

## Minutes of Public Meetings in the Poronaisk, Smirnykh, Tymovsk, Okha, Makarov, Dolinsk and Aniva Districts

| Settlement | Date       | Time       | Venue   | Number of Attendees |
|------------|------------|------------|---|---------------------|
| Poronaisk  | 23/10/2019 | 4:30 p.m.  | Central District Library  | 10 persons          |
| Gastello   | 24/10/2019 | 10:30 a.m. | Village Community Centre  | 8 persons           |
| Smirnykh   | 25/10/2019 | 11:00 a.m. | Central District Library  | 10 persons          |
| Yasnoye    | 25/10/2019 | 5:00 p.m.  | Village library   | 9 persons           |
| Chir-Unvd  | 26/10/2019 | 12:30 p.m. | Office of the Department of Culture in the village administration | 5 persons           |
| Tymovskoye | 26/10/2019 | 4:30 p.m.  | Central District Library  | 3 persons           |
| Nekrasovka | 10/11/2019 | 4:00 p.m.  | Boarding school   | 3 persons           |
| Makarov    | 18/11/2019 | 1:00 p.m.  | Central Library   | 5 persons           |
| Sovetskoye | 20/11/2019 | 12:30 p.m. | Village library   | 4 persons           |
| Dolinsk    | 20/11/2019 | 3:00 p.m.  | Model Central City Library  | 9 persons           |
| Troitskoye | 22/11/2019 | 3:00 p.m.  | Village library   | 7 persons           |

### Meeting Agenda:

1. 2018 Sustainable Development Report.
2. Sakhalin-2 Project.
3. Health, Safety, and Environment.
4. Social investment.
5. Grievance Procedure.
6. Questions and Answers.

### Sakhalin Energy Representatives:

1. N. V. Gonchar—Head of the Information Support and Media Relations Subdivision, Press Secretary;
2. E. V. Meger—Specialist of the Information Support and Media Relations Subdivision;
3. E. O. Glavanova—Communications and Community Liaison Specialist of the Information Support and Media Liaison Subdivision.

| Questions From the Community<br>(in the Wording Used by the<br>Speakers)  | Answer  |
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| <b>Poronaisk</b>  |   |
| The son of an acquaintance of mine will graduate from an institute next year, specialising in road construction. Can he get a job with the Company? | N. V. Gonchar: You did not make it clear in your question what speciality this person is being trained in. Since the young man has not yet graduated, he can participate in the Trainee Development Programme, which is run at Sakhalin Energy. Information about the programme is available on the Company's website. As regards getting a job with the Company, all vacancies are published on its website <a href="http://www.sakhalinenergy.ru">www.sakhalinenergy.ru</a> . There you will also find contact details of Human Resources Directorate specialists, who will provide |

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|   | information on the issue of possible employment. A CV can be submitted through the specialist of the Company's Information Centre.  |
| We have a group of proactive parents of children with disabilities. Alexander Mikhailovich (editor's note: Radomskiy, Mayor of Poronaisk City District) allocated premises, and some equipment was bought. Now, the parents are waiting to be granted the status of an organisation. Will this organisation be allowed to participate in grant competitions?  | N. V. Gonchar: Yes, it will. Many grant projects have already been implemented in this area in the Sakhalin Oblast. So the newly created organisation has an opportunity to use their experience. Every year, the Company holds social design workshops, including with the engagement of specialists from Arkhangelsk. |
| Is it planned to build an LNG plant in the Poronaisk District?  | N. V. Gonchar: Sakhalin Energy operates under the Production Sharing Agreement, which provides for specific areas of activity. This question should be addressed to the Sakhalin Oblast Government.   |
| We would like to hear more about biodiversity and social design.  | N. V. Gonchar: Your comment has been recorded. At the next meeting, the Company's specialists will provide more details on these issues.  |
| <b>Gastello</b>   |   |
| Why do you hold such meetings in the morning? Many people are at work at this time.   | N. V. Gonchar: The Company holds meetings not only in the morning, but at other times of the day. We will follow up your suggestion. The next meeting will be held in the evening.  |
| The construction of the booster station has violated the ecosystem. Rainfall has increased in the village. It is necessary to examine the booster station's drainage system, where storm water is discharged. The booster station is located on a hill, so storm water flows down into the drainage ditches of the motor road, which are not designed for such volumes of runoff and cannot cope with it. As a result, the houses are subjected to underflooding. The Company's specialists have not met with the administration of the village. We have always cooperated with you; booster station employees have always actively helped us. Please get your engineers to call at the administration building. We will show them the cause-and-effect relation. | N. V. Gonchar: The Company's engineers have studied this issue and have not found any cause-and-effect relation. We will share this information with the appropriate unit of the Company, and their employees will contact the village administration.  |
| <b>Smirnykh</b>   |   |
| Can you bring environmental specialists to hold an educational event for children this summer?  | N. V. Gonchar: Your comment has been recorded.  |
| Will our boiler house be gasified?  | N. V. Gonchar: The Company does not deal with gasification issues.  |
| Do you carry out activities directly in our district?   | N. V. Gonchar: The main pipeline runs through the territory of the Smirnykh District.   |

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| <p>I know that the territory adjacent to the pipeline must be maintained in good condition. However, it has overgrown completely. Are you planning to clear this area of the trees, willow bushes and forest debris that it is covered with now? This area is criss-crossed by trails as our district is popular with mushroom pickers and people who love fishing and hunting. There is always a threat of a fire. I think you need to address this problem.</p> | <p>N. V. Gonchar: We have recorded your concern; the information will be transmitted to the Company’s specialists who will contact the head of the Smirnykh District. The next meeting will be attended by a specialist of the Company who will provide information on land reclamation.</p>   |
| <p>Why are such meetings held once a year only? We would like them to be held more often.</p>   | <p>N. V. Gonchar: The Company will consider this suggestion.</p>   |
| <p>The Company has been operating for 25 years already. How long will it be before it finishes its operations?</p>  | <p>N. V. Gonchar: The Company operates under the terms of the Production Sharing Agreement (PSA) signed with the Russian party—the Government of the Russian Federation and the Sakhalin Oblast Government. The PSA is valid until 2041.</p>   |
| <p>I worked in Boatasino; there is a pipeline running to the mainland. The people who live there say that fish have left the area because of liquefied gas humming as it flows through the strait. There had been plenty of fish there before the pipeline was built; as soon as it was put into operation, the fish were gone.</p>   | <p>N. V. Gonchar: Natural gas is liquefied at the LNG plant of the Prigorodnoye production complex in the Korsakov District. It is natural gas, not LNG, that passes through the pipeline. In Boatasino, there is a Gas Transfer Terminal (GTT), through which gas is supplied to the Far East. There is no humming noise coming from the pipeline. However, your question will be referred to relevant specialists to clarify the information. The issue about the potential impact on fish resources in the Nogliki District, in particular, in the area of Boatasino, has been recorded; the Company will provide more details at the next meeting.</p> |
| <p>Do you lead the Subdivision dealing with the population’s grievances?</p>  | <p>N. V. Gonchar: The Company has the Corporate Affairs Department, which consists of several units. I am the Head of the Information Support and Media Relations Subdivision, which is engaged, among other things, in working with the public.</p>   |
| <p>Do you deal with professional complainants? How do you interact with them?</p>   | <p>N. V. Gonchar: There are people who have repeatedly used the procedure. The Company has had the grievance procedure for a long time already. Any employee of the Company can accept a grievance; it is subsequently transferred to the Social Performance Subdivision. The grievance is registered, entered into the system, transferred to a certain specialist, depending on the topic; then its resolution is monitored. The grievance procedure can be used by the public, as well as contractor and subcontractor organisations.</p>   |
| <p>When I said “professional complainants”, I meant organisations that interact with you on a constant basis; instead of correcting a situation, though, they methodically try to</p>   | <p>N. V. Gonchar: In this case, the Grievance Procedure does not apply. Grant projects is within the scope of the Company’s Energy Social Initiatives Fund programme and the Korsakov Sustainable Development Partnership</p>  |

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| <p>gain some benefit from your Company, to get a grant, etc.</p>   | <p>Council, in the framework of which the Company provides financing for grant projects. There is no person in the Company who has sole authority to make decisions on financing or not financing any projects.</p>   |
| <p>I see that some projects that were submitted for the competition were not approved and financed. I understand that there is some kind of evaluation system, and there are repeated errors. Maybe, it would be helpful if you held training workshops?</p>   | <p>N. V. Gonchar: All grant projects pass through an evaluation stage. As regards training, the Company annually holds training workshops on project preparation with the participation of external experts. Last year, such a workshop was held in Poronaisk.</p>  |
| <p>We request that you hold such a workshop at the Smirnykh library. We were not able to attend the latest workshop, since it is not very convenient to travel to Poronaisk in terms of time. There is high demand for this training here, and many organisations would send their representatives to participate in the workshop. It is very difficult for us to formulate the goals, define the objectives and calculate the budget of the project. Everyone is confused about these issues.</p> | <p>N. V. Gonchar: We have recorded your request.</p>  |
| <p>The daughter of an employee of ours has received education thanks to your Company. Do you still run the Scholarship Programme?</p>  | <p>N. V. Gonchar: The Company has an ongoing Scholarship Programme. All information about it is available on the Company's website, and also in the Sustainable Development Report. A corresponding programme is also part of the Sakhalin Indigenous Minorities Development Plan. We will send updated information about the programme to your Information Centre.</p>   |
| <p>It would be useful to have a career guidance meeting. High school students would gladly attend it, and you would tell them about these programmes.</p>  | <p>N. V. Gonchar: We have recorded your suggestion.</p>   |
| <p>Can any person study and receive a scholarship under the SIM Development Plan? Is there any age restrictions?</p>   | <p>N. V. Gonchar: There is a Scholarship Programme in the Education component of the SDF (editor's note: Social Development Fund under the Sakhalin Indigenous Minorities Development Plan), which has been implemented since 2006. Several hundred students have participated in this programme since its launch. There are no age restrictions. The only requirement is that it is the student's first education.</p> |
| <p>The Sakhalin Oblast is developing by leaps and bounds—thanks to your Company.</p>   | <p>N. V. Gonchar: Thank you for your feedback.</p>  |
| <p><b>Yasnoye</b></p>  |   |
| <p>When will the construction of BS-3 begin in our area? At the moment, specialists from the Amur Region are working there; they are making measurements.</p>  | <p>N. V. Gonchar: The construction of a booster station can only begin if a decision is adopted to build LNG Train 3. So far, the Company has obtained all necessary permits for this project. The issue of the resource base for the LNG Train 3 construction project has not been resolved yet.</p>   |

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|   | Previously, deforestation and archaeological studies were carried out at the BS-3 construction site. Today, work is under way to conserve the construction site.   |
| Is any construction work being carried out in the north?  | N. V. Gonchar: The construction of an OPF Booster Station is under way in the Nogliki District. This facility is essential for maintaining reservoir pressure.   |
| We live near your asset (editor's note: Yasnoye PMD), and we would like very much to go on a tour of it. We were taken on a tour of Sovetskoye PMD, and we learned a lot. But we haven't had an opportunity to visit the one we live close to.  | N. V. Gonchar: We have recorded the request for organising a tour of Yasnoye PMD for the local community.  |
| <b>Chir-Unvd</b>  |  |
| Currently, we are working with the Nogliki Library: we are recording audio books with two native speakers. Next, we plan to make a book on traditions and folklore. Can we get any funding under the Development Plan for this work?  | N. V. Gonchar: You have to prepare a project that meets the programme requirements.  |
| Who creates animated films, the Senya cartoons, for example? Does the Company itself implement this project or does it engage any special organisations for this purpose?   | N. V. Gonchar: Animated videos are made not by the Company itself, but a contractor on a commercial basis.   |
| <b>Tymovskoye</b>   |  |
| Why have you changed your logo?   | N. V. Gonchar: The Company decided that its previous logo was out of date. However, given that it was very recognisable, we have not changed it completely, but only updated it a little.  |
| Who reviews grievances?   | N. V. Gonchar: Grievances received from the community, contractor and subcontractor employees are reviewed by the Company.   |
| <b>Nekrasovka</b>   |  |
| Is the Odoptu plant one of the Company's assets? They also carry out LNG processing there, don't they?  | N. V. Gonchar: It is a Sakhalin-1 asset. At present, there are two LNG plants in Russia—the country's first LNG plant at the Prigorodnoye Production Complex in the Korsakov District, and the other one in the Yamalo-Nenets Autonomous District. |
| Do you have any films about whales and other animals living in the Okha District? These films would be interesting for the local population, especially children. Soon a club will be opened in the village, so we could show the film to the community. It would be useful to make manuals for schools, to prepare a series of presentations and videos not only about whales and mammals, but also eagles... People know that these species live in our area, and it would be great to learn more about them. | N. V. Gonchar: In addition to videos, there are books—not only about whales, but also about the Steller's sea eagle, the plants and birds of Sakhalin, and so on. We have recorded your suggestion and will consider it.                           |

| <b>Makarov</b>   |   |
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| I get an impression that you never update information on your website. Especially the information on employment.   | E. V. Meger: The information on the production facilities is not updated, because their number does not change. Information on the OPF construction project has been posted on the website. As for employment, the data are updated depending on the emergence of a particular vacancy. |
| Do you happen to know what facility will be built in the village of Tikhoye? They say it will be a Sakhalin-2 facility, and the area is being surveyed now. Last year, we attended a workshop, where we were shown a poster about the facility and the work that will be carried out there in different years.   | E. V. Meger: It is planned to build BS-4 in the indicated area on condition that a decision is made to build LNG Train 3.   |
| How long will Sakhalin Energy operate?   | E. V. Meger: The Company operates under the terms of the Production Sharing Agreement signed with the Russian party—the Government of the Russian Federation and the Sakhalin Oblast Government. The PSA is valid until 2041.   |
| <b>Sovetskoye</b>  |   |
| Do you receive many grievances from the public? Are there any environmental grievances?  | E. V. Meger: Information on the number of grievances received is included in the Sustainable Development Report. In 2018, we registered 38 grievances. The Company did not receive any environmental grievances.  |
| Your organisation is present in the territory of our village (editor's note: Sovetskoye PMD). Previously, your employees helped us with snow clearing. At some point, they were forbidden to do this. Last year, I asked them for help in clearing the road in the village, but I was explained that they could not leave the site without a corresponding permission from Yuzhno-Sakhalinsk. I would have to write a letter, and it takes time; moreover, sometimes there is no connection in our area. With such red tape, it's easier to clear the snow with a shovel. After all, we do not make such requests every day. What if there is an emergency or an ambulance cannot get to the patient? We have already started calling the MChS and asking them to send a cross-country vehicle. Is it possible to resolve the issue somehow so that we would not have to call Yuzhno-Sakhalinsk, but could make arrangements through the Dolinsk administration? | E. V. Meger: The Company operates under the terms of the Production Sharing Agreement, which clearly spells out what activities the Company can carry out. Sakhalin Energy has no right to clear municipal roads. Your question will be clarified.                                      |
| Do you keep statistics on how many Sakhalin residents work for your Company?   | E. V. Meger: This information is disclosed in the Sustainable Development Report. As of the end of 2018, the share of the Russian personnel in the Company was  |

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|  | 93%, of which 54% were residents of the Sakhalin Oblast.  |
| Many young people who have graduated from oil and gas educational institutions cannot get jobs. On the other hand, there is information that you hire people from the mainland.  | E. V. Meger: Implementing the Sakhalin-2 project, the Company seeks to employ Russian citizens, mainly residents of the Sakhalin Oblast. The Company closely cooperates with higher education institutions providing training in the field of oil and gas production, including Sakhalin State University. In addition, the Company runs various programmes: the Internship Programme, the Graduate Development Programme, the Traineeship Programme and others.  |
| Can a young person be accepted for an internship if he or she does not speak English?  | E. V. Meger: Yes, given that he or she has completed a course of study in a relevant technical discipline and meets the criteria of the programme, which are listed on the Company's website. The Internship Programme includes an English language module—an intensive training course with elements of general and technical English.   |
| The community should be informed about these programmes.   | E. V. Meger: The Company publishes information about the launch of its programmes in the district media.  |
| When will gasification cover the whole territory of Sakhalin?  | E. V. Meger: The Company does not deal with gasification issues. This issue is in the scope of the Sakhalin Oblast Government and Gazprom. Nevertheless, tie-in options for the gasification of the region are technically provided along the route of the Sakhalin Energy pipeline system.   |
| <b>Troitskoye</b>  |   |
| There are many grievances about the negative impact of the LNG plant, in particular, pollution and the retreat of fish from Aniva Bay.   | E. V. Meger: The Company carries out industrial environmental control and monitoring in the areas adjacent to all of its production facilities. The quality of atmospheric air, wastewater, soil, vegetation, river ecosystems and much more are monitored and controlled. The monitoring results are presented in the Sustainable Development Reports.<br>There is the Goluboy Stream flowing across the territory of the Prigorodnoye Asset, which is a spawning area for fish. The part of its channel located in the territory of the production complex has become a poaching-free zone, while the rest of it is still subject to poaching. You can find more detailed information about the monitoring carried out at the Prigorodnoye Asset in the Environmental Protection at the Prigorodnoye Asset brochure, which is available in the Information Centre and on the Company's website. |
| The main factor that caused fish to leave the area is not the operations of the LNG plant, but the impact of the underwater pipeline through which gas is supplied to tankers. Many say that when gas is pumped into a | E. V. Meger: LNG is offloaded to tankers from a specially built 805 m long LNG jetty; it is above the water surface. If you mean oil tankers, they are filled with oil from the tanker loading unit located 4.8 km from the coast. There is no humming noise coming from the offshore pipeline.   |

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| <p>tanker, the humming noise is overwhelming, which frightens off all animals. We personally heard the humming in Prigorodnoye.</p>   | <p>The only facility at the Prigorodnoye Asset that makes noise is the flare system. The noise levels are measured by the Company both in the daytime and at night. However, the established maximum permissible values have never been exceeded.</p> |
| <p>In our Troitsky District, there are children with disabilities who do not attend the Preodoleniye Centre, because their parents cannot take them there due to the lack of transportation opportunities. Could the Company include these children in its New Year's charity programme if we provide information about them through the social services?</p> | <p>E. V. Meger: Please send this information, and the Company will consider this issue.</p>   |
| <p>What is the percent of tax payments that remains in the Sakhalin Oblast?</p>   | <p>E. V. Meger: In 2017–2018, profit tax revenues were redistributed between the federal budget and the budget of the Sakhalin Oblast. The Sakhalin Oblast retains 25% of the profit tax amount, and 75% is transferred to the federal budget.</p>    |
| <p>Why is gas more expensive on Sakhalin than in Komsomolsk-on-Amur?</p>  | <p>E. V. Meger: The issue of gas pricing is beyond the Company's scope.</p>   |