

Report on Sakhalin Public Meetings held by Sakhalin Energy in 2010

In 2010, the Company held meetings with the public in order to fulfil its commitments specified in the "Information Campaign and Public Consultations Plan" and inform the public about implementation of the Project. Meetings were held in settlements directly affected by the Project. In total representatives of Sakhalin Energy visited 18 settlements in 9 districts of Sakhalin Oblast during the campaign. The total number of people who attended the meetings is over 200 people.

Questions most frequently asked at the meetings	Answers given by representatives of Sakhalin Energy
How much will the gas, supplied by Sakhalin Energy, cost to the general public?	The Russian Party will provide gas supply to assets in Sakhalin, therefore, it will set tariffs for gas. The Company has provided technical opportunities, i.e. tie-in points, for the intake of gas for the needs of Sakhalin along the entire pipeline route.
In case a forest fire occurs in the vicinity of the pipeline, will the Company take measures to extinguish this fire?	In these cases, Sakhalin Energy will act in conjunction with MChS and district administrations. All the necessary special equipment and fire hydrants are in place at PMDs. If you find fire, which puts the pipeline at risk, you should immediately call Sakhalin Energy at 8 (4242) 66-25-00.
Was Sakhalin Energy involved into the financing of Yuzhno-Sakhalinsk – Okha road construction?	The Company made quite large investments in the upgrade of Yuzhno-Sakhalinsk - Okha road in line with the agreement with the Sakhalin Oblast Government and continues to participate in financing the roads upgrade. Once the Project investments return, Sakhalin Oblast will start receiving a portion of profit production, including in monetary form. This will enable the Sakhalin Oblast Government to finance the construction and upgrade of roads more heavily.
Will gas be supplied to the whole Sakhalin Island?	The Company has provided technical opportunities, i.e. tie-in points, for the intake of gas for the needs of Sakhalin along the entire pipeline route. However, the gas supply will be provided by the Russian Party, for this purpose the Sakhalin Oblast Government has adopted the programme of gas supply for the whole island.
How is the scholarship paid to students participating in your programme on the financing of education at higher educational institutions?	The scholarship programme of Sakhalin Energy has been implemented since 2003. The programme provides scholarships to school graduates - contest winners, who fulfilled the conditions of the Grant Agreement for receiving higher vocational education. The amount of scholarship (which is paid annually in lump sum at the beginning of each academic year) depends on the performance of students, who are receiving the scholarship.
Will you continue the Education Grants programme and the Small Grants – Big Deeds programme in the following year?	Announcements about the beginning of the Company's contest programmes' rounds are published in the mass media. For complete information about Sakhalin Energy's social and grant programmes please contact specialists of the Social Investments Team of the External Affairs Directorate of Sakhalin Energy, Company's Community Liaison Officers during office hours, this information is also available at Company's Information Centers located at village libraries or at the official web-site: www.sakhalinenergy.ru .

How long is it planned to produce Sakhalin oil and gas?	As regards Sakhalin-2 project fields – 35-40 years. With the advent of new technologies in oil and gas production the timing may change. Besides the Sakhalin-1 and Sakhalin-2 projects there are 8 more offshore projects on the island, the development of which will be implemented upon decision of the Government of the Russian Federation
Will a flare be installed at Val gas transfer terminal, which is presently under construction?	There is no need to install a flaring unit at this asset
Will the Company install a road barrier at the access road at the place of construction of the gas transfer terminal in Boatasino?	The gas transfer terminal is a hazardous facility. There are certain standards according to which the protection zone around the construction site of the gas transfer terminal will be 25 meters. There is no provision for the construction of the road barrier at the access road constructed in the area of Boatasino.
Which consequences may follow if vandals try to attack the gas intake station or a block valve and open gas?	The site, where the gas transfer terminal is going to be built, will be secured. For security purposes, there will be installed all the necessary protection equipment and security cameras, which will be controlled in real-time by an operator. And in case of an emergency situation, the operator would immediately and adequately respond to the problem.
Why temporary construction camps, which are no longer used, cannot be handed over to local residents?	According to the production sharing agreement there were paid no customs duties with respect to part of the camps imported into the country and now we can transfer them only to the state.
When will the upgrade of Korsakov-Novikovo road complete?	Korsakov administration is the customer of the road upgrade; therefore these questions should be addressed to the customer. Sakhalin Energy is only the project investor.
Korsakov beach was taken away and nothing has been done: there is no park, no swimming pool. How was the money used?	800 thousand US dollars was allocated for the reconstruction of the park based on the results of studying the public opinion. The Company raised the amount to 930 thousand and the following works were performed: construction of stairs, access roads, asphaltting of internal paths, installation of electric poles, installation of electricity, benches, garbage cans. The Company was the investor, while Korsakov urban district administration was the customer.
When will the 11-th round of Korsakov Initiatives tender programme take place?	The 11-th round of the Korsakov Initiatives tender programme will be announced in February 2011. Information will be published in the mass media, besides this information will become available at: www.korsakovsovet.ru .