian State University of Oil and Gas graduates of different years, my interviewees heard it on their first day of work. It is of course a joke and not a guide to action, but Alexey Moiseenkov and Nyurgun Alekseev are sure that the bridge between professionals and students will help leave this practice behind.

— For the first time since Sakhalin Energy participates in Profinternships 2.0, the Company has received 50 solutions from students. Your cases were especially popular with them. Why did you take part in the federal project?



Nyurgun Alekseev, Lead Wells Engineer (WRFM), author of the case called "Try on the Role of a Workover" and Well Completion Engineer": "I would name several causes. Firstly, I've heard a bit about this project. My colleague had once participated, and I found his experience interesting. Secondly, we wanted to tell students about our department, which we are very proud of, and we'd love to share our achievements. That is why we decided to create a case not only on well drilling but also well completion. And last but not least, we wanted to find talented and promising young people to be employed by Sakhalin Energy in the future."

Alexey Moiseenkov, Principal Production Technologist, author of the case called "Try on the Role of an Oil and Gas Production Engineer": "I've been working abroad for the last 15 years and had little opportunity to talk to Russian students. It was fascinating to get to know young people, assess the level of education, compare it with my own at the time when I was a graduate. In general, I was pleasantly surprised: I believe that our key colleges prepare great specialists. I also wanted to promote my discipline (oil and gas production technology) and to raise interest among the youth. And that's of course a foundation for the future, for the best to join in our company and industry."



- How did you choose the case topic?

N. A.: Sakhalin Energy operations standards are very high and that is the basis for our business. So each specialist should possess comprehensive knowledge of all well control processes, and that in any situation.

A. M.: My case is based on the task similar to those that Sakhalin Energy specialists come across every day. Its conditions include a real case related to well completion options. My intention was to plunge the students as deep as possible into our department's activities, for them to feel through the daily routine of oil and gas technologists.

The Profinternships 2.0 federal project is being implemented in the Company since 2020 initiated by the Recruitment Subdivision.

- How would you score the participants?

N. A.: Very differently. If you score them like at school, they would vary from satisfactory to excellent. We received case solutions by 12 students from four colleges. For example, works by students from the Sakhalin State University and Skolkovo Innovation Centre were professional and interesting. Eventually, three students made it to the finish line. Together with our department leaders, we held online sessions with them, where we made them run through the cases to see how they came to their solution. Based on the interviews, we invited Yanislav Morozov to take an

The colleagues from Recruitment Subdivision engaged technical experts to prepare competitive case studies for students from field-specific universities who created five relevant cases. In addition, relevant master classes were developed for each discipline.

internship at our Company, he is doing his master's degree at Skolkovo.

A. M.: I would agree with my colleague, they are of different levels. Students from my alma mater (Gubkin State University) and from St. Petersburg Mining University delivered excellent papers, although there were strong participants from other universities too. In their solutions, they showed a structured, and even creative approach. They did not just calculate formulas but illustrated them with drawings and diagrams. Obviously, a scoring matrix was needed for transparency. I determined the weight of each question, made a table, and ended up with three top students with roughly the same results. I held online-sessions with them.

And do you know what the most interesting thing was? All three case solutions were different! You see, in our work there is no single correct solution, there are several technically correct ones, so the approach of the participants proves that in time they will become great specialists. They think outside the box!

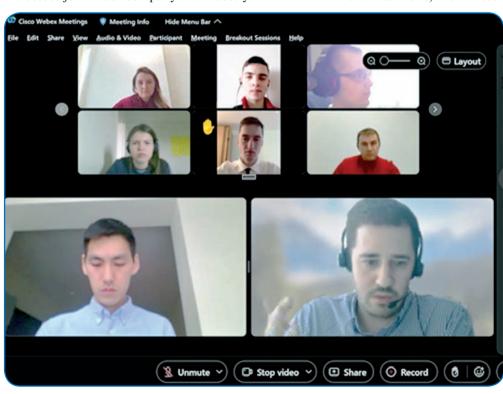
— There are volunteers who rescue animals, pick up litter, plant trees... And pro bono volunteers help with their professional skills. Are you ready to continue working in this direction?

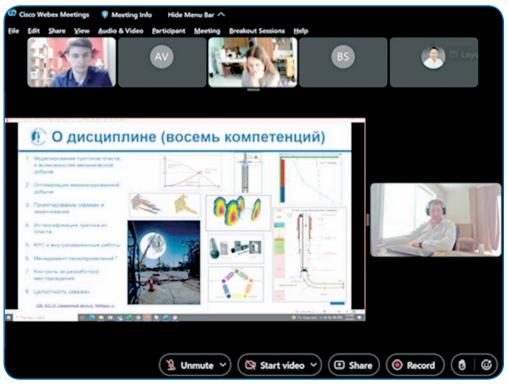
N. A.: For sure. Even though you have to invest your own time, this kind of activity is very rewarding. First of all, it throws you out of your comfort zone and makes you look at ordinary things from a different perspective. The main goal that we pursued in our department was to promote Sakhalin Energy's Young Professionals Development Programme. The Profinternships 2.0 platform and similar ones provide an opportunity to assess future employees. It is a kind of a bridge between the industry and the university.

A. M.: I am also interested in communicating with young people, and I would like to do it again, to see how this generation develops, but, to reiterate, with a forward-looking aim: to select the best for our Company. We could develop a series of cases for each key competence of a discipline. For example, there are eight cases in Oil and Gas Production Technology, and it would be perfect to create case studies for each of them: a sort of tutorial for an introduction to the profession. This is certainly not a one-day task, but if my colleagues support me, it would definitely work.

* Well Workover Operations.

Interview by Elena Gurshal





Career Field

Today, student research works and internships at the future employer become a social elevator for the young people. Anastasia Miroshnichenko, Valentin Yasenko, and Sofya Borovikova, who are working at Sakhalin Energy, told us about the importance of the Profinternship 2.0 project in this regard.

- How did you join the Profinternship 2.0 project?



Sofya Borovikova: When was completing my MA course, I started thinking about my future. At one of the Company Days organised by the university, I learned about Sakhalin Energy. I got interested in the corporate graduate programme (Graduate Development Programme – Edi-

tor's note) that gives the graduates an opportunity to study and develop as a professional at the same time. When I saw Sakhalin Energy's announcement about the online internship for the project winners, I did not hesitate and applied right away.



Valentin Yasenko: I was born and raised on Sakhalin Island. I wanted to work at Sakhalin Energy since my school years. I realised that participation in the Profinternship project is a great chance to demonstrate the knowledge obtained at the university and make a statement.

- The company suggested several cases to solve. Which one did you choose?



Anastasia Miroshnichenko: I chose the case related to oil preparation for shipment. It seemed very interesting to me: to solve it, I had to study and consider all specifics of oil quality regulation, as well as the legislation. I designed a simulation of my idea with a specialised software. It proved correct-

ness of the developed technology.

S. B.: My attention was drawn to the case on the construction efficiency calculation for Train 3 of the LNG plant. In general, the assignment was not too complicated. It came down to reviewing and analysing the known data. I solved the case together with my classmate (we broke down the assignment into several parts).

V. Ya.: One of the cases suggested by the Company fully corresponded to my university major: it was ded- in maintaining and improving production technolo-

icated to analysis and design of the field area development. Most assignments turned out really complicated. I had to search through my old notes and even study a new sphere within oil and gas industry – geomechanics.

- In your opinion, what opportunities does the Profinternship project provide?

S. B.: I was a project winner in my area. However, I participated not to win but to prove myself and become a part of an international team, to take a closer look at the activities of the Company, which is among the best employers in Russia. Participation in such projects and internships at Sakhalin Energy allows the students to significantly improve their professional skills for a successful career growth.

V. Ya.: I started attending Profinternship lectures when I was working for another company in the oil and gas industry. I was mostly attracted by speeches of the Technical and Production Directorate employees. They gave a clear understanding of working at Sakhalin Energy and daily activities of engineers. As for me, this project helped to decide and make the right choice in my career.

— How did your interview at the company go?

A. M.: I was diligently preparing for the interview for a long time. I was afraid that I would fail. In reality, the interview turned out much easier; and in 15-20 minutes I calmed down. I was interviewed by the Human Resource and Production Directorate employees; the atmosphere was very positive. It helped me to get in the right headspace and successfully pass this milestone.

S. B.: Upon completion of an online internship in the Company, I was contacted by a Human Resources Directorate specialist and offered to have an interview for the position of Process Engineer or Integrity Engineer. Although they preferred the other candidate, there still was hope for me. My specialisation (Chemical Engineering) allowed me to try my hand in another position - Corrosion Engineer. I prepared a presentation. The atmosphere during the interview was supportive, and I successfully passed it.

V. Ya.: I had two interviews. During the first interview, the specialists of the Human Resources Directorate evaluated my motivation and leadership qualities. The second one (for technical part) was held in English only. I prepared for it on my own, read English textbooks on fields development. I was very nervous, but as you can see, I am working at Sakhalin Energy now, which means I made it.

— How is your adaptation in the Company going?

A. M.: It is fast and smooth. Now I am occupied

gy processes. I am learning to successfully complete many tasks. Of course, I get a lot of help from my colleagues.

S. B.: On my first working day, the manager gave me a tour around the office, introduced me to the colleagues, and told me about my duties for the nearest future. Now I am engaged in forecasting and preventing corrosion processes. Our team is very friendly and experienced; everyone is willing to help and support.

V. Ya.: The team is very close-knit. It helped me to adapt in the Company really fast. I am working with hydrodynamic models of Piltun- Astokhskoye field layers in the tNavigator software. Together with my colleagues, we analyse and design the field development, forecast production in different scenarios.

- What is your dream?

A. M.: I intend to complete the graduate programme, obtain knowledge that will allow me to work at any facility of the Sakhalin-2 project. I would also like to participate in an experience exchange programme, and to visit other oil and gas facilities of Russia and abroad, get to know their activities as well.

S. B.: I have dreamt of being a chemist since the fourth grade. It really fascinated me that interaction of substances can lead to the formation of other ones. I have been sticking to this area: when selecting profile classes after finishing the 9th grade, when I was choosing my major in the university, and then my work. Now I understand that I have made a right choice. In the future, I want to be a highly qualified specialist and use my expertise at all production facilities of Sakhalin Energy.

V. Ya.: My long-term plans include development, training, expansion of functions; it is all required to bring benefit to the company.

- In conclusion, do you like Sakhalin Island?

S. B.: I like Sakhalin since my first visit to the island last summer. I visited Cape Evstafiya, Yablochnoye settlement, and one of the peaks at the Gorny Vozdukh Sports and Tourism Complex slope. In winter, when I was already working for the Company, I visited Aniva and Nevelsk. Sakhalin nature is mesmerising... I think no one could stay indifferent to this beautiful island.

A. M.: As for me, life on the island is a sort of a challenge. But the beauty of nature distracts from problems and helps to switch to outdoor activities. There are lots of opportunities to do that! For instance, in summer I hiked to Chekhov Peak and realised that it is worth staying here.

Interview by Alyona Olovyanishnikova

contest

Welcome the Anniversary Contest!

In April we have launched the traditional corporate photo contest The World Through a Lens, well-beloved by many employees. This year celebrates the 15th anniversary of the contest! In the year of the Company's 28th anniversary, it has been once again timed to the Day of Oil and Gas Industry Workers.

We invite everyone to participate in the contest: employees of the Company, HR agencies, contractors and subcontractors, as well as the family members, including children aged 7 to 18.

The contestants have an opportunity to showcase their talents in three main nominations (My Company, My Project; Life and Breath of the Island; World Without Borders) and three special nominations (The Unexplored Russia; Through the Lens of Future Generations; Workshop). According to the rules, up to five photos can be submitted in each category. The first ten and every tenth entrant will receive prizes.

Works will be accepted until 21 August at ea@sakhalinenergy.ru. Please don't forget to write "Photo Contest" in the subject line.

This year, we have many surprises in store for you. Follow the news, it will be fun!



corporate culture

Conflict of Interest: 2022 Declaration Statistics

Sakhalin Energy has completed its annual conflict of interest declaration. 100% employees have been involved in the process.

The annual declaration of conflict of interest is one of the crucial tools to retain the company's strong reputation and prevent corruption activities or fraud. It is an important opportunity for each of us to confirm our commitment to Sakhalin Energy's principles of business conduct, and to identify and declare any actual or potential conflicts of interest we may have.

Managing conflicts of interest is one of the company's priorities in developing our business ethics and culture

In 2022, the declaration process revealed 164 conflicts of interest. The number dropped by 10% compared to the last year. The key categories here include kinship with other employees of the company (47%) and friendly or family links with contractor representatives, including potential ones (23%). Over 8% of reported cases refer to ex-employees of contractors, who are now part of the company's staff.

Apart from that, it is worth noting that conflicts now have been described more thoroughly. Employees and line managers pay more attention to details and



orchestrate measures to mitigate potential impact of a particular situation on business.

To raise employees' awareness of managing conflicts of interest, Sakhalin Energy conducts various training sessions covering features and types of conflicts, as well as response measures and ways to mitigate the associated risks.

Such information sessions took place on the International Anti-Corruption Day celebrated by the company in December 2021. That day, responsibilities for managing conflicts of interest were reviewed for further discussion within Sakhalin Energy units. The employees of the Business Ethics subdivision tried their best to provide in-depth description of situations considered as conflicts of interest and reflected upon potential response measures in each case.

We sincerely thank each employee for the participation in the annual process and input in the better Sakhalin Energy's business culture. In today's context, a responsible attitude to corporate ethics is especially valuable. Please remember that while performing daily tasks, each of us must use our best efforts to comply with high business ethics and professional codes in everything we do.

If you have any questions or suggestions, please forward them to: SEIC-Ethics_Mailbox@sakhalinenergy.ru, or contact Ekaterina Mitsuk or Victoria Stryapunina.

i am goal zero

<u>year of fire safety</u>

Keeping the Momentum Going

Sakhalin Energy continues to implement measures aimed at improving the fire safety of the Sakhalin-2 production assets. Comprehensive inspections have been planned or have been commenced already at each asset to analyse all aspects of fire safety.

The Company is focused on developing preventive fire safety measures in compliance with the requirements of the RF legislation. The specifics of the task include the fact that the regulating acts or documents are constantly being reviewed and amended. The Company monitors and analyses the process of amending closely before communicating the relevant amendments to managers and specialists responsible for fire prevention at production assets. Based on the inspection results, a list of required preventive measures to be developed for each asset.

Igor Abramov - Sakhalin Energy Chief Compliance Engineer "Fuel and energy companies are exposed to the risks of fires, emergencies and other incidents that should be addressed to ensure the strongest possible protection of people and business. Every effort should be made to ensure the steady and safe operation of the Sakhalin Energy assets. This task is personally controlled by the Company's Chief Executive Officer and includes a number of measures related to industrial and fire safety, well blowout safety, emergency prevention and response. All these are components of comprehensive work where no errors are tolerated."

"All measures are mandatory for implementation while every detail matters for ensuring fire safety. Fire is unforgiving of mistakes or laziness. Therefore, the scope of work is huge," emphasises Ernest Merkulov, Head of the Sakhalin Energy Fire Safety Subdivision.

Pavel Ryabchikov

Heroes of Our Time

Two heroes are better than one but what if there is a whole team of heroes? This phrase accurately describes the situation that has been the focus of our column. Ramil Yakupov, an employee of SMNM-VECO working at the Lunskoye-A platform, has provided first-hand comments on the situation.

WHAT HAPPENED

During hot work on the platform, the forced ventilation of the tent with excessive pressure was used together with the exhaust system. The exhaust hose was pulled out through the doorway. The door to the room remained open. The employees proactively moved the forced-air ventilation hose from the doorway to the drain hole on the deck to avoid freezing of measuring instruments.

"In fact, it was a collective decision. Together with me, there were Vasily Olinichenko, Sergey Che, Andrey Ilyin and Alexander Loika on the team. The hot works were performed in winter, when it is usually much colder on the platform which is in the open sea, than on the ground. Soon we noticed that the measuring equipment had started to freeze. We urgently needed to come up with a decision on how to raise the temperature in the tent," Ramil Yakupov says.

Having promptly discussed the issue, the employees agreed that the most effective way to change the temperature was to move the exhaust hose to another place. In this case, the door to the air sealed tent could be kept closed causing the temperature inside to increase. But where should the hose be moved?

"In our case, the answer was just underfoot: there was a water drain hole on the deck. We removed the plug and routed the exhaust hose to the hole. Simple actions that allowed us to save a lot of time that would otherwise have been spent on heating the equipment," Ramil adds



As Ramilsays, he used to work in construction, regularly facing issues that required quick and non-standard solutions. "For the Sakhalin-2 project, such stories are rather an exception. The workflow organisation is reviewed here from A to Z, with a focus on the safety and efficiency of activities. But, as the phrase goes, there is always room for perfection. I am pleased to see that the Company has mechanisms that allow us not only to make rational proposals, but also to share experience with other assets. This is really important for ensuring the safety of the entire workflow," Ramil Yakupov asserts.

Pavel Ryabchikov

doctor's office





Hazards That Spring Upon Us

Heralding nature's awakening, spring has inspired writers and poets for centuries. Spring is here, but so are ticks, enteric pathogens and... bears. This is the time of increased risk of dangerous encounters. In this case, the lyrics on your mind may turn into dry life prose followed by terse medical records. To avoid this, it is crucial to be simply cautious and, of course, follow expert advice.

STUCK INTO LIKE...

... a tick! And let it be just so. Ticks spread dangerous diseases: tick-borne borreliosis (Lyme disease) and encephalitis. These infections may have severe health implications. The good news is that they are treatable, just do not postpone your visit to a doctor. Another good news is that you can be vaccinated against encephalitis.

According to the Sakhalin Energy Corporate Health Section specialists, it is recommended that all those who spend much time in the tick habitat to be vaccinated against such a dangerous disease as encephalitis. In particular, the employees working on the Transsakhalin pipeline system are vaccinated at the ISOS clinic. For information on where and at what age everyone else can be vaccinated, contact your local health centre.

The vaccination cycle takes place in three stages: the second stage occurs one month after the first stage and the third stage nine months after the second stage.It is therefore best to start the vaccination cycle in autumn so that you can build up a strong immunity in time for the tick season. The revaccination takes place three years later.

If a tick does penetrate the skin, it is a good idea to take it to the Regional Centre of Hygiene and Epidemiology (45 Khabarovskaya Street, Yuzhno-Sakhalinsk). This is to ensure that the tick does not become infected with any pathogens of any disease. If you receive a positive report, make sure you see a doc-

After the tick has been removed, it is important to monitor how you feel. If a ring-like inflammation (erythema rings) develops at the bite site and body temperature rises, see a doctor immediately.

First of all, avoid places where ticks may live – damp, shady areas, places with low vegetation, undergrowth, shrubs or tall grass, fallen foliage. Here, be extra cautious in spring and summer, when tick pupae feed on the blood of animals or humans.

Going to be at one with nature? You'd better choose light-coloured outfit, as it is easier to detect any ticks. Make sure your arms and hands are covered, tuck your trousers into your socks, and put on high rubber boots. All in all, do your ut-

to the head (proboscis), and remove

the insect in a circular motion around

most to minimise the risk of catching an insect on exposed skin.

ENTERIC RISKS

Mind that the risk of food poisoning and enteric infections grows in spring. Monitor what kind of food you eat and in what form.

Meals that go bad fast, e.g. multi-component salads seasoned with mayonnaise or sour cream, confectionery with cream, dairy, jellies, kissels are especially unsafe. In general, these are all meals that need to be consumed immediately and in no case stored outside of fridge. Poorly washed fruit and vegetables can also become a source of pathogens, in particular, enteric infections.

Use water from open waters as carefully as possible.

The rules are simple: wash and swim (but only in officially permitted reservoirs), but do not swallow. Otherwise, you'll hardly avoid serious intestinal problems.

BEWARE OF A BEAR

"Try to avoid any encounters with this predator. Do not walk along bear trails, especially the banks of fish-spawning ponds. Remember that twilight and early morning are the times of increased bear activity, so it is better to steer clear of forests at this time. Make noise when you move, and talk loudly. Do not walk alone and always have bear deterrents and communication gear with you," advises Timofey Zvezdov, Sakhalin Energy's Head of Environmental Monitoring Subdivision,.

He recalls that, in April this year, there has already been a fatality when a bear attacked a resident of Kurilsk.

"This story once again teaches us the importance of not making mistakes while being out in the wild. Yet, always mind that bears can come to people themselves. A hungry animal is lured by food waste, so it is better to get rid of it first, and store food and odorous substances such as oils, spices, etc. in closed containers," adds the expert.



epidemiological center.

ONE OF THE EFFECTIVE METHODS OF PROTECTION AGAINST TICK-BORNE ENCEPHALITIS IS VACCINATION.

HOW TO SURVIVE A BEAR ENCOUNTER

It happens that encountering a bear could not be avoided. What shall we do? How to response? While every situation is unique, there are a few tips.

A bear is far away from you. Stay calm and move away from the animal, but keep it in sight, get into your car or choose any shelter. Do not attempt to attract the animal's attention, never feed it or take a picture.

A bear is approaching. Gather in a fairly packed group; if you have children with you, protect them by letting them stand behind the backs of adults. Raise your voice, stay calm, gently raise your hands above your head this way you will seem bigger to the animal, and animals prefer to avoid big opponents. Move slowly aside, as if giving way to a predator. Use deterrents (horns, false fires, pepper sprays, mobile sound systems), if you have any.

A bear is close but does not attack. Speak only in a calm and low voice, try to pretend that you are disinterested in what the bear is up to, and go your own way. Do not run away or turn your back on the animal. Do not shout, do not be aggressive towards the bear: this can provoke the animal for an attack.

WRAPPING UP...

about tick infection with borreliosis)

Stay safe by following these rules. And the lyrics will come. It is spring anyway...

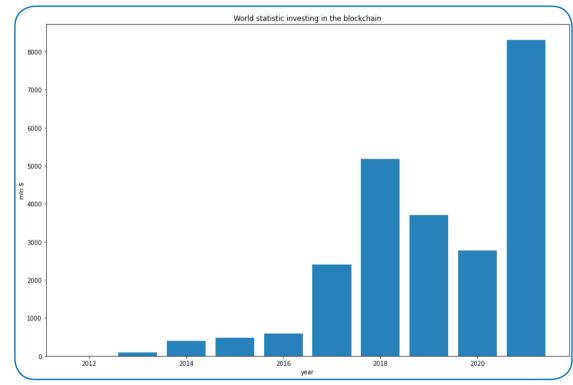
Pavel Ryabchikov

What is Blockchain and How It Works

Breakthrough tech innovations can have either a positive or a negative impact on the fuel and energy sector. Therefore, it is extremely important to assess them, analyse their feasibility for the industry, and determine the right priorities. This means to identify technologies that would benefit the energy sector and predict when and how their impact will be tangible.

The oil and gas industry keeps a close eye on technology advancement. Today, one of the most promising areas is a blockchain technology. It is a structure for decentralised data storing and distributed transaction recording, based on cryptographic methods of data security. In other words, it is an information technology that runs operations such as data communication, fund transfer, contracting, etc. among equal partici-pants within one network without intermediaries. The technology is unique in that it allows data authentication, and most importantly, data transparency, openness, and protection from distortion or destruction.

International oil and gas companies have been among the pioneers in this area. In general, the oil industry is predominated by VIOCs (vertically integrated oil companies) that cover all production stages — from mining and extraction to selling finished product to end users. Due to their complexity and ample paperwork and "manual" workflows, such structures have almost unlimited opportunities for improvement,



cal resources to managing supply chains and maintenance works. This will help cut operational costs, mitigate transaction risks, and ensure compliance with the requirements. For example, in fuel designed to ensure compliance of the blockchain transactions with the contractual terms. Such programmes in real time monitor contractual obligations and liability as well as financial flows across the supply chain.

Each smart contract is based on three aspects: parties of the contract, subject, and the terms and conditions. When both participants agree to its terms, the contract is recorded in the ledger. As soon as the condition in the code is met, the programme ends, and the result is recorded in the blockchain.

In the energy industry, joint ventures are very common; and to distribute, for example, income or expenses, the parties are required to sign a whole range of agreements. Smart contracts monitor the contract fulfilment in a thorough and objective way, while leaving traces available for subsequent audits or reporting.

Smart contract terms can vary a lot: from simple payments to B2G deals. Their use can streamline the document flow between thousands of contractors and stakeholders and reduce the number of errors.

Today, most investors prefer block-chain technology. The first investments in the companies, that actively utilised this technology, were proposed in 2012 hitting USD 2.13 million. The volume of investments in blockchain amounted to USD 587 million in 2019, which is USD 103 million more than in 2018 or 21.3%; and in 2021, more than 8 billion dollars — this is 13 times higher volume in 2016. Since 2013, various blockchain solutions have raised more than USD 20 billion investments. Number one country by the

total number of blockchain startups is the USA with 36.9% share, followed by the UK with 14.8%. Estonia and Switzerland rank third and fourth respectively, then comes Canada with 4.5%, China with about 4%, and Germany with 2.8%. Russia is not in the top-20 blockchain leaders. Its share is less than 0.5%.

An example of a commercial application of this idea in the oil and gas industry is Vakt blockchain platform developed in

2017 by a consortium of leading oil producers in order to sell oil and gas of top five grades known as BFOET (Brent, Forties, Oseberg, Ekofisk, and Troll). Vakt was the first such platform. Initially, it was available only to these companies, but in January 2019, a wider access was provided. Foreign banks became the other three shareholders.

The main purpose of the platform is to reduce bureaucracy, with all contracts turning "smart" in the blockchain system. Some parts of the process become automated, which reduces operational costs and likelihood of errors.

Vakt is partnering with another platform launched in early 2018, that facilitates financing, including digital letters of credinterbank communications, and

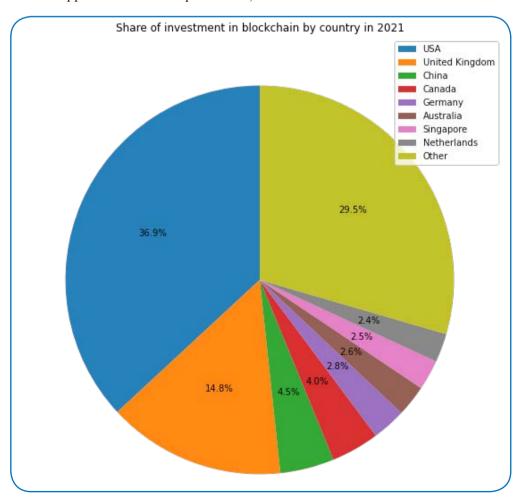
it and interbank communications, and targets the full spectrum of primary commodities, from oil to wheat.

Despite obvious advantages (data immutability, transaction transparency), the blockchain technology has a number of disadvantages. For large businesses, the main one is the lack of compatible software. Companies are afraid to get attached to one and only blockchain provider. Of course, there are attempts to harmonise standards, but so far, they remain just plans.

Moreover, most available blockchain systems are unable to handle the volumes of transactions processed in corporations on a daily basis. And many businesses simply do not risk to introduce drastic changes, letting others pave the way to later follow the beaten track. This has always been the case, not only with the blockchain, but also with any other tech innovation.

Researchers have not yet reached common ground on what a blockchain is — a new management technology or a data bank. At the moment, we can say that blockchain is transitioning from a conventional database to a new management technology, that helps save time and money on certain operations, leverage business processes, thus increasing competitive edge of a business. A blockchain today goes in line with the general trend — global digitalisation. Thus, it's just one more driver of the global digital evolution.

 Prepared by Maxim Bakulin, based on public sources



process redefining, and creating brand new blockchain-based business models. Blockchain technology can be applied across the entire chain – from extracting to processing; from shipping to selling; from procuring raw materials and technisales, a blockchain can be embedded in payment systems using driver "wallets" and smart contract with a petrol station without any bank transactions.

Let's have a look at smart contracts. A smart contract is a specialised software

profession

Young and Competent

The second Children's Regional Championship BabySkills was held in Yuzhno-Sakhalinsk School №6 with the support of Sakhalin Energy. Primary school children from education institutions of the region centre took part in the championship and its unique feature was regional competence – Well Drilling.

"We are constantly emphasising the need of adopting a pattern of early career guidance by all education institutions in the region. And School №6 shows an excellent example. Last year, it launched an initiative to hold the first BabySkills Championship. This year the event has broken new grounds: the number of presented competences increased from five to nine, and the total number of contestants more than doubled (from 33 to 80 children)", noted Anastasia Kikteva, Minister of Education of Sakhalin Oblast, at the opening ceremony.

According to Anastasia, it is important that regional competences appear at the championships, despite the fact that they are only in the format of presentation. However, the future lies in such initiatives that are focused on the labour market demand to the maximum extent.

"As organisers, we aim not only at expanding the range of basic competences of the Championship, but also at



covering the most relevant areas of the regional economy. It represents business interests as well. For example, great support in preparation and holding competitions in scope of the Well Drilling competence was rendered by Sakhalin Energy. I would like to note that it was not an "easy walk" for the children. They had to make an effort: prepare and present their homework, answer complicated questions, and complete practical assignments", told Anton Kim, the Organiser of the BabySkills project, Chief Expert of WorldSkills Russia Junior.

For example, to complete one of the assignments, the contestants in the Well Drilling competence had to build a drilling rig model with a specialised programmed design



"Works were evaluated by a set of criteria: visual resemblance of a rig model to an actual drilling rig, the used functionalities in scope of the available programming tools, specific features of equipment observed by children. All contestants demonstrated their creativity in the assignments and presented their unique projects to the jury", added Ilya Doktorenko, Senior Engineer of the Well Intervention Design Subdivision, Sakhalin Energy, who acted as the Championship expert.

As the Well Drilling competence implied only presentations, the excelling school children were not awarded winning places, but with a "High Professionalism" medal. Eventually, the best "drillers" were Nikolay Dyachenko, Aleksey Kolodiy, David Malyshev, Anton Sak, and Ivan Shamonaev. They all represent School №6.

"Well drilling is a complicated but exciting job. You need to learn a lot, know the equipment and, most importantly, make right decisions in due time. It is a great responsibility that you must learn to carry. Drilling is an occupation for real men! I've learned this lesson for myself, and I think the other guys also learned a lot of new things", shared Ivan Shamonaev, one of the contestants of the Children's Championship.

In the future, the organizers of BabySkills Champion-



ship intend to increase the time for the school children to prepare to the event from one to six months, so that the children have an opportunity to dive into the occupation and study its specific features. According to experts, the best time to do this is not in the teen or adolescent years, but rather at an earlier age. It will help young Sakhalin residents to have a clear understanding of their future career after finishing school.

Sakhalin Energy fully supports this approach and offers



to school graduates and college students (Sakhalin Oblast residents) an effective tool to obtain higher technical education in the oil and gas industry and associated areas - corporate Scholarship Programme. Moreover, in scope of measures aimed at resolving the issue of personnel training for the industry at regional education institutions, the company keeps supporting WorldSkills Russia Championships both for children and adults (for more details, go to April 2022 issue of the Vesti).

Pavel Ryabchikov



our children

Territory of Growth

It has taken a little over ten years for a small corporate Children Centre Wonder Island, created at the parents' initiative, to become a territory of development for the children of the company's employees. We asked the Centre organisers and managers to share details on the work methods used and prospects.

Yulia Sergienko, Head of the Social Benefits and Guarantees Section, Sakhalin Energy: "The project for pre-school children has a long history. When it was launched in 2012, only 15 kids attended the Wonder Island development group. Now, the Children Centre can accept more than a hundred children; it occupies three two-storey buildings at Zima-3 Housing Complex. In my opinion, one of its main achievements is contracting the Education Centre Eureka for operational management of this project. It is a competent organisation with a broad experience in modern educational projects implementation both in Russia and abroad. We have accomplished many objectives throughout the year of our cooperation. Now, the Centre has seven general development groups with polylingual programmes for children aged from three to seven."

Olga Logacheva, Polylingual Development Deputy Director, Education Centre Eureka: "Eureka's innovative polylingual development programme for pre-school children implies that children communicate in the group in two languages. There is bilingual teaching process, where several teachers work with the kids: one teacher speaks Russian, the second teacher speaks English; and there is also a native English speaker. We speak two languages from the early morning. Permanent presence in the polylingual environment, including communication with several adults in different languages, boosts active cognitive and emotional development in children."

The request form to attend the corporate Children Centre can be found at the company's intranet site (Programmes for employees - Social Benefits/Children's Programmes - Preschool Child Centre - Requests). The completed form shall be submitted to functional e-mail SEIC-Children-Centre@sakhalinenergy.ru.

Olga Ustyugova, Education Quality Deputy Director, INPO Education Centre Eureka: "The scientific and methodological basis of the polylingual programme is developed by its authors, specialists of the Institute of Educational Policy Issues Eureka. Throughout the year, the Institute experts helped the Centre teachers to improve their skills and conducted various trainings and workshops. We have participated twice in international online traineeships arranged by the Institute: we have visited kindergartens in Singapore, Vietnam, Hungary, and Slovenia (the latter was attended by the parents as well). Apart from that, the teachers have completed traineeship in an innovative kindergarten Wonderland included into the Rosatom School education system (Zelenogorsk, Krasnoyarsk Krai). At the parents' request, all teachers have attended training in the Igralochka (the Counting



Game) programme aimed at formation of primary mathematical representations in pre-school children."

Alla Antonova, Director of INPO Education Centre Eureka: "I would like to highlight the achievements of our staff in regulatory matters. We have obtained the opinion of the Federal Service for Surveillance on Consumer Rights Protection and Human Well-Being on compliance of our buildings, premises, and equipment with the state sanitary rules and regulations, and their complete fitness to provide pre-school and additional education. Moreover, the centre has been included into the register of Sakhalin Oblast private kindergartens. We plan to continue growing and developing with the parents' and company's support."

Sergey Ledin, Head of Organisation Development, Compensations and Benefits Division, Sakhalin Energy: "I would love to thank the corporate Children Centre personnel for obtaining the license to provide principal pre-school education and additional education to children and adults. It will allow the Centre to expand

<u>award</u>

the scope of activities: participate in municipal events and contests, cooperate with kindergartens of other regions, present its practices at the federal and international level. There has been a successful Art Co-Working project, the pilot after-school group (it is still functioning in the Centre); and we are expecting new suggestions for school children. The project is developing and becoming aunified education environment that provides unique conditions and development opportunities for children of the company's employees, while keeping in mind modern Russian trends."

Irina Nemykina, Chief Specialist of the Social Benefits and Guarantees Section, Sakhalin Energy: "One of the Children Centre's plans is to establish a steering committee that will include representatives of parents, teaching staff, and the company. It will allow to expand the range of activities, discuss development objectives and goals taking into account the best practices and requests of parents and customers."

Recorded by Elena Gurshal

Time of Deeds Calendar of the Year

Sakhalin Energy has won the Best Corporate Media of the Year national contest held by the Russian Association of Communication Directors and Corporate Publishing. The Company's Time of Deeds almanac has ranked first in the Client Media: Corporate Calendar category.

The one-of-a-kind tear-off calendar required extraordinary efforts: 365 stories covering various areas of Sakhalin Energy were created. They recreated a vivid, big picture of the company in the chronological order through facts, time, and space.

With each page of the calendar, its readers dive into the history of Sakhalin Energy, explore its unique technologies, look into the most sophisticated technical facilities of the Sakhalin-2 project, look back at the industry's milestones and lives of people involved in one of the biggest oil and gas projects in the world.

The victory in the prestigious contest was only possible thanks to the team efforts: representatives

of all Sakhalin Energy units were engaged in preparation of the first almanac dedicated to the oil and gas industry and the Sakhalin-2 project. Our colleagues from across the company clarified numerous facts and details, suggested dates, corrected inaccuracies in the wording. In addition, professional artists took part in the tear-off calendar illustrating its pages.

If you would like to buy the calendar as a gift for your business partners, please contact the Corporate Affairs Department. As for us, we will "tear off" and read the pages in the up-to-date online format: every working day starts with a new calendar page on the news screen. Check the daily news bulletin page via the banner on the Intranet home page.



holiday

May 2022



On a Festive Day...

At twenty-eight, Sakhalin Energy, mature and experienced beyond its years, has not lost its youthful zeal and has only go`ne part of the way towards new discoveries and achievements! On 18 April, to celebrate the Company's birthday, online and offline events were held at assets and offices.



For the first time, Prigorodnoye production complex witnessed an "art invasion" – a unique exhibition of works by Sakhalin artists titled "Shutdown Is Not a Letdown" was opened in the administration building and the production workshop building. Its theme was inspired by the stories of our colleagues about the largest planned shutdown in the Company's history. This event was a logical continuation of the project of the same name, in which representatives of the regional art community were able to implement an unusual idea – to show an artistic vision of industrial Sakhalin



"It is symbolic that on the Company's birthday the paintings ended up in the place where the idea for them was born, and that the authors of the works visited Russia's first LNG plant. These paintings are our common path forward, they carry potential and benefit. For the artists, it is an opportunity to be creative and "talk" to the viewer about a completely new topic, and for us, the production workers, to look at ourselves from the outside. And I must say that this "conversation" was sincere, touching and inspiring on the one hand, for new masterpieces, and on the other, for further industrial achievements," Alexander Singurov, Head of Production Directorate, addressed the exhibition visitors



You may walk the labyrinths of the creative "stopover" and see the plant through the eyes of Sakhalin artists until 15 May. Additionally, every employee may take part in an online quiz at seic28.ru. The quiz will be open until 24 May. Take part and win prizes!



Besides an unusual exhibition, another surprise for the LNG plant employees and visitors was a festive concert programme





Musicians and dancers prepared their performance, also inspired by the exhibition theme and LNG production processes

On the Ski for Good Deeds

During the corporate charity event, timed to coincide with Sakhalin Energy's birthday, we collectively raised 468,426 roubles.

According to the rules of the Hurry Up for Good Deeds corporate charity and volunteering programme, the amount is doubled by the Company. As a result, our total result was 936,852 roubles.

According to the event organiser, Evgenia Diamantidi, leading specialist of the Social Performance Subdivision, the donations collected will be used to purchase sports equipment, which will help to optimise the training process of the Adaptive Physical Education group of the Winter Sports School of Olympic Reserve. For the 35 children who attend the group, constant support is very important — sport helps them to fight such serious disabilities as cerebral palsy, Down syndrome, autism and mental retardation.

"Our team has once again proved that sincere empathy, a desire to come to the aid of those who have difficulties — remain an important part of our corporate culture, of our lives. They say to help another person you do not have to be in a strong spirit, it is enough to be kind, because a big heart, just like the ocean, never freezes", Yevgenia Diamantidi added.



We remind that the fundraising campaign was launched on 12 March with the Ski for Good Deeds corporate race which was held this year together with Gazprom Dobycha Shelf Yuzhno-Sakhalinsk.

Thank you all for your concern and participation!

#allsakhalinedup

The Magnetism of Remembrance

We continue exploring Sakhalin by delving in its history, nature and outstanding people. On the eve of 9 May, the holiday of the Great Victory, let us embark on a journey to Pobeda Museum and Memorial Complex, the most recently established museum of the island. We asked its General Manager Yuri Filipenko to take us around.

- Yuri, a new museum requires a synchrony of three factors: the need by society, the resolution by the authorities, and the key exhibits which can no longer be hosted by existing museums. How was your museum formed?

 First, there appeared the need by society. Over dozens of years, the battle in the Far East was not covered as extensively as the western war front line. But it was Sakhalin and the Kuril Islands where the World War II was put to its end! Thus, there was a need to remedy the situation. We were backed up by the government and MPs of Sakhalin Oblast. By saying "us" and "we", I mean not only the team of the museum (it was just being built). During the construction and pre-exposition works, we cooperated with the regional Ministry of Culture and Archives, the State Historical Archives of Sakhalin Oblast and other museums of the island. The workload was tremendous: together, we created an interactive multimedia museum space – the first in our region.

- But a museum is not just a building and a well-groomed campus. Ordinary things of ordinary people, who lived in different epochs, become its artefacts. How have collections been compiled?

- I must admit we had doubts related to the fund formation, because too much time had passed since the

end of the war, and we were concerned whether we could find genuine memorabilia. But we'll get there if we just keep putting one foot in front of the other. Exhibits began to appearitem by item. Residents of Sakhalin, the Kuril Islands and other regions, collectors and donors, and search teams contributed to it. At first, we developed the concept for our expositions and then selected proper exhibits. Acquisition of funds is still our top priority.

What is special about your museum?

 Humans tend to have short-term memory. Only museums empower us to preserve whatever is erased from our reminiscences. Today's Pobeda Museum is not just a storage of artefacts. This is our heritage and the treasury of human destinies. This is the place where history comes to life.

Another hallmark of our institution is that it consists of two museums. After the opening of Pobeda Museum, the Russia is My History historical park was established. Bracketing the snow-white Cathedral of the Nativity, the multimedia wing, together with the main building, represents an outstanding architectural ensemble in Yuzhno-Sakhalinsk.

The historical park is now incorporated in Pobeda Museum and Memorial Complex. Packed with cutting-edge equipment, the venue is one of the most hi-tech platforms in the region. The today's museum is a history book, and many educational providers browse through it by attending our lectures and interactive exhibitions.

In the expositions of the historical park, various phenomena, events and historical personalities of Russia "come to life" through advanced multimedia technologies that plunge viewers into here-and-now effects. We use extensive animation and 3D modelling. Besides popular science historical texts, the museum exposition offers peculiar insights into facts and quotes. Visitors get acquainted with the biographies of prominent people, works of art and scientific discoveries.

It is also important that the multimedia complex contains local history exhibits contributed by other museums of the island, the Sakhalin Regional Scientific Universal Library and the local State Historical Archives.

I think that our museum excels due to its 3D panoramas Landing on Shumshu: The Last Island of the War, and The Handasa Police Office Attack. They are dedicated to the end of the WWII on Sakhalin and the Kuril Islands. Expositions allow visitors feeling like participants of the victorious battle and understanding the perceptions of the-then fighters.

- Was the anniversary of the region a signature event for your museum?

 Of course! Pobeda Museum and Memorial Complex celebrated this holiday through a variety of events. The key one was the exhibition Sakhalin. The Kurils. 47 dedicated to the 75th anniversary of Sakhalin Oblast as an independent entity of the now-bordered Russian Federation. Visitors saw unique historical and household artefacts from one of the crucial periods in the history of the island — the shift from war to peace, from capitalism to socialism. They enjoyed visual



Oblast, and Galina Ikonnikova, lieutenant colonel of the Ministry of Internal Affairs of Russia for Sakhalin Oblast, who devoted 50 years to her beloved work.

And most importantly, the islanders and guests of the region took interest in all anniversary events.

 Do you stay in touch with Victory Museum, the main military history museum of Russia, and other national museums dedicated to the Great Patriotic War and the World War II? Are there any common projects?

 Cross-museum networking is critical for us. Through collaboration with regional and federal museums, we manage to increase the number of exhibitions. In addition, we take part in the Culture national project and the

> international project Territory of Victory, in the National Historical Depository Faces of Victory (project of the Central Museum of the Great Patriotic War of 1941-1945). This not only empowers us to open new exhibitions, but also helps to expand their subject matter and geography.

> Another large exhibition project is Kulikovo: The Field of Military Glory. It was backed up by the Ministry of Culture and Archives of Sakhalin Oblast, together with the Ministry of Culture of the Russian Federation, Kulikovo Field State Military History and Natural Museum & Reserve. It featured 180 genuine artefacts as well as a historically accurate reconstruction of weaponry and gear of the Russian and Horde-era warriors of the 14th

century. We have had quite a lot of other common projects with federal military museums. But we go beyond just military history as our interactive exhibitions feature the masterpieces of such artists as Ivan Shishkin, Kazimir Malevich, and pop art.

- I've heard that the exhibition Treasures of Russian Museums organised jointly with the Foundation for Humanitarian Projects was one of the most high-impact.

- Indeed, its visitors could explore the works of outstanding Russian artists Arkhip Kuindzhi, Ilya Repin, Boris Kustodiev, Ivan Kramskov, etc. Their artworks appeared in our museum thanks to the Ministry of Culture of the Russian Federation, the Patriarchal Council for Culture, the Russia is My History project, the State Tretyakov Gallery, ROSIZO State Museum and Exhibition Centre, and Proryv (Breakthrough) Foundation.



expositions of the Japanese, Korean and Soviet cultures of 1945–1947. The exhibition was the first to showcase the items from the private collections of Andrey Kiselyov, Igor Samarin and Ekaterina Donova. We also exhibited the documents and genuine photographs collected from the Sakhalin Regional Museum of Local Lore, Chekhov and Sakhalin History and Literature Museum and the State Historical Archives of Sakhalin Oblast.

Lectures, quests, master classes for schoolchildren, youth, young visitors and senior people took place on the venue of Pobeda Museum and the historical park. The participants of the programme Happy Birthday to our Region! in The Edge of Life local history club of the museum both explored the history of the island and met the agemates of the region, its real legends — Vladimir Tsvetkov, colonel of Alpha Group of the KGB of the USSR and the FSB, veteran of the Afghan War, a public figure of Sakhalin

(End on page 16)

The Magnetism of Remembrance

(Ending. Beginning on page 15)

Modern digital technologies and equipment helped to revive more than 200 works of the 20th century's Russian artists at the exhibition *Memory of Generations: The Great Patriotic War in Fine Art* opened on 28 August 2020. Together with the artworks by famous artists Arkady Plastov,

Pavel Korin, Alexander Deineka, Alexander Laktionov and many others, the exhibition featured paintings from the Sakhalin Regional Art Museum, the Sakhalin Regional Museum of Local Lore, and the North Kuril Museum of Local Lore.

- Mr Filipenko, another signature of your museum is that it also welcomes people with special needs.
- Speaking about the Russian art expo, special 2D artworks, Braille system and audio description helped visitors with visual impairments explore the works of outstanding Russian artists.
- It was your museum in Sakhalin that was awarded the Honorary Banner of the Governor of Sakhalin Oblast. What does it mean for your team?

For us, this is a very privileged award, great honour and tremendous responsibility. According to the document, we received this banner for organising and arranging top cultural, educating, historical, patriotic

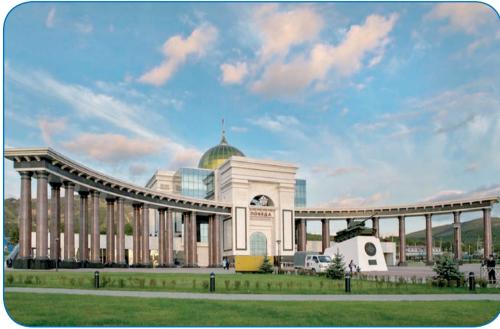
and other regional, national and international events and campaigns geared towards the cultural development of Sakhalin Oblast, as well as for our educating, research and learning initiatives. For us, the Governor's banner is the banner of the museum.

- Tell us about your team.

— This is the best team! Not even a team. A family. To see that a person is fully committed and creative is a pleasure for any leader. I'm happy to witness how ideas and creative projects are generated. My task is not to put barriers in front of the staff, instead, I help to nurture the best, relevant and bright aspirations.

- Can you recall your first visit to the museum?

 Oh, I remember huge slippers, it was so great to slide on the parquet with them on! It was in Dnepropetrovsk, I was just a baby. The second big impression was a diorama (reconstructed forcing of the River Dnieper during the Great Patriotic War). I was overwhelmed by tanks, vehicles,



fighters... Everything around was like real, only kind of big and scary. But I recalled my father carving various vehicles out of wood — BelAZ trucks, excavators... and for some reason immediately calmed down. Since then, my inspiration that stemmed from military history has grown and persisted for many years.

— Until you came in charge of the museum. Is this title a step up the career ladder or your calling?

- What kind of career? Being a general manager means much work and much responsibility. I had already climbed the career ladder prior to joining the museum team, and my position had been even higher - I had worked for the

Ministry of Culture and Archives of Sakhalin Oblast. Then I was assigned to the museum. Pobeda Museum and Historical Park was a heap of challenges. The creation of expositions and formation of funds required immediate and prompt solutions. I simply could not let anyone down. My life principle is once you started, go all the way. I have adhered to it even until now.

Is it a calling to be a general manager? I don't think so. One is just a museum worker with a passion for what they do. And one is fully committed to it. But the GM's task is not only to extend funds and expositions. People in charge are also responsible for discipline, for staff, and visitor experience. A person in charge is primarily an administrator. Everything is interconnected in the museum. I believe that a

general manager must choose for themselves whether they serve the museum or whether the museum serves them. As for me, I serve the museum.

— Could you describe your typical visitor?

— Different ... whether by age, level of education or social status. But if you put it together, this is a curious, caring and demanding person. People often come and ask: "What's new, is there anything peculiar?" Also, these are persons who grow up along with us. Our museum is already five years old. And the five-year-old kids who visited its opening are already 10 today, and the eighteen-year-olds are 23. Their passions have changed, and we need to take this into account. And we are developing too: we create new expositions, arrange lectures and master classes in new formats, and search for new forms of sharing information.

 Could you tell us about the cooperation between the museum and Sakhalin Energy.

Cooperation with Sakhalin Energy is versatile. We often invite its employees to our museum events and campaigns. We are always happy to see them at the concerts of Yuzhno-Sakhalinsk Chamber Orchestra on one of the interactive venues of our historical park. Sakhalin Energy has repeatedly sponsored our projects, and its employees have been panel judges in many museum competitions. And we are thankful for this contribution.

Such cooperation with the teams of the island is vital for us. This has always been a step towards our key purpose — historical memory. We want our museum to be a place of global attraction both now and always.

Interview by Elena Gurshal

<u>sport</u>

Off to Swim Race!

Sakhalin Energy's team has ranked second in Stage VII Spartakiad among the work teams of Yuzhno-Sakhalinsk. Eight teams competed in a freestyle relay.

According to the competition regulation, each team included four members: three men and one woman. Sakhalin Energy was represented by: Konstantin Kokorin, Head of Corporate Health Section; Ilya Ugryumov, Category 1 Engineer, Equipment Reliability Subdivision; Aleksey Ozorishin, Lead Rig Project Manager, Front End Engineering Subdivision; and Olga Timofeeva, Chief Geophysics Specialist, Capability and Technology Subdivision.

"Despite the age gap (from 30 to 55 years in our team), all colleagues were properly fit and demonstrated good results. We finished by a head compared with the third place, but the most important thing was that we were driven by positive mindset and team spirit," says Aleksey Ozorishin.

According to the team captain Vadim Borisov, Category 1 Engineer, Equipment Monitoring Subdivision, the winner of the relay may lose in other sports, so Sakhalin Energy is well-placed to lead in the team score.

Web-site: www.sakhalinenergy.com

"This requires high next stage rankings. The teams will compete in an air rifle shooting, Ready for Work and Defence programme, a track and field relay race, football, badminton, darts and table tennis. The corporate team boasts quite strong amateur athletes, so we will definitely fight for gold," added Vadim Borisov.

The city Spartakiad among the work teams will continue until late 2022. In 2019, Sakhalin Energy already scooped the top award in the multi-event competitions and now is well-positioned to win again. Let us wish our colleagues good luck!

Pavel Ryabchikov





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