

Minutes of

Consultation Meeting on the Future Growth Project – Wellhead Pressure Management Project, Tengizchevroil LLP

Venue: Cultural Centre, Koschagyl Village, Zhylyoi Region, Atyrau Oblast

Date and Time: 19 October 2016

15:30 - 16:30

Welcoming remarks

A. Idirisov, Akim of Koschagyl village, opened the meeting, welcomed the village residents and informed that “Tengizchevroil” LLP (TCO) will provide information on Future Growth Project - Wellhead Pressure Management Project (FGP-WPMP).

R. Artygaliev (TCO) stated the objective of the Consultation Meeting, which was to present an overview of the TCO FGP-WPMP and to answer questions from members of the public and hear their opinions about the project. He also noted that the meeting was not a public hearing. Then, R. Artygaliev informed the attendees that these consultations meetings will become regular and this was not a last chance to discuss with TCO questions related to FGP-WPMP.

Next on the agenda was a presentation by Nurtas Kenganov, FGP-WPMP Operational Excellence / Health, Environment & Safety Deputy Manager, with an overview of TCO and FGP-WPMP.

After the presentation, R. Artygaliev provided more detailed information about social projects implemented by TCO in Atyrau Oblast under “Egilik” Social Infrastructure Program:

- In Atyrau, in 2015-2016 completed 280-seat kindergarten and 320-seat National gymnasium for gifted kids. Currently ongoing projects: Retro Park (completion - 3Q 2017) and 624-seat Secondary Technical Gymnasium (STG) (completion - 4Q 2017). In approved plans: 624-seat secondary school in “Zhuldyz” district and Flagpole
- In Kulsary there are 2 ongoing projects: 290-seat kindergarten #1 (completion - 4Q 2017) and 290-seat kindergarten #2 (completion - 4Q 2017)
- In Koschagyl, in 2015-2016 completed Park irrigation system and Reconstruction of Technical water, currently ongoing project of 160-seat kindergarten construction with completion at the end of 2016. In approved plans: Health & Fitness center.
- Approved construction of 100-seat kindergarten and Health & Fitness center in Maikumgen.
- At the moment construction of 280-seat kindergarten is ongoing in Zhana Karaton, completion - 4Q 2016.
- In Turgyzba, ongoing project is 160-seat kindergarten (completion - end of 2016) and planned construction of Health & Fitness center.

- In Akkiiztogai in 2015-2016 completed construction of 160-seat kindergarten and currently finishing Health & Fitness center (completion - 1Q 2017).
- In Shokpartogai, in 2015-2016 completed construction of 160-seat kindergarten and currently finishing Health & Fitness center (completion - 1Q 2017).

Then, R. Artygaliev provided information about the Community Investment Program with US\$ 1mln annual budget. R. Artygaliev mentioned new “Zharkyra” program to be implemented in Atyrau and Zhylyoi Region in 2016-2017 by Eurasia Foundation of Central Asia (EFCA) with financial support from TCO. The purpose of the program is to facilitate development of social entrepreneurship in the communities of Atyrau and Zhylyoi Region. He also added that out of 75 projects 6 have been approved: 4 – in Zhylyoi Region and 2 – in Atyrau.

Then, R. Artygaliev made a report on the action plan from the previous Consultation Meeting.

Questions and Answers Session

T. Aidarbekuly: Smell from Tengiz reaches Koschagyl village, maybe your equipment does not work properly. Secondly, only 7 or 8 people from Koschagyl village work in TCO. Why not to sign a contract with Kulsary college regarding the employment in TCO? Next problem is water. Each year in July water supply is suspended and all our efforts are in vain – trees die.

A. Zamangaliyev: Potable water is supplied per schedule. Technical water supply need to be controlled. I request to consider the issue of Koschagyl residents’ employment. It’s true that smell from Tengiz reaches the village. I ask to consider the issue related to gas supplied by TCO. Some smoke goes out when you switch off the gas. Can TCO provide assistance with construction of houses in Koschagyl? Residents face difficulties while constructing houses due to financial problems.

R. Artygaliev (TCO): TCO does not provide assistance with construction of houses. Such projects are not considered under “Igilik” programme. As to employment - during FGP-WPMP construction works 11,200 jobs are expected to open, 90% of which will be on rotational basis. Majority of jobs will be created in contractor companies. TCO addresses this matter in collaboration with Atyrau oblast and Zhylyoi region Akimats. Contractor companies are required to consider Zhylyoi region citizens on priority basis. The issue of portable water was raised by TCO during one of the meetings with Zhylyoi Akimat, and this issue is within their area of responsibility. Akimat confirmed that Koschagyl village was included in state sponsored programme "Akbulak" and this issue did not relate to TCO scope. Technical water pipeline was repaired as per request from Koschagyl residents submitted at the previous consultation meeting. TCO supplies technical water however some failures may occur due to technical water needs at the plant. As you know technical water supplied by TCO is free of charge. Regarding to smell, 12 environmental monitoring stations are located along the perimeter of the Sanitary Protection Zone of the Tengiz field. In 2014 these stations were modified by installing devices with more sensitive elements. The results of the monitoring by these stations show that permissible limit is not exceeded. Your question will be sent to the relevant TCO group for review. Questions related to gas quality should be addressed to Kulsary Gas LLP. Kulsary residents also faced with similar problem which was reviewed and resolved upon their request. TCO will communicate this issue to Kulsary Gas LLP as well.

Question: You told that Health & Fitness centre would be built. My first question is whether this sports facility's capacity is sufficient for 15 000 residents of Koschagyl village? Next request is to build an outdoor football ground. We ask TCO to provide facilities for development of children.

K. Ulkhanov (TCO): Health and Fitness Centre will include a mini-football, basketball and volleyball grounds and a tennis court.

R. Artygaliev (TCO): Upon construction completion the Health and Fitness Centre will be handed over to local Akimat. Its further maintenance and development will depend on Akimat. As to football ground – during approval process of projects under “Igilik” program it was decided to construct a sports complex that would include all above facilities. For the beginning we suggest you to work on the Health and Fitness Centre’s operations: prepare training schedules, hire coaches. In future TCO will consider the possibility of a football ground construction.

E. Armangeldiyev: As mentioned in the presentation environmental issues are monitored by TCO, however we see reduction of birds population and other species of animals. If we do not have problems with environment then what's the reason for this?

R. Artygaliev (TCO): The reason is poaching. You know that in 1990s population of saiga amounted to 500,000 – 700,000 in our region. Within 4-5 years saiga population reduced up to 70,000 – 80,000. Examples also include reduction of sturgeon fish population. Bird hunting is also observed among locals in Prorva. Nets are found during dredging works within the construction area of the cargo offloading facility. There are dead or yet alive seals in these nets. Workers make free still alive seals and let them go to the sea. All above facts cause loss of birds and animals species. As was said, TCO reduced gas flaring, monitoring activities are ongoing. TCO is a leader in gas flaring reduction among CIS companies and this was confirmed by World Bank.

M. Dorbayev: We need a gym, wrestling and boxing rooms. Can these facilities be included in Health and Fitness Centre?

R. Artygaliev (TCO): Health and Fitness Centre does not include a gym. At the previous consultation meeting we received a request for sports inventory: wrestling mats, punching bags, table tennis and so on. The request was submitted by an individual, we asked to send a letter on behalf of school because TCO does not provide sponsor support to individuals. This question is being addressed at the moment.

A. Subkhanova: My son graduated from Kulsary College, his speciality is “Automation and Instrumentation”. Currently he studies in Atyrau. I ask TCO to assist with finding a job for my son as currently we have financial difficulties and problems with payment for education.

R. Artygaliev (TCO): As mentioned construction works will start following bidding process at the end of this year. All contractors are aware that Zhylyoi Region residents are considered on priority basis.

Closing

R. Artygaliev (TCO) thanked the attendees for participation and told that this meeting is not last, such meetings would be ongoing until the project completion.

Summary of the Requests

Based on the Consultation Meeting and the questions submitted by the Question Forms following is the summary of the issues / questions raised by Koschagyl residents:

- Environmental issues (smell);
- Employment issues;
- Technical water;
- Gas quality;
- Social development projects;
- Impact on fauna.