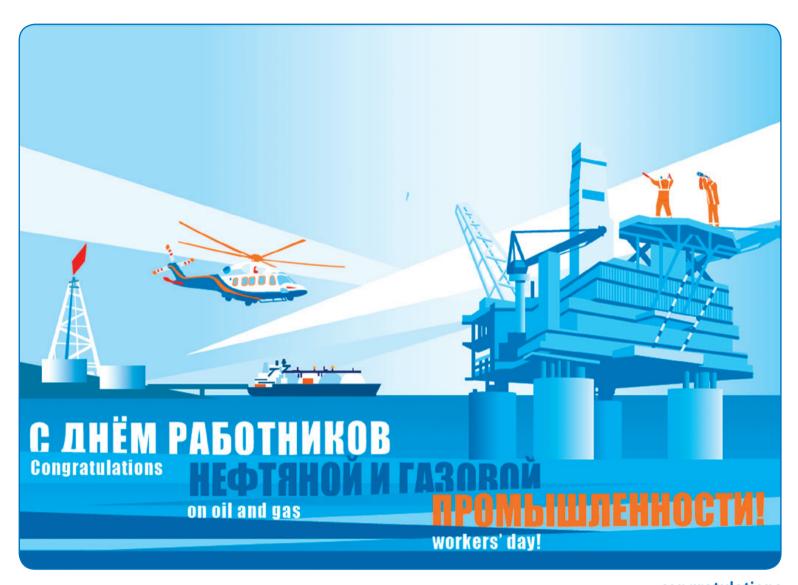


# VEST

### **SEPTEMBER 2020**

### Sakhalin Energy



### DEAR COLLEAGUES AND FRIENDS,

On behalf of Sakhalin Energy, I would like to extend my congratulations to you on the occasion of Oil and Gas Workers' Day.

The oil and gas sector has a special significance for our country. This year marks the 75th anniversary of our victory over the Nazi invaders. As we celebrate it, we take special pride in those who fought on the home front, supplying fuel to important defence factories and bringing Victory Day closer. The contributions of those who created and augmented our country's oil and gas industry were appreciated at the very top.

55 years ago, in 1965, the Soviet Government established our professional holiday, the Oil and Gas Workers' Day. Today, the energy sector is the cornerstone of Russia's social and economic prosperity. Our industry uses cutting-edge technology and drives scientific development and innovation in chemical processing, equipment manufacturing, software engineering and other sectors of the economy.

### <u>congratulations</u>

In the current environment that presents tough challenges not only to the energy sector but also to the entire country, the Sakhalin Energy team has once again demonstrated the company's enviable resilience. Thanks to a large extent to our ability to muster all our resources when needed, we have been able to successfully meet all these challenges and maintain sustainable growth.

Our team's invaluable experience and professionalism helped us to implement a number of exceptionally large and significant projects just over the past few years. These projects will make a sizeable contribution to Sakhalin Energy's future growth.

Recently, the company successfully completed a large turnaround campaign featuring significant maintenance scope, with some activities performed for the first time in Russia. Completing preventive and reactive maintenance throughout the Sakhalin-2 integrated gas chain will help us to improve our production capacity significantly and will undoubtedly guarantee safe operations.

Piltun-Astokhskoye and Lunskoye field license extension has become a significant milestone for the Sakhalin-2 project. It shows that the Russian Party is willing to support effective project operations going forward and reinforces the confidence our shareholders and lenders have in the company's ability to ensure its sustainability and steadily implement its future plans.

Today, the global oil market is soft and characterised by more fierce competition among international majors. In spite of this, Sakhalin Energy has demonstrated resilience in the face of dramatic price volatility, as well as operational excellence and robustness. Even in the current environment, the company continues to diversify its LNG deliveries and increase its share in the key Asia-Pacific markets.

As we celebrate our professional holiday, Sakhalin Energy's production performance proves convincingly that the company has (the end is on page 2)

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Meet the winners of the "World through a Lens" photocontest, devoted to the Oil and Gas Workers Day!

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107 Sakhalin Energy employees were awarded on the Oil

Details are on pages 8-10

and Gas Workers Day

### CURRENT EVENTS

**3**1 July

People opinion survey on the various working arrangements in the pandemic was completed

**S** August

The results of the second round of the special Sakhalin Energy grant competition Digital Transformation of Educational and Social Services were announced 8 August

The Reindeer Herder's Drawings Exhibition and the Uilta Legends Book Presentation took place in Yuzhno-Sakhalinsk under Sakhalin Energy support II August

"Help Get Ready for School" charitable campaign, aiming at support of families in difficult situation, was completed 13 August

Having shown the best social performance indicators among Russian oil and gas enterprises, Sakhalin Energy was recognised as one of the leaders in the 2020 Social Efficiency Ranking of the largest Russian companies

25 August

The IVOLUNTEER. At the End of the World. film has entered the programme of the Sakhalin International Film Festival. It contains five stories featuring Sakhalin, two of which are about projects supported by Sakhalin Energy

### <u>congratulations</u>

(the beginning is on page 1)

chosen the right strategy. The project has passed impressive production milestones of 1,800 LNG cargoes and 700 crude oil cargoes.

Making our exports more flexible, driving safe production, digitalisation, as well as our commitment to environmental and social responsibility will maintain our company's competitive edge. With our contributions, the Russian energy sector will undoubtedly continue to meet various challenges while improving its efficiency and competitiveness and building a solid foundation for future growth.

Our every achievement is the results of tremendous efforts made by Sakhalin Energy employees, who are true professionals in their chosen field. Your experience, perseverance, dedication and devotion will ensure the company's steady growth.

As we celebrate, I would like to wish you sound health, confidence about your future, as well as new professional achievements and successes. May fortune always be with you!

> Roman Dashkov Chief Executive Officer

### russian content

# A Strategic and Systemic Approach



### **DEAR COLLEAGUES,**

In July, the Sakhalin-2 Supervisory Board approved Sakhalin Energy's 2019-2023 Russian Content Development Strategy. This focus area is high among the company's priorities. Increasing the share of Russian enterprises participating in the Sakhalin-2 project will contribute to business sustainability under various circumstances and the changing external conditions affecting the world's oil and gas markets. The strategy has become particularly important in the times of the international sanctions and the COVID-19 pandemic, with services localisation ensuring reliability and enhanced process safety.

The integrated development of Russian vendors will benefit not only the Sakhalin-2 project but also Sakhalin Oblast and the whole of Russia. Working proactively with the potential contractors will offer broad opportunities for developing the regional economy, thus creating additional jobs and increasing the income of the general population. This multi-faceted interaction will make it possible to apply a systemic approach to meeting the strategy's

Driven to live up to global standards and requirements as we implement the Sakhalin-2 project, we have committed ourselves to communicating those requirements to, and sharing our expertise with, Russian companies. Our involvement in the process makes us confident in the face of the challenging situation while giving us a broader view of the market and making us prepared to deal with various scenarios and respond to new realities.

The new strategy outlines the four key tools helping the company to increase the level of Russian industry utilisation in the Sakhalin-2 project. They include the standards harmonisation project, the deployment of the Sakhalin Energy maintenance and

repair facility on the premises of the Sakhalin Industrial Park, improving the mindset about Russian Content requirements awareness among the company's staff, and the vendor development programme. For the time being, those are the most effective tools designed to help us reach the 70% target by the end of the project life. In 2019, the utilisation of Russian Content was 91% in manhours and 84% in materials and equipment. In 2013, however, the company and the Russian Party agreed on an additional target indicator amounting to 70% in actual costs. The indicator currently standing at 56%, the company is determined to make every effort to achieve the target through active engagement of Russian companies in the project. The indicator serves as an excellent benchmark for the actual situation and is therefore important to us as a company committed to promoting the social and economic development of the region and the whole of the country.

In a pandemic, we are proving to be in dire need of resources who can provide services in the immediate vicinity of our production assets. By implementing the maintenance and repair facility project under the auspices of the Sakhalin Industrial Park, we are going to mitigate such risks while ensuring robust operations and promoting the company's sustainable development. In addition, the project will be a significant contributor to meeting the Russian Content targets in terms of actual outlays.

I would like to emphasise that the new strategy will focus on raising the staff's awareness of Sakhalin Energy's requirements and commitments related to Russian Content development, the goals and objectives of the new document, and the corresponding steps. Our staff's complete support and engagement in moving toward that goal will be much appreciated.

> Roman Dashkov, Chief Executive Officer

# First Resident

In late July, an off-site meeting was held at the construction site of the Sakhalin Industrial Park (SIP) with the participation of Sakhalin Energy Chief Executive Officer Roman Dashkov.

The meeting was attended by SCM Manager Roman Sinitsky, representatives of the contracting company IGS — the first — the systems for monitoring vehicles resident of the SIP, representatives of the developer, and employees of the Park.

The main topic on the meeting agenda was the project being installed on the semi-trailers. for the construction of a transport and logistics complex under the operational management of IGS. This is a Russian enterprise that has begun to provide ground transportation services for equipment and materials as part of the Sakhalin-2 project this year.

IGS has made the decision to become a SIP resident and invest in the construction of the complex. The complex will include a modular office building with an area of about 320 sq. m, as well as a mixed-use building with an area of 1,200 sq. m, which will be used for the consolidation of goods and minor repairs of vehicles. In addition, the project includes the development of an outdoor storage area and a parking lot for trucks. The construction work is scheduled to be completed in mid-autumn.

IGS has already purchased Russian-made KAMAZ trucks for the transportation of goods under the contract. The first shipment of trucks was delivered to the island in early July. Some of them are already being used, while the others are still being prepared for operation: their systems are being tuned, including the on-board recorders and on the route; additional equipment and cargo securing components are The KAMAZ trucks will deliver goods to the north and south of the island under the Sakhalin-2 project. They have already made their first trips to the Prigorodnoye production complex and the northern facilities.

During the meeting, SIP employees demonstrated the completed open storage site for equipment intended for the Booster Compressor Station

being built and the Onshore Processing Facility, and also the KALMAR reachstacker — a universal reloading machine with a lifting capacity of up to 45 tonnes, purchased at the beginning of the year. It is a multi-purpose forklift used to handle containers and overhead loads.

During the visit, the CEO of Sakhalin Energy assessed the current progress and construction plans, praised the design work, made recommendations to be used when finalising the fire safety solution in order to ensure proper fire safety measures are in place. Following the discussion, Roman



Dashkov stressed that the main focus should be placed on the project execution time frame. "This is the first external investment in the project for the construction of the Sakhalin Energy maintenance and repair facility in the Sakhalin Industrial Park, so it is important for us to closely monitor and control the progression of work from the very first stage. The sooner we launch the transport and logistics complex, the sooner the entire industrial park will be able to operate at the expected capacity," added the CEO.

By Marina Moruga

### russian content

# High-Level Document

Alexander Lapin, Head of the Sakhalin Energy Russian Content and Vendor Relationships Subdivision, talked to us about how the new Russian Content Development Strategy for the Sakhalin-2 project was developed, the key tasks fulfilled, and the main tools used in the process.



– Alexander, why was it necessary to develop a new document? Have the key principles laid down in the Production Sharing Agreement changed? Does the company regularly revise its approaches to the implementation of the Russian Content Development Strategy?

— The previous strategy, which had been in effect since 2013, expired in 2018. It played a very important role: it helped to create a solid foundation for the development of Russian Content (RC). After an objective assessment of the situation in the domestic and foreign markets for equipment and services, the economic and political sanctions imposed on Russia, the decision was made to develop a new document that would take into account the risks posed by the above factors. The strategy was assigned the status of a corporate document, binding on all employees of the company.

The Russian Content Development Strategy for 2019—2023 is purely practical in nature and is aimed at achieving concrete results. All units of the company that have real potential for the development of RC were involved in its development. The representatives of these units were included in the General Advisory Council and developed individual sections of the Strategy related to their areas of activity. Thus, each unit took on a commitment in the field of RC development.

# — What stumbling blocks have you encountered? Why can't the company just place an order with a Russian supplier?

- When the Production Sharing Agreement was concluded in 1994. Russia did not have its own technologies for offshore oil and gas production or the production of liquefied natural gas. For this reason, it was necessary to use foreign technologies and install mainly imported customised equipment at the overwhelming majority of the company's facilities. This equipment had to be used because of the difficult geological and seismic conditions of Sakhalin, as well as stringent environmental protection and personnel safety requirements. It was a massive undertaking. All this equipment is still in operable condition today, but we understand perfectly well that the maintenance and repair of custom-made equipment requires unique spare parts and consumables

which are hard to find and purchase on the Russian market.

Our company operates on the basis of project financing. It is provided with favourable credit conditions in exchange for guarantees to use high safety standards and apply the best world practices. Unfortunately, there are currently no Russian companies on the list

The results of the Standards Harmonisation Project, which has been implemented by the company since 2017, will have a positive impact on the prospects of our cooperation with Russian manufacturers. Now that the technical requirements have been adapted on the basis of the harmonised standards, it will be much easier for contractors to understand what we require of them.

### — What does development of local content mean and why is this process so important?

 In our case, it's the creation of an infrastructure that will serve as the basis for attracting the services and the small-scale production of equipment and spare parts we need.

The company regularly faces challenges associated with the maintenance of existing equipment and the purchase of spare parts due to the geographical remoteness of Sakhalin and the lack of large production capacities for the manufacture of specialised equipment on the island. More often than not, we have to buy them on the mainland or abroad. As for the services we need, we frequently have no other option but to invite specialists from other regions of Russia or foreign countries. By creating the necessary infrastructure on the island, we are taking concrete steps to resolve

In 2018, Sakhalin Energy began to invite Russian companies to the workshops selectively, according to the profile of upcoming tenders. From 2018 until 2020, the programme of training events additionally included specialised round table discussions, during which the organisers of tenders presented technical descriptions of the tenders to potential bidders and answered their questions.

This year, the training programme will be presented to potential bidders in the form of training videos on the official website of the company with 24/7 access. The annual off-site workshop will be traditionally held in Moscow.

# — Are you applying a differentiated approach and using different programmes for different contractors, or is the approach the same for all?

 One of the strategic areas of the document is the Vendor Development Programme, which provides for the use of both the uniform and differentiated approaches.

The uniform approach implies that our conditions and requirements equally apply to all programme participants; the differentiated approach means that we provide targeted support to bidders with different levels of preparedness. The programme does not envisage support for all interested suppliers without exception: its task is to identify the most competent and technically well-equipped contractors and to raise their competence level by providing targeted support so that they meet the company's requirements. All this must be done in strict compliance with Sakhalin Energy's current procedures.

Overall, the Vendor Development Pro-

### SAKHALIN ENERGY SIP MAINTENANCE AND REPAIR FACILITY PROJECT

The construction of the maintenance and repair facility project for Sakhalin Energy in the Sakhalin Industrial Park consists of two phases. The first phase includes the construction of infrastructure, an archives building, and a logistics centre with a vehicle maintenance depot. During the second phase, workshops for the repair of rotating equipment, an electrical workshop, and a warehouse for the company's operational needs will be constructed. These works are included in Stage 1 of the SIP construction project.

During Stage 2, Sakhalin Energy will act as a consultant for the Sakhalin Oblast Government and the Sakhalin Oblast Development Corporation in the joint implementation of the project. The company has the understanding and vision of how the cooperative efforts

should be arranged, how the work of subcontractors in the oil and gas industry should be organised, and what resources are needed for the future industrial park. Currently, the company's task is to pass along its insights and share its experience in building up free space with the regional authorities.

The creation of the maintenance and repair facility project for Sakhalin Energy is one of the most important strategic objectives through 2023. It will increase the reliability and efficiency of the Sakhalin-2 project operations and will significantly reduce production and logistics risks. In addition, the development of the SIP will help to ensure stable maintenance services and increase the share of the Russian Content in oil and gas projects. In the future, the project is expected to provide new capacities and technology, reduce the cost of production and subcontractors' costs.

of world leaders in technology and equipment manufacture, therefore our partnerships in key critical areas such as offshore drilling and LNG production are not yet developing as we would like them to. At least that's the current situation.

### - What are the prospects for Russian companies under the Sakhalin-2 project?

— It is important for any state to develop its domestic industry and infrastructure. Not only will it secure its economic independence, but will also provide a number of other significant benefits, such as an improvement in the living standards of the population, a higher employment rate and development of competencies, technological progress, the development of related industries, an increase in revenue for the federal and local governments, etc.

The Sakhalin-2 project certainly offers promising prospects for Russian companies, and we are making every effort to implement them. Every day more and more competent manufacturers and quality products that meet our requirements emerge in the Russian market of equipment and services, and this is good news indeed.

this problem and to make services more accessible and more cost effective for the company. In addition, this infrastructure will enhance the overall investment attractiveness of the region, providing opportunities for Russian manufacturers and Sakhalin business.

The Sakhalin Industrial Park, in our opinion, will be the best platform for the development of local content on the island with the engagement of Russian companies. Using this tool, the company will be able to substitute some foreign services with Russian ones.

### Do you plan to hold a workshop for potential Sakhalin-2 Russian contractors this year?

We have been holding such events for about ten years already. This year we are planning to hold a workshop in the 4th Quarter of 2020. Previously, we held four workshops a year — three on Sakhalin and one in Moscow.

Until 2017, they were open to all Russian contracting companies interested in collaboration with Sakhalin Energy. The programme included four core training modules, covering HSES, the tender process, quality control and management, and anti-corruption issues.

gramme will help us to form a list of the best suppliers of products and services for our company, and constantly keep track of changes in the market

### — The current strategy covers a period through 2023. What are your plans after that? Are you going to revise the strategy or continue working within the outlined framework?

— The Russian party praised the quality of the developed document and in order to maintain the positive dynamics of RC development requested that the company start updating the current strategy in 2022, that is, a year before its expiration.

We are confident that the implementation of the measures envisaged by the strategy will provide a significant increase in RC and create favourable conditions for its further development. I cannot yet say whether it will be an entirely new document or a revised and expanded version of the current one, but there is one thing that I know for sure: the company will continue to take advantage of all opportunities in this area.

By Marina Moruga

# Focus on Efficiency

The remote support system implemented at the Prigorodnoye production complex during the recent planned turnaround includes two key elements – a head-mounted display and a tablet. Today, Alexander Krivosheev, Head of the Equipment Monitoring Department at Sakhalin Energy, and Stanislav Stepanov, Category 1 Engineer of the Production Support Department at the Prigorodnoye production complex, tell us in detail about the specific aspects of the tablets.

Let's return to our previous talk about the remote support system (see "Digital Twins",
 Vesti, August 2020. – Ed. note). Are there tablets for different purposes?

A. K.: The tablets have the same technical specifications. They only differ in the applications installed on them. Attempts to implement the Connected Fieldworker concept have been made for a long time, but only in the end of 2019 did we manage to find the right way to deploy this technology. Tests were run at the Prigorodnoye production complex. The main goal of the project is to supply field workers with mobile devices to access online services and specialised applications like Unica, Outlook, Jabber, and Skype.

S. S.: Today we're using three apps. The first one, Parsable, is aimed at a wide range of field workers, as it allows digitising work instructions, checklists, registers, in order not to keep all that information in your head or on paper. For work instructions each key step is designed in such a way that a specialist could confirm its fulfilment. A digital document does not allow jumping from one step to another when their sequence is critical. There are many other additional functions making routine work more effective, e.g. one can take a photo of an inspected piece of equipment on the production site, send the photo to the supervisor or engineer, and receive consultation immediately.

### - What are other advantages of this app?

S. S.: The main thing is to reduce the number of mistakes in reporting documents. The field operator saves readings of metering devices (manometers, thermometers, flow meters, level meters etc.) and equipment status in the centralised register. Previously, the operator had to record them on paper, and then enter them into the log in the office. Or the operator could carry logs of several process units during the walk-round check, which was definitely inconvenient. Today, all logs can be replaced with a single tablet with an app installed on it, which, apart from logs, keeps process flow diagrams, work instructions, and equipment manufacturers' guides.

As a result, the field operator enters data quicker, reduces the time of walk-around checks, and sees differences in the indicators for different periods at once. If they differ significantly, it draws attention and, therefore, the speed of response to any deviations increases.

If an equipment performance indicator differs from the established limit, the operator will receive a message with recommended action to verify the cause of deviation and if required perform corrective measures in order to normalise equipment operation.

Additionally, the application is logging a time stamp of every walk-around check steps. If the operator needs to check 50 devices during a shift, the time of each stage of the walk-around check will be recorded.

For supervisors the app allows setting up reporting functions that show the completeness, speed, frequency of walk-around checks

and the number of deviations in equipment operation, which has a positive impact on the quality of shift handovers.

— You've described the first app. Are the others focused on different tasks?

**A. K.**: Yes, the second app is provided by our shareholder and technical consultant



Shell. It allows using the SAP system in the field to issue notifications, work orders, and to solve other tasks. The third app is Thortrium, which is designed to control flange joints during repair work and maintenance (Flange Management). Any maintenance involves the unwinding, inspection, and connection of a big number of flange joints (this year there were about 740 of them at the LNG plant); it

to 5% of time during the shift, and during the repair and technical activities the apps were used by 10 persons during the day shift and 10 persons during the night shift, which brings substantial time savings. We do not try to reduce the size of the operators' or technicians shift, we just say that they will manage to do more by using tablets.

A. K.: During normal operations, we have to "juggle" priorities, i.e. choose what we need to do first to let it bring a bigger effect, and what should be postponed. There is a certain amount of routine work which cannot be eliminated, but can be reduced by using a proper set of tools, in our case - digital ones. While the walk-round check of the operator and filling in of paper logs usually takes from two and a half to three hours, today we can do it within two hours sharp and increase the accuracy and quality of data, add modern reporting, which will let us see deviations at an early stage and thus avoid repair.

### Non-standard tasks require non-standard solutions...

**A. K.**: As I mentioned before, we have made attempts to implement tablet solutions at the LNG plant for a long time. We faced different

problems, but our LNG team was committed to bringing the project to its successful implementation and to integrating tablets and various apps as a standard tool into our daily work. The PRD Technology accelerator — a platform for quick and comprehensive review of new technologies and evaluation of their ap-

### digitalisation

S. S.: When testing the app with the operation team, the quality control team also showed considerable interest in it. Our fellow colleagues saw that digital checklists could increase their work efficiency during the routine outage significantly. Furthermore, the Connected Fieldworker concept was joined by another three teams: inspectors, mechanical engineers, and engineers of the maintenance team. Using the same tablets, they were able to try several apps suited for their needs.

A. K.: We maintained close cooperation with the IT team at all stages of preparing and conducting the testing. We discussed the infrastructure variants in detail. Firstly, which devices should be purchased in future (with due regard to the availability of explosion-proof design, specific aspects of device and account administration, and, surely, their price). Secondly, how we could support high standards of IT security when setting up communication with services and devices. Thirdly, how we could scale the technology without losing productivity because of the increased scope of administration of devices and apps. It is an invisible scope of work, being usually unknown and of no interest for an end user. However, to make use of new technology sustainable, it is very important to implement changes with due regard to the needs and interests of the end users. We also collaborated actively with the Contracts and Procurement Department in order to build relations with the suppliers of goods and services in a proper manner in the future and to start concluding long-term

### — Do you plan to use similar tablets at other production facilities?

A. K.: Now we're summing up the results of the testing conducted during the turnaround at LNG plant, and then we'll make conclusions on the basis thereof. The Connected Fieldworker will be implemented at the Onshore facilities in the near future. If there is no Wi-Fi, tablets may be used on a 4G network. At the Offshore facilities, we can only talk about single isolated tests until a Wi-Fi network is arranged within the production zone, because massive metal structures and

During the turnaround of the Train-2 of the LNG plant, specialists of the Electrical Equipment Technical Support Department had the opportunity to try a new remote support system.

During the maintenance, a high-voltage transformer pin was replaced. At that time, the representative of ABB, the transformer manufacturing plant, was at Lunskoye-A platform, and a meeting was held with him to discuss possible work performance methods. After clarifying details and developing a detailed step-by-step procedure, specialists started replacement work. They installed a Wi-Fi router in the substation, prepared all materials, a work order, a real-time camera, connected it to the online conference, and held a workplace briefing.

is a critical operation both in terms of safety and from the perspective of timely production process restart. The app allows to relate the flange in the field with data in special registers (diameter, category, gasket material, bolt strap sequence and force, etc.). Based on information from the register, the flange is properly connected and tightened, and all data on the tightening procedure are entered into the register.

S. S.: We prepared all three apps for their initial use during the routine outage at the LNG plant in order to determine the project extent at once. During normal operations, the app is used by five technical experts, saving up

plicability — created in June 2019 was of considerable help to us. Under the accelerator we received an endorsement from the Asset Managers to start testing an app for field inspectors. We chose a quick small-scale launch in order to get some experience in the deployment and use such apps as soon as possible. This type of testing is consistent with the 'try fast — fail fast' concept, which means that most useful knowledge comes during the work, not during theoretical studies, and the price of a mistake is not so high due to the small scale of the test. Besides, when organising this testing, we took into account previous attempts and knew exactly what we should avoid.

The operation was controlled by ABB specialist (from LUN-A platform) and Sakhalin Energy Head of Electrical Subdivision Roman Streshinsky (from the office in Yuzhno-Sakhalinsk). The replacement was performed by a team of LNG plant electricians.

The process was difficult: from removing oil from the transformer unit and connecting fragile components, in particular, the stud itself, porcelain insulator, and other parts, and to the subsequent sealing of the transformer unit. At all stages the team followed the established procedure, and in the event of any questions they received prompt replies from experts on the other side of the display. It became a shining example of highly-qualified online teamwork.

densely spaced equipment will block out 4G networks. Deployment plans for Wi-Fi at all production facilities already exist, and we're working with our fellow colleagues in IT Department to cover the priority sites as soon as this year.

Finally, I'd like to mention that the use of the aforementioned applications is not limited to operation and maintenance tasks. Most teams at the facilities will be able to increase efficiency of their routine work by using tablets and relevant apps. It should be treated not as a modern trend, but as an available technology reducing the scope of routine operations.

By Marina Moruga



corporate culture



# CCC&C Club, or the Meeting Place Cannot Be Changed

It is time to tell you now about a unique phenomenon of our corporate community – the legendary Sakhalin Energy Cigar Club. Andrey Okhotkin. President of the Club, told us about what lies behind its doors and what cigars and a lion have to do with it.



Andrey Okhotkin, President of the Club

- The idea to create a venue for cross-cultural communication has been in the air for a long time, but those intentions were only brought to life in 2014. On the cold evening of 24

October, the founders of the club met in "Zima Highlands": Thomas Zengerli, Production Director; Frank Gonsalez, Deputy Technical Director; Vadim Panin, Head of the Transportation Unit; and Matthias Loening, Head of the Logistics Department\*. The members of the founding meeting approached the issue fundamentally: they gave a name to the club - Cigar, Cognac, Company & Conversation Club (CCC&C Club), approved its charter, set up the management committee, and developed clear membership principles. They decided to limit the total number of members (to 40) and introduced the procedure for nominating and approving candidates. Monthly meetings were started in January 2015. And this year the club celebrates its fifth anniversary.

The founding fathers of the club laid out the two most important underlying principles of the club: strict discipline of the organisation on the one hand, and adherence to the key values of Sakhalin Energy and absolute freedom of intellectual self-expression on the other hand. This

approach has laid the foundation for a unique atmosphere at our meetings, which enables open discussion of delicate, sometimes uncomfortable, topics which all of us accumulate over the years. Failing to find answers to them, we tend to follow imposed clich s and be affected by the stereotyped notions of the environment we

It's not a secret that the main disagreements and lack of understanding between people result from differences in the political, public, and religious systems, which is why the multinational and multi-professional environment of Sakhalin Energy is a prefect catalyst for deep and captivating discussions. During

their time in the club, its members have shared their doubts, discontent, rejection, lack of understanding, admiration, involvement, and

watches the "maturity" of participants and the atmosphere of the discussion during the meeting at all times.

However, an open exchange of views is not the main advantage of the club. From the very moment of its foundation, its main task was to create an alternative communication venue where representatives of different cultures and traditions (representatives of company shareholders, heads of facilities and various lines of company business) could meet after work, learn about each other, enhance their mutual understanding and friendly feelings, of mutual understanding and support, thus strengthening the ties of friendship and mental solidarity, which are so important for the unity of the leadership team.

Another important objective of the club is to stimulate the intellectual growth and improvement of its members. This is achieved by means of new, interesting and diversified materials in the form of presentations, which the club members introduce one by one to their colleagues at almost every meeting. The format of our article will not let us cover even the smallest part of the topics submitted for discussion, but their range is quite wide.

Geographically it covered the discovery of South America; Venezuela, Syria, Kashmir,

The founding fathers of the club laid out the two most important underlying principles of the club: strict discipline of the organisation on the one hand, and adherence to the key values of Sakhalin Energy and absolute freedom of intellectual self-expression on the other hand.

and then use it as an "invisible" but extremely effective tool for communication and interaction between all business units of the company, both vertically and horizontally. I

The participants of the Cigar, Cognac, Company & Conversation Club

should say, this goal has been wholly achieved.

Most directors in addition to being SELF

(Sakhalin Energy Leaders Forum) members

are also members of the club and regularly

strengthen their "kinship" in an informal

pride in respect of the phenomena around us. The most important principle is zero tolerance to personal insults. No matter how hot the discussion may be, it shall never turn into a conflict. The management committee

I have heard lots of frank confessions

environment.

of foreign colleagues: "During my time in Russia, and especially following open discussions with our colleagues in the club, I took a new look at Russian history, the motivation of its people, and the logic of social phenomena..." My fellow countrymen also used to emphasise the transformation of their feelings about the facts and phenomena of foreign history and the modern era. The main thing is that the intensity of the discussion during the meeting always drifts into the phase

North Korea, Siberia, Scotland, Afghanistan; the conquest of Antarctica with Sakhalin dogs. Historical insights plunged us into the history of the Tatars, archaeology of Sakhalin and the

> Kuril Islands, antique arts, the Great Victory of 1945, the bombing of Serbia, and the increase of the land territory of the Netherlands. Club members were impressed by the intellectual exercises on Norwegian leadership, "world after the truth", the role of gold, the secret of chess, the causes of Brexit and the mystic perception of Friday the 13th.

> Sometimes, it was accompanied by musicians of the Sakhalin Philharmonic Hall playing Russian folk instruments or by jazz etudes of maestro Anders Karlsson. Discussions, which often follow the presentations with new informative facts, let members "test" spontaneous conclusions or those accumulated for years, practice selecting arguments during a hot dispute, support like-minded persons, dispel entrenched ideas, in one word - enjoy everything we all lack being gripped by everyday

communication.

A vivid, open, intellectual dispute has become a really rare privilege of contemporaries in the second decade of the 21st century. The CCC&C Club presents all of the above to its followers, and its relevant symbols – an emblem with a lion protecting the doors to the club, a strict uniform, a plate with the historical look and your friends' smiles, contribute to the atmosphere of emotional comfort and intellectual ascension.

You may ask what cigars and brandy have to do with that. Unlike other clubs, it is just an entourage that efficiently accompanies wonderful friendly conversation.

\*Employees' positions are specified as of

### **DID YOU KNOW THAT...**

The first cigar rooms or lounges appeared in England during the reign of Queen Victoria in the private clubs for high-ranking nobles. An ordinary man could never join such a club. In the lounges the nobles smoked cigars near the fireplace and shaped the destiny of the world. Cigar lounges became popular everywhere in England. Not all of them were private clubs, but smoking a cigar still remained a matter of prestige and status. At the beginning of the 20th century, cigar rooms and clubs captured America. Smoking rooms were opened in hotels, clubs, at the villas, and even in trains. By the 1940s, smoking a cigar after lunch was part of etiquette in many countries, and cigar rooms were opened everywhere as a place for the privileged public to spend time. In the 21st century, a widespread fight against smokers caused a real renaissance of cigar clubs. In the world's large cities, there is at least one cigar club. Some of them are very prestigious and essentially private.

event

# Ready to Fly!

In August a twin-engine super-medium class AW189 helicopter successfully made its maiden flight. The aircraft will provide aviation support to the Sakhalin-2 project.

The state-of-the-art helicopters are manufactured by Leonardo S.p.A., Italy. In spite of the COVID-19 pandemic and the associated restrictions, the delivery was completed on schedule with every safety precaution observed.

After assembly in Italy the helicopter successfully completed factory acceptance tests, and its first shakedown flight confirmed that all the systems onboard the AW189 met

The helicopter is equipped with a state-of-the-art Full Ice Protection System (FIPS), which — like the rest of the helicopter — has successfully passed many tests and is certified by the Russian Federal Aviation Agency for use in the Russian Federation. The helicopter's services will be required to provide crew transportation, medical evacuation, SAR and OSR operations.

"The AW189's unique design fit for the

project: they will perform flight operations, maintenance and assure airworthiness. The pilots successfully completed two-months training at Leonardo Helicopters Training Centre before the commissioning and start of operations of the new rotorcraft type.

Additionally, prior to deploying the AW189 helicopters, a dedicated training programme will be implemented for the contractor staff who will be operating the

operate under the Sakhalin-2 project. To be able to do this, Leonardo S.p.A. together with Sakhalin Energy and Gazprom Avia has come up with an innovative remote helicopter acceptance process.

"This order is a huge achievement for Leonardo. It confirms our current products are competitive at the international oil and gas market, including the Russian market, which is new for us. Your choice in favour







the specifications and that the aircraft was in flightworthy condition. The maiden flight demonstrated that all helicopter systems are operating properly and deliver the promised performance after the helicopter was shipped from Italy and reassembled in Yuzhno-Sakhalinsk.

The AW189, an all-new helicopter model, meets Russian design standards and is equipped with all the latest globally accepted passenger safety enhancements.

severe offshore environment of Sakhalin as well as its compliance with the latest certification and fuel efficiency standards will make it possible for Sakhalin Energy to make a huge leap towards a greater operational capability and to better support our offshore oil and gas production assets," said Ole Myklestad, Sakhalin Energy's Production Director.

Gazprom Avia, Russia, will operate the AW189 machines for the Sakhalin-2

new helicopter. During the training flights, the pilots will get to know the features of the prospective area of operations, such as the airfields in the north of Sakhalin and helipads at Sakhalin Energy's offshore and onshore assets. Passenger services will start once the pilots have carried out the required number of take-offs and landings, tentatively in September or October.

By the end of the year, two more AW189 helicopters will be delivered to the island to

of this powerful high-tech machine further strengthens the AW189 success in Russia and around the globe, and this will enable Sakhalin Energy to enhance the safety and efficiency of crew changes at its offshore assets, which is a key element in company's operations," said Fabrizio Tenardi, Leonardo's Customer Support Manager and Senior Technical Representative in Russia.

By Marina Semitko

<u>shareholders</u>

### **GAZPROM AND SHELL**

Gazprom Neft and Shell have signed an agreement on establishing a joint venture to explore and develop the Leskinsky and Pukhutsyayakhsky license areas on the Gydan Peninsula.

After the closure of the deal, each of the partners will own 50 % of the shares of the authorised capital of the joint venture. The new enterprise will be governed by Gazprom Neft and Shell on a parity basis. The deal will be closed in 2020, after the required corporate and regulatory approvals have been successfully obtained.

The purpose of creating the joint venture is to combine the partners' resources and competencies in the development of a large promising exploration cluster in the north-east of the Gydan Peninsula. The cluster comprises largely unexplored remote assets, located at a considerable distance from the existing transport and oil and gas infrastructure facilities.

Administratively, the Leskinsky block is part of the Taimyr District of the Krasnoyarsk Territory. Its area is over 3 thousand km2. The estimated hydrocarbon resources located there may exceed 100 million tonnes of oil equivalent. Adjacent to the Leskinsky block, the Pukhutsyayakhsky block, with an area of more than 800 km2, is located in the Tazovsky District of the Yamalo-Nenets Autonomous Okrug. Its resources are estimated at about 35 million tonnes of oil equivalent.

To-date, 2D seismic surveys have been completed at both assets. By the end of 2020, the drilling of the first exploratory well will begin in the Leskinsky block. It is expected that the data obtained from the well will help to refine the geological concept of the project and prepare a plan for its further

development. At the first stage, the geological exploration of the Leskinsky and Pukhutsyayakhsky blocks will be carried out by Gazpromneft-GEO.

"Exploration of the Gydan blocks is one of the strategic objectives of Gazprom Neft, therefore the change in the market conditions did not affect our plans. In the case of geological success, the peninsula will boast a new large hydrocarbon province. It is also important for us to continue the project together with our long-term partner, Shell. In the exploration of Gydan, we are going to combine our experience and technological expertise so as to prepare these new territories for development," said Vadim Yakovlev, Gazprom Neft Deputy CEO for Upstream.

"Despite the economic uncertainties and pressure on our industry, Shell has a strategic interest in Russia. We welcome the development of cooperation with Gazprom Neft, our reliable and highly professional long-term partner. I expect that the consolidation of our companies' strengths will ensure the successful implementation of the project on Gydan," stressed Cederic Cremers, Shell Country Chair in Russia.

### **MITSUBISH**

Mitsubishi Motors Corporation (MMC), Japan, has a new Chairman of the Board. Takao Kato, member of the board and representative executive officer, chief executive officer (CEO), MMC, will temporarily cover the duties of the chairman, replacing Osamu Masuko, who had held this post for the past 15 years.

Osamu Masuko worked at Mitsubishi Motors for over 48 years, serving in supervisory positions for 17 of those years. During his tenure as the MMC President and CEO, Masuko

led the company in various areas, including the introduction of advanced eco-conscious vehicles and the expansion of production and sales across the Association of Southeast Asian Nations (ASEAN) region. Under his leadership, the company became part of the Renault-Nissan-Mitsubishi alliance and developed the current line of models, including the Mitsubishi i-MiEV electric vehicle and the Mitsubishi Outlander PHEV plug-in hybrid.

As stated in the official notice, Osamu Masuko resigned for health reasons. However, he is not cutting ties with the company and will become a special advisor.

### MITSUI

Mitsui & Co trading company is planning to cooperate with Kobe Steel (a Japanese steel company) and Vale SA (a Brazilian mining company).

The cooperation is aimed at offering solutions for the production of new types of iron reducing carbon dioxide emissions. The reduction of CO<sub>2</sub> emissions during steel production is an important aspect of climate control efforts.

Due to urban sprawl, the demand for steel is expected to rise by 50 % by 2050. According to the International Energy Agency's projections, the carbon portion in steel will be annually reducing by 1.9 %.

Carbon2Chem, an experimental project launched by a German industrial group ThyssenKrupp uses carbon dioxide and other gases as raw materials for the production of chemical agents. As a result, the company has been successful at reducing harmful emissions into the atmosphere.

Source: gazprom-neft.ru, rossaprimavera.ru

<u>assets</u>

digitalisation

# Virtually and Efficiently

This year, the annual well-by-well review was held on-line — for the first time in the history of Sakhalin Energy. It was successfully led by the Astokh Asset Development Team.



In late March, the coronavirus epidemic forced most of the company's employees to switch to working remotely. It became obvious that this year's well-by-well review would be impossible in the usual format. Therefore, specialists of the IT/IM Department helped their colleagues from the Astokh Asset Development Team: they provided the meeting participants with the equipment necessary for holding a video conference. The Astokh team and the Technical Data Management Team tested different scenarios for conducting the wellby-well review online, and were satisfied with the results. Fundamental to the success of the meeting was the immense work aimed at the digitalisation of the company's production

Let us look at some steps that contributed to the latest achievements in digitalisation. In late 2018, the Technical Directorate formulated two main goals in the process digitalisation strategy: to ensure data availability and to stop using images on paper (emphasis was placed on WRFM (Well Reservoir Facilities Management). One of the first products aimed

Digitalisation of processes makes them more environmentally friendly. For example, holding well-by-well reviews without the use of printed materials allowed us to save about 10 kilogrammes of office paper per event.

to solve both problems was the eWellBookan electronic well file that made it possible to minimise the impact of the human error factor and make decisions based on data, which is more rational for business.

In preparation for this year's meeting, the organisers used the practical experience of the well-by-well review held last year. At the time, specialists of the Piltun Asset Development Team had just started operating the eWellBook and successfully used the system to prepare the annual well-by-well review. As a result, it was possible to significantly reduce the meeting preparation time (from several months to only two weeks) and completely eliminate the use of printed materials-all analytical information was displayed on screens in real time, and the process of well-by-well review preparation became fully digital.

By the way, the Piltun team refused to rest on their laurels: they proposed creating an electronic register to manage WRFM

risks and opportunities. In early summer, the team developed a new process for the wells in collaboration with the Astokh and Lunskoye Asset Development Teams and specialists from the Production Directorate's Equipment Operational Reliability Team. This process was successfully integrated with the eWellBook system as an additional functionality of the Opportunity Register, which provided for a closed loop of well production management. Relying on the success of the pilot project of the Piltun team, the Astokh team experts finalised the functionality in several areas: they systematised initial data, identified eliminated inconsistencies, updated dashboards, and even organised staff training.

Valentin Tarsky, Head of Design Solutions Development Implementation Control Team: "The tasks set at the directorate level and the support from the management were very timely. Resources were allocated, which made it possible to digitalise routine work in the shortest possible time. This allowed engineers more free time for detailed analysis and effective decision making. We are very pleased that our colleagues from the Astokh team took up the initiative and supplemented it with new ideas—this made the process even more effective. During a pandemic, the importance of digitalisation and its contribution to maintaining and even improving production performance cannot be overestimated. When digitalising business processes, we try to achieve man and machine integration by eliminating the use of hard copies."

According to Aleksey Marchenko, Deputy Head of the Astokh Asset Development Team, the joint work of the Astokh team and the Technical Data Management Team is an excellent example of the continuous improvement process. This approach to conducting well-by-well reviews enables the team to focus on solving basic problems rather than routine data formatting. The quality of the discussion and the availability of information during the event confirmed the obvious advantage of implementing such systems."

By Sergey Nikitin :

# S.W. A.T.

Before the start of planned shutdown at LNG plant, a team of like-minded people (Sakhalin Energy HSE specialists and contractors) generated the idea to create S.W.A.T. The team was named in a military style: S.W.A.T, which means Special Weapons Assault Team.

detect all hidden risks and eliminate them on the spot, and if it is impossible – to inform management of the asset.

Each team member has a special bag. It is used to carry found items to the appropriate locations. For example, items or materials that remained on site could cause slipping and falls or other potentially unsafe situations.



The main target of S.W.A.T. - is to These bags also contain warning tape and sticky tape to indicate protruding items and potentially unsafe areas.

> Inspection walkarounds are carried out once every two weeks. Three of them have already taken place at the plant. They demonstrated that only by looking into all corners and timely elimination of all sources of potential risks can maintain a safe working

> During the planned shutdown, the plant team reached Goal Zero. Despite the complicated epidemiological situation in the region, all works at were carried out as planned and safely.

> Now, employees of the plant are facing another serious task - to continue a safe operation of Prigorodnove production complex.

> > Andrey Sharipov

# Don't Fall!

safety

Have you ever happened to have a book fall on your foot? Or someone's coat fall on your head from the overhead compartment on a plane? Such situations have probably happened to everyone, and all of them are potentially dangerous. Falling objects at the production facility are twice as dangerous.

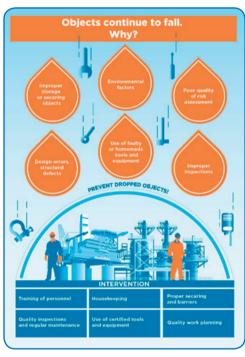
Many people have already got used to the abbreviation DROPS – in our company this word is often used for anything and everything associated with the prevention of falling objects. It implies a whole scope of measures, a large comprehensive operation. No wonder a whole section is dedicated to this issue on the company's internal website. Scheduled and unscheduled inspections are held at the facilities on a regular basis; they do not only include mere "field work", but also work with the target control check list that allows conducting inspections to a high standard. We evaluate and analyse risks of falling items.

But it's only the tip of the iceberg. Company specialists work a lot on training in the field of preventing falling objects, and no work at the facilities starts without that. Sakhalin Energy holds primary and unscheduled briefings for all facility personnel, and special attention is paid to training temporary workers of contracting organisations. We cover our own and others' lessons learnt in our monthly safety newsletters

If you have any ideas on how to improve work on the prevention of falling items, please send them to Aleksey She, secretary of Hazardous Production Factors **Management Committee.** 

and other informational mailings.

This year, the LNG plant started the "Visual Onboarding" project. It is a demonstration shed where everyone can see the potential hazards and understand the dire consequences that might occur because of a lack of attention or mistakes. As regards the falling objects, one may roughly calculate the approximate consequences of objects falling from height. It is enough to know the weight of the object and the height it is falling from. For instance, even a 400 g turn screw falling from a height of 17



metres can cause severe injuries, and when it falls from a height of 21 metres, it may lead to fatal consequences.

A similar training system is used on the platforms. Drops-In-The-Box has been successfully implemented there since 2019. Training is conducted in off-work hours. A container equipped with visual aids is used as a classroom where theoretical knowledge can be consolidated with practical skills.

Despite all our efforts, cases of falling objects still happen from time to time. We will continue to cover this issue in our informational materials, including the pages of Vesti.

This work may definitely be improved. This is the task set for the Hazardous Production Factors Management Committee, which unites dedicated specialists of the main structural divisions. We will join our efforts and do everything possible to make our activities safe!

доска почета

# С профессиональным праздником!

В честь Дня работников нефтяной и газовой промышленности 107 сотрудников компании награждены благодарственными письмами и почетными грамотами. Поздравляем коллег!

On the Oil and Gas Workers' Day 107 employees of Sakhalin Energy were awarded with honorary mentions and certificates of honour. Congratulations!

ПОЧЕТНАЯ ГРАМОТА МИНИСТЕРСТВА ЭНЕРГЕТИКИ РОССИЙСКОЙ ФЕДЕРАЦИИ / MINISTRY OF ENERGY OF RUSSIAN FEDERATION CERTIFICATE OF HONOUR



Валерий Перов, производственный директорат Valery Perov, Production Directorate



Виталий Ялущак, производственный директорат Vitaly Yaluschak, Production Directorate



Виктор Конегер, производственный директорат Victor Koneger, Production Directorate



Сергей Третьяков, производственный директорат Sergey Tretyakov, Production Directorate

# БЛАГОДАРНОСТЬ МИНИСТЕРСТВА ЭНЕРГЕТИКИ РОССИЙСКОЙ ФЕДЕРАЦИИ / MINISTRY OF ENERGY OF RUSSIAN FEDERATION HONORARY MENTION



Вячеслав Мун, производственный директорат Vyacheslav Moon, Production Directorate



Роман Пономаренко, производственный директорат Roman Ponomarenko, Production Directorate

### ПОЧЕТНАЯ ГРАМОТА ПРАВИТЕЛЬСТВА CAXAЛИНСКОЙ ОБЛАСТИ / SAKHALIN OBLAST GOVERNMENT CERTIFICATE OF HONOUR



Евгений Удовенко, производственный директорат Evgeniy Udovenko, Production Directorate



Сергей Еременко, производственный директорат Sergey Yeryomenko, Production Directorate

# ПОЧЕТНАЯ ГРАМОТА МИНЭКОНОМРАЗВИТИЯ САХАЛИНСКОЙ ОБЛАСТИ / MINISTRY OF ECONOMIC DEVELOPMENT OF SAKHALIN OBLAST CERTIFICATE OF HONOUR



Галина Фесовец, производственный директорат Galina Fesovets, Production Directorate

# БЛАГОДАРНОСТЬ МИНИСТРА ЭКОНОМИЧЕСКОГО РАЗВИТИЯ САХАЛИНСКОЙ ОБЛАСТИ / MINISTER OF SAKHALIN OBLAST ECONOMIC DEVELOPMENT HONORARY MENTION



Дмитрий Ким, производственный директорат **Dmitry Kim,** Production Directorate



**Татьяна Дериведмидь,** annapam управления **Tatyana Derivedmid,** CEO Directorate



Ирина Кузькина, кадровый директорат Irina Kuzkina, HR Directorate

### ПОЧЕТНАЯ ГРАМОТА ПАО «ГАЗПРОМ» / GAZPROM CERTIFICATE OF HONOUR



Константин Башкиров, производственный директорат Konstantin Bashkirov, Production Directorate



Никита Богомазов, производственный директорат Nikita Bogomazov, Production Directorate



**Игорь Яковец,** кадровый директорат **Igor Yakovets,** HR Directorate



Елена Леонтьева, представительство компании Elena Leontieva, Representative Office

### БЛАГОДАРНОСТЬ ПАО «ГАЗПРОМ» / GAZPROM HONORARY MENTION



Галина Сушанская, финансовый директорат Galina Sushanskaya, Finance Directorate



Александр Алечиц, технический директорат Alexander Alechits, Technical Directorate



**Евгений Пак,** производственный директорат **Evgeny Pak,** Production Directorate



**Дмитрий Казарин,** annapam управления **Dmitry Kazarin,** CEO Directorate



**Сергей Коваленко,** annapam управления **Sergey Kovalenko,** CEO Directorate



Александр Киселёв, annapam управления Alexander Kiselev, CEO Directorate



Фёдор Порошков, annapam управления Fyodor Poroshkov, CEO Directorate



Сергей Кириенко, директорат правового обеспечения Sergei Kirienko, Legal Directorate



Евгений Тараторин, производственный директорат Evgeny Taratorin, Production Directorate



Антон Мамкин, производственный директорат Anton Mamkin, Production Directorate

# Congratulations!

### board of heroes

### ПОЧЕТНАЯ ГРАМОТА КОМПАНИИ «CAXAЛИН ЭНЕРДЖИ» / SAKHALIN ENERGY CERTIFICATE OF HONOUR



Андрей Саматов, аппарат управления Andrey Samatov, CEO Directorate



Сергей Кравченко, аппарат управления Sergey Kravchenko, CEO Directorate



Марина Ким, производственный директорат Marina Kim, Production Directorate



Мария Кузнецова, коммерческий директорат Maria Kuznetsova, Commercial Directorate



Виктор Мартынов, производственный директорат Viktor Martynov, Production Directorate



Ирина Пак, финансовый директорат Irina Pak, Finance Directorate



Василий Ивойжа, финансовый директорат Vasily Ivoyzha, Finance Directorate



Кирилл Алабужев, финансовый директорат Kirill Alabuzhev, Finance Directorate



Оксана Гримова, финансовый директорат Oksana Grimova, Finance Directorate



Вячеслав Сарваров, технический директорат Vyacheslav Sarvarov, Technical Directorate



Валентин Тарский, технический директорат Valentin Tarsky, Technical Directorate



Виктория Стряпунина, технический директорат Victoria Stryapunina, Technical Directorate



Скотт Аппелбум, технический директорат Scott Appelboom, Technical Directorate



Вонг Сию Квонг, производственный директорат Wong Siew Kwong, Production Directorate



**Асель Ажикова,** производственный директорат **Asel Azhikova,** Production Directorate



**Рустэм Низамов,** производственный директорат **Rustem Nizamov,** Production Directorate



**Юрий Гаврюков,** производственный директорат **Yuri Gavryukov,** Production Directorate



Денис Хакимов, производственный директорат **Denis Khakimov,** Production Directorate



Максим Макаров, производственный директорат Maxim Makarov, Production Directorate



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Михаил Бибарцев, производственный директорат Mikhail Bibartsev, Production Directorate



Павел Власов, производственный директорат Pavel Vlasov, Production Directorate



Владислав Хон, производственный директорат Vladislav Khon, Production Directorate



Анжелика Лебедева, производственный директорат Angelika Lebedeva, Production Directorate



**Андрей Шляхов,** производственный директорат **Andrey Shlyakhov,** Production Directorate



Станислав Гапоненко, производственный директорат Stanislav Gaponenko, Production Directorate



Екатерина Самарская, производственный директорат Ekaterina Samarskaya, Production Directorate



Николай Лебедев, производственный директорат Nikolay Lebedev, Production Directorate



Андрей Ерёмин, производственный директорат Andrey Yeryomin, Production Directorate



Лилия Ярисова, производственный директорат **Liliya Yarisova,** Production Directorate



Шаабан Шериф Килани, производственный директорат Shaaban Sherif Kilany, Production Directorate



**Максим Талонин,** производственный директорат **Maxim Talonin,** Production Directorate



**Ольга Розанова,** производственный директорат **Olga Rozanova,** Production Directorate



Валерия Кухарева, производственный директорат Valeria Kukhareva, Production Directorate



Максим Ибляминов, производственный директорат Maxim Iblyaminov, Production Directorate



Александр Долматов, производственный директорат Alexander Dolmatov, Production Directorate



Денис Рябинин, производственный директорат **Denis Ryabinin,** Production Directorate



Мансур Мадалиев, производственный директорат Mansur Madaliev, Production Directorate



Александр Локтионов, производственный директорат Alexander Loktionov, Production Directorate



Дмитрий Опякин, производственный директорат **Dmitry Opyakin,** Production Directorate



Глеб Маковкин, производственный директорат Gleb Makovkin, Production Directorate



Максим Миняйло, производственный директорат Maxim Minyailo, Production Directorate

### ПОЧЕТНАЯ ГРАМОТА КОМПАНИИ «CAXAЛИН ЭНЕРДЖИ» / SAKHALIN ENERGY CERTIFICATE OF HONOUR

#### доска почета



Виталий Алексеев, производственный директорат Vitaly Alekseev, Production Directorate



Анна Шаповаленко, производственный директорат Anna Shapovalenko, Production Directorate



Иван Барчунинов, производственный директорат Ivan Barchuninov, Production Directorate



Денис Гордеев, производственный директорат **Denis Gordeev,** Production Directorate



Денис Гризодуб, производственный директорат **Denis Grizodub,** Production Directorate



Сергей Кобяков, производственный директорат Sergey Kobyakov, Production Directorate



Анатолий Лазьо, производственный директорат Anatoliy Laz'yo, Production Directorate



производственный директорат Galina Lyubushkina, Production Directorate



Игорь Рыбников, производственный директорат Igor Rybnikov, Production Directorate



Сергей Рязанов, производственный директорат Sergey Ryazanov, Production Directorate



Виктор Спирин, производственный директорат Viktor Spirin, Production Directorate



Владислав Хамитов, производственный директорат Vladislav Khamitov, Production Directorate



Евгений Ханьковский, производственный директорат Evgeniy Khankovsky, Production Directorate



Игорь Ломаченков, производственный директорат Igor Lomachenkov, Production Directorate



Егор Селиванов, производственный директорат Egor Selivanov, Production Directorate



Владимир Пустовой, производственный директорат Vladimir Pustovoy, Production Directorate



Александр Чесноков, производственный директорат Alexander Chesnokov, Production Directorate



Александр Бурулин, производственный директорат Alexandr Burulin, Production Directorate



Дмитрий Фандеев, производственный директорат Dmitry Fandeyev, Production Directorate



Стюарт Арчибальд, производственный директорат Stuart Archibald, Production Directorate



Евгений Орлов, производственный директорат Evgeniy Orlov, Production Directorate



Игорь Богуш, производственный директорат Igor Bogush, Production Directorate



Виктор Петров, производственный директорат Viktor Petrov, Production Directorate



Евгений Петренко, производственный директорат Evgeny Petrenko, Production Directorate



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### БЛАГОДАРНОСТЬ КОМПАНИИ «CAXAЛИН ЭНЕРДЖИ» / SAKHALIN ENERGY HONORARY MENTION



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<u>assets</u>

# VESTI

# Oil and Gas through Wi-Fi

A landslide is one of the most dangerous, yet common geological processes. Environmental conditions that can cause a landslide are different, which is why there are a wide range of countermeasures. This and other issues are featured in our discussion with Evgeniy Mikhalyov, Onshore Pipelines Operations Manager.



Evgeniy, in the previous issue of Vesti Egor
 Levkovsky, Onshore Pipelines Right-of-Way
 Manager, told us that landslides were mainly
 caused by groundwater.

— Yes, that's right. Groundwater is mainly derived from infiltration (leakage) of atmospheric precipitation, water from rivers, lakes, reservoirs and irrigation channels. If rock beds, which form high banks or cliffs, have a slope, groundwater will follow the direction of that slope. With a high groundwater level and water-resistant clay pans, top layers can break off and slide down the smooth wet clay surface. That's why it's important to not only find groundwater, but to let it flow out.

### - How difficult is it to reach it?

— If water is hard to access, that's not the water we need. At our summer houses we can't get by without a pump and a great deal of effort to water the vegetable garden. Here it's much easier: the minute you put in a drainage tube — here it comes. Basically, it is the surface, where soil masses move.

### - That's clear, but how do you perform drainage?

— Mainland geological layers are stratified, i.e. arranged one above another, like a puff pastry pie. As Egor has already mentioned, Sakhalin is a geologically young region with frequent seismic activity. All strata are mixed up, and often it's difficult to find aquifers. Sometimes we discover water in the most unlikely places.

So, first of all, we inspect a pipeline and identify the areas of concern. After that, the project survey starts. It consists of several steps. First, we identify the depth of unstable soil as it shows how deep we can install a sustaining wall. Further, we start to look for drainage water.

Drainage of a landslide area is one of the most efficient techniques to avoid a landslide. So, the main task is to divert water flow from the landslide area and to reduce the amount of infiltrating precipitation. That's why we use drainage facilities. As a rule, we use run-off and deep drainage systems.

Surface drainage is performed if the depth of soil sliding line is not too great. Let's say, a metre from the surface. Water flows through trays made of concrete, geotextile and geomembrane into a gulley, far away from the landslide area. Thus, soil becomes lighter and the internal movement stops.

Deep waters or unstable soil call for deep drainage. In this case, we lay perforated pipes, which divert collected water to a concrete well, specially built for groundwater. And from there it goes to a gulley. At the same time, we are working on reinforcing landslide area walls. All these measures require substantial investments. Nevertheless, building drainage systems is much cheaper than dealing with potential consequences.

### — So, drainage, reinforcement of the landslide area walls... How long does it take you to take out a landslide area?

 All landslides are different, so there is no one common solution. We develop a separate project for each area, and the action plan depends on how challenging this area turns

The surface and deep drainage systems on the landslide area

out to be. Statistical data shows that it usually takes approximately two years to stabilise a landslide. Actually, it's three years, including the project development.

Construction and installation work and repair work are performed in two stages. At the first stage, we build a supporting structure and install a drainage system, while at the second stage we only perform some minor

We always prefer those contractors which can not only manage the construction process, but also perform works safely.

repair work. For example, at the moment we are working at the landslide area in Porechye. We already installed piles and drainages there last year. Now it's time to reinforce the walls. Next on the list — casting the grillage (the upper part of a piled or post foundation used to distribute the load from load-bearing

pipe
it usually l
tabilise a resp

Operations has 13 people, including the shift personnel of booster station No.2. Moreover, a lot of contractors are there to help us provide pipeline maintenance

In addition to subcontracting companies

In addition to subcontracting companies responsible for security and catering, Gazprom Transgaz Tomsk, the general contractor, carries out work at Pipeline Maintenance Depots, performing maintenance of oil spill response equipment. Overall, the manpower for one shift is about 180 people for 1,600 kilometres of pipelines, including gas transfer terminals and block valves.

#### - How do you typically select contractors?

— The selection process starts right after the engineering project has been developed. We prepare the Terms of references for design, on the basis of which Gazprom Transgaz Tomsk announces an open tender. When it's over, we do the assessment: the main criterion for us is how well a company is technically equipped and how experienced it is with landslides. Those companies that gain the required number of points make it to the second stage, where we assess their quotations and choose the organization with the most attractive price.



 $Reinforcing\ landslide\ area\ with\ anchor\ fields$ 

elements of a building/structure) and laying surface drainage.

However, there have been times when it took us just one year to finish all the work. For example, after the installation of drainage systems we realise that the area is stable enough. We only have to monitor the situation, no further work is needed.

### — Do you use drones to locate landslide areas?

— Of course, we are living in the world of digital technologies after all. They help us to significantly mitigate some risks of on-foot inspections of a pipeline route (ticks, brown

We get drone support from the specialists of the Technical Directorate. Every year they come to an area, fly drones around a pipeline route and take photos of the sections of concern. Unlike pictures taken from a helicopter or during an on-foot inspection, photos taken by drones are three dimensional as they can take a snap from above, from the side, at any angle we need. Afterwards, we analyse the material and make decisions on further actions.

### — How many people provide maintenance of the onshore pipelines route?

 Maintenance of a route is within the scope of the technical maintenance of onshore oil and gas pipelines. Onshore Pipelines It is a very efficient method. It ensures that we select a well-equipped company with highly qualified personnel and, most importantly, experience working on Sakhalin.

### You prefer to hire local contractors, don't you? They know the soil, the particular features of the landscape...

— We always prefer those contractors which can not only manage the construction process, but also perform works safely. These companies have their equipment in order and look the part at all times. Their specialists are well aware of HSE requirements.

Of course, there can be some subtle aspects, but if contractors from the mainland and from Sakhalin show the same results, all things being equal, we are likely to choose the locals.

### — The pipeline system is a unique asset under the Sakhalin-2 project as it crosses the entire island. How have you managed to successfully keep it running for over ten years?

-As I always tell my colleagues and myself: "The main task of the Onshore Pipelines Operations is to make everyone think that oil and gas are transferred from the platform to an LNG plant and an oil export terminal through Wi-Fi." You may ask, why? Because if they think that, it means we are good at our job.

By Alyona Olovyanishnikova

### september 2020

75th Anniversary of the Great Victory

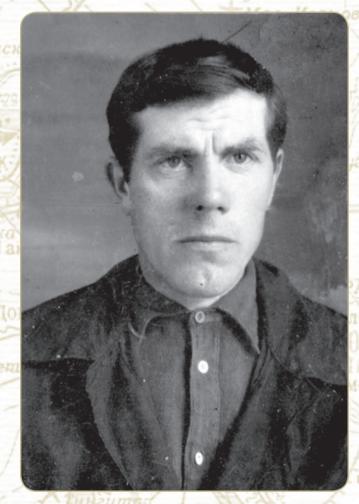


# Memories are like pattering, incessant rain, Memories are like never-ending icy snowflakes

Why Are Veterans Reluctant to Tell War Stories? Everyone has their reason for keeping silent... Recalling the lost years, the young age and dreams ruined in June 1941, the broken lives of the loved ones, the perished comrades-in-arms, is hard and painful. Sergey Novoselov's grandson learned about his grandfather's heroic past from the brief military decoration certificates and a few memories of his relatives. Pavel Lukmanov continues reciting the memorial poem.

#### MY GREAT GRANDFATHER

The Great Patriotic War divided Sergey Novoselov's life into two halves cutting off a four-year-long fragment. Staff Sergeant Novoselov arrived at the front line in March 1942 having left his wife and five children behind. He served as the Signal Section Commander, 3rd Company, 408th Detached Machine Gun and Artillery Battalion. I ODH G.A. ILDONE!



It is hard to say what is the deadliest branch of the military in wartime. But we have some terrifying statistics. For instance, a tank lasts from three to five minutes on the battlefield, and an infantry private survives no more than one or two attacks. But many believe that signallers had the deadliest job at the front line.

Nowadays, the military have dozens of communication options: satellites, confidential messengers, reserved radio frequencies, and dedicated phone lines. 75 years ago one could only dream about all that. Telephone lines were intensively used in the first years of WWII. A telephone network could be easily deployed in the field with no existing infrastructure. To and became a hero of the Signal tap the wire, one had to find it first, and then cut in. The tele- Corps. Sgt. Novikov was restoring phone signal cannot be traced with direction finders.

On the other hand, telephone lines were highly vulnerable. Under an artillery strike, a field wire was cut by shrapnel, and a signaller had to find and fix the wire break no matter what. While other soldiers were in the trenches, signalmen had to look for broken wires and restore the communication network under fire. One such mission was as deadly as an assault. If you come back alive, take a minute to catch your breath, and off you go again to locate another wire break.

The Wehrmacht was perfectly aware of the communications used by the Soviets. Telegraph posts were among primary targets for the German bombers while the German spies intensively looked for destroyed Soviet field communication lines.

But there was something more. A signaller was perfectly informed about the current situation at the front line, much better than other servicemen. So the German reconnaissance agents sometimes set ambushes. They just cut a wire and waited for a signaller to come.

Sergey Novoselov was wounded in action in May 1944. After recovery, he returned to the ranks and made it to Berlin. He came back home only in 1946.

He was decorated with the Order of Glory, 3rd Class, and the Gallantry Medal. According to his relatives, he did not like to recall the war, and they had learned about his heroic actions only from the brief military decoration certificates.

He was decorated with the Order and the Medal for continuously maintaining the company-to-battalion telephone communications.

On 30 October 1944, under mortar fire, Sergey restored a 2-km long telephone line connecting the battalion and the company sites. He was in action for 1.5 hours, and managed to fix 26 wire cuts! On the night of 23 February 1945, under heavy shelling, he fixed 23 wire breaks during the enemy assault. Not only he restored the line, but he fought as well: he killed seven enemies. Sergey Novoselov managed to survive and to complete his mission.

I suppose my grandfather had known about the deed of valour by Sgt. Nikolay Novikov who perished at the end of November 1941 a line, when he was attacked by enemies. He did not have time to splice the wire, so he clenched it with his teeth and started shooting back. But there were too many enemies. Mortally wounded, he fell on the ground near Moscow still clenching his teeth on the wire. Alexey Surkov wrote a poem, The Signalman, about this deed.

I never met my grandfather; he died before I was born. But I'm proud of his war deeds. We shall never forget the terrible war, and the price we paid for the victory. I'm confident if we were to meet, I would have persuaded him to shared his war experience with me.

The fall day was windless and gloomy, The ravine near Moscow was shaken with explosions. The signalman clenched his teeth on the wire, And dropped down behind a pile of snow, shooting back. They found him an hour later, in the snow The big eyes were blue and still, The dead lips held the wire That carried on the harsh orders. Even dead, the signalman was on duty, He ended his war mission in a deed. He was one of those who rise and Take immortality like they take towns.

The Signalman by Alexey Surkov





\* The Order of Glory was a Soviet military decoration established by Decree of the Presidium of three classes. It was awarded to the Red Army privates, non-commissioned officers and the Air Force second lieutenants. The Order was awarded for personal deeds of valour (not awarded to military units). In terms of its statute and ribbon colours, the Order of Glory was nearly identical to the Cross of St. George, one of the most prominent awards in Tsarist Russia.

The first soldiers' medal — For Valour — had not been introduced into the Soviet system of awards until 17 October 1938. It was considered more prestigious than all the other medals, primarily because its recipient was noted for personal courage and heroism displayed during a combat mission. This is why you will very seldom see For Valour medals decorating the uniforms of generals and colonels. It was mostly junior officers, sergeants and privates who received this award for displaying bravery during assaults on the battlefield.

By Elena Gurshal

### DID YOU KNOW THAT...

There was probably only one case in the entire history of the Great Patriotic War when a communication failure made a commander happy. During the Elninsky offensive operation in August 1941, Front Commander Georgy Zhukov was talking to Headquarters when communication was suddenly interrupted. Zhukov ordered a report on the cause of the incident and was very happy to learn from the communications operator that the wire had been torn by our tanks arriving in the area of Spas-Demyansk,

Numerous heroic deeds were committed by Soviet cipher clerks, so the fascist commanders made great efforts to capture them. To this end, an order was issued for the Wehrmacht: "Whoever takes a Russian cipher officer captive will be awarded the Iron Cross, granted home leave, and provided with a job in Berlin." However, not a single German soldier was awarded the Iron Cross for the capture of a Soviet cipher officer: the latter never surrendered alive, preferring to die so as not to reveal secret documents.

There were many cases of dogs delivering reports and orders—promptly and successfully—when it was absolutely impossible to use any other means of communication. There is a moving story about an Airedale Terrier called Jack who saved an entire battalion from certain death. Despite having a broken jaw and an injured paw, Jack covered three and a half kilometres under intense fire, carrying an important report in his collar. Having delivered the package to the headquarters, the four-legged hero fell to the ground lifeless.

### The War After The War

On 9 May 1945 our country finally celebrated its long-awaited Victory. However, that did not bring an end to the Second World War. Exactly three months later, the Soviet army entered into the conflict in the Far East. We talked to Yuri Filipenko, Director of the Pobeda Museum and Memorial Complex in Yuzhno-Sakhalinsk, about the war after the war.

- Yuri, we firmly associate the Great Patriot- However, the Great Patriotic War had ic War with the period from 22 June 1941 to 9 May 1945. But in fact, the Second World War, which had begun in September 1939 with the German invasion of Poland, raged on until the surrender of the militarist Japan on 2 Septem-

- When it comes to war, it's not all about numbers, but still: if we compare the amount of battles, destruction, casualties, and the size of the armies on the Western and Eastern Fronts, it becomes clear why the Great War and the Great Victory have overshadowed the events in the Far East. Some historians believe that the Second World War began as early as July 1937 when the Japanese army attacked Beijing and Tianjin. We are still rethinking and reinterpreting the events of those days.

At the Yalta Conference in 1945, the participants agreed that the USSR would enter the war with Japan within two to three months after the German surrender. The Soviet Union had several conditions: the Kuril Islands and South Sakhalin, which had become the Japanese Karafuto Prefecture in 1905, were to be returned to the USSR. Another precondition was the recognition of Manchuria as an independent state. In May-June 1945, following the agreement, the Soviet Union sent 136 convoys with military machinery, soldiers and officers to the Far East to prepare for the war with Japan.

- You mentioned the Yalta Agreement, but hadn't the Far Eastern front been discussed even earlier, at the Tehran Conference?

- During the Second World War, the leaders of "The Big Three" — Joseph Stalin, Franklin Roosevelt and Winston Churchill met twice in person. At the Tehran Conference of 1943, the opening of the second front was a burning issue.

That's not even the full story. Back in 1941, there was already no doubt that the Third Reich was going to lose the war. The German army was on the fringes of Moscow and could see the city through binoculars, but at the same time Stalin received a memo from Solomon Lozovsky, Deputy of Vyacheslav Molotov, Foreign Commissar. Among other things, the document stated the need to open a second front to help the Allies to battle Japan, brought up the issue of reparations from the defeated parties, as well as the opportunity to redraw the Soviet borders in the West and in the East, specifically through demanding the return of South Sakhalin, annexed after the Russo-Japanese War of 1904-1905, the military base in Port Arthur, and the transfer of the Kuril Islands to the USSR.

On 8 May 1945, the German Instrument of Surrender was signed, and on the night of 9 August military operations in the Far East started. Our country kept its end of the bargain. The documents that are available to us now have revealed some interesting details: the Allies thought that we were going to get bogged down in that conflict for a long time for about five years.

taught us valuable lessons, and the military operations in the Far East were carefully planned and prepared: the Soviet military leaders had sent the necessary resources at the outset. After all, war is not just about charging at your enemy with a gun and a full bandoleer. Ammunition and machinery are important, of course, but an army also needs food, stocks of materials and medicines, etc. Extensive preparations of the ground forces, army and navy — and, as a result, a brilliant victory!

- Do you remember when you became interested in this topic? Whosohukonbe

- When I was a kid, I used to visit my grandfather in a Belarusian village. There were rail road tracks next to his house, and beyond it there were fighting holes that had survived since the Great Patriotic War. For us local village boys they were the most interesting thing around. We would find bullets, shell casings, and soldiers' clothes there. My family and I moved to the Kurils in 1979. I was in the eighth grade at the time. And to my great surprise, I found fighting holes, earthand-timber strongpoints and ammunition on Paramushir as well! I didn't know about any of this. Next to our house, there was a vegetable garden that had a network of Japanese storages underneath. Our parents forbade us from exploring those military facilities but no one could resist such a temptation at that age. Of course, I don't remember the exact date but it was somewhere around that time that I got interested in military history.

 The name of the film The Dawns Here Are Quiet is different from the literary source it was based on. Its author Boris Vasilyev named his novel A Battle of Local Significance. That has surprised me a lot. How can that be? The plot was full of suffering, death, fear, courage, and love — and yet it was only an event of local significance? It reminds me of the events at the Eastern Front...

- Nikolai Vilkov, 27, and Pyotr Ilichev, 18. One battle, one goal, one earth-and-timber strongpoint. They both covered the embrasure with their bodies when they ran out of ammunition, and both died. No one ordered or forced them to do that. I doubt they thought of themselves as some kinds of heroes; they just followed their hearts. They were awarded the title of Hero of the Soviet Union posthu-

- How were they able to overcome the fear of death?

- I'm sure they didn't think about that. They probably could only think about how to help their comrades. When you realise that a kid, who hadn't even turned twenty yet, up and ran into the embrasure even though those were the last days of the war and he could have just waited it out in the fighting hole... And the most fascinating detail is that they had the patriotic impulse to do that simultaneously.

- When Ilichev's body was recovered, there was a letter in his jacket: "Dear mom, Vasya and Polina, I am going into battle soon." When he was writing it, he didn't know that it would



be his last battle. Your museum displays letters of soldiers that participated in the military operations in the Far East. What did they write about?

- About life. There are letters asking about everyone's health and the harvest, whether the potatoes had been planted — stuff like that... No one wrote: "I am going to do something heroic tomorrow." The potatoes, wishes of health, and questions about daily life reflect their love for the Motherland and a yearning for peace! Today, people are wondering how we can foster patriotism. All we need to do is to read war letters. And learn to read between the lines.

- Back to the present day. The Pobeda Museum and Memorial Complex surely had a lot of events planned for the 75th anniversary of the Victory. Were you able to carry out all of them amidst the Coronavirus pandemic?

- The preparations for the anniversary year began as soon as our Complex opened its doors. We assembled museum collections, carried out research and pilot studies. Those

efforts resulted in expositions dedicated to the Sakhalinians who fought in the Great Patriotic War and the Second World War, who worked on the home front and heroically built the first oil pipeline from the island to the mainland - in other words, dedicated to the contributions of the island residents to the Great Victory.

In January, we unveiled a stele with Saint George — the symbol and personification of the Victory. Our next mile-

stone event is the Kulikovo Field. A Field of believe we can make this topic interesting both the Military Glory exhibition project. The for children and their parents. choice of the project is not accidental. We understand that it is important to know Russia's history of military victories and demonstrate intergenerational continuity based on the collective memory and the examples of the heroic past of our people. After all, that battle on the Kulikovo field gave an impetus to a further unification of the nation against a common enemy, and to the liberation from the Tatar-Mongol Yoke.

Children's war-themed drawings represent the legacy of our grandfathers and the gratitude for our lives. That's what we see today at the 5th International Peaceful Pacific Ocean Children's Art Exhibition currently displayed at our museum.

We had to postpone the Glory of Russian Weapons exhibition. It will now open on 19 September, on Gunmaker's Day. Visitors to the exhibition will be able to see real examples of 300-year-old weaponry. These weapons did not only witness glorious victories of Russian and Soviet armies, but also served as tools for protecting the independence of our nation.

- Yuri, could you tell us about collaborating with Sakhalin Energy? You've been able to implement three joint projects this year, right?

 We are very grateful to Sakhalin Energy for supporting our initiatives. The company's participation is a sign to us that we are heading in the right direction and doing something important. This year we have organised the So There Is No War literature and art competition, the Memory of Victories Does Not Fade Away quiz, and the White Dove-2020 military-historical festival.

It's critical that these projects are geared primarily towards the younger generation. History is sometimes compared to an evil step-mother who can punish you for not learning your lessons. I think it's best if children have an opportunity to learn these lessons through games, rather than cramming. I



- The Ancient Greek historian Thucydides assumed that history repeats itself. But maybe knowing history will protect our children from repeating its mistakes.

- I prefer a different saying: "Whom the gods would destroy they first make mad." And absent-minded. We have to work hard together to learn the lessons of history and prevent its tragic events from happening again. We must protect the memory of our ancestors and the days gone by. Our history is full of both ups and downs, periods of great suffering and glorious achievements and victories.

Each person grows up under the influence of their family values, and families, in turn, are influenced by society. So it is up to us to preserve true facts about our history and pass them down to new generations.

By Elena Gurshal

figures and facts

# No Other Land Beyond Volga

On July 17, 1942, near the rivers Chir and Tsimla, vanguard units of the 62nd and 64th Armies of the Stalingrad Front met units of the 6th German Army. Thus began the Battle of Stalingrad, one of the major battles of the World War II. It lasted 200 days and nights and ended with defeat of Hitler's army on February 2, 1943.

To this very day, the past
Still rises at night.
We are still fighting out there,
Someone is dying again.
The victorious nation
Must never forget how it was.
(I.G. Arzhanov, veteran of the Battle of
Stalingrad)

(Read the beginning in August issue)

### **COUNTERATTACK**

The operation continued for 76 days (from November 19, 1942 to February 2, 1943). The front line was 530 miles. Soviet Army's advance reached 90-120 miles.

Stalingrad offensive was carried out be armies of Don, Stalingrad, and South-Western Fronts with the support of the Volga Warship Flotilla. As the combat continued, the Soviet Army acquired additional forces of the 1st and 2nd Guards Army, the 5th Attack Army, and the 6th Army, as well as five tank corps, three mechanized corps, and six brigades.

The counterattack comprised of the following front operations: operation Uranus to encircle the German 6th Army at Stalingrad; Kotelnikovskaya operation; operation Little Saturn; operation Ring to liquidate the encircled enemy's forces at Stalingrad.



On November 19, the counteroffensive began with a robust artillery preparation followed by mechanized corps. On the fifth day of the offensive, the vanguard units of the South-Western and Stalingrad Fronts joined forces. A major group of the enemy, comprising of 250,000 men, has been encircled by the Red Army.

Starting on November 23, the Soviet forces have been reinforcing the besiege of

the enemy for a week. German command attempted to break the besiege by an outside attack. In order to do so Nazis formed a group of armies named Don under Erich von Manstein's command. Don Group began advancing to Stalingrad Group. To counterattack Manstein who was trying to reach Paulus, the Red Army advanced the 2nd Guard Army under command of General Rodion Malinovsky.

In the morning of January 10, the Soviet forces commenced operation Ring (Koltso). Following a heavy artillery and air fire, they attacked the defensive positions of Germans, who at that time were not ready to retaliate. Hitler's army could not hold against strong offensive of Soviet troops. Soon they began to withdraw in a hurry.

On January 25, joined forces of the 21st Army broke into the western part of the city, while the 62nd Army fortified its strikes in the eastern part. Two armies continued persistently destroying the enemy's defense. In the evening of January 26, they finally met at Mamayev Kurgan. The encirclement resulted in breaking the enemy's group into two parts — the southern and the northern. The combat inside the city continued for several days.

On January 26, 1943, forces of Don Front met the groups of the 62nd Army. That's how it was described in an army newspaper: The observation post reported at dawn: 'the Germans are thrashing in panic; the machines are cluttering, there's a first sight of men in Red Army's uniform'. Now, the heavy KV-tanks are clearly visible descending from above. Their armor reads: Chelyabinsky kolkhoznik (Chelyabinsk Farmer). Captain of the Guards, Sergey Gushchin, officer Mudryak, and other officers and soldiers under Alexander Rodimtsev lurched forward carrying the Red Banner. This joyful and exciting meeting happened at 9:20 a.m. at Krasny Oktyabr village. Captain Gushchin gave men of one of the Don Front groups a scarlet banner reading "In honor of the meeting on January 26, 1943".

On January 31, Soviet soldiers of the adjacent army captured the commander of the 6th Army, General Field Marshal Friedrich Paulus and his staff. On the same day, the southern group of Germans seized the defense completely. Combat in the city center ended.

Fighters of the 62nd Army captured the staff of the 295th infantry division headed by Commanding Major General Otto Korfes. What's more peculiar, all 16 members of the staff, including Hitler's generals, were captured by 3 privates headed by an 18-years-old radioman Mikhail Porter.

By 2 p.m., February 2,1943 the defense of the northern group of Nazis was destroyed as well



The central figure of the memorial standing on Mamayev Kurgan symbolises the Motherland encouraging soldiers to fight against enemies. This is one of the highest monuments in the world. Its height with the sword is 85 metres. For comparison: the famous Statue of Liberty in New York is only 46 metres.

The dominating height of Mamayev Kurgan allows its possessor to have in sights almost the whole city and crossings across the Volga. That is the reason why this height point had seen desperate fights. The fascists had been trying to take possession of Mamayev Kurgan for 140 days. Its slopes had been stuffed with bombs, missiles and mines. After the war, the soil got mixed with metal fragments, with 500–1,250 splinters of mines and bombs found at every square metre. The amount of missiles dropped at Mamayev Kurgan had been so huge that after its deliverance the grass wouldn't grow for two years there.

### THE OUTCOME OF THE BATTLE OF STALINGRAD

In final battles between January 10 and February 22, 1943, the Red Army captured 91,545 men, including about 2,500 officers, 24 generals and the commander of the 6th Army, General Field Marshal Friedrich Paulus

Cumulative casualties of the Soviet Army between June 17, 1942 and February 2, 1943: 478,741 killed, 650,878 injured. The USSR lost 1426 tanks, 12,137 guns and mortars, 2,063 planes.

Cumulative casualties of Germans in Stalingrad battles between November 19, 1942 and February 2, 1943 have been, by estimation, over 900,000 men. The Germans lost approximately 2,000 tanks and assault guns, over 10,000 guns and mortars, up to 3,000 combat and cargo planes, and over 70,000 vehicles. Wehrmacht and the allies lost more than 1,5 million men killed, captured and injured.

### THE SIGNIFICANCE OF THE BATTLE OF STALINGRAD

The victory in the Battle of Stalingrad was crucial for the Soviet Union both in an international and political and military sense. It marked a fundamental shift in the course of the World War II.

The victory allowed the Soviet forces to seize the strategic initiative and maintain it throughout the war. The defeat at Stalingrad was a shock for Nazis; satellite forces no longer trusted in Hitler's immediate victory. As a result, occupied states reinforced their resistance. Japan temporarily abandoned its plan to act against the USSR. Turkey's confidence to stay neutral strengthened. The importance of the Battle of Stalingrad and the triumph of the Soviet warcraft are widely recognized around the world.

By Elena Gurshal

based on materials from shtorm777.ru, the book by A. Stupov and V. Kokunov, "62nd Army in Battle for Stalingrad"



continuous improvement :

# How to Take a Photo of Efficiency?

Why did specialists of the Manufacturing Excellence (ME) Subdivision go into the field and how did the observation help to improve the work of the maintenance teams at the Prigorodnoye production complex? This is exactly what Louisa Khetagurova, Sr. Manufacturing Excellence Engineer, is going to tell us.



— This story began almost three years ago. In 2017, our LNG plant participated in benchmarking study aimed at comparative performance in Health and Safety, Environment, Production and Energy, Personnel, Operating Costs, Asset Management, and Availability and Utilisation conducted by Phillip Townsend Associates (PTAI). Each area was assessed separately, and the findings were analysed both separately from other production areas, and in aggregate. The peer review results helped us to see areas where we could improve performance.

To improve maintenance efficiency at the asset, we launched the Day In Life Of (DILO) programme of onsite observation. ME Team went into the field together

with the maintenance crews and made note of value stream mapping process. Observation was carried out with different teams of technicians during an eight-hour working day twice a week. From August 2017 to December 2019, our team "captured" the workflow for 164 full working days.

What were the results of that period? First, we managed to increase three times the number of Performing Authorities who passed competency assessment. Second, the number of man-hours in preventive maintenance routines in SAP decreased by 45 thousand annualised. Third, we introduced leader Standard Work in the Operations Team, aligned the planned and actual hours of scheduled preventive work, and changed the organisational structure of the Work Preparation Team. In addition, we were able to introduce an electronic queue for permit-to-work issue and a two-week planning as well as semi-automated pre-work medical checks. In two and a half years, we were able to accumulate an extensive unified database with current information. This helped us to eliminate wastes

and contributed to the improvement of the production process. We transferred all collected data to maintenance supervisors who made necessary decisions based on the findings.

All these measures reduced time for preparing documents, materials, printouts, for issuing work orders, the waiting time, and increased the productive time — Hands on Tools Time (HoTT) coefficient — that is, the time when people are actually engaged in work, in particular equipment maintenance, at the asset. In fact, the duration of unproductive idle time dropped from 16% to 7%.

Since the beginning of the DILO programme in 2017, we have managed to improve performance and overcome the threshold of the Calculative level in ensuring technical integrity. This element in particular is included in the



The LNG employees are "taking photos" of the working day

MIE programme, which shows the efficiency of asset maintenance. In preparation for the external assessment of the maintenance execution and production integrity process (which is scheduled for Q4 2020), we will conduct control checks to confirm sustainability of the achieved results and continue to optimise production processes.

All these efforts are part of the Continuous Improvement Programme, so we constantly review our performance indicators and set new targets. We would like to thank all our colleagues who contribute to Continuous Improvement by submitting initiatives to refine various activities of the Prigorodnoye production complex and the company as a whole.

By Elena Gurshal

russian content

# Better, Faster, Cheaper

Sergey Skurlatov, Category 1 Mechanical Engineer of the Turbocompressor Equipment Subdivision (LNG plant), tells us about the replacement of an imported gas turbine exhaust duct expansion joint, — a part of the mixed refrigerant compressor, with a Russian analogue in just a month.

- Sergey, could you explain what an exhaust duct expansion joint is and what function it nerforms?
- An expansion joint is a flexible insert made of several layers of different materials capable of withstanding high temperatures and pressures. It is attached to the outside of an exhaust duct connecting a gas turbine and an exhaust pipe for exhaust gas discharge. Its main task is to balance the displacement of the exhaust duct walls caused by temperature fluctuations. Potentially, even a small displacement (for example, the size of a matchbox) can lead to deformation and even rupturing of the channel. The displacement is caused by metal expansion under the influence of highly heated exhaust gas (400-500°C) entering the exhaust channel and causing the latter to elongate. The expansion joint, which absorbs thermal expansion, prevents deformation and displacement. In total, there are more than twenty expansion joints of six different types installed on the exhaust ducts of the LNG turbine units.

We conduct an internal inspection of all exhaust ducts every year, during planned shutdowns of the LNG plant. One such inspection confirmed that the gas turbine exhaust duct expansion joint of the Train 2 mixed refrigerant compressor needed to be replaced. The replacement could only be performed during a shutdown. This meant that a new expansion joint had to be designed, manufactured and delivered to Sakhalin not later than by the end of June, in time for the upcoming shutdown. For this reason, the best solution was to purchase the equipment from a Russian vendor, since it would take from six months to a year to get it from a foreign manufacturer. Therefore, we placed the order with Flagman, a Russian company.

### - Why Flagman?

— It was chosen on the recommendation of the Russian Content Development and Supplier Relationship Team. We had already had positive experience with this company: in 2019, it was contracted to supply heat-insulating casings for the diesel engine of the pump installed in the main fire fighting system of the LNG plant. Flagman manufactured four casings according to our drawings. The equipment is to be delivered and installed in August this year.

Moreover, Flagman has been operating since 2008 and has gained a reputation as a reliable manufacturer that guarantees the quality of its products. The company has its own laboratory for incoming and outgoing control of all raw materials and finished products. Flagman has partnership relationships with the largest Russian oil and gas companies, such as Gazprom, NOVATEK, Rosneft, LUKOIL and others.

### - How was the work organised?

— Together with Flagman specialists, we prepared and approved a drawing of the expansion joint. It took us a week to complete this part of work. We made all necessary measurements at the facility ourselves. During the designing work, we stipulated target characteristics so that the expansion joint would have a higher



Installation of gas turbine exhaust duct

safety margin compared to those manufactured abroad. In particular, the Russian-made expansion joint has eleven layers of various materials (refractory ceramic fibreglass, stainless steel mesh, glass wool and so on). As a result, it can withstand temperatures over 800°C and an operating pressure of 5,000 Pa.

The whole process — from the preparation of drawings and the approval of the required technical and commercial documentation, to the manufacture of the expansion joint and its delivery to Sakhalin — took just over a month (despite the limitations related to the coronavirus pandemic). The success of the project is due to the smooth, well-coordinated work of all the specialists from the Supply Chain Management Department, the Russian Content Development and Supplier Relationship Team of our company and Flagman representatives. We greatly appreciated the work of the Procurement staff — thanks to their help, we were able to promptly conduct a tender and then organise the timely purchase and delivery of the equipment.

The total cost of the Russian-made expansion joint turned out to be four times lower than a foreign one. In June, the equipment was installed at the facility. I have checked it myself: the expansion joint performs its functions admirably.

By the end of the year, we are going to purchase several more expansion joints of other standard sizes from Flagman, including an expansion joint for the gas turbine exhaust duct of the Train 1 pre-cooling mixed refrigerant compressor. It will be replaced during the 2021 shutdown. In addition, we intend to prepare drawings and create descriptions for all other standard sizes of LNG expansion joints in SAP. This will save us a lot of time when we purchase this equipment from Russian manufacturers in the future.

In conclusion, I would like to say that working with Flagman was an entirely positive experience for us. Although it took us more effort to work with the Russian manufacturer at the initial stage, it was worth it: we got a better product for less money with a shorter delivery time. In view of this substantial success, we are going to expand cooperation with Russian companies in the procurement of other parts and equipment in the future.

By Virginia Lakomova

# Oil Market Analytical Report underperformance in Ma the total decline in fuel

This year's events have become a real shock for the global society at large and for the oil market in particular. "Quarantining" a major portion of the global economy and isolating countries due to the rapid spread of COVID-19 led to dire consequences. An unprecedented slump in demand by 30% in April and by almost 10% over the year on an average had the bulk of its impact on the oil market.

Apart from the extraordinary decline in demand, the market situation was also complicated in a great measure by relationships among oil producers, who started squabbling at the worst possible moment for the market. During their meeting in Vienna on 6 March 2020, Saudi Arabia, Russia and other OPEC+ countries failed to agree on an additional production cut. The market expected the coalition members to increase quotas by another 1.5 million barrels per day amidst the starting decline of demand in China, but that did not happen. The collapse of negotiations led to the development of tough price competition.

The actual termination of the OPEC+ deal from 1 April 2020 and an unprecedented decline in oil demand amidst the excess of its supply led to a tremendous imbalance which the market participants had never faced before, and caused a record-breaking fall in prices. From January to mid-April 2020 the Brent oil price fell by a factor of 3.5, and WTI futures were traded at a negative price for the first time in the history of stock trading (Fig. 1), thus showing the vulnerability of the modern pricing system.

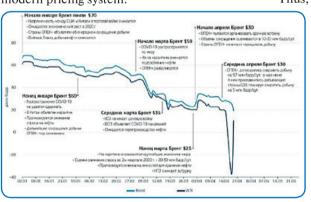


Figure 1: (available in Russian only) Brent and WTI oil price trends, January – April 2020 (Source: SKOLKOVO Energy Centre – Moscow School of Management)

Global oil storage limitations have become the key factor putting pressure on oil prices: oil prices are falling because of the decline in demand, while the cost of storage is growing. The occupancy level of commercial oil tanks of the OECD states reached its historical maximum: Cushing, the main oil hub in the US, was filled to 70% capacity according to Reuters, while all other empty tanks had been already reserved.

An extraordinary decline in demand and prices urged oil producers to sit down at the negotiating table. As a result thereof, OPEC+ states agreed on an oil production cut in May – July 2020 by 9.7 million barrels per day. From 1 August to the end of 2020 the volume of production cut shall account for 7.7 million barrels per day, and from 1 January 2021 to 30 April 2022 – 5.8 million barrels per day. Additionally, non-OPEC countries (USA. Canada, Brazil etc.) for the first time in history declared their intention to cut oil output by 5 million barrels per day (although they did not make any strong commitments).

### **IMPLEMENTATION OF OPEC+ DEAL**

An updated OPEC+ deal to cut oil production has been in force since May. In June, the countries fulfilled the deal by 112%. Furthermore, according to OPEC estimates, Russia produced 8.75 million barrels per day in June and 8.8 million barrels per day in July, which is above the 8.5 million barrels per day stipulated in the deal for Russia. These figures differ from those reported by the Ministry of Energy of Russia where the level of OPEC+ deal fulfilment by our country accounted for 96% in May and 99% in June. In July, according to Alexander Novak, Minister of Energy, the figures were at the same level as in June. The difference in statistical data is attributed to the different methodology for calculating the fulfilment of the deal.

Oil production in OPEC states grew by 0.98 million barrels per day in June, to 23.17 million barrels per day, mostly due to Saudi Arabia, which recovered an additional one million barrels per day which had been cut voluntarily in June, according to the OPEC Report for August.

Thus, oil production in Saudi Arabia grew

by 0.86 million barrels per day, to 8.4 million barrels per day. At the same time Saudi Arabia fulfilled all obligations assumed under OPEC+ deal. In June, additional volumes of production cuts were also assumed by the UAE and Kuwait. These three countries together cut their production by another 1.1 million barrels per day. In June, the UAE recovered their production to 2.43 million barrels per day, and Kuwait — to 2.16 million barrels per day. Production in

July in both countries of the Gulf fully meets the OPEC+ agreements as well.

ADNOC State Oil and Gas Company (the main production company in the UAE) informed its buyers of an additional decline in oil supplies in September under OPEC+deal. Proceeding from the UAE Government Decree, Murban, Upper Zakum, Umm Lulu and Das oil supplies will be cut in September by 5% in addition to the existing agreements on the decline in supplies.

However, Iraq increased its oil production to 3.75 million barrels per day in July, which exceeds its production quota of 3.59 million barrels per day.

Ihsan Abdul Jabbar, Iraqi Oil Minister, informed Prince Abdulaziz bin Salman, Minister of Energy of Saudi Arabia, that the country is strongly committed to the OPEC+ deal, and will reach 100% compliance with the deal by the beginning of August, according to the Saudi Press Agency. In August - September 2020, Iraq will additionally cut its oil output by 0.4 million barrels per day to reach the current limit of 0.85 million barrels per day under OPEC+ deal to compensate its

underperformance in May - July. Therefore, the total decline in fuel production by the country in August-September will reach 1.25 million barrels per day, according to the joint statement of the Ministry of Energy of Saudi Arabia and the Ministry of Oil of Iraq released following the ministers' negotiations.

They confirmed that the efforts of OPEC+ countries aimed at production cuts at an agreed-upon pace, as well as additional cuts as part of the compensation system, will enhance the stability of global oil markets and accelerate the achievement of their balance.

In August, OPEC+ countries continued to cut their production; however, limitations have been mitigated, and only 7.7 million barrels per day is to be cut by the end of the year. After cutting its oil production in May - July by 2.5 million barrels per day, Russia may increase it by 0.5 million barrels per

day starting from August. However, Alexander Novak, Minister of Energy, said that the real growth would reach only 0.4 million barrels per day.

The overall global supply in July 2020 reached 89.4 million barrels per day, which was 2.7 million barrels per day more than the month before. As of end of July, the total demand in the oil market reached 90 million barrels per day, which is indicative of a slight excess of demand over supply.

### PRODUCTION BY NON-OPEC COUNTRIES

As estimated by OPEC, oil production in non-OPEC countries declined by about 6 million barrels per day in the 2nd quarter of this year. This figure is expected to grow in Q3, especially from August.

Production of liquid hydrocarbons in non-OPEC countries will decline by 3.03 million barrels per day in 2020 as compared with the previous year's figure. OPEC also points out that in 2021, production of liquid hydrocarbons in non-OPEC countries will be increased by 0.98 million barrels per day, mostly because of the recovery of production in Canada exceeding the expected level.

### **FORECAST**

OPEC dampened the outlook for the decline of the global demand for oil in 2020 by 100,000 barrels per day because of the slowdown of economic activity in a number of countries. Thus, OPEC expects the global demand to fall by 9.06 million barrels per day this year according to its August report (in its July report the forecast was 8.95 million barrels per day).

Based on OPEC estimates, the global demand for oil in 2020 will amount to 90.63 million barrels per day. Furthermore, the global demand for oil is predicted to grow to 97.6 million barrels per day as soon as in 2021, as OPEC expects the coronavirus to be localised and to stop making such a destructive impact on the global economy.

Despite the ongoing economic revival, OPEC points out that next year the fuel demand will not return to its pre-pandemic levels because of changes in the labour market and the practice of distance work.

According to Energy Intelligence, in August 2020, further increase in the demand by 2.5 million barrels per day was expected mostly due to the growing oil and oil product consumption in the Asia-Pacific countries following the increase of population mobility and revival of the petrochemical industry. China, the largest oil importer, is currently reporting record-breaking growth of industrial activity since January 2011.

Therefore, the global oil balance is reviving consistently. The break-even point of the global oil market was reached in June 2020. Compliance with the OPEC+ deal and the growth of demand let the oil price return to a level above \$40 per barrel (Fig. 2).

If OPEC+ countries continue to comply with the deal, then the most important factor in the short term will be the ability of the global community to suppress the second



Figure 2: Global oil price trends (source: OPEC Report, August 2020)

wave of coronavirus and to stop the pandemic, to restore the economy and transport flow. If they succeed, it will promote further growth of demand, support the restoration of the global balance and, consequently, an economically grounded price level for oil producers and buyers. Wood Mackenzie experts consider two possible future scenarios.

If the world manages to prevent a resurgence of the pandemic and discovers an efficient vaccine by the end of Q1 2021, the adverse impact of coronavirus on the global economy will be much weaker than in the beginning of this year. The scenario without the second wave indicates revival of demand to 102 million barrels per day by the end of 2021; the Brent oil price is expected to reach \$45-50 per barrel.

The growing number of people infected with the coronavirus in the US and some countries of Europe and Asia does not allow us to exclude the risk of a second wave of the pandemic and strengthening of travel restrictions. Upon materialisation of this scenario, Wood Mackenzie experts predict a demand of 97 million barrels per day in 2021, while Brent oil prices may fall to \$35-40 per barrel.

Regardless of the scenario, the main objective of our company is to continue to respond to the situation promptly and to support our reputation as a reliable hydrocarbon supplier.

By Dmitry Shubny, Kristina Andreeva according to SKOLKOVO Energy Centre – Moscow School of Management, www.opec.org, www.reuters.com

society

# Uninterrupted Help

"In order not to let a 1.5 metre safe distance grow into a significant distance between people who need help and those who help them, a business shall not put its social projects on hold"Tatyana Derivedmid, Head of Sakhalin Energy PR Division, believes.



- COVID-19 and the crisis in the fuel and energy market make a serious challenge for oil and gas enterprises. Some of them decided to put their social support on the back burner. By contrast, Sakhalin Energy is extending its work in this area. Why do you do that is?

- It has always been important for the company not only to conduct its business in the region where it is present, but also to participate in the implementation of social initiatives in collaboration with government and non-government organisations and to provide the necessary support to people who need it the most. The pandemic has changed us in many aspects. Distance work and learning, self-isolation – all these factors have disturbed the routine rhythm of work of people and companies. We fell out of one reality and found ourselves in a different one requiring additional knowledge, resources, and new

### - Did you change your plans and pro-

— It was important to keep a balance: to maintain the help system which we managed to build over 26 years, and to revise corporate



and Andrey Shiryayey, Chief Physician of Yuzhno-Sakhalinsk City Hospital named after F.S. Ankudinov at the equipment handover tional and Social Services" was started

social investment programmes, update them and adjust their time frames.

#### - What areas came to the forefront?

- Of course, they included the areas most affected by COVID-19. They were medicine, education, and families in difficult straits. We took those three groups under special control.

### - Medical workers were on the front line of fighting the coronavirus. How has the company helped them?

 From the very first cases of coronavirus infection discovered on the island, Sakhalin Energy has been closely cooperating with the regional government, the Ministry of Health, and heads of Sakhalin healthcare

facilities. We jointly developed a comprehensive programme to support the medicine on the island amidst the difficult epidemiological situation, which was also supported by the company and Sakhalin-2 shareholders. We prepared a list of the most necessary equipment and allocated over 28 million roubles to purchase it.

The first batch consisting of 40 mobile oxygen concentrators\* was delivered to the regional hospital in July; then they were distributed among the healthcare facilities of Korsakov and Yuzhno-Sakhalinsk. Additionally, the company delivered a thermocycler\*\* to the Yuzhno-Sakhalinsk City Hospital named after F.S. Ankudinov.

A fixed oxygen concentrator is to be delivered to the Nogliki district hospital at the end of the year. This device is also intended for generating gaseous oxygen from air, just like its smaller analogues. Unlike mobile concentrators that may be used for two persons only, it does not have tough restrictions on the number of patients.

We also plan to purchase a testing system for the Ankudinov city hospital this year. These tests are one of the most accurate and effective ways to determine in laboratory conditions whether a person has a coronavirus infection. This modern project will be of significant help in preventing the new dangerous disease.

We transferred funds to the central Korsakov district hospital to purchase additional medical equipment and consumables. They will be delivered in Q3 of this year.

- Teachers also had their battlefield. They had to change the teaching system completely, and to master new distance technologies within a short time. The company supported two educational initiatives. Tell us about them.

 In June, a new grant contest Konstantin Kokorin, Head of Sakhalin Energy Health Section, "Digital Transformation of Educaceremony by the Energy Social Initiatives Fund.

It pushes the boundaries and allows knowledge to be imparted by means of developing remote communication. We sum up the contest results on a monthly basis. These time frames let us consider and support a bigger number of projects. The development of distance learning has its strengths: the possibility of lessons with experienced teachers from other cities and even countries, e.g. when preparing for the Unified National Exam, access to native speakers of foreign languages, which is extremely important in learning – it actually creates another window to the big world. The more windows children have, the better. Therefore, this potential must be used.

### — Which project would you call the best?

- It's hard to select only one. We hit the bull's eye with this contest. We have been contacted by various organisations and initiative groups who are ready to provide their

We focused on the key districts for the company - Korsakov, Poronavsk, Nogliki, and Yuzhno-Sakhalinsk. With the help of local social protection authorities we prepared the lists of families, determined the list of school accessories, and submitted it to the company employees. As most of Sakhalin Energy personnel

started working remotely, additional mechanisms for project implementation were reguired. The employees could choose how to participate in the project: some of them purchased a certificate to a stationery shop, the others selected the needed goods online and had them delivered, while some people found it more convenient to leave the school supplies in a special box in the company head office. As a result of the event, 207 Sakhalin schoolchildren, from first-grade pupils to graduates, will receive their school bag with everything they need for the forthcoming school year. Dear colleagues, I am very grateful to everyone who supported this initiative. This charity event has become really all-inclusive.



Pupils of Yuzhno-Sakhalinsk School No. 4 received their stationery sets

projects. Their interest delights us and inspires us to move forward. I'd like to tell you about the initiative of the Yuzhno-Sakhalinsk Foundation Supporting Children and Youth "New Generation" – a vocational guidance project "World of Opportunities". It is being implemented on the basis of a digital platform created with the support of Sakhalin State University and the federal project "A Ticket to the Future". Online tutorship provides additional opportunities for children from orphanages and boarding schools to receive high-quality education. Thanks to communication with experts in different spheres, children may "try on" a certain job, which helps them make a correct choice in future.

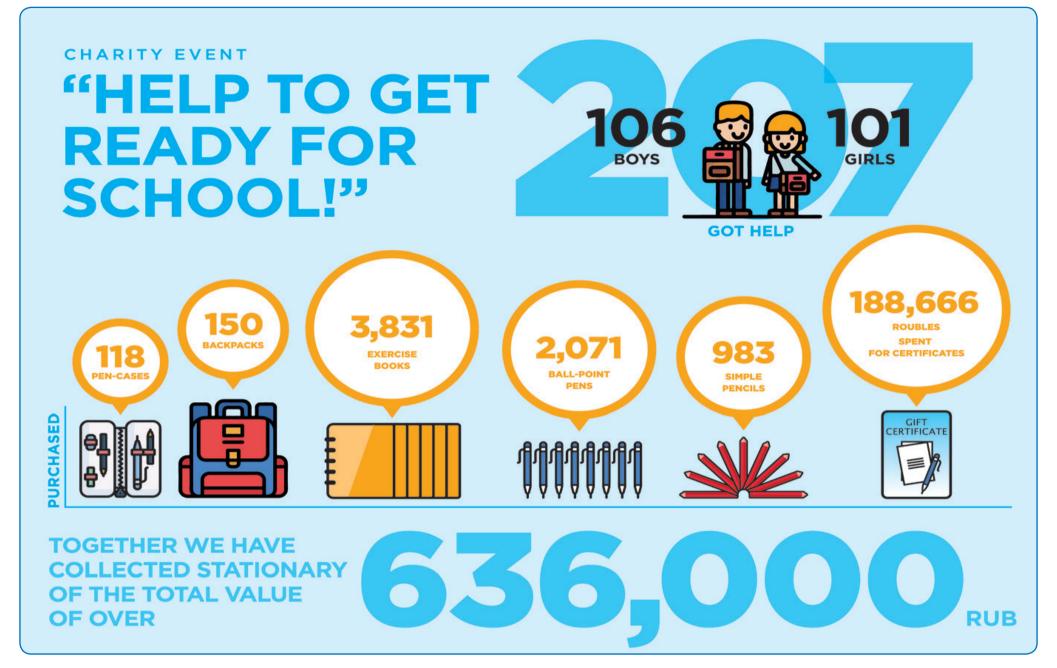
- Despite the coronavirus, the company held a traditional charity event before the Day of Oil and Gas Industry Worker. This year, the employees were recommended to put together a "pupil's school bag".
- The event bears the same name: "Help Get Ready for School". We decided to support families in difficult straits (including because of the coronavirus pandemic). This event was held under the corporate charity event "Hurry Up for Good Deeds".

- Mitya Aleshkovsky, Head of "Help Needed" Foundation, said in one of his interviews, "Who we are as people depends a lot on how much we care about others - somebody other than ourselves". In these difficult times the company proved that it was not indifferent to the destiny of the Sakhalin population, and that it stayed together with and close to them. The company developed its own immunity against COVID-19.
- The company is people. That is why our business lives according to certain rules and laws, has its own specific features, the priority ones, in my opinion, being adaptability and ability to respond effectively to new conditions. That is what characterises Sakhalin Energy in any situation, even the most difficult one. The main thing is not to stop, but to pursue a path once it's been chosen, including in the field of social policy.

### By Pavel Ryabchikov

- \* A mobile oxygen concentrator is used to deliver emergency aid or oxygen therapy in pulmonary and cardiac diseases.
- \*\* A Thermocycler identifies COVID-19 in nasal and throat smears, and facilitates diagnosing hereditary and viral diseases.

<u>infographics</u>



# Recognition Award

The RF Ministry of Energy has announced the winners of the competition for the best socially oriented company in the oil and gas industry in 2020. Sakhalin Energy won in three categories: Development of Labour and Personal Potential of Employees, Charitable Activities of a Company, and The Best Public Non-Financial Report of an Oil and Gas Company with up to 4,000 Employees.



"Sakhalin Energy is an international company, but it operates in the territory of the Russian Federation; therefore, we are honoured that our efforts were highly appreciated by the federal executive body. For us, the recognition of our success is a valuable award and, at the same time, a powerful incentive to develop further, to continue improving the already established practices and introducing new ones," said Roman Dashkov, Chief Executive Officer of Sakhalin Energy.

Roman Dashkov stresses that since its inception in 1994, Sakhalin Energy has been supporting its personnel in every way and promoting their development. Also the company has spared neither effort nor expense to implement socially significant programmes in the territory of the Sakhalin Oblast. Large-scale and consistent investments into social area and long-term focused policy aimed to resolve important social issues are in line with the company's sustainable development principles. The socially oriented policy of Sakhalin Energy is regularly praised at the national level.

In particular, the social and environmental projects of the company were included in the first Voluntary National Review (VNR) of the country's progress in the implementation of the 2030 Agenda for Sustainable Development. On 14 July 2020, the document was presented by Maxim Reshetnikov, Minister of Economic Development of the Russian Federation, at the High-Level Political Forum on Sustainable Development of the United Nations in New York.

By Pavel Ryabchikov

### Let's Determine the Place Occupied by the Company

Only one month remains before the completion of an employee opinion survey being part of the Employer Ranking conducted by HeadHunter. Over 700 employers have entered the fray.

Please note that the company will be ranked in three steps:

- an internal assessment (by the company's employees),
- an assessment of the maturity of the company's  $HR\ processes,$
- and an external assessment of the company (by job seekers).

The weighting of each step will be factored into the final score. The results will be added up to determine the final place occupied by the company.

до 30 СЕНТЯБРЯ

According to the ranking conditions, the third step involving an internal assessment by job seekers will be conducted by HeadHunter for companies having successfully completed the first two steps. During the first step the company's employees are supposed to take part in an opinion survey, and the second one requires its HR officers to fill out a questionnaire. The preparation of data to be used in the assessment of the company's HR processes is complete, while getting as many staff members as possible to participate in the survey remains to be an important task.

33% of the company's staff have already cast their votes, and we need the opinion of the remaining employees. Go ahead and support the company by taking part in the survey!



environment

# Adult Issues in a Children's Project

Sometimes we think in a childlike way: as soon as special containers are placed next to our homes, was managed out there. My daughter observed in collecting information. It was completely we all will immediately start sorting garbage. But what if it doesn't work this way? What if the everything, made her own conclusions, and different from the Mom and Dad building a containers are the wrong colour, or the instructions are printed in the wrong font? Professor Preo- asked questions. We decided to help her find brazhensky said, "It is the minds rather than the water closets that are in disorder." In this regard, we cannot but respect people for whom garbage segregation is a habit as natural as washing one's hands. Having resolved this issue, they have moved on to addressing other problems. This is the subject of our conversation with Alexander Marchenko, Lead Specialist of the Industrial Environ-



Alexander Marchenko with his family

#### - Alexander, can we say that it was your daughter Milana's school project that made you think about the problem of food waste?

- Not exactly. As a child, my parents taught me to treat nature with care and responsibility. Of course, I did not think at the time that this would become the foundation for my future profession. Nevertheless, I applied for admission to the Far Eastern Polytechnic Institute (now Far Eastern Federal University, FEFU), knowing exactly what I wanted to become. After defending my graduation thesis and completing the post-graduate course of study, I worked in Vladivostok for several years. Then I received a PhD in Engineering and returned to Sakhalin. Before I got a job with Sakhalin Energy, I had worked at other

designing water supply and sewerage systems, I additionally developed portions of design documentation-sections on environmental protection, and also designed solid waste landfills. It was an eye-opening experience.

Consider this: on average, each person produces about 250 kilogrammes of garbage per year, a quarter of which is food waste. When rotting, food releases an aggressive liquid (filtrate) that contaminates groundwater, and harmful gases that are not only a source of an unpleasant (to put it mildly) odour, but also contribute to the greenhouse effect. If it were possible to remove at least this part of waste from the volume of waste stored in landfills, it would be much easier to resolve the pressing waste disposal issues. As you see, the problem is very serious indeed. But you are right: my daughter's school project served as a trigger it encouraged our family to move from words

#### - This started a snowball effect...

- That was a little earlier (smiles). When Milana was in the first grade, they had a series of extracurricular classes at school, one section of which was entitled "Learning to Develop a Project". For our project, we chose the topic of snow layer formation and descent from the roofs of buildings. It turned out to be a success. We even went to Moscow to present the project, and my daughter received the First Steps in Science Honorary Badge for it. Although we were encouraged to continue our studies in this area, we decided to take up a hotter topic both in the literal and figurative sense (indeed, we had been very cold when conducting experiments with snow on the roofs). Thus, we chose the problem of food waste disposal.

### - This is a difficult topic for a child...

- But it is an interesting one. When we organisations. At the Sakhalingrazhdanproekt travelled to Japan and South Korea, we Institute, where my principal work consisted of couldn't help paying attention to how waste the process, and also actively participated

the answers.

#### - How to reduce the amount of waste that you dispose of in landfills?

- Exactly. We formed a friendly team: my wife, our daughter, and I; we distributed roles and responsibilities. When we started the work, we were amazed at how much waste our small family produced. We studied a huge amount of information and began to implement the project by trial and error.

#### - What environmentally friendly processing option did you choose?

Composting. This is a method where special bacteria, in the presence of oxygen, convert organic matter into a soil-like material. it often happens with inexperienced wheel. We bought a large container, installed a grate on its bottom so that liquid would collect below the waste, and fit a tube to drain the liquid. We tried various methods of chopping and grinding food waste, the frequency of loading the container, and so on. We tried a huge number of various technical solutions. We bought a liquid bacteria concentrate. Our first attempt to use it ended in failure: the bacteria had either been killed by excessively low temperatures or something else was wrong with it, so the process was impossibly slow. Through trial and error, we discovered that citrus peel must not be put into waste — it acted as a preservative. There were many other

### - What happened to the first container?

 We took it to our country cottage and bought a special EM-container instead (this is a container with a valve at the bottom for draining the liquid generated during the fermentation of organic matter). We found another (local) supplier of bacteria concentrate, revised the composition and the particularities of filling the container.

### - What task was assigned to Milana?

- She worked hard and responsibly (which filled my heart with joy). She weighed food waste, ground up as much as she could, and put it in the container, taking photos throughout

bird house and the child then takes it to school. Then Milana herself presented and defended the project, and competently answered all questions she was asked. It was like the defence of a real thesis.

#### If I understand you correctly: the project is over, but the experiment is still ongoing?

 We never throw away any food waste. It has become an ingrained habit with us. At the same time, we all are tired of constantly sorting and grinding food scraps. We would like to make the process more technologically advanced. In defence of the project, Milana was advised to consider using dehydration technology, so we switched to another scheme. At present, there is equipment on the market experimenters, we started out reinventing the that reduces the volume of food waste by about 10 times through drying. This is a very effective way of food waste management, so now we have another household appliance in our kitchen — a dehydrator.

### But it is quite expensive. It would be great if EM-containers were commonly used by our people. Sadly, this is not the case so far. Have you discovered a general solution to this problem?

- I would not call myself an optimist; I am rather a realistic person. It would be an ideal solution to have installations for dehydrating food waste next to the garbage bins in every yard. As it is, however, even ordinary containers for sorting waste are a rare sight. This is a complex phenomenon: the methods and techniques for solving a problem have long been known, but they are not implemented in practice. In most cases, the cost is the biggest stumbling block. Nevertheless, we should not consider only the direct economic efficiency of environmental protection measures — the profits from delayed effects can be much higher than it seems at first glance. There is one obstacle, though: such delayed effects can only be achieved if society as a whole is willing to do their part. Until then ... everyone can make their choice and start making a difference themselves.

# Bear Stories



Read the beginning in August 2020 issue

### **STORY TWO**

Alexander Marchenko, Lead Specialist of the Industrial Environmental Control Subdivision:

"It happened on a summer day in 2016 (I can't remember the exact date). Previously, a powerful cyclone had hit the island, breaking trees and partially blocking the generally used road along the wa-

ter reservoir to the Chekhov mountain pass. I was riding a bicycle and actually did not intend to go towards the pass. On my way, however, I saw a crew vehicle driving uphill along the road under the power transmission line (behind the ski-roller track), apparently, to carry out emergency response operations. Instead of following it, I decided to ride to the pass and see what was going on there.

The weather was warm; it was foggy; I managed to go around the fallen trees without much difficulty (I got off the bike time and again to pass the obstacles, but it was not very often that I had to do it). When I approached the place where a path branched off towards Chekhov Peak, the road was almost clear of blockages. The sun broke through the fog, my spirits lifted, and I let my guard down a little.

Half-relaxed, I passed the turn onto the path and suddenly, out of the corner of my eye, I noticed some movement. From then on, time seemed to have slowed down. I saw a bear cub

falling right under the front wheel of my bike from a tree on the high left side of the road. I was aware that a young bear cub could not possibly be roaming the wood alone, so I stopped abruptly and tried to turn around. I had only had time to get off my bike when I heard a growl and a crunch of branches coming from the forest, and then saw a mother bear right in front of me. A thought flashed through my mind: "It will kill me! How can I escape?" My first instinct was to turn around and run away, but a reasonable thought stopped me from doing that: "It's no use running." The mother bear charged at me, swinging its right paw. I couldn't help looking into her eyes, trying to guess her intentions, and pulled the bike upwards in front of me, so that it was posed between the beast and me. The bear was taken by surprise and sat down fast. In the meantime, I was carefully stepping back with my bicycle up, without taking my eyes off her. When the distance between us was five or six steps, she turned around and ran into the forest, apparently, to catch

My hands were shaking. I quickly got on the bike and rushed in the opposite direction down the road. Lucky me! I was happy to have escaped safe and sound!

Before that incident, I had encountered bears, but the circumstances were not so dramatic: either they had been far away or I had seen them in good time and gone around or had watched them flee.

In the situation described above, the most difficult thing was to get over the fear and resist the impulse to run away.

I couldn't help looking into the bear's eyes, although we

had been told during the training that we should avoid it. On the other hand, it could only have seemed to me that I was looking into her eyes, since I remember seeing all of the bear, in particular her paw which she raised in order to hit me. I also

remember the overwhelming feeling caused by the encounter, which rendered me numb, threw me into a state of panic, and made it incredibly difficult for me to act reasonably."

### **EXPERT OPINION**

Timofey Zvezdov: "In the described situation, the behaviour of the mother bear was very predictable. She pursued a single goal to protect her cub. Alexander act-



ed correctly; as a result, he managed to protect himself effectively. No matter how scared you may be in a situation like that, you should not run away – the animal will catch up with you in no time, because the jerking speed of an adult brown bear reaches 60 kilometres per hour. When you start to run away, you pose as a victim, and in most cases this leads to a bear attack. If Alexander had tried to run away, the consequences of the encounter could have been tragic for him. Putting the bike between himself and the bear, Alexander, firstly, formed a barrier, and secondly, visually increased his size, and the size of the enemy is crucial for bears. When the mother bear saw that the distance between Alexander and her cub was not dangerous anymore and the path was clear, she calmed down and left."

> By Pavel Ryabchikov To be continued...

society



# The Little Lady of the Big House

Even though this woman celebrated her 80th birthday in June this year, she is full of beans and her life is still filled with various projects, events and trips. One day she takes part in the presentation of a new book in the Museum of Sakhalin Island, a Book by A.P. Chekhov, the next day she goes to Poronaysk and then continues translating legends in her home village of Nogliki. "I must hurry up with this work," says Elena Bibikova, the storyteller from Uilta, "to meet the deadline."



During the presentation of The Legends of the Uilta, representatives of Sakhalin Energy congratulated Elena Bibikova on her 80th birthday

- Elena Alekseevna, the presentation of The Legends of the Uilta was held quite recently
   on the eve of the International Day of the World's Indigenous Peoples, and you are already going to get down to work on a new book!
   Don't you think you should take a break, get some rest?
- I have no time for rest; maybe when the anthology is ready... We shall see. In fact, only two legends were included in The Legends of the Uilta. So much interesting material was left unused.
- Could you tell us about the work on The Legends?
- This book was published thanks to the support of Sakhalin Energy. It all started back in the 1970s, when Professor Igor Nedyalkov organised a linguistic expedition to Sakhalin. From his materials, we learned about Pakta Nakagawa, a unique narrator who sang songs, told stories and legends. When I heard the man, I felt rich. I learnt a lot of new words, stories and ethnographic information from him. For a person who cares about his or her roots, this is of great importance.

In the village of Val, Igor Nedyalkov met Olga Semenova, the storyteller, and recorded her stories on a cassette tape recorder. The professor had only transcribed part of the material when his personal archive was destroyed by fire. Then there was the difficult period of the 1990s (those who managed to live through the decade remember that it was a time when the main task was to survive, and linguistic research was not on the list of priorities). Fortunately, it turned out that the unique material was not irretrievably lost — a duplicate of the records was kept in the archives in St. Petersburg. The publication of the Uilta primer sparked a general interest in our people. The famous linguist Alexander Pevnov managed to digitise the archival records in Germany and get a group of young scholars from Moscow State University interested in studying the

### And they turned to you for help in reviving the unique legends.

— It was a very challenging job. I had to transcribe the audio recordings to written text and then translate it into Russian.

- Then the legends were translated into English and Japanese. The originals, the translations, information about the island, the Uilta people and its storytellers were combined into a wonderful book. Moreover, it was beautifully illustrated by Veronika Osipova...
- It was my daughter who worked on the illustrations.
- In this case I will not ask you whether you like them or not. As regards artists, I must add that the Museum of Sakhalin Island, a Book of A. P. Chekhov, hosted not only the presentation of The Legends of the Uilta, but also the Reindeer Herder's Drawings exhibition consisting of drawings by Vasily Solovyov. They are really impressive.
- I have rarely seen Vasily without a pencil in his hand. He is a self-taught artist — he doesn't even have an elementary education



The Museum of Sakhalin Island, a Book of A. P. Chekhov, commemorated the International Day of the World's Indigenous People. The guests learned about the Legends of the Uilta and enjoyed the drawings by Vasily Solovyov at the Reindeer Herder's Drawings exhibition

in art. Vasily began to draw at the age of six, when he was at boarding school. Despite the difficult work of a reindeer herder, he always found time and energy to engage in his hobby when he was in the camp. He drew in ordinary square-ruled notebooks or on any sheets of paper that he got his hands on. He used the language of art to describe something that he knew very well and loved: the life of his peo-



Waiting for the autograph of the Uilta storyteller

ple. I am very happy that all the originals of his drawings were included in the state catalogue of the State Museum Fund. This is a significant contribution to our common cause — the preservation of the Uilta traditions and culture.

- Now you are preparing materials for the anthology. Please tell us about it.
- We plan to collect folk tales and legends in the Uilta language in one book, with an interlinear Russian translation. I am working together with Tatiana Roon: I am translating the texts and she is editing the translation. We hope that this material will be interesting for our young people.
- Elena Alekseevna, do you think young people are interested in the language and traditions of the Sakhalin indigenous ethnic groups?
- For two years in a row, Yuzhno-Sakhalinsk has hosted the Mother Tongue SIM Children and Youth Conference, which was organised with the support of Sakhalin Energy. The young participants made reports in their native languages. The older generation is actively helping them. This year, two Uilta nationals (a boy and a girl) are applying for admission to the Herzen State Pedagogical University in St. Petersburg. Let us wish

them good luck. I am glad that my grandson Mikhail is in his 4th year at the art college in Khabarovsk. I hope he will make a good wood carver.

- I have no doubt about it. Going back to The Legends of the Uilta, why was it The Ainu Girl and The Ongena Spirit that were selected for the book?
- Children are the future of any nation, and losing a child is something that any parent dreads the most. The Uilta people normally live in the wilderness. When I was a child, our family roamed the Sakhalin tundra. Even though life in the tundra forest was full of danger, no one looked after the kids the adults were

always busy. I remember a time when several children got lost, including my little sister. Fortunately, she was soon found in the taiga.

For this reason, the legends that we were told around the camp fire conveyed a warning: do not go far from the camp, so that evil spirits won't take you away! The legend about the Ongena spirit describes a similar incident. As is the case with most fairy-tales, this sto-

ry has a happy ending. When I was a child, I was so cowardly that I was afraid to go out in the evening. Whenever I was outdoors, I was so scared that I thought I saw the mysterious Ongena everywhere. This spirit can appear as a female with a beautiful voice. She lures children with her singing to her home.

- Other peoples also have similar fears and ideas. We all remember the children's lullaby about the little grey wolf that will come and bite us, and the stories about sirens with beautiful voices, the bewitching songs of mermaids... These legends are proof of the fact that the peoples of the world are both similar and diverse. What about the second legend? What message does it convey?
- The Ainu Girl legend has multiple messages and a lot of information about the lives and beliefs of our ancestors. It teaches us not to abandon our loved ones, not to be self-assured and ignore the signs of fate or the advice of friends. The legend also tells about the friendly relations between the Ainu and the Uilta. In the Muigi area (currently the Smirnykh District), they lived together with the Uilta people. We learnt this legend from the wife of Vasily Semyonov (Chimna), Olga. Vasily was a school teacher; he came from the Muigette (Snake) clan, which had roamed in this area. Olga, a Val storyteller, must have heard this legend from her husband, so she told it to us.
- And probably, she also told you that you must not leave your homeland, otherwise you will turn into stone or go to the upper world before your time...
- For me, this is a sore subject. As you get older, you recall your childhood more and more often. I had many peers and now there are only few of them left! Language is part of our identity. We grew up in one linguistic environment; then we were taken from our families to boarding schools and found ourselves in a completely different one.

This is a very traumatic situation — we no longer understood who we were: not quite Uilta anymore, but not Russians either. We had been uprooted and were trapped somewhere in between. This caused severe social effects, including alcoholism, the feelings of being unwanted, and inadequacy. The consequences of this phenomenon are still the same nowadays. This is why it is so important for me to preserve our language, our traditions. If we want our children to return home, we need to preserve it.

By Elena Gurshal



# Fanfare for the Finalists

photocontest

The World through a Lens annual corporate photo contest has ended. This year all records have been set: 91 participants presented over 600 photos in 11 nominations!

First, through online voting the Company employees determined the best photos for the People's Choice Award. For the first time in history of the contest the winners were announced in each category. Then the professional jury was engaged. This year, the jury included famous photographers from Moscow, Vladivostok and Yuzhno-Sakhalinsk.We sin-

cerely congratulate the winners and thank the jury members for their professional approach and the company employees — for their support and active participation in voting! Full list of winners see on the web-site www.sakhalinenergy.ru. The contest has ended, but we are already thinking about how it will be conducted next year. If you have any ideas or comments, please send them to: ea@sakhalinenergy.ru.

### **SAKHALIN**

**AMATEUR** 



1 place - Ernest Chaenkov, Comet NEOWISE Astrophotography, 2020

### **PROFESSIONAL**



1 place - Andrey Kim, No Fish Here

### **PORTRAIT**

#### **AMATEUR**



1 place - Marina Voskresenskaya, Windy Mood

### PROFESSIONAL



1 place - Kirill Chebotar, Play Ball

### WORK

#### **AMATEUR**



1 place - Mikhail Nekrasov, Confluence

#### **PROFESSIONAL**



1 place - Anastasia Berezina, Fancy Fence

### **EMOTIONS**

### **AMATEUR**



1 place - Olga Muratova, Evil

### **PROFESSIONAL**



1 place - Olga Tyugina, Girls

### **TRAVELLING**

### **AMATEUR**



1 place - Kiran Mali, Nederlandse Windmolen

### **PROFESSIONAL**



1 place - Oleg Tkachenko, On the Light Side

### **VICTORY**



Special prize - Ada Rulina,



Special prize - Oleg Tolstov, Arsenal of Victory

### ECOLOGY



1 place - Roman Sidorenko, Plastic Planet

### MACRO PHOTOGRAPHY



1 place - Olga Tyugina, Forest Dragon

### **ARTisolation**



1 place - Marat Ikhsanov, interpretation of painting Scream by Edvard Munch

### PHOTOSHOP MIRACLES



1 place - Kirill Chebotar, Under Deep Hypnosis

photocontest

### PEOPLE'S CHOICE AWARD



Alexey Kuksov, photo Harmony in **Portrait nomination** 



Denis Shvyrev, photo No Distance to Freedom in Emotions nomination



Alexander Karbainov, photo Optimal Method in Sakhalin Rim nomination



Vasiliy Gushcha, photo Fight in Sakhalin nomination



Alexander Dzyuba, photo Lun-A at the Dawn in **Work nomination** 



Olga Muratova, photo Country House in **Travelling nomination** 



Kirill Chebotar, photo Under Deep Hypnosis in Photoshop Miracles nomination



Alexander Karbainov, photo Save the Nature Together Roman Sidorenko, photo A Humble-Bee in Ecology nomination



on the Flower in Macro Photography nomination



Alexander Karbainov, photo No One is Born a **Soldier in Victory nomination** 



Alexandr Sozonov, interpretation of painting The Absinthe Drinker by Pablo Picasso in **ARTisolation nomination** 

### SPECIAL PRIZES





Interpretation of painting Still Life by Giorgio Morandi by Sonal Kiran -For Genuine Modesty in Work



Morning Blues by Alexander Kachin -For Simplicity and Pithiness



Space Curvature by Niyazbeg Dzhabrailov -For the Elegance of the Composition





Interpretation of painting Pushkin in Mikhailovskoye by Petr Konchalovskiy by Rinat Nuriev - For the Uniqueness in Presenting of the Image of the Great Writer



Jasper Lake by Olga Semenchik -For the Variety of Colours

# Distance Working: Pros and Cons

survey

Since the end of March, the company has implemented different work regimes, and most office employees now work remotely. In July, the company held a poll among its employees to learn their opinions on the formats of work, their pluses and minuses (including safety, productivity, and communication issues).

1056 people took part in the poll over two weeks. During the previous poll dedicated to the efficiency of internal communication amidst the COVID-19 pandemic we received 699 completed questionnaires.

Over 80% of the employees who took part in the poll work remotely. First of all, they evaluated the comfort of working at home and provided their feedback on the pros and cons of distance working.

We received over 220 comments and proposals during the poll

According to the information received, the comfort of working at home is rated at 3.47 (on a five-point scale). The causes affecting this rating often include the absence of a dedicated workspace and the necessary furniture – a desk and an office arm-chair. The absence of computer equipment (a large monitor, a printer, a scanner) also

causes many inconveniences.

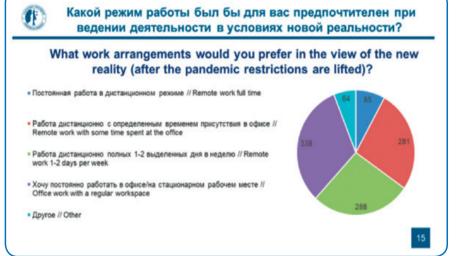
There are also other concerns associated with the continuous distance working. Over a half of the respondents said they felt isolated from co-workers and a loss of team spirit.

However, many respondents also referred to a big number of advantages of distance working. They include time savings and cost savings on travelling

to work, more flexible planning of their days, more time spent with their family on sports and hobbies. Many people mentioned the reduction of the risk of infection of viral diseases among the important pros of distance work.

It should be noted that the general evaluation of efficiency of distance work is rather high - over a half of respondents said their performance efficiency either remained unchanged or increased.

Information sharing generally remains at a good level as well. Notices from the General Coordinating Committee (GCC) are considered to be the most effective (4.45 out of



5 points). Communication among the subdivisions are also maintained actively – this activity was rated at 4.23 points.

Proposals left by respondents included the possibility of distance working outside Sakhalin and help in organising a workspace for remote work at home.

Many comments say that the situation with COVID-19 showed that there are a number of staff categories who can work remotely perfectly well. The figures prove the same: 60% of respondents are ready to work remotely in one format

Our new reality requires us to be ready for new conditions. The results of the poll confirm this readiness.

# Information Hygiene

We continually remind employees of the rules not to publish photo and video materials made at the facilities and in the company offices. This is not about prohibitions and restrictions. This is about the company's safety and reputation.

Репутация компании – в наших руках!

The company's reputation is in our hands!

ve DO NOT use the company's attributed

Information security guarantees that unauthorised information does not become available to the public. It is similar to hygiene – you need to follow a few simple recommendations to protect yourself. We rarely go outside without a mask and we wash our hands more often. The same is true for information security – apart from the rules of handling photo and video materials, there are also pieces of advice telling us to be careful when posting those photos and videos to social networks and messengers.

When we share photo and video files or text materials with our fellow workers, relatives or friends

If you are not sure whether you can share photos. write to the Corporate Affairs Department by e-mail: ea@sakhalinenergy.ru.

via WhatsApp or Telegram, we cannot be sure that this message will not immediately become public. More than likely it means quite the opposite – all working information which we upload, e.g., to Instagram, can become public immediately. That is why, if you are not sure whether you can share some photo masterpieces which you are eager to show to other people, write to the Corporate Affairs Department (ea@sakhalinenergy.ru), and we will help you.

All information security regulations are particularly relevant today, since the company is going through many changes, and we are working amidst an increased readiness for any contingencies associated with the COVID-19 pandemic.

leisure time

### Film! Film! Film!

Film week took place at Prigorodnoye production complex on 8-11 August.

Work in difficult conditions, isolation, long shift – these are the challenges of the modern world that affect both work and rest of colleagues at the company production facilities.

We all try to smooth out the hardships of this time and to organise it optimally, comfortably and reliably. Everyone does it in their own way.



Our employees, despite of everything, create a mood for themselves and come up with new interesting projects. This time, colleagues arranged the film week. On their own they ar-

ranged a cinema hall for 80 seats in the canteen of Yunona camp. Famous films such as Ocean's Eleven, Gentlemen, Best Offer and others were chosen for screening.

During the week, in their free time, employees of Prigorodnoye production complex came to the cinema hall to watch their favourite films together. As usually, there was a surprise: on the first day of the show, each visitor of the cinema hall received a small gift - a pack of popcorn.

Now, Prigorodnoye production complex employees have a wide range of leisure activities: cinema, gym, billiards, e-sports, TV room. Also, the team sports games will

The colleagues are thinking about a new project in order to spend their free time during the shift in an interesting and useful way.



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