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Before you weigh up an achievement, you have to, as in our case, look at it from a bird's-eye view, or more specifically, from a drone's-eye view. Danil Karzanov, Pavel Deryabin, and Pavel Denshchikov talked to us about the flare tip inspection at the Lunskeye-A (LUN-A) platform  
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#### Pro-activity

The I'm Healthy strategy launched earlier this year has been gaining momentum: the second corporate Health Day took place at the Sakhalin Oblast Art Museum in March. Its highlight was the themed exposition Power of Energies Through Women's Eyes, initiated and supported by the Company.  
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#### Learning Independence Early

To preserve and multiply children's initiatives, nurture independence, and teach to make decisions are all the pillars of preschool learning at the corporate Children Centre.  
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### congratulations

#### DEAR COLLEAGUES!

My sincere greetings on the Geologists Day!

This is the day to pay tribute to a legendary profession and geologists whose efforts shaped the course of Russia's fuel and energy industry and laid a solid foundation for major national projects, including those in the east of the country.

Sakhalin is blessed with a wealth of natural resources. I strongly believe that the future success of Sakhalin's prospects is largely dependent on your expertise and competence, vast experience and proficiency in cutting-edge technologies. Not only does it secure Russia's strong reputation as an acknowledged global leader in power generation, it also serves as a guarantee of the country's economic growth in the face of geopolitical turmoil.

There is a reason for celebrating Geologist Day early in spring, as this season marks the end of desktop studies and preparations for summer field surveys, calling for new endeavors. Following the glorious traditions of those before you, you proudly carry the baton overcoming the academic and practical challenges we face, showing the confidence in the rightness of the chosen path.

On this festive day, I would like to wish you to stay passionate about your work and make new important discoveries to ensure sustainable development of new oil and gas projects. I am confident that with your knowledge and expertise we can successfully carry out all our plans.

■ Roman Dashkov,  
Chief Executive Officer



**Sakhalin Energy produced 150 million tonnes of liquefied natural gas**  
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### CURRENT EVENTS

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Sakhalin Energy won the Silver Archer National Award in Public Relations (read more on page 14)

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The Company held the contest for the best projects in the field of development of Russian participation for the second half of 2022

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Sakhalin Energy launched a project aimed at providing career guidance for Sakhalin school students.

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The Company held the Ski for Good Deeds corporate charity campaign

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achievement

## Milestone Tonne

Sakhalin Energy LLC produces its 150 millionth tonne of liquefied natural gas.

The new achievement is the result of more than 14 years of operation of the Sakhalin-2 LNG plant. On 18 March, the milestone tonne became part of an LNG cargo loaded at the port of Prigorodnoye onto the Energy Navigator LNG carrier for delivery to Japan.

“We have withstood the ultimate test of time with dignity, having retained and multiplied our portfolio of buyers in Asia-Pacific, a key region for Sakhalin Energy. By acting with precision, without disruptions, and in full compliance with our commitments, we confirm our strong business reputation and strengthen our stakeholders’ confidence in the efficiency of the Company’s business model,” said Roman Dashkov, Sakhalin Energy Chief Executive Officer.

According to him, the stable operation of the entire gas chain of the Sakhalin-2 project is



supported by the work of a unique team of top-class professionals, who make sure that the Company successfully adapts to the changing environment, keeps up with its growth plans, and supplies energy resources to end users both inside and outside of Russia.

In 2022, Sakhalin Energy produced and shipped an approximate 11.5 million tonnes of LNG, or around 176 standard cargoes (one standard LNG cargo is equal to 65 thousand tonnes).

■ Pavel Ryabchikov



corporate culture

## Following the Course Set by the Journey Book

In March, a new revision of the Journey Book was released, offering an outlook until 2027.

The publication, which is the starting point for planning the work of all Sakhalin Energy’s subdivisions, opens with an address by Chief Executive Officer Roman Dashkov to the Company’s staff.

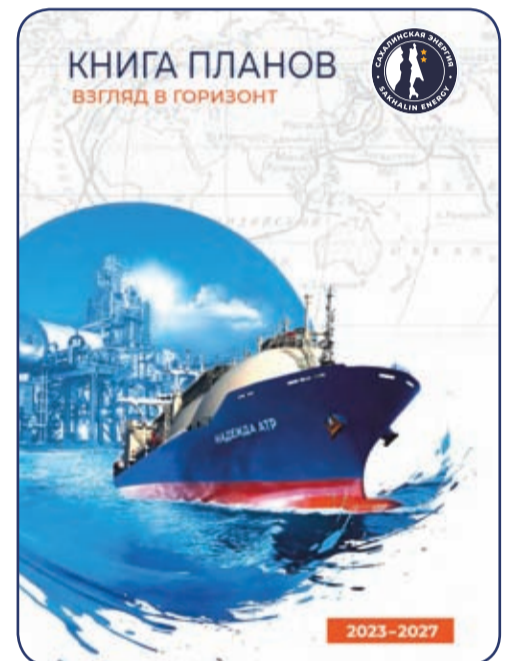
“It is difficult to overstate the anxieties and worries that the past year brought us. Today, we are witnessing major political and social change, a profound transformation taking place throughout the world. And, most importantly, economic paradigms are changing at a rapid pace. The impact of the above factors on our business is unprecedented but, once again, the quick-response management system has proven to be effective in minimising the adverse impact of external change and ensuring stable, safe, accident-free production operations along with the unconditional fulfilment of all commitments to the Company members and the Russian Party”, stresses Roman Dashkov.

Just like our business, the Journey Book undergoes constant flux and evolution. The new revision features new pages dedicated to the most relevant aspects of the Company’s business, including Russian Content, Financial Sustainability, and the ESG Agenda. The essence of the publication, however, has not changed: each section contains versatile tools aimed at providing a quality foundation for decision-making along the key lines of our work. The book that both captures the management’s vision and gives a quick insight into the Company’s business continues to be a trusted companion that enables us to adhere to our corporate growth strategy.

“We are all well aware that the challenges we have already overcome will be followed by new ones. Nevertheless, we look to the horizon with confidence, with our self-reliance resting on the Company’s core values and, most importantly, on our team as the backbone of our business. I have no doubt that, no matter how ambitious the goal stated in the Company’s vision may seem, it is entirely up to us to achieve it. And the new Journey Book will help us stay on track,” noted the Chief Executive Officer announcing the Journey Book.

\* The Journey Book is issued in electronic form only. Please use the pdf-version available on the Company’s Intranet site.

■ Maxim Shubin



## Top Safety

A regular meeting of the HSE Board, chaired by Igor Abramov, the Company’s Chief Compliance Engineer, was held in March. The meeting focused on the Company’s HSE activities during the reporting period.



Evgeny Kovalyov, HSE General Manager, reported on the HSE scorecard performance. Summarising the report, the Chairman of the HSE Board said that an algorithm should be put in place to monitor the timely completion of medical examinations and to prevent employees who have not

undergone medical examinations or whose medical examinations have expired during their rotational shifts from entering the Company’s assets.

Andrey Okhotkin, Commercial Director, spoke about the Leadership Visits Programme for 2023. As at the end of February, the performance of the annual plan stood at 14 per cent. All the leaders who had visited the sites during the month pointed out the high level of occupational health and safety culture. Andrey Okhotkin stressed that, in light of the structural reorganisation, it was necessary to make sure that the programme was supported and coordinated by the Chief Engineer’s Office.

Alexander Sheykin, HR Director, reiterated that employees should undergo mandatory training in due time as required by the legislation of the Russian Federation. Such training is an integral part of the Golden Person KPI which, as at the end of February, stood at 91 per cent.



Ruslan Oblekov, Deputy Technical Director and Head of the Field Development Department, provided an update on the implementation of the Hazard Management Plan, with a special focus on preparing information materials for briefings and field inspections as part of the Line of Fire programme.

Sergey Bogomolov, Road Safety Manager, presented the statistics on traffic accidents and incidents involving the Company’s and contractors’ vehicles over the

preceding three years. He emphasised that the number of traffic accidents occurring through the fault of drivers working for the Sakhalin-2 project had decreased as an indication that the overall level of road safety culture was improving.

The meeting participants also discussed the concept of the upcoming Summer Safety Day, scheduled to take place on 18 May 2023.

■ Ekaterina Meger

safety

# At RUIE Congress, Vladimir Putin Outlines New Model for Russia's Economic Development

On 16 March, the President spoke at a plenary congress of the Russian Union of Industrialists and Entrepreneurs. This organisation brings together major players from across many industries Russia-wide and is actively involved in pursuing the national agenda. According to Vladimir Putin, the proactive stance taken by the RUIE and the business community as a whole is particularly in demand now that Russia's economy is beginning to follow a new development model.

He cited upward economic trends in Russia as gaining momentum: foreign trade turnover and exports had risen by 8 per cent and almost 20 per cent, respectively. Domestic demand had embarked on a steady, long-term growth trajectory. It is fuelled by a stable labour market, rising salaries and per capita incomes, and slowing inflation. The Government has been successful in expanding foreign trade contacts with the world's fastest-growing economies.

The Russian leader stressed that many business opportunities had emerged in the country, and it was important for the business community not to miss them. This calls for ramping up production capacities, opening new ventures, and creating new jobs all over Russia. Management efficiency needs to be brought to a qualitatively new level by extensively developing digital platforms, adopting big data-driven management models,

and introducing lean technologies across the board. All this must be supported by an influx of highly skilled manpower. In addition, arrangements must be made to improve the training and retraining of both graduates and seasoned professionals. The state has effective mechanisms in place to encourage this work, with new ones being created all the time. Primarily, they target businesses that meet a few key prerequisites.

"Companies that, rather than merely seeking short-term results, aim for sustainable development for many years to come, that invest in R&D, in creating their own technology platforms and brands, should and will definitely be supported. Those are companies for whom a long-standing reputation and a good name are not just meaningless words, but something of real value. Exactly such companies have a strategic vision for the future," said Vladimir Putin.



Socially responsible businesses, too, are among the Government's priorities. "We value businesses that take care of their teams, their employees, that create comfortable working conditions and invest in developing employees' expertise and skills, and that pay special attention to their families and children," said the President.

In his opinion, rather than separating itself from the region where it operates, a responsible business should, together with the state, contribute to the development of the region: invest in schools, universities, the education system, in healthcare, in all spheres that are important to citizens, and support social programmes.

The national leader believes that, with the non-financial reporting of large businesses published on an annual basis, information about such businesses would become available to the general public.

Taking care of the environment is another priority. "In addition to improving the environmental friendliness of businesses, one should reduce the cumulative damage to nature and help regional authorities implement their projects aiming to enhance the environmental situation," added Vladimir Putin.

The President suggested establishing a special award to be presented to the most responsible businesses during RUIE Congress sessions.

## "Sakhalin Has Great Development Potential"

The President of the Russian Federation held a working meeting with Valery Limarenko, Governor of Sakhalin Oblast. In a meeting held via video conference, the head of the insular region told the country leader about the social and economic development of Sakhalin and the Kuril Islands.

In his report, Valery Limarenko focused on the issues that concern the population the most. One of them is related to the expansion of the Oblast's gas supply infrastructure. By 2025, with the support of Gazprom, the Government of Sakhalin Oblast must meet the top priority goal of fully supplying the region with gas – and this has already been achieved by more than 50%. During the meeting, the parties also discussed the implementation of a self-contained gas supply project using LNG on the Kuril Islands. According to the plans outlined, Gazprom will build a small-scale LNG plant on

Sakhalin. Another joint project between the energy company and the regional authorities is related to the possibility of processing gas condensate on Sakhalin.

The Governor stressed that the oil and gas sector continued to play a key role in the region's economy. By way of example, he referred to the Sakhalin-2 project, which, by the end of 2022, had swiftly adapted to the rapidly changing external environment, while not only maintaining, but also ramping up its production operations.

"The project has not just quickly changed tracks. In fact, even with foreign companies

having left, Sakhalin-2 has delivered well above plan," said Valery Limarenko. The head of the region added that Sakhalin Energy LLC, the project operator, continued to focus on services localisation, including through the construction of the Sakhalin Oil and Gas Industrial Park. "In effect, it will be a new industrial estate featuring state-of-the-art technology," said the Governor.

Valery Limarenko expressed gratitude for the federal centre's help in improving the transport accessibility of Sakhalin Oblast. New air routes, both internal and inter-regional, have been launched in the Oblast, and the maritime connections to the mainland have been expanded. "Today, we are among the most accessible locations, so you can easily come visit us anytime," said the head of the region. In addition, new rolling stock is now running on the island's railways, ensuring passenger comfort and speed of travel.

The President and the Governor also discussed some undertakings that are of impor-

tance to the region, such as the construction of a new runway at the Yuzhno-Sakhalinsk airport and the refurbishment of the Korsakov port, which is supposed to become the region's main harbour.

Another topic discussed at the meeting was the revamping of the islands' higher education system. To this end, the regional authorities are implementing a project to build a campus for Sakhalin State University. The new building will provide a platform for effective interaction between academia and businesses, serving as a talent pipeline for the region's future economic growth.

Vladimir Putin commended the work of the regional authorities and promised to support Sakhalin-based projects. The President concluded the meeting by saying that the situation in the region was developing in a positive way: "Sakhalin has great development potential. We will do our best to support you."

\* Please refer to [kremlin.ru](http://kremlin.ru) for the full text of Vladimir Putin's speech.



# Setting Records

The development of Russian content (RC) and engagement of domestic suppliers of materials and services in the Sakhalin-2 project is one of the Company's priorities. In 2022, Sakhalin Energy reached a 78% RC level in the actual spend.

This is the result we achieved together. This confirms once again that the employee incentive programme, aimed at increasing the number of import substitution initiatives and increasing the share of Russian content, is producing good results. In the second half of last year, a record number of initiatives – 17 projects of the Technical, Production and Finance Directorates competed in the competition \* for the best implemented projects in this area. Four teams were declared winners.



**Andrey Oleinikov, Managing Director:** “Of course, a very large amount of work has been done in the last five years. Given that the promotion of Russian manufacturers is now ahead of the curve, the work of your teams is of particular value to the Company. The results we have achieved allow us to look to the future with greater confidence, especially now that we have moved towards a comprehensive programme of reconstruction, technical upgrades and extending the life of existing production facilities. There is a need to continue to develop Russian content, to involve domestic producers, to expand the level of service, and here a creative approach is very important. We need creative employees who can think outside the box. I wish everyone success and thank you for your work!”

**Alexander Singurov, Production Director:** “Today, our services are almost 100% substituted by Russian companies. We have switched to domestic channels, this is our reality, and we have to move further. A huge amount of work has already been done, but there is still more to be done. I am confident that we can do it – we have a strong team, we work as one!”

**Timur Gafarov, Technical Director:** “The development of Russian content is the foundation on which reliability and planning capability are built in our production. We have made the first steps, and we must not stop. This work now needs to continue on a larger scale and we have the capacity to do so – all directions are supported at the level of the Chief Executive Officer and the Managing Director of the Company. To develop technologies in specific areas, we must go forward systematically and

consciously, working out all the details. Thank you all very much, it really is a good work both for the industry and for the Russian Federation.”

**Kirill Alabuzhev, Head of Supply Chain Management Department:** “The record number of projects that took part in the competition shows that Russian content is really becoming not only a way of life and work, but also an important element of overall thinking, and this is very pleasing to realise. Such teamwork inspires everyone in the Company, which will surely bring benefits in the future. We are planting the seed that will grow into a huge tree of success of our joint activities!”

\* You can read about the contest on the internal corporate website (page of the Russian Content Development and Supplier Relations Team, section Employee Incentive Programme).

■ Ekaterina Butovskaya



RUSSIAN CONTENT: ENERGY OF PARTNERSHIP

## WINNERS

### OF THE RUSSIAN CONTENT RECOGNITION AWARD

**Successful drilling of PB-322 well sections using qualified PDC drill bits made by Russian manufacturer**

**Ernest Chaenkov  
Alexander Shmakov  
Sergey Lezzhov  
Olga Muratova  
Vladimir Petrov  
Arstan Bekbaev**

**4D Seismic Monitoring Campaign at Piltun-As-tokhskoye Oil, Gas and Condensate Field**

**Timur Gafarov  
Ruslan Oblekov  
Alexey Khabarov  
Olga Timofeeva  
Sergey Starodymov  
Sergei Vinogradov  
Anton Serzhanin  
Andrey Samatov**

**Conclusion of alternative contract with Russian vendor for nitrogen purge of hydrocarbons during scheduled shutdowns at the Company's onshore assets**

**Maxim Moiseev  
Eduard Pak  
Mikhail Klimachenko  
Inna Sakhnevich  
Anna Baranova  
Dmitry Lee  
Dmitry Lushpay  
Ruslan Samedov**

**Replacement of CO<sub>2</sub> fire extinguishing system containers of GTG 4001A/B turbine generators at PA-B platform with new ones manufactured in Russia**

**Ravil Nadyrov  
Leonid Gavrikov  
Maria de Vries  
Alexander Larionov  
Maksim Belichenko  
Dmitry Chernyshov**

# The Way Correctly Selected

Kirill Alabuzhev, Head of Supply Chain Management Department, spoke about the transformation of the approach to developing Russian content in the Sakhalin-2 project and the future plans of the department.



– Kirill, what helps you keep the department under control in a harsh, sometimes completely new external environment for the company?

– Above all, you need to be flexible, have common sense, a cold mind and respect for people.

This is the foundation for the rest of the work processes – planning, setting clear objectives for staff, evaluating progress and analysing results. The most important thing is for the personnel to understand why we achieve certain goals in the current difficult conditions.

– Working in the Russian Content Development Subdivision was one of the first steps in your career at Sakhalin Energy. How has the department changed during this time and what has been achieved?

– The department has matured and transformed with the Company, adapting to the needs and challenges posed by the internal and external environment. Considering this, its activities have expanded considerably.

In addition to communicating with the Russian Party, preparing reports, registering and training potential contractors in our HSE requirements and participation

in tenders, together with structural units we are implementing an import substitution and service localisation programme, spot-checking domestic companies to replace foreign service suppliers, and developing roadmaps.

In addition, our list of tasks includes extensive market research in areas of activity to find suitable analogues of materials and equipment, and to carry out technical re-qualification of products from Russian manufacturers.

The Russian Content and Supplier Relationship Team has become a reliable partner for organisational units that are “on the front line” – it is no longer just analytical work, but also direct interaction with the market.

– Today, the Company has been successfully implementing Russian technologies for the purpose of import substitution in the oil and gas service. Are domestic enterprises ready to fill niches?

– The need for them has increased many times, and the Company is setting serious demands for contractors. And they are meeting our needs, being determined to expand and invest in their development. This is the basis for a dialogue that will help us build further work with domestic suppliers.

As part of the 2022 shutdown, for the first time in the history of Sakhalin Energy, all work was performed by Russian specialists – efficiently, on time, safely and in accordance with the requirements. This proves the continuity of experience and the growth of practical knowledge to perform technical tasks on the complex equipment of the Sakhalin-2 project. In my opinion, domestic companies have a serious growth potential.

Realising that import substitution is far from an instantaneous process, Sakhalin

Energy is also willing to invest time and money in finding alternative technical solutions. We will continue to develop our production and technical base on the grounds of the Sakhalin Industrial Park as an element of infrastructure for the localisation of services.

The government assistance should not be forgotten either – the fuel and energy sector remains one of the priority sectors for import substitution. The Russian Federation plans to raise the share of domestic equipment in the industry to 80% by 2025. Among the key challenges are the construction of a specialised gas transportation fleet, the development of technologies for offshore oil and gas production and a breakthrough in the petrochemical industry. The focus shifts to domestic opportunities.

I would add that, apart from development, it is also important to preserve intellectual property for domestic developments, which are created, among other things, by Sakhalin Energy’s efforts.

– Given the external situation, what has changed in the development of Russian content in the Sakhalin-2 project?

– The approach has changed, there is a sense of urgency of decisions to be made here and now. Whereas in the past the economic factor, timing and complexity of implementing Russian content initiatives were taken into account, now it is a sharp increase in the number of areas of cooperation with suppliers.

Some of the Russian equivalents and services seemed literally impossible to us a few years ago, but we have not stopped and have continued to develop the implementation of domestic solutions. Today this has given the Company a head start over many oil and gas companies. We will continue to find effective solutions.

– Another area of the department’s work is relations with suppliers from friendly countries, including China. How is this dialogue developing?

– Traditionally, oil and gas equipment customers look for alternative solutions pri-

marily in affordable markets. In doing so, they focus on a product they trust – it is easier and more reliable to work with. Therefore, although some Western materials and developments have left the Russian market, competition from them remains, including competition with China.

– What would you say are the main areas of work for the department this year?

– We have outlined strategic directions, and among the priorities are HSE compliance in contracts at the highest level and support for production activities, including planned 2023 shutdown. We need to ensure uninterrupted operation in the face of market constraints. This requires in-depth analysis and predetermines the importance of the Russian Content Development Subdivision. In addition, productive work in the area of cost control and commercial efficiency remains as important as ever. The challenges are numerous, and I am confident that we can meet them.

– Kirill, you have lived long enough in Brazil to master the art of jiu-jitsu, which reveals the secrets of self-discipline and endurance. Which of these do you apply when solving problems?

– Like any martial art, Brazilian jiu-jitsu is based on control and, as a result, defeating opponents and difficulties. At the same time, it teaches patience, perseverance, respect and loyalty. These are the characteristics that help most in the workplace, especially in such challenging times.

– How do you manage to maintain a balance between the office and your personal life?

– The work never ends, and it requires more and more effort. But when you manage to solve difficult production tasks, you see that employees get satisfaction from the results achieved. It gives you an emotional lift. Of course, it is enhanced by spending time with family and friends and by physical activity. All of the above allows you to unwind and get back to your work with renewed vigour.

■ Interview by Ekaterina Butovskaya

## Credit Earned!

The Prigorodnoye production complex opened the year 2023 with an achievement: an MIE (Maintenance and Integrity Execution) audit was successfully passed. This comprehensive assessment gives an answer to how technically efficient the maintenance of the asset is.

An assessment committee of both experienced and young professionals from the Maintenance and Overhaul Planning Division arrived at the Prigorodnoye production complex in late January. Within one working week, the auditors who had been split into two teams took part in a

dozen operational and administrative meetings and briefings, conducted more than 40 interviews with employees and managers, and visited the production site, the repair shop, and the storage facilities.

“MIE is not merely a standard, it is our way of thinking and our culture that



form an integral part of the continuous improvement process at the LNG plant,” said Denis Khakimov, Head of Maintenance (LNG).

As a reminder, in 2020, the Prigorodnoye production complex team achieved a performance rate of 65%. In 2023, having overcome the challenges of the preceding three years, it was not only able to show a stable MIE level, calculative (the minimum being 60 per cent), but also to improve on

its earlier performance, reaching 69 per cent. In the meantime, the asset has racked up several achievements that correspond to proactive, a higher performance level.

The Maintenance and Overhaul Planning Division would like to congratulate all those involved in the MIE process at the LNG plant and thank the asset’s management for their leadership and personal contribution to operational excellence!

■ Oleg Goncharov

**Working under the MIE brand means that:**

- employees are aware of their maintenance and integrity duties and are competent to carry them out,
- requirements governing maintenance management processes and Safety Critical Elements (SCEs) are rigorously adhered to, making sure that all stages of the process and the relevant SCEs are in place,
- yet another step has been taken towards reaching the proactive level (performance rate of 80%).

# Continuing Cooperation

The State Reserves Committee and Sakhalin Energy held a joint scientific practical seminar in Yuzhno-Sakhalinsk. Such field meetings are a good tradition that helps to preserve close contact between the Company and lead experts of the Committee.



Over 25 managers and experts (geologists, geophysicists, developers, process engineers, lawyers), led by Ruslan Oblekov, Deputy Technical Director, attended the seminar on behalf of Sakhalin Energy. The videoconference format was used to target the largest possible audience.

The Company has collaborated with the Committee for many years. Before obtaining a final approval by Rosnedra, each reserves estimate and design document for a field development project is required to undergo a comprehensive state review by the State Reserves Committee and a defence procedure. Since the launch of the Sakhalin-2 project in 1994, the Company has passed these procedures dozens of times in close cooperation and with significant scientific and methodological support from the academic community, managers, members and experts of the State Reserves Committee. In 2022, this joint work resulted in successful defence of the reserves re-estimate and the Addendum to Reserves Management Plan for the development of the Piltun-Astokhskoye field.

The rapidly updated regulations governing design documentation require the Company to clarify multiple matters, thus, the managers of the Technical Directorate fully supported the upcoming seminar with the Committee. The meeting focused on preparation of materials for the assessment and classification of geological and recoverable hydrocarbon reserves (HCR) with due regard to new regulations of the Russian Federation leg-



**We are especially thankful to the organisers of the seminar – Elena Ryabinkina, Irina Kim, Yulia Igonina, Ekaterina Kostina, Ekaterina Meger, Dmitry Demishev, Anton Marin, Nikita Rakhmatulaev, Andrey Baronin.**

islation on subsoil use and the expertise of the past years.

On day 1, the speakers from the Committee shared information about its area of work, analysed errors and problems identified in the process of calculating reserves and operational accounting of hydrocarbons by oil and gas companies in Russia, the practice of expert review of design documentation for development. The participants also covered the topic of submission of documents for the state ex-

pert review of hydrocarbon reserves. The agenda also included measures of compliance with the environment safety requirements in the context of subsoil use, which are included in design documentation and subject to attention of Rosprirodnadzor.

Additionally, there was Geology in Pictures presentation that reflected the situation with sedimentation in different areas of the world and the conditions for the formation of hydrocarbon deposits. Besides the topics related to geology and development of hydrocarbon deposits, a report on the requirements for subsoil storage of carbon dioxide stirred great interest among the participants. In particular, it covered various scenarios concerning CO<sub>2</sub> emissions in the near future, measures to reduce carbon footprint, the regulations of the Russian Federation in this area, as well as general information on global projects for underground storage of

carbon dioxide. Day 2 was dedicated to the development of the Piltun-Astokhskoye and Lunsokoye fields. The specialists of the Company spoke about the documents that are being prepared in 2023 for the state expert review, and shared plans for the future. The result of the meeting was an open and active discussion, which would not have been possible at general events with many third-party subsoil users.

Such field meetings with the Committee help to quickly resolve issues related to the development of offshore fields, carry out design at a high level, and choose the most effective options from both a technical and economic points of view. We are looking forward to further fruitful cooperation with the Committee, which is invaluable to the employees of the Company and the oil and gas industry as a whole.

■ Yulia Loskutova

# Safety Caravan

Now that this issue of the Vesti is finally ready, we can wipe the sweat from our foreheads and say: Spring is coming – spring is coming! Vladimir Golikov, Technical Interface Manager, and Anton Shivaev, Senior Marine Safety Specialist at the port of Prigorodnoye, explained what had happened before these events took place.

– Vladimir, the port of Prigorodnoye has had one of the most difficult seasons of the year due to the capricious nature of Aniva Bay. What challenges have you faced?

– As always, it was ice. Sea ice in the Sea of Okhotsk to the north of Sakhalin starts to form in November and moves southward driven by wind and currents. By early January it reaches the southern part of the island and may enter Aniva Bay. More challenging ice conditions in the bay begin in February and end around the end of March. Both its own young ice and heavier ice from eastern Sakhalin are being formed in the waters at this time. This is not an easy period for shipping in the port of Prigorodnoye, as the Company’s specialists have to consider the navigation specifics of heavy vessels in ice to ensure safe and timely entry into Aniva Bay and access to clear water for gas carriers and oil tankers.

– And then the icebreaker – this season’s Bering Strait – comes on duty. What jobs does the icebreaker have to do?

– First of all, I should say that no winter is the same and no ice is the same either. Unfortunately, each winter brings new challenges and new inputs that need to be carefully reviewed, including the capabilities of the icebreaker, which is new to us. This year, a trial ice escort was undertaken for Grand Elena, one of the most experienced gas carriers in the Sakhalin-2 project. Our team got on board the icebreaker to assess in practice the capabilities of the icebreaker, the actual ice conditions and to practise interaction between the icebreaker and the gas carrier in the ice caravan.

– Anton, where did the icebreaking start and how was it going?

– We moved from the port of Prigorodnoye to get to clear water. Bering Strait was ahead, followed by Grand Elena at a distance of eight cables (1.5 km) and at a speed of eight knots (15 km/h). That was the caravan.



The escort is generally taken from a jetty to the so-called “safety point”, where all ice conditions are assessed – in particular, young ice in Aniva Bay (it has been forming no thicker than 30 cm for the last 10 years), individual drifted ice and ice fields.

As you can see, this is about reconnaissance, where we analyse the conditions and assess what resources will be needed in any given situation, what risks need to be considered and how to ensure safe ice escort of an incoming vessel.

– Before we get back to the sea voyage, can you tell us how much the analysis of data from previous years helps you in your work?

– We have collected statistics for Aniva Bay for a period of about 30 years and we always take this into account. There has been a recent trend towards harsher (in terms of low temperatures) winters. The dependence of the ice formation process on temperature conditions is not always linear, as the main hazard to navigation in Aniva Bay is ice brought by wind and currents from the north-eastern coast of Sakhalin. If the downward temperature trend continues in the next few years, the young ice in the bay will likely be thicker. We are keeping a close eye on this. In addition, Sakhalin Energy’s

Geomatics supports us by providing satellite imagery and forecasts of the actual ice situation. I should also note that this winter on Sakhalin has been the coldest and most difficult in terms of ice in the bay during the last 30 years of observations.

– Let’s go back to the escort: suppose a gas carrier is stuck in the ice. What will the icebreaker do in this case, take it in tow?

– Of course, no. This is not the situation – it will not take the vessel on tow. When heavy ice appears, a tanker, having assessed its capabilities, may lie adrift. The icebreaker is able to make a channel that will ensure the safe passage of the gas carrier through the ice. It is important to prevent it from colliding with the ice and bringing one vessel down on the other, so the icebreaker’s master will do all he can to help the calling vessel. The master of the Bering Strait is a professional with many years experience of working at tanker loading units in ice conditions similar to the Prigorodnoye Production Complex

– Vladimir, you have described the master of the icebreaker as an experienced sea wolf, and what can you say about the vessel itself?

– It is a highly manoeuvrable multi-functional rescue vessel rated as an Icebreaker Class 6 with unlimited sailing area. The icebreaker, built in 2015, has already helped us out many times in the port of Prigorodnoye during the difficult ice conditions of this winter navigation season. The fact is that ice can form ice hummocks around the jetty, which prevents the vessel’s hull from pressing against the jetty’s fenders. In such cases, the Bering Strait breaks the ice and propels it out well in advance, helping to conduct the mooring safely and without delays to the schedule.

– While navigation in Aniva Bay is hampered by such ice conditions, will each vessel be escorted by an icebreaker?

– Safety is above all. Safe navigation in the waters of Prigorodnoye is formally regulated by the Harbour Master. It is up to him to “determine” when the ice season starts and ends, depending on the actual situation. During this period, providing icebreaker support in the port is mandatory. This is not overreaction – we need to make sure that shipping vessels calling at Prigorodnoye can manoeuvre safely not only in the port, but also near the port’s access routes.

While escorting the gas carrier, we came across some really serious ice after leaving the port. From a distance it looked like a small ice floe, which appeared to us in the keel of a wall of ice a metre and a half or two metres high. If it collides with a vessel unprotected by a reinforced hull, it would be like a car crashing into a concrete wall. This proves once again that it is necessary to take care of the ice situation and safety.

– Let’s take our minds off the ice and get back to spring. One of its signs is the return of migratory birds... Did you meet any sea creatures during your expedition that herald this time of year?

– I don’t know if meeting sea creatures can be considered a sign of spring, but we were accompanied by a friendly flock on leaving and entering the port. We thought they were dolphins or killer whales, but the experienced icebreaker master said they were porpoises – mammals of the cetacean family (one of the dolphin groups, according to some experts). They are said to be intellectually comparable to dogs. As you know, a dog barks and a caravan runs, but of course it was great to meet our little brothers on our way back home.

■ Interview by Elena Gurshal



## No Good Deed Goes Unrewarded

At Sakhalin Energy, good CI performance is celebrated both Company-wide and within individual subdivisions. The Finance Directorate is no exception, with the best initiatives being identified on a quarterly basis.

The project “Optimising Marine Fuel Costs: Changing the Approach to Contract Price Calculation” was hands down the leader in Q4 2022. The selection of the winning project was based on such criteria as its economic benefits, impact on the directorate’s KPIs, cross-functional cooperation, the innovativeness and replicability of the proposal, and the application of the continuous improvement methodology and techniques. It is worth pointing out that, once implemented, the initiative has changed the approach to and the procedure for negotiating marine fuel price calculations with suppliers. This has made it possible to avoid the unnecessary costs associated with the increase in the price in the global markets.

During the award ceremony, the management of the Finance Directorate congratulated the project team represented by Tatiana Titova, Maxim Boltentkov, Tatiana Yanush, Alexander Lukashik, and Maria Vysokova.

■ Alina Gololobova

### continuous improvement



The management of the Finance Directorate would like to thank the teams of the following competing projects:

- Optimising forklift costs: owning forklift trucks instead of renting them.
- Optimising the transport of surplus inventory to the actual disposal site.
- Implementing vendor audit tracking in SAP.
- Incorporating the requirements set out in Gazprom’s Investment Programme Development and Approval Guidelines into the Company’s budget and investment programme planning process.
- Streamlining the A/E process: using the IT self-service portal.
- Simplifying the accounting and allocation of manpower costs.

# Quality as Factor of Responsibility

Sakhalin Energy has launched the new Flawless Operation programme developed in late 2022. We asked Konstantin Pikanov, a QA/QC Engineer, to tell us about the goals of the programme and how it will be implemented.

– Konstantin, can we say that the programme received a go-ahead during the implementation phase in 2023 on the Piltun-Astokhskoye-B platform (PA-B)?

– Indeed, the first session on flawless operation was held at the most distant production asset of the Sakhalin-2 project. In late January this year, my colleague Alexander Larionov and I gave a face-to-face presentation on quality issues for PA-B, followed by a series of online presentations for project's other sites: one site per day. Karl Pineaha, Lead TA Quality Assurance Engineer (Maintenance and Overhaul Planning Division), supported us remotely during the trip.

– Who did you invite for the training session?

– First of all, mid-level managers, discipline and asset engineers. I told them why the new programme is needed, what quality means to us and how it is linked to safety. I mentioned the processes that are already running in Sakhalin Energy, including management of change (MOC), non-conformance recording (NCR) and lessons learnt

what I said to the session participants: “Colleagues, you are already engaged in quality assurance and quality control today”.

– Don't you think that the company has been running quite a few programmes that deal with quality issues to a certain extent: Goal Zero, Lean Production, Continuous Improvement and others. Isn't it a violation of the well-known Occam's Razor principle where we multiply things unnecessarily?

– I strongly disagree. Sakhalin Energy's operating philosophy comprises many programmes, and each of them is designed to solve a particular problem. For example, Goal Zero focuses on safety with no injuries, no spills, no incidents. And it is quite organically linked to Flawless Operation. Let's imagine the following: work is underway to replace a valve. If we carry them out properly, the valve will not leak, allowing us to avoid an undesirable situation. Works performed with high quality today guarantee safety tomorrow.

– Back to Edwards Deming. While in Japan he was called the father of the



Conducting remote audits using a Smart Helmet

one pays attention to every unsafe condition both at work and at home. Of course, it is not an easy task which will take a long time to achieve, even though Sakhalin Energy has already done a lot in this area and over the years our employees have developed the habit of taking every suggestion into consideration.

After the overview sessions, we plan to launch Summer and Winter Quality Days similar to the Safety Days, which have been held successfully in our Company for many years already. The first stage of “Flawless Operation” is to teach people to talk about quality, ask questions, and pay close attention to difficulties.

We saw the interest in our programme on the part of the production staff – that is the feedback we received. PA-B personnel gave a number of suggestions that could be addressed right away. For example, prior to the delivery of materials to the platform, they are checked thoroughly at the offshore asset. But given that they come in through the Kholmsk warehouse, we could arrange for a thorough inspection of equipment and materials ashore, for example.

– To obtain the first results under a particular programme, it sometimes takes a few years of effort. Are you sure that the quality process will progress faster?

– Sakhalin Energy staff have made it a habit to pay attention to all suggestions that benefit the business. It is better to take some steps today to avoid difficulties in the future. It is important to alter people's mindsets in order to minimise the risk of recurring flaws. Many people at our company associate quality with some kind of inspection, whether it is a pipeline hydrotest or a weld seam radiographic test.

In fact, quality starts long before the commencement of works: proper preparation of work packages, use of up-to-date drawings and the latest revisions of procedures, verification of equipment certificates and expiry dates of consumables, and so on. Proper job preparation ensures 60–65% of the quality of the output. Moreover, we keep up with the time. We can use a Smart Helmet as a means to perform quality control.

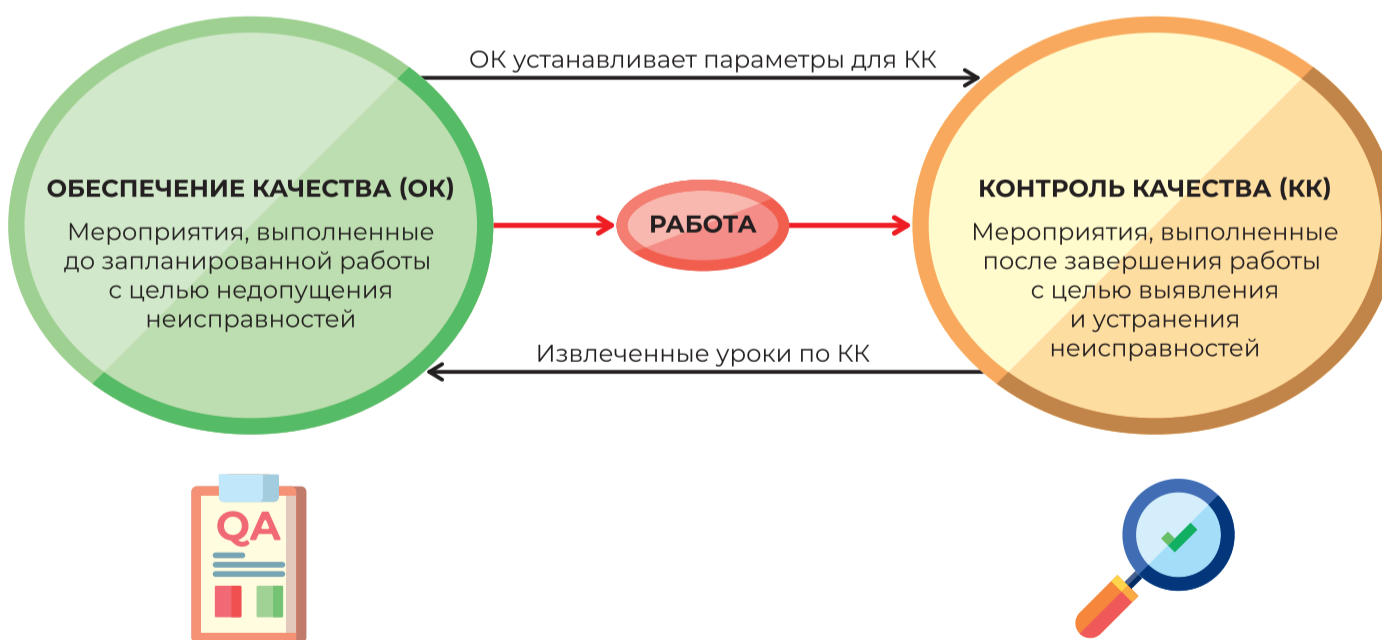
– Please, tell us how this technology works in terms of quality control.

– I used the Smart Helmet while auditing a job so that I could stream the audit online for the specialists based in Yuzhno-Sakhalinsk. We were able to communicate with the contractors in real time to ask questions and highlight certain details. We have proved that it is possible to carry out audits remotely using a Smart Helmet. These are just the first steps in our programme, but I am sure that the future belongs to it.

– Thanks for your answers and best wishes for the success of the programme!

■ Interview by Elena Gurshal

## ОБЕСПЕЧЕНИЕ И КОНТРОЛЬ КАЧЕСТВА



(Lessons Learnt). Using an example, I showed the difference between Quality Assurance and Quality Control and how the risk management process works. I told about the concept of Total Quality Management which is based on Edwards Deming's 14 principles.

The second half of the training session was about questions and answers. In fact, I noted that many processes have already been implemented in the project and function properly; it is just that not everyone is aware that these processes are focused precisely on quality. This is

quality revolution, back home in the USA he was known to just a small range of specialists and received recognised only 30 years later. Indeed, no man is a prophet in his own land. Deming considered continuous quality improvement a key factor in his philosophy. If a company does not aim to maintain a constant level of quality, it is destined to lag behind its competitors. How do you intend to avoid this?

– Our programme is expected to last five to six years. Our goal is identical to that of Goal Zero, which is to change people's mindset, to ensure that every-

– Konstantin, could you give an example of what should be kept in mind when implementing the programme?

– My business trip, in particular, was not just about the Flawless Operation programme. Every day I conducted quality rounds and visited work sites. Because when you work on the same site in the same mode for a long time, your eyes get used to the surroundings and you may overlook shortcomings.

– What was the feedback after your sessions on Flawless Operation?



# A Drone's-Eye View

Yesenin's "big is seen from a distance" can come off as a lyrical, but also quite practical line. Before you weigh up an achievement, you have to, as in our case, look at it from a bird's-eye view, or more specifically, from a drone's-eye view. Danil Karzanov, Pavel Deryabin, and Pavel Denshchikov talked to us about the flare tip inspection at the Lunskeye-A (LUN-A) platform.

– **When did this operation take place?**

**Danil Karzanov, Category I Inspection Engineer:** "The flare tip inspection at the LUN-A platform was scheduled for the period of major turnaround of the integrated gas chain in summer 2021. Since the assets such as the LNG plant, the Onshore Processing Facility (OPF), and the Lunskeye-A platform run their flares 24/7 all year round, only a major turnaround of the process lines allow for climbing the mast and inspecting their integrity.

Given the constant operation of the flares, we had to find alternative ways to inspect the flare system on the platform. That is when we got the idea of a flare tip visual inspection via aerial survey using UAVs, and we decided to make it happen in summer 2022.

**Pavel Deryabin, Head of Onshore and Offshore Asset Inspection and Industrial Control Subdivision:** "Let me remind you that the flare tip is one of the crucial safety elements. It is a critical part of the flare and depressurising system designed for safe disposal of hydrocarbons during start-up, operation, emergencies, and maintenance.

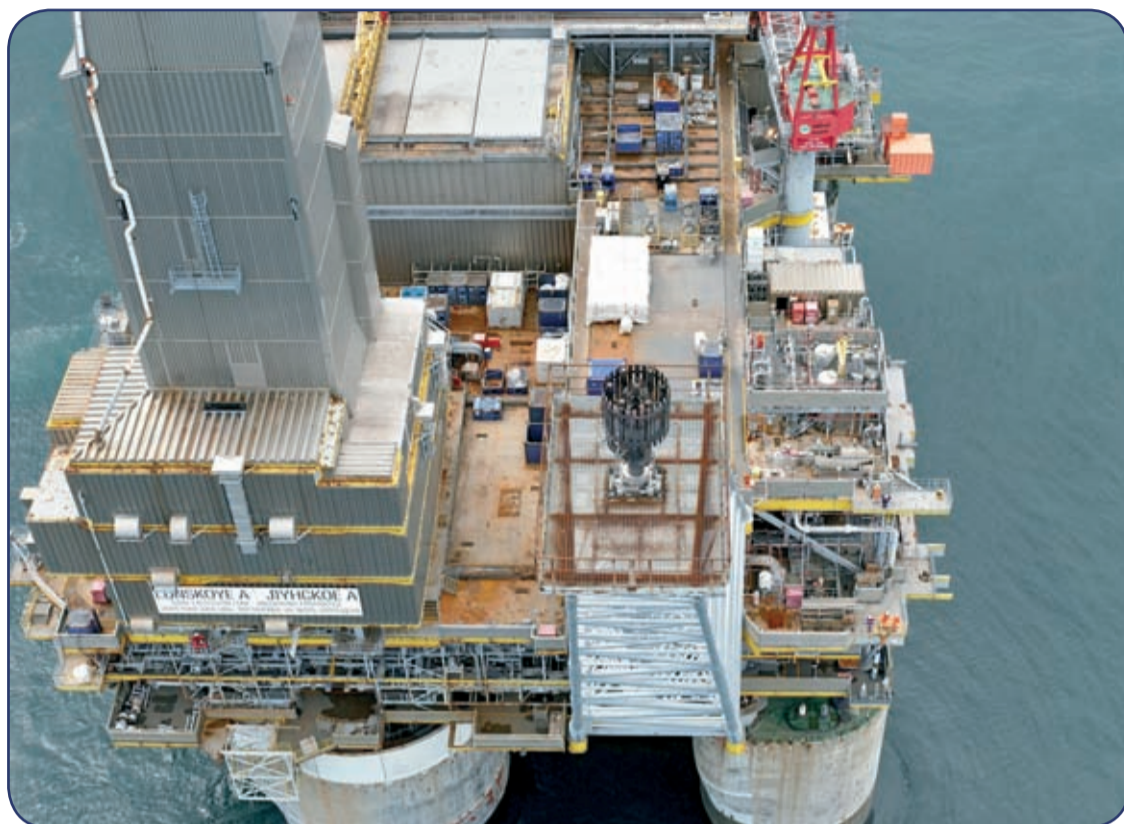
Routine inspections must ensure the technical integrity of the flare tip, because its damage will require complicated repair and an unplanned shutdown of the entire integrated gas chain. Moreover, a hydrocarbon combustion failure could be detrimental to the environment.

We went with an alternative inspection technique, which uses a drone, as it is the best method that is well recognised in the industry and the Sakhalin-2 project. This method has been tested at the OPF and the LNG plant to assess the condition of flare systems. As for the Lunskeye-A platform, drone inspection has never been done for the flare tips at Sakhalin Energy's offshore assets."

– **Tell us about the operation itself. What was challenging about it?**

**Danil Karzanov:** "An offshore platform is a challenging place for drones. The space here is limited: the entire process equipment, all personnel routes, and storage areas are located in one area. Packed with radio equipment, the asset is made of metal structures, which can interfere with drone control, while the control instrumentation of process equipment can be sensitive to its radio signal. Moreover, an industrial drone is quite different from those seen, for example, in parks, as its maximum take-off weight is 9 kilograms.

Considering the above, we got together with the platform management, technical experts, and representatives of the UAV operating company to prepare for the operation and to have a thorough look into all stages and various flight routes. We did it to minimise the risks of the drone falling down and its impact on the performance of the production facility. The platform personnel helped us a lot. We took into account all the cir-



cumstances and started working out the details of the operation months in advance. In the end, we decided to use a standby vessel which stays close to the platform and ensures its safety."

– I guess you had to wait for the grass to grow. I can only imagine how small the window of opportunity was, a literally tiny one.

**Danil Karzanov:** "Any sea wave and fog make the operation difficult. You can easily lose control of the drone because of the ship's radar equipment and possible interference from the hull. If the ship's deck goes up and down, it is impossible to launch the drone. If the visibility is poor, flights are forbidden.

UAV operators spent two weeks on the ship, and only five days were fit for flying the drone. As a result, we got all the information we needed to confirm the good technical condition of the flare."

– **You said that you had teamed up with Lunskeye-A specialists, but I am sure that other subdivisions of Sakhalin Energy also contributed to the operation, did not they?**

**Pavel Deryabin:** "We had a multidisciplinary team with specialists of various disciplines joining us at different stages of the operation, and they helped us complete it successfully. It would be impossible without the support of the LUN-A platform management and specialists, the Engineering and Maintenance Department, and the Communications Subdivision of the Information Technology and Information Management Department."

– **Let me ask you a lyrical question. What did you feel when you got through hardship to the stars? I will address this to Pavel Denshchikov (Head of Mechanical, Materials, and Integrity Division) as he has just joined us.**

**Pavel Denshchikov:** "My colleagues have already shared that when organis-

ing an inspection, in particular, of the flare tip, the main challenge is to get access to it. It took us a while to find the solution. Although we already had experience using drones at the OPF, this operation made us review and update the technique significantly. Being professionals, we put in smooth, safe, and responsible efforts. We have done a challenging task successfully, and that is the main thing.

Moreover, this operation showed us how good this method can do as it identifies early non-compliances in the equipment operation to address them in time. If need be, we can use it at other assets of the Sakhalin-2 project and share our experience with other companies."

**Danil Karzanov:** "Another important thing is that the drone inspection lets us observe the flare during operation and identify a defect in the process, which could be missed during a major turnaround.

The drone is equipped not only with high-resolution optics, but also with a thermal camera to give a thermal image. It is a very promising technique which should be used for a variety of tasks. The aerial survey delivered us photo and video materials which we used to assess the integrity of the flare tip and if it fits for further operation.

What is important is that our successful experience of flare inspection at the offshore platform from a duty vessel using a UAV helps us to decide on its further use without a major turnaround."

**Pavel Denshchikov:** "A thermal camera shows us what a human eye cannot see. By getting a live image, we can assess whether it is running properly."

**Danil Karzanov:** "It is good for pre-inspection, without taking the asset out of the production chain. You could say that it gives an extra margin of integrity, safety, and time."

■ Interview by Elena Gurshal

# Upgrading Leadership Skills

This year, the leadership upskilling for managers of all levels across Sakhalin Energy started with a business simulation programme named Carriers. This popular short-term bootcamp focuses on cross-functional interaction and steering innovations. Learn more from the interview with Elena Guliy, Lead Specialist of the Skill Pool Creation and Development Subdivision.

– Elena, for the first time in the last three years, training was held in a face-to-face format. Why have you changed the usual online practice despite that it is the focus area of BIRC Int.?

– Indeed, we have been collaborating with this company for about three years. It offers leadership building modules. Online learning has been practised throughout all this time. But, taking into account the feedback from our previous participants, we were able to implement face-to-face training where live interaction was crucial. Yet, I'd like to highlight that online learning has its own advantages, and our partners are far from being new here. They effectively organise digital classes using up-to-date tools. Therefore, we do not cancel proven practices, but rather adjust the balance.

– This was a full-scale interaction! The first modules of the programme were held face-to-face, plus you started the training

with Carriers simulation for the first time.

– For this large-scale event, we brought together all the participants of the modular programmes that focus on building leadership, i.e., Algorithms of Management, Path to Success, and Access Code. Speaking metaphorically, we ploughed up the earth to sow the seeds of knowledge. Business simulation recreates processes typical to any company. To reach a common goal, effective interaction is a must. Facing common challenges, we often encounter various interaction barriers. It is all up to us how quickly we are able to overcome them.

As the follow-up of each round, par-



**Maxim Suvorov, Head of the Reliability Division:** “In the game, we had to come up with many solutions under time pressure, and allowed us to analyse the effectiveness of our solutions and communication methods. Simulation is a great tool to identify the limitations and of a control system when it focuses on just one segment. I gained new experience that I have already been using in real life.”

**Anna Vylegzhanina, Head of Service Contracts Division:** Carriers is a great opportunity to put ourselves in other people's shoes – a finance expert, design engineer, worker or courier; to feel how the decisions and actions of one department affect the other and the outcome. As a result, “grey” zones of cross-functional interaction are exposed. The task cannot be solved through conventional methods. It stimulates to search for new ways, generate new ideas that turn into actions, leading the team to a certain result. You make mistakes but, fortunately, their price is not too high, and there is a chance to try a different solution. Besides business upskilling, it was fun to return to the format of live communication with colleagues, strengthen old and establish new connections, and discuss the hands-on opportunities of new experience.”

**Egor Lukin, Technical Interface Manager:** “The key thing is the alignment of the goals in the game with business objectives. Carriers fully meets this criterion, simulating the end-to-end cycle of planning, budgeting, and launching large projects. Such simulations allow participants trying management roles, test leadership and communication skills, see the outcome of the decisions made, and get tips for self-improvement.”

participants discussed successful tactics and other ways to reach a common target with business coaches. This is a good practice for uncovering strengths in a team and areas that need more focus in solving joint problems. It is important that after the game, participants began to use up-to-date approaches, management and teamwork tools in leadership building programmes.

– Is this business simulation like a game?

– 48 employees from all levels were divided into two “companies” (game tables), each group was given a task to build a railway. Each team had various subdivisions, rules, and boundaries with no right to violate. The business simulation format helped the players to upgrade skills and competences, gain hands-on experience and knowledge, join efforts for out-of-the-box solutions in new circumstances, take a look at the process through the prism of today's tasks, roles and functions.

– Have I got it right that everything was “mixed” in the game? A subdivision head could get the role of a courier, and a middle manager could become a member of the Board of Directors?

– Yeah, that's right. This is a view from the outside, yet with a feeling of being involved in the process. Participants realised that the company operates as a system, with all links and departments important. It is a known fact that knowledge and conclusions made in the emotional atmosphere are easier to remember.

Let me emphasise it once again that the purpose of gathering every one in a business simulation format is not only to kick-start training, motivate and involve

the participants in the further process, but also to expand networking between managers across all levels and functions. Input of each member mattered, since the seamless teamwork required off-beat solutions, the courage and speed to adopt them.

– Elena, HR at Sakhalin Energy has always met high standards. For many years in a row, the company has led in the Russian national ranking of employers in the power industry. Training leaders following the modern trends gets a special meaning, doesn't it?

– Strong leadership is one of the factors that impact staff dedication. Moreover, according to recent research, global HR management is focusing on executives as a priority group for growth. This is reasonable, since business leaders are role models for others. They are trendsetters.

– How would you rate the participants of the modular training and their desire to learn new?

– I saw the involvement in the process by both experienced leaders and those who are just beginning their journey. Everyone was excited. Senior officers took part in our programme, and, to be honest, I worried about how they would react to the training. Perhaps, it could feel as repetition of things already learnt. But there was a sincere interest, awareness of the importance of seeing things from perspectives of others, willingness not only to share, but also to learn.

The company is far from stagnating. Our corporate culture views the openness to innovations and seeking growth as the most important qualities of the leader. This is crucial in the new reality, in over-

coming new challenges. I think that this is the advantage of Sakhalin Energy.

■ Interview by Elena Gurshal

**Ida Espiyonok, Business Coach, BIRC Int.:** “Business simulation “Carriers” this year was the start a new stream of three leadership development programs.

When leaders gather in a team, it is always an interesting experience for both business coaches and the participants themselves. In addition to production and business tasks, the participants had to set up communications according to the new positioning in the “company” with a different business context. In a sense, everyone had to reformat leadership in order to achieve a common result. Two teams were formed absolutely randomly, no one knew what and how his new position might affect. All team effects had to be dealt with in the process of solving business problems at a set time. Each team approached the development of solutions in its own way, tried a variety of tactics, lived through new experiences, developed fresh ideas in discussions to improve the result. At the end of the business simulation, the participants shared their practical findings and plans for change. This is another excellent confirmation of the professionalism of the participants – to take lessons and translate them into new knowledge for self-improvement.”



## Pro-activity

The I'm Healthy strategy launched earlier this year has been gaining momentum: the second corporate Health Day took place at the Sakhalin Oblast Art Museum in March. Its highlight was the themed exposition Energy Power Through Women's Eyes, initiated and supported by the Company.

How to relieve stress and avoid depression with minimal effort? Traditionally, the discussion was led by Konstantin Kokorin, Head of Corporate Health Section. In his presentation "Pro-activity", Konstantin emphasised the benefits of physical activity for health and beauty. Clearly, each person has their own view on aesthetics, however, most of us strive to be attractive, lively and healthy, rather than the opposite.

And motivation is key here. It is not that simple to make an effort, start exercising, and add workouts to your everyday routine. Seeking beauty alone may not be enough. But things change when it comes to life and health.

Konstantin Kokorin cited the key health concerns identified among Sakha-

lin-2 project employees during examinations: smoking, lipid metabolism disorders that may cause atherosclerosis, and severe cardiovascular diseases, arterial hypertension, etc. He added that all these risks significantly increase among people with low physical activity.

"Starting from the age of about 20, human muscles and strength gradually reduce, and skeletal muscles get weaker. Unless you compensate for this with special exercises, the risk of chronic diseases and even disability in adulthood grows exponentially. Aerobic exercises, i.e., sports, walking, jogging, swimming, dancing and others, can help to avoid this negative scenario," says Konstantin Kokorin.



According to him, aerobic exercise should take at least 30 minutes daily. Don't have time? Divide it by two. 15 minutes in the morning and 15 minutes in the evening is a realistic load even to the busiest person. It is advisable to have two (or more) strength-training workouts a week for big muscles: this way you will reduce the cardiac load.

Regular exercise helps to significantly reduce the risk of cardiovascular diseases. Konstantin Kokorin added that, accord-



ing to scientists, if a person is able to do 50 or more push-ups in a row, their risk of coronary heart disease reduces by 96%.

"If you don't have even seven minutes, you still can find time for at least one exercise," the expert believes. He recommended doing the Wall Sit exercise for one or two minutes. It goes as follows:

- Stand with your back against a wall and feet shoulder-width apart, two feet from the wall. Do a slow wall squat.

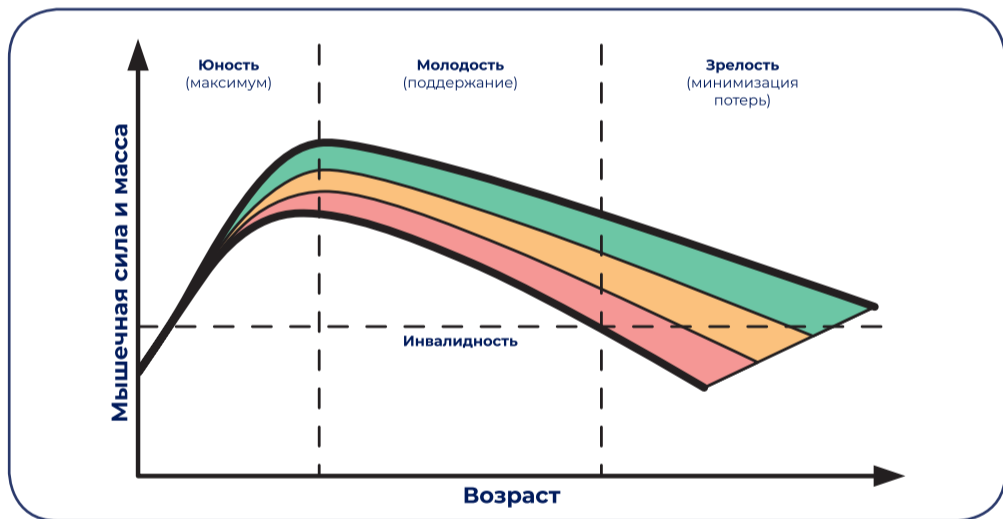
- Keep your feet in a position that your knees are exactly above your ankles.

- Stay in this position for 60–120 seconds.

- Return to the initial position.

"This would be a good start to feel endorphins, happy hormones, that release during exercise. Try doing it regularly, and in just a few weeks you will feel happier, healthier, and more beautiful. It is worth making this effort," added Konstantin Kokorin.

■ Pavel Ryabchikov



### СЕМЬ МИНУТ ЗАНЯТИЙ

30 секунд выполняем, 10 секунд отдыхаем

1. Прыжки на месте
2. Стульчик у стены
3. Отжимания
4. Упражнение на пресс
5. Ступенька
6. Приседания
7. Обратные отжимания
8. Планка
9. Поднятие колен с места
10. Отжимания с поворотом
11. Боковая планка

## Broadening Collaboration Horizons

personnel

The Recruitment Subdivision held its first-ever online meeting with the students of Skolkovo Institute of Science and Technology. Over 30 Skoltech students joined the session.

Every year, representatives of various universities from around the country come to Sakhalin Energy for internship. This is how we met the students of Skolkovo Institute of Science and Technology.

What is remarkable about Skoltech students? They study in a dynamic university environment designed to successfully educate the next generation of leaders in science, technology, and business. Classes at one of the youngest Russian universities, which has already tapped into the top ranks across many areas of engineering education, are taught in English. To Sakhalin Energy, the most relevant areas among the master's programmes are oil and gas, advanced production technologies, energy and engineering systems.

The first online meeting involved the employees of various departments of the

Company. A young specialist, Chemical Engineer Elizaveta Sapronova told the students about Sakhalin-2 project, and the Lead engineer Artem Grechanik shared his personal experience of participating in the Graduate Development Programme and future career path. The Human Resources Directorate drew the attention of the audience to the conditions of internship and Graduate Development Programme focusing on candidate criteria, selection stages, and participation procedure. Yanislav Morozov, a student of Skoltech and participant of Sakhalin Energy's 2022 internship programme and the federal Profinternship 2.0 programme, finalised the row of presentations. He shared his experience of participating in the corporate and federal programmes.

Remarkably, the students were very ac-

### ТРЕБОВАНИЯ К КАНДИДАТАМ

**МОЛОДОЙ СПЕЦИАЛИСТ**

- Соответствующее должности профильное высшее образование
- Гражданин РФ
- Со средним баллом 4,0 и выше для технических дисциплин и 4,5 и выше для нетехнических дисциплин
- Опыт работы не более 3-х лет

Мотивированный и готовый развиваться по специальности кандидат

tive during the Q&A session. They took a particular interest in the opportunity to join the corporate educational programmes and visits to the production facilities, as well as information about the skills and responsibilities applicable to certain roles.

We hope that Skoltech students will take an active part in the programmes run by the Company, and we, in turn, are committed to continue fruitful cooperation with the tech university.

■ Daria Lushchay

# The Price of Restrictions

Restrictions on Russian oil products began to take effect on 5 February 2023 – a ban on their maritime shipments to the EU and price ceilings have been set by the EU as part of the sixth sanctions package on 3 June 2022.

There will be two versions of the price ceiling for oil products: \$100 a barrel for diesel and \$45 a barrel for fuel oil. Companies from sanctioned countries are now prohibited from providing services related to maritime transportation of Russian oil products to third countries at prices higher than the established limit. At the same time, on 1 February 2023, a presidential decree came into force in Russia, according to which oil supplies to countries that have imposed a price ceiling on Russian crude oil and oil products are banned.

Let us analyse what difficulties the main Russian exporters are facing and how the market conditions for the production and export of Russian oil products are changing.

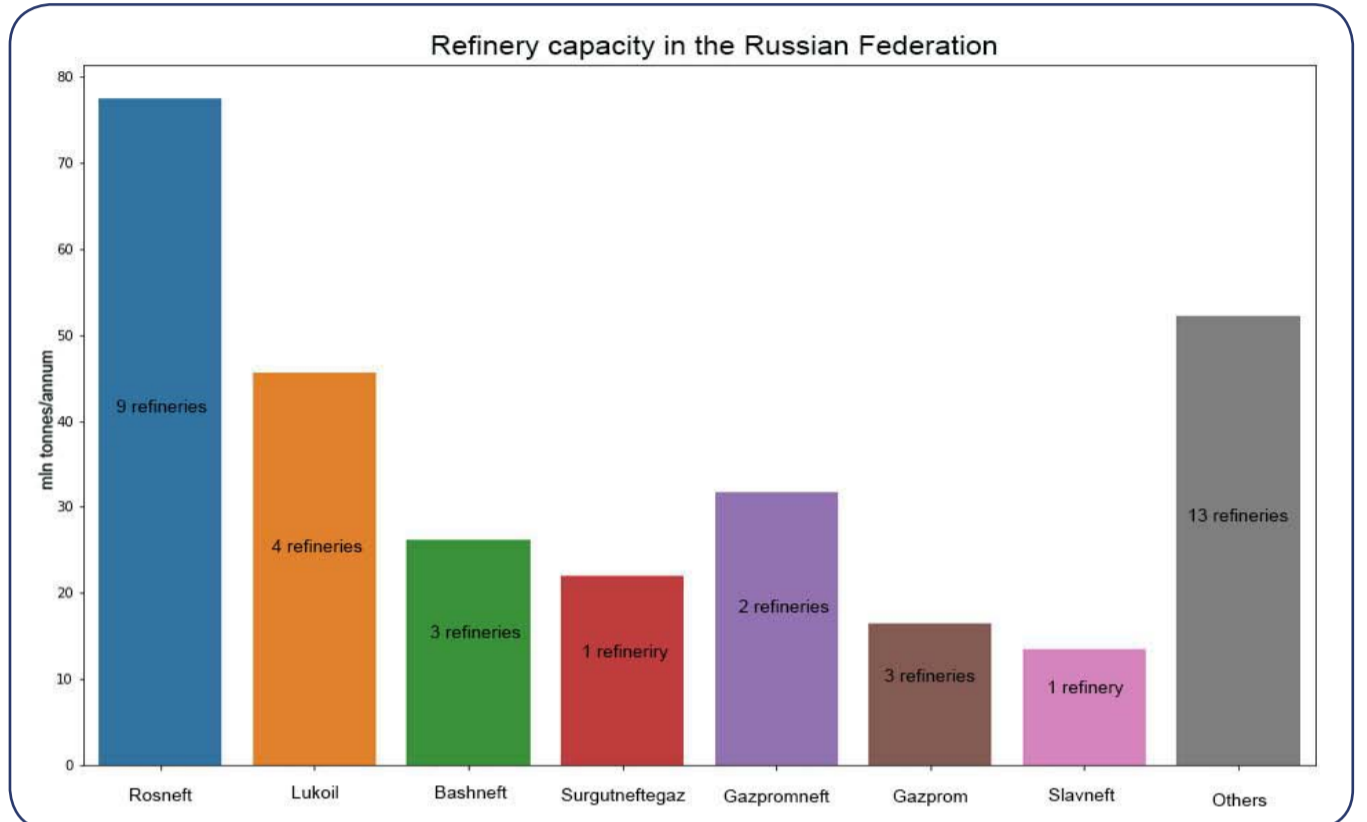
The oil refining industry in Russia is largely consolidated. About 90% of refining capacity is controlled by ten vertically integrated oil and gas companies. Russia has a refining potential of about 284 million tonnes per year (5.8 million bpd).

## THE SITUATION BEFORE THE EU EXPORT BAN

Oil refining in Russia has been stable on average over the past six years. Refining grew from 268 million tonnes per annum (5.47 million bpd) to 276 million tonnes per annum (5.63 million bpd) from 2017 to 2019, providing an increase of 2.9% over the period. However, as early as 2020, experts warned of possible problems with the marketing of refined products due to increased competition from the Middle East and Asia-Pacific, especially China, due to new capacity coming on stream there, as well as lower demand for refined products in Europe due to the gradual switch to electric vehicles.

Artificially restricting imports was, of course, out of the question at the time. In 2020, for example, due to a sharp decline in domestic and global economic activity, oil product production fell by 5.7% to 261 million tonnes per annum (5.33 million bpd), while exports in volume terms were unchanged at around 144 million tonnes per annum (2.94 million bpd). But already in 2021, refining recovered to 2018 levels of around 274 million tonnes per annum, with exports rising to 146 million tonnes per annum (2.98 million bpd).

In 2022, trade restrictions pressure on Russia had a greater impact on official exports of oil products: the decrease compared to 2021 was 15%. However, there was a sharp increase in domestic consumption of petroleum products. In 2022, domestic consumption of



oil products in Russia was about 146 million tonnes per year (2.98 million bpd) – it increased by 14% compared to 2021.

This anomaly is likely to be linked to substantial support for the Russian refining industry in 2022. Record back excise duty and fuel damper payments from the budget may have contributed to grey exports, where oil products bought on the exchange, which were intended for the domestic market and for which the Russian budget paid the damper, were sent for export.

## THE SITUATION AFTER THE EU EXPORT BAN AND THE CONSEQUENCES

Following the EU restrictions on exporters in Russia, it was expected that some of the world's tanker fleet from the consolidated European fleet would become unavailable in Russia. Therefore, activities were carried out throughout 2022 to build up Russia's own tanker fleet. According to some consultancy firms, Russian exporters have added about 100 tankers with a combined deadweight of more than 123 million barrels through direct or indirect purchases.

Due to the increased bookable leg, there may still be some fleet shortages in the near future, but most of the needs have generally been covered.

Overall, shipments of petroleum products from Russia to new markets have started to increase smoothly as early as Q1 2022. While in 2021 and in Q1 2022, Russia's maritime exports of oil products to developing countries were around 450,000 bpd (16% of total petroleum product exports), they increased to 640,000 bpd in Q2 2022, to 850,000 bpd in Q3, to 1 million bpd in Q4, and to 1.4 million bpd in January 2023.

Thus, in 2022, the share of developing countries in total maritime exports of oil products from Russia more than tripled (from 16% to 49%). At the same time, there was an increase in shipments of oil products to almost all regions that have not joined Western sanctions on Russian oil cargoes.

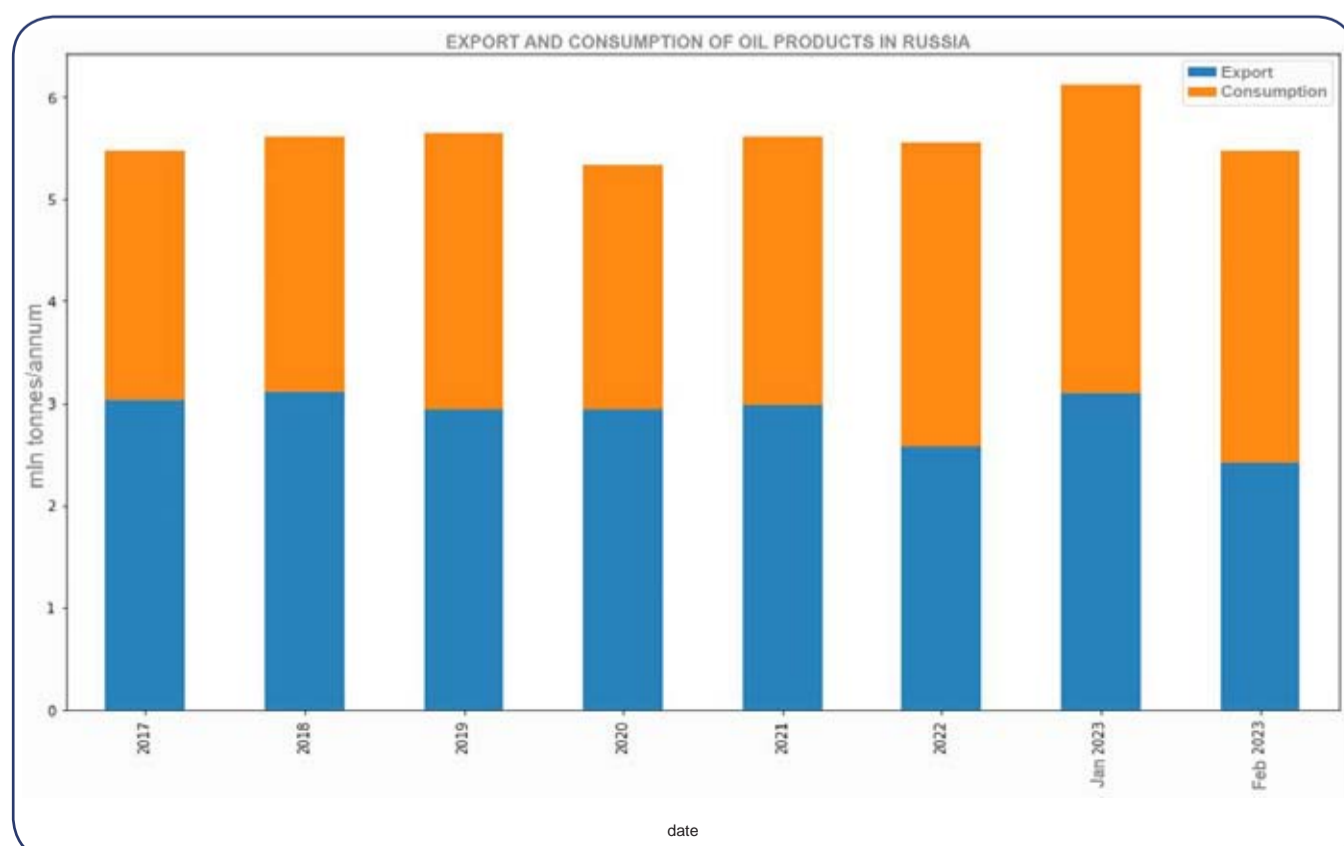
It is also worth noting that shipments of Russian oil products on tankers that did not specify a final destination increased nearly eightfold in January 2023 compared to December 2022 (from 18,000 to 137,000 bpd).

Throughout 2022, deliveries of Russian oil products to Europe remained stable, with even a slight upward trend in volumes towards the end of the year. Apparently, European traders were in a hurry to fill storage tanks with Russian diesel before the supply ban came into effect. As a result, at the end of January and beginning of February 2023, Russian oil product exports reached 2.7-3.0 million bpd. It fell sharply to 1.7 million bpd in the first week after the start of the embargo, but quickly recovered to 2.3-2.4 million bpd, roughly the same level as the first half of January 2023.

In addition, European buyers were already starting to book additional supplies of oil products from Asia, primarily from China, India and the Middle East, at the end of 2022. However, such supplies increase the actual delivery time by a factor of seven to eight. For example, transporting oil products from Russia to north-western Europe takes a week, while cargoes from the east take up to eight weeks on average, and such transportation is significantly more expensive.

This completes the transformation of the global oil trade economy, the functioning of which is no longer determined by economic notions of optimality and profitability, but by the tools of sanctions pressure and counter-pressure. As a result, both suppliers and consumers of oil cargoes suffer, while middlemen and participants in new grey schemes benefit.

■ By Maxim Bakulin based on open sources



# A Vibrant Palette of the “Power of Energies”

The Sakhalin Regional Art Museum has concluded its “Power of Energies” exhibition. The exposition, organised by the regional art community, Sakhalin Energy and the Sakhalin Oblast Government, was attended by around three thousand people in a month. The “Power of Energies” is also nearly forty different events related to the Sakhalin-2 project and especially to the Prigorodnoye production complex, which celebrated its 14th anniversary on 18 February.

For the second year, Prigorodnoye has been in the spotlight of the regional art community. Twenty-seven island artists visited the complex and immersed themselves in its atmosphere, revealing their impressions in fifty-six works of art.

The exhibition also showcased the artwork of Sakhalin-2 employees. Alexey Chmulev, an IT specialist known locally as Flybenazer, has created colourful paintings such as Nature Wins, Dive into the Future, Ego and LNG. Katerina Rubanova, Senior Specialist of the Technical Directorate HSE Subdivision, prepared the film A Friend of Elements. Elena Baklanova, Senior Engineer of LNG Control and Automation Subdivision, participated in a dance act of a special performance programme.

According to Ivan Shamonaev, Head of Prigorodnoye production complex, the most important feature of the “Power of Energies” is synergy. The project is designed to unite the inner world of the artist with technological processes, various types, styles and schools of art and, most importantly, human beings, nature and production. There is an effect of harmony among all participants. Such activities are of undeniable benefit for Sakhalin Energy. “By attending them and communicating with colleagues, we become closer to each other, find new points of contact, strengthening our team, which ultimately leads to better production results,” says Ivan Shamonaev.

The organisers have not forgotten those who are just dreaming of becoming part of the Sakhalin-2 project team. Students of the Technical Oil and Gas Institute of the

Sakhalin State University attended the career guidance event called “Sakhalin Energy – Career Launch,” held by the Company and the Agency for Human Capital Development of the Sakhalin Oblast.

After telling young people about employment, trainee and young professional development programmes, and student internships, specialists of the Human Resources Directorate answered all questions from the audience. “Interesting, useful information. I love my island, I am going to live and work here, and Sakhalin Energy is the best choice for me. It provides stability, prestige and a great opportunity for professional development,” said Stepan Sergeyev, a third-year student of the Technical Oil and Gas Institute.

Graphics, paintings and sculptures represented not only production, but also the culture of Sakhalin indigenous minorities. The visuals were enhanced by the hum of the plant, sounds of nature and Nivkh music. The concert marking the birthday of the Nivkh writer and public figure Vladimir Sangi was a notable highlight. Participants of the Ler Mif creative project performed, with local singer Irina Ikonnikova singing “Shoiguk”, a song dedicated to her grandmother.

The youngest visitors enjoyed an entertainment programme with the new corporate character Octamen and various creative activities at the museum. The children worked together to draw a gas tanker and a production facility that – in the children’s imagination – switched from LNG to candy production.



“The LNG plant is a high-tech hazardous production facility. Our task is, among other things, to ensure its safe operation. And when you look at the bright colour palette, the abundance of colours the children have chosen for their drawings, you realise that they don’t see it as a threat, which means we are doing it right,” said Valentin Tarsky, Head of Value Realisation Subdivision of Sakhalin Energy. Together with his wife and four-year-old daughter Vika, he was involved in the preparation of two collective art works.

The exhibition also offered guided tours and workshops for people with disabilities, including the young wards of the Employment and Leisure Centre for Young People with Disabilities.

According to specialists of the Sakhalin Regional Art Museum, the “Power of Energies” exhibition was one of the brightest cultural events of the year. Many people are eagerly wondering what will happen next. And there will be new exciting activities for artistic reflection on the Prigorodnoye production complex and the entire Sakhalin-2 project. Putting an ellipsis in the end of our story.

■ Pavel Ryabchikov



# Quiz: Heroes and Victories

quiz

The online corporate quiz dedicated to the 23 February celebrations ended in early March.

Defender of the Fatherland Day is an important holiday in our country. Sakhalin Energy LLC commemorated it with a series of corporate events, including an online quiz about the great battles, glorious victories, and deeds of Russian heroes from various periods in history.

The quiz was open to all comers from the Company, recruitment agencies, and contractors. To win, the contestants were required to give correct answers to 45 fairly complex illustrated questions.

The jury received more than 70 answers, in which the participants demonstrated excellent knowledge.

Alexander Loktionov, Kirill Doda, Ivan Kalinin, and Arseniy Elizarenkov were the quiz winners, with Konstantin Gorgaev taking second place.

Third place was shared by Anastasia Ponomarenko, Yuri Steinberg, Angelina Cherenkova, Svyatoslav Zaitsev, Nikolai Bukovetskiy, and Artem Sapotkov.

We would like to thank all the participants and congratulate our colleagues on their well-deserved victory!

All those who have scored the maximum number of points will receive commemorative gifts. Please contact Corporate Affairs if you have any questions about the awards.

“The quiz was very informative. Most of the time I couldn’t help but feel that I had seen it somewhere, that I had read about it, that I really knew it... After the quiz, it was very interesting to read up on the historical facts over again.

**Arseniy Elizarenkov,**  
Specialist at Sakhalin Energy’s Talent Pool  
Creation and Development Subdivision

“I enjoyed the quiz. There were many interesting questions. A lot of things from the high school history course have been refreshed in my mind.

**Kirill Doda,**  
Production Maintenance Planner at PMD  
Sovetskoye, Sakhalin LPDMP  
of Gazprom Transgaz Tomsk LLC

1. РККА, Рабоче-крестьянская Красная армия
2. Чтобы рисовать Чесменское сражение с природы
3. Валерий Павлович Чкалов
4. Александр Васильевич Суворов, Михаил Илларионович Кутузов, Михаил Богданович Барклай де Толли
5. Александр Ярославович Невский
6. Взятие Измаила русскими войсками под командованием А.В. Суворова в 1790 году
7. Броненосец “Потёмкин” (“князь Потёмкин-Таврический”)
8. Стояние на реке Угре в 1480 году между войсками хана Большой Орды Ахмата и войсками великого князя московского Ивана III, завершившее свержение монголо-татарского ига на Руси
9. Брусиловский прорыв – фронтальная наступательная операция под командованием генерала А.А. Брусилова, в ходе которой было нанесено тяжёлое поражение армиям Австро-Венгрии и Германии
10. Винтовка Мосина или трёхлинейка
11. Порт Маона (ныне Холмск Сахалинской области)
12. Подвиг Ивана Сусанина в 1613 году
13. Вещий Олег ведёт свои войска к воротам Царьграда (Константинополя) в 907 году
14. Генерал-лейтенант инженерных войск (Д.М. Карбышев)
15. Брестская крепость
16. Сражение на Березине / Березинская переправа 1812 года
17. В лесу собаки не берут след ноги в лаптях, так как запах забивается запахом деревьев
18. Мыши перегрызли проводку немецких танков
19. Один квадрат, кубик / кубарь
20. Воздушный таран
21. Схожесть с легендарным русским танком Т-34
22. Исаакиевский собор
23. Орфографические/грамматические ошибки
24. Александр Васильевич Суворов
25. “Священная война”, Василий Иванович Лебедев-Кумач
26. Михаил Илларионович Кутузов, победа в Отечественной войне 1812 года
27. Шинель
28. Пакт Молотова-Риббентропа / Пакт о ненападении
29. Расул Гамзатович Гамзатов
30. Орден Славы
31. Медаль “Партизану Отечественной войны”
32. Мертвая петля
33. Граненый стакан
34. Крейсер “Варяг”
35. 140 прожекторных установок, которые освещали путь советским войскам и слепили противника
36. Евпатий Коловрат
37. Победа над Соловьем Разбойником
38. День ракетных войск
39. Добавляли целлюлозу, жмых и опилки
40. Рогатина
41. Орден Отечественной войны II степени
42. Петр Первый (в ряде источников указывается, что седьмым обладателем награды стал А. Д. Меншиков)
43. Ствол
44. Мундир
45. Подъем

\*See questions on the quiz website <https://denzashitnikasakhalin.ru/>

april 2023

our children

award

# Learning Independence Early “Silver”

Children perceive the pace of time not like adults do. A year ago to you is “a very long time ago” to your kid. Childhood is filled with vibrant colours and tiny details. Adults see just a puddle on the road, while children see in it a rainbow, the sky, tons of imaginary details and opportunities. Every little thing becomes a source of new knowledge for a child daily...

Every parent dreams for their child to be curious and active. All children are proactive by nature. As soon as kids learn to move, they start to explore the world around them. To preserve and multiply children’s initiatives, nurture independence, and teach to make decisions are all the pillars of preschool learning at the corporate Children Centre.

## EXPLORING THE WORLD THROUGH TRIAL AND ERROR

“What happens if...?” “Try and find out. Or let’s do it together!”

“And how can we check it? How can we learn it? What do we need to do?”

Why does a tangerine float when with a peel, but sinks when peeled? How to solve the Moebius strip riddle? How to make paint yourself? Through thinking, putting forward hypotheses, testing assumptions experimentally, a child not only acquires knowledge, but also learns to make decisions.

signs of spring do you all know? Which spring activities can you name? What would you like to learn? Which spring holidays do you know and which would you like to celebrate together? What do we need for this?” Every child’s opinion matters. Day-care teachers help the kids to develop a joint action plan. One may suggest making postcards for mums, others may come up with an impromptu performance. And work is already in full swing. Some are choosing outfits and preparing a dance. Others are crafting decorations and props. And others are making characters and creating engaging scenes. The only thing left for adults is to support children’s initiative. How much joy it brings when the performance is ready! Excitement, joint success, and kids’ delight all make us feel the value of our efforts.

Another group of children takes an acute interest in the microworld. And an almost real laboratory is underway. It has microscopes, mag-

prepared very seriously. So, children dove into the underwater world together with Emilia, learnt how to make magic flowers with Anya, while Maxim came up with a quest... Each child wanted this day to be memorable to everyone.

The elder group has a tradition: kids talk about their hobbies. They prepare full-format presentations, exhibitions, mini-experiments. They can talk endlessly about their hobbies. And other children also discover something new in subjects they didn’t pay attention to before. Children prepare their “speech” on their own. Sometimes kids’ performances are surprising even to parents! This is another example of how children’s initiative and independence develop.

## PEER LEARNING

The Children Centre welcomes communication of different age groups. For example, elder kids not only stage performances, but also show master classes. Communication among children of different ages and independence nurture and create conditions for self-growth, self-learning and self-improvement. Small kids tend to follow the elders, and the latter, in turn, learn how to be responsible and kind.

## FREE PLAY

Of course, the best way for children to show independence and initiative is to play! Games provide the opportunities to build one’s own world, embark on a journey, transform into some character or favourite pet! Just take some fabric, boxes, cubes, and some imagination to create magic. Free active play helps children to unleash both initiative and independence to the maximum.

## WALK

Walks also offer space for children’s initiative. This is a chance to communicate with children from different groups and play outdoor games together. On the music playground, children can create their own tunes, and in the meteo-playground – learn the climate of the homeland.

## NEW DAY, NEW PLANS

Will the plan be effective without the reflection on lessons learnt? Even children know that you need to sum up the results at the end of each activity. The evening circle brings friends together. Everyone may share what has been learnt, some good moments. And tomorrow.. Tomorrow turns into today, and children again actively choose what else they are willing to explore.

■ Inessa Kochubey,  
Children Centre Methodologist

# “Silver” of the Highest Standard

Sakhalin Energy Won the Silver Archer National Award in Public Relations.



The Expert Panel awarded the Silver Archer statuette, the main award of the contest, for the Peak corporate championship project. Company’s efforts were recognised in the category of In-house Corporate Communications and Corporate Media.

This wide-ranging event covered an array of Sakhalin-2 operations. Throughout the year, Company employees were striving towards achievements in safety and health, professionalism and self-development, leadership, and social and environmental responsibility. With a varied set of training and development tools – master classes and business games, webinars featuring in-house and third-party experts, a professional life hack contest – the Peak contestants significantly contributed to the team performance while demonstrating their individual skills needed for the Company to operate sustainably amidst external challenges.

**This national award was first established on 25 June 1997; among the founders are the Russian Association of Public Relations, the Chamber of Commerce and Industry of the Russian Federation and the Union of Journalists of Russia.**

“Even faced with global challenges, Sakhalin Energy finds proprietary, creative ways of doing things using state-of-the-art and effective practices. We are honored to receive a high appraisal from the jury and hope that our experience will help sustainability of other enterprises across the country,” noted Natalia Gonchar, Head of the Corporate Affairs Division.

This year, the experts assessed about 280 projects from non-profit organisations, volunteer groups, large companies and public institutions from eight federal districts.

■ Marina Semitko



## PLANNING ACTIVITIES

Every day at the Children Centre begins with a morning “circle”. This is the time not only to share how you feel, talk about important events or experiences, but also to develop a joint plan. In this plan, children record what they would like to learn or do, and schedule their activities in the calendar for the week ahead.

“Have you noticed how warm the weather has become? Why? What

nifying glass, insightful books and pictures. Watching, drawing, learning from the book... This fascinating research makes parents eager to join as well.

## SELF-REALISATION

But what if there are many children, and everyone seeks to satisfy their ambition? In the pre-school group, children agreed to live according to “their own” rules one day. Everyone chose one day in the calendar and

