

Meeting with the Public of the Korsakov District

05 December 2019

House of Children and Youth

(16 Korsakovskaya St., Korsakov)

14:00–15:15

Representatives of Sakhalin Energy

1. Alexander Viktorovich Gusev—Head of the Prigorodnoye Asset Operations Subdivision;
2. Andrey Samatov, Head of the Environmental Protection Division
3. Olga Gennadievna Tyumentseva—Deputy Division Head, Head of the Tax Reporting Subdivision;
4. Natalya Vladimirovna Gonchar, Press Secretary, Head of the Information Support and Media Liaison Subdivision
5. Marina Georgievna Ivanchikova, Category 1 Environmental Safety Engineer, HSE and Quality Assurance Subdivision
6. Yuri Pavlovich Mityaev—Specialist of the Staffing Subdivision;
7. Vladimir Bepalov, Lead Specialist, South Facilities Security Subdivision
8. Yuri Yurievich Pinegin—Safety Coordinator of the Prigorodnoye Asset;
9. Elena Olegovna Glavanova, Communications and Community Liaison Specialist of the Information Support and Media Liaison Subdivision

Representatives of the Sakhalin Oblast Ministry of Natural Resources and Environmental Protection:

1. Natalya Stepanovna Koltunovich—Director of the Department of Environmental and Water Resources Protection;
2. Tamara Vasilyevna Churaeva—Head of the Water Resources Department.

Public: 3 persons

Agenda:

- Fiscal payments under the Sakhalin-2 project.
- Sakhalin-2 Project / Prigorodnoye Asset.
- State of the environment in the Prigorodnoye Asset area / Ballast Water Control;
- Sakhalin Energy personnel structure and educational programmes.
- Grievance Procedure
- Questions and Answers

At the beginning of the meeting, N. V. Gonchar warned those present that the meeting would be audio recorded for the subsequent drawing up of the minutes (the minutes of the previous meetings are available on the Company's website and on the website of the Korsakov Administration).

O. G. Tyumentseva spoke about the mandatory payments made by Sakhalin Energy to the budgets of the Russian Federation and the Sakhalin Oblast.

N. V. Gonchar told the attendees about the key dates of Sakhalin Energy in 2019 and the implementation of the Sakhalin-2 project, paying special attention to information about the absorbing wells for the re-injection of drilling waste on the three platforms and the rules of conduct near the pipeline system of the Company.

A. V. Gusev provided information on Prigorodnoye Asset production activities, repair work, and on the landfalls of inert vessels in 2019, which resulted in increased flaring and smoke formation, observed by residents of Korsakov.

The Company representatives recorded all questions asked during the meeting.

Question <i>(in the wording used by the speakers)</i>	Answer
You say that you asked a question (editor's note: the question about the tax payments made by Sakhalin Energy), but nobody is here to listen to the answer. You should have called the person who asked this question. <i>(M. V. Petrenko)</i>	N. V. Gonchar: The Company informed the community both through the media and by sending individual invitations. It is the first time that the Company has provided information on tax payments.
Is the compressor station being built in the Lunskoye field? <i>(M. V. Petrenko)</i>	N. V. Gonchar: The booster station is being built near the Onshore Processing Facility in the Nogliki District. The nearest settlement is the village of Nysh.
They say that it is planned to gasify the boiler house and the private housing area in Korsakov in 2020. Gasification will be carried out by the regional government. Do you have any information about it? <i>(M. V. Petrenko)</i>	N. V. Gonchar: The Company does not make any comments on the activities of the Sakhalin Oblast Government. N. S. Koltunovich: There is a gasification programme approved by the Sakhalin Oblast Government. If you are interested in this issue, you can leave your contact details and I will send you the details of this programme and the programme itself if you do not find it.
When will the construction of LNG Train 3 begin? I read in some source that the construction	N. V. Gonchar: The Company has obtained all permissions to begin construction work. The Company and its shareholders are working on the

<p>should be completed by 2022, but in fact work has not even begun. <i>(M. V. Petrenko)</i></p>	<p>issue of the source of feed gas for LNG Train 3. A decision on the construction has not been made so far.</p>
<p>You are currently building a booster station. Is it not connected with Train 3? <i>(M. V. Petrenko)</i></p>	<p>N. V. Gonchar: The booster station is designed to maintain reservoir pressure in existing fields. Its construction is not connected with the Train 3 construction project.</p>
<p>Alla Ivanovna and I are trying to prove that there are emissions into the air, in particular benz(a)pyrene. You make measurements in the territory of the plant and around it. Are there any installed sensors that measure air emissions? <i>(M. V. Petrenko)</i></p>	<p>A. D. Samatov: We have data on the flow rate of the gas that is burned. It is not possible to measure emissions directly at the burning point. Total gross emissions are calculated based on the data about the incoming mixture. The concentration of pollutants, including benz(a)pyrene, in the air is measured at the border of the sanitary protection zone. Additional flare measurements are taken when the flare is more intense than usual. Under-flare measurements are carried out using the fanning technique: the sampling points are located at different distances from the flare unit in the direction of the wind that is currently blowing. The Company regularly presents measurement results at meetings.</p>
<p>Is there any device from which different readings can be read? <i>(M. V. Petrenko)</i></p>	<p>A. D. Samatov: There is such a device. It is called a gas analyser. It measures the concentration of pollutants in the air. The Company controls six parameters, and measurement results for all of these parameters are subsequently presented at the meetings. Calculations are made by accredited laboratories according to approved procedures, which are provided for by the applicable guidelines. The analysis of atmospheric air quality is performed not only by the Company, but also by state supervisory bodies under their programmes for monitoring atmospheric air in the Korsakov District.</p>
<p>Are air measurements taken once a month? <i>(A. I. Gafner)</i></p>	<p>N. S. Koltunovich: Atmospheric air monitoring is carried out not only in Prigorodnoye, but also in Korsakov. On behalf of the Governor, a study is being conducted regarding the introduction of an automatic atmospheric air monitoring system based on automatic modular microstations in the Sakhalin Oblast. This experience was first studied by the Ministry and then a pilot project was launched, which has already been completed. Nonetheless, the stations have not yet been removed; they are operating and recording the concentration of pollutants. There are two stations in Yuzhno-Sakhalinsk, and one—at 21 Sovetskaya Street in Korsakov. Automatic monitoring stations allow taking measurements every minute. The results are</p>

	<p>displayed on-line, on the town website. In Yuzhno-Sakhalinsk, measurements are made of suspended solids and gases. In Korsakov, the station measures only suspended solids.</p> <p>In 2020, we plan to install two more stations in Korsakov: one—on the administration building, and the other—at 1 Zheleznodorozhnaya Street. The location of the stations was determined by the administration of the Korsakov District based on the highest density of people.</p> <p>The Ministry has developed terms of reference for the purchase and installation of the stations in the Sakhalin Oblast, including in Korsakov, in 2020. We are preparing a request to the Company to consider the possibility of installing similar automatic stations in the impact area, that is, directly in the territory of the production complex. Then you will be able to see the level of air pollution in the area around Prigorodnoye on-line. The air pollution level is estimated on a 10-point scale. For example, '1' means 'excellent', '2' means 'good', and so on. There is also a colour scale: green, yellow, orange, and red (when the pollution is the most severe).</p> <p>Andrey Damirovich, I suggest taking into account the wishes of the population and considering the possibility of installing similar stations in the area of the Prigorodnoye Asset.</p> <p>N. V. Gonchar: The Company has not received any formal request so far. When we receive it, the Company will consider the request in the prescribed manner and inform the public of its decision.</p> <p>A. D. Samatov: The Company carries out industrial environmental control in accordance with the established requirements for the location of sampling points and the frequency of measurements. By prior agreement with its representatives, air control is additionally carried out in the territory of Stroitel Gardeners Non-Commercial Partnership.</p>
<p>The bypass road was opened only once, I drove along it, and then the road was closed again. When will it be opened? In this case, it will be possible to put a fence on the old road with a sign that it is the property of Sakhalin Energy</p>	<p>N. V. Gonchar: The customer of the bypass road construction is the administration of the Korsakov City District. According to the administration, it is planned to open the road by the end of this year. The Company does not consider putting up any fences in that area.</p>

<p>and it is prohibited for people to swim there. <i>(M. V. Petrenko)</i></p>	
<p>Will the dirt road along the seashore be closed after all? Could they put up a barrier instead? <i>(M. V. Petrenko)</i></p>	<p>N. V. Gonchar: The road is under the control of the Korsakov City District administration. The Company does not have information regarding the administration's plans for the above-mentioned road.</p>
<p>There should be a social development fund in Korsakov, and the money allocated by the Company should go directly to the fund. Sakhalin Energy should discuss this issue with the administration. This money can be used for construction purposes (to build facilities like the clinic that the Company built), for the asphaltting of the streets. <i>(M. V. Petrenko)</i></p>	<p>N. V. Gonchar: At the moment, it is not planned to create such a fund. The Company is the major taxpayer in the Sakhalin Oblast. In the territory of the Korsakov City District, there is the Korsakov Sustainable Development Partnership Council, under which the financing of social projects is carried out.</p>
<p>Why didn't you invite either Khmyz or Maginsky to the meeting? We have a lot of questions to ask them. <i>(M. V. Petrenko)</i></p>	<p>N. V. Gonchar: The Company did invite representatives of the administration and the District Assembly to this meeting.</p>
<p>In the territory of Stroitel Gardeners Non-Commercial Partnership, there are emissions of benz(a)pyrene and formaldehyde, and these substances are accumulated in the soil. Alla Ivanovna is going to move from her plot. Can you pay these pitiful sums of money to the people so that they can stop protesting? <i>(M. V. Petrenko)</i></p>	<p>N. V. Gonchar: The Company believes that it has fulfilled all its obligations to the members of Stroitel Gardeners Non-Commercial Partnership. During social monitoring, most of the representatives of the gardeners' cooperative who were present at the meeting said nothing about their intention to move.</p>
<p>We have questions regarding the quality of atmospheric air in the territory of Stroitel Gardeners Non-Commercial Partnership. And there is benz(a)pyrene in the soil. <i>(M. V. Petrenko)</i></p>	<p>A. D. Samatov: (referring to the Contaminants Content at the Stroitel Gardeners Non-Commercial Partnership Sampling Point in 2019 Q1–4 slide): The slide shows the pollutant concentration values. All of them are below the MPC values. Should the concentration level occasionally exceed the MPC values, it would not be a problem, since the maximum permissible concentration value is actually a concentration value that does not affect the human body.</p>

	Every year, the Company demonstrates to the population the results of measurements of the content of pollutants in the soils around the LNG plant at different distances from it. No accumulation of pollutants has been observed.
Soil samples from the gardeners' cooperative area were taken by representatives of two supervisory authorities: Rosprirodnadzor and Rospotrebnadzor. You paid off Rosprirodnadzor, that is why they produced such good analysis results. Rospotrebnadzor, on the other hand, made the analysis exactly as it should be done, according to the rules. I myself was present when each of the analyses was being conducted and saw everything with my own eyes. <i>(A. I. Gafner)</i>	N. V. Gonchar: The Company will consider the participation of a representative of the Stroitel gardeners cooperative in soil monitoring so that they can get information on the methodology used by experts.
It is your fault that there are no representatives of the administration at the meeting. <i>(A. I. Gafner)</i>	N. V. Gonchar: We have recorded your opinion.
New asphalt is being laid on a stretch of the road beginning with the 19th kilometre. Is it your Company that is carrying out the work? Will the Company continue providing funds for road construction? <i>(M. V. Petrenko)</i>	N. V. Gonchar: The Company is not engaged in the asphaltting of this section of the motorway. Currently, the Company is not planning any infrastructure development projects.
Will the Company give out calendars? <i>(M. V. Petrenko)</i>	N. V. Gonchar: The calendars will be delivered to the Korsakov office.
When will the next meeting be held? <i>(M. V. Petrenko)</i>	N. V. Gonchar: A focal meeting can be arranged upon request. The next regular meeting with the public is scheduled for June 2020.

At the end of the meeting, Natalya Gonchar thanked those present for their participation and offered them anti-slip devices for boots.