

Minutes of

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

Venue: Karat cinema, Tengiz Rotational Village

Date & Time: 01 October 2017

15:00 – 16:30

R. Artygaliev (TCO) announced a purpose of the consultation meeting which was to provide an updated TCO FGP-WPMP progress status and to hear a public opinion on TCO and the Project. He highlighted that the meeting was not a public hearing, and such meetings would be held annually for the whole period of the Project execution. It was announced that a presentation would be delivered on the Project status followed by Q&A session, and if the attendees wanted to ask any questions in written, they might complete the special forms that were distributed to everybody. Should any questions arise later, they could be addressed to the TCO contacts detailed in the handouts distributed to the attendees. Further R. Artygaliev introduced Galiya Esenova, Zhylyoi District Community Liaison Officer, and informed that she is responsible for regular contacts with the local community. Then R. Artygaliev added that in July 2016 the Partners adopted a final investment decision on the FGP-WPMP Project, and it was declared by the Minister of Energy Mr. K. Bozumbayev. It was mentioned that FGP-WPMP is the largest project not just in Kazakhstan but in the oil and gas industry worldwide, therefore the RoK President keeps track of FGP-WPMP and the Project is included in the program of the 3rd stage of Kazakhstan's modernization announced by the President.

Further, in accordance with the agenda Nurtas Kenganov, FGP-WPMP Regulatory Affairs Manager, delivered the TCO and FGP-WPMP presentation.

Following the presentation, R. Artygaliev highlighted two main focus areas. First – the successful cooperation between TCO and the RoK Ministry of Labor and Social Protection of Population resulted in the decision to ensure all the TCO FGP-WPMP contractors and subcontractors use ENBEK.kz, a unified web portal, to post available vacant positions and source workforce. Registration in the web portal required no fees. All the RoK citizens are able to access the vacancies database. FGP-WPMP Project Director Mick Kraly sent a letter to all the contracting organizations strictly recommending to post open vacancies on ENBEK.kz. Information on the web portal was also shared with the contracting companies during one of the forums held this year. The Forum involved representatives of Employment and Social Coordination Departments and the Akimats of 5 Oblasts: Atyrau, Aktobe, West-Kazakhstan, Kyzylorda and Mangystau. The unified digital Labour Employment Service ENBEK.kz is owned by the Ministry of Labour and Social Protection of the Population. So far more than 4,000 FGP-WPMP vacancies were posted in the web portal. Additionally, Job Fair was held on 3 August, 2017 in Kulsary for the residents of Zhylyoi District and

Borankul village with the view to provide them with the information on job opportunities within the Future Growth Project-Wellhead Pressure Management Project. More than 30 TCO and FGP-WPMP contractor and subcontractor companies took part in this event. According to the current statistics as result of the Job Fair more than 90 people were employed and more than 40 people are currently in the process of being hired. All of them are Zhylyoi district residents. Similar activities are planned to be held in the future. Bid for 2 major contracts is to be finalised this year and another one early next year, and this would mean a start of major construction activities in Tengiz, requiring labour resources. Currently 20,000 nationals are working onshore on the Project. At the construction peak 20,000 jobs will be created in Kazakhstan, considering rotational system, it means around 30,000 - 35,000 people will be employed.

Second – Cargo Offloading Facility is being constructed at Prorva, and at this stage there are difficulties related to the unauthorized access by the local residents to the construction area for fishing. The Oblast Akim was informed of the situation and according to the latest update a police post will be arranged there. Access to the construction area by people will be restricted as it impedes construction activities. The residents are asked to take that information into account.

Further R. Artygaliev provided the responses on action items from the previous meeting.

Later the Q&A Session started.

S. Yerbolov (Zhylyoi District Akimat): The issue with arranging a police post is resolved. Poachers operate in the sea. TenizService representatives say border guards work in the area but they have a dedicated route and cannot enter shallow areas. We discussed this issue with the Nature Protection Inspection, their decision was to appoint a group of people to watch the territory. TenizService representatives state that the police is enough but the police representatives are not able to operate in the sea. Could you please look into this and provide accommodation and meals for 5 of our personnel.

R. Artygaliev (TCO): TCO is aware of the issue, it was raised by TenizService. The question was redirected to be addressed by Zhylyoi District Akimat and we expect you to gather all the relevant organisations together, including TCO and TenizService, so we can review the issue and take the appropriate decisions. I suggest that we discuss this together. For our part, we will also study the issue.

S. Yerbolov (Zhylyoi District Akimat): We get a lot of complaints about TCO from the local employees. Contractor and subcontractor companies would like to employ people for their Tengiz activities, invite them for interview but their training centres are in Atyrau. There are problems, e. g. with 400-500 people being sent for training courses at once. If there are too many people enrolled for the training courses, some of them are left for the next day. These people come from different other cities and towns and they experience accommodation problems. Why don't you arrange training centres here, in Tengiz?

A. Sagingaliyev (TCO): It is the responsibility of contractor and subcontractor companies to ensure their employees are provided with accommodation and meals. Some companies still have not get this on the right track. We conduct audits regularly, there are plenty of requirements and one of them

is that the training courses are to be arranged in Kazakh, Russian and English languages. The employees shall have their training courses in whatever language they prefer.

S. Yerbolov (Zhylyoi District Akimat): Not all the companies have their own buildings in Atyrau to accommodate people for the training period. Some companies leave it with their employees to arrange accommodation. It may result in incidents.

R. Artygaliev (TCO): Please provide the company names. FGP will address this issue.

S. Yerbolov (Zhylyoi District Akimat): In 2016 Memorandum of Average Wage Increase was signed between Atyrau Oblast Akimat and TCO.

A. Sagingaliyev (TCO): TCO have monitored wage levels in contractor companies. The issue of low wages is currently being addressed and the contracts of 20-30 companies will be revised before the year end. Action plan has been reviewed and supported by TCO and the Project management.

R. Artygaliev (TCO): The contracts of the companies are being revised in terms of pay rates and it takes time. This work is progressing and the changes will be implemented step-by-step.

A. Nurzagaliyeva: We are experiencing problems with sewerage system in our accommodation block in microdistrict 4, the water accumulates in basement and then goes up and floods the apartments. We also have a water line that keeps freezing up in winter and we have no water the whole winter. We are looking for your kind assistance in resolving this.

A. Kabiyeu (TCO): We suggest discussing your question in detail after the meeting.

S. Yerbolov (Zhylyoi District Akimat): The question is about a two-storey building with four blocks and it is on TCO books. They experience problems with sewerage system from autumn till spring.

R. Artygaliev (TCO): We will look into this and provide the answer later on.

G. Mikhlos (Chemimontazh): Our company participated in the Construction Companies Forum held by TCO this year. We applied for registration of our company in the Project database but haven't received any reply yet. Our company has been a TCO contractor for more than 18 years now. We meet all the requirements on Kazakhstani Content. Please clarify the situation.

R. Artygaliev (TCO): There are no FGP-WPMP KC department representatives among our experts today, therefore your question will be included in the meeting minutes and we will provide the answer later.

Question: Water shortage is still an issue. How is the water issue going to be resolved next year? This year water was delivered from Kulsary.

S. Sekkin (TCO): A new Water Treatment Facility (WTF) is currently being constructed, we are also upgrading the existing WTF and there will be no problem with water next year. These projects will be completed by April next year.

R. Artygaliev noted that should the attendees have any questions after the meeting, they could address those questions to TCO contacts detailed in the handouts distributed to the attendees. The questions that were not answered that day would be looked into and the answers would be provided later. He mentioned that the next meeting would be held next year. R. Artygaliev thanked everyone for attending the meeting.

Summary of the issues

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

- Safety precautions at CaTRO;
- Training;
- Low wages in contractor companies;
- Sewerage system in the RV;
- Registration in FGP-WPMP supplier database;
- Water supply.