

Minutes of

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

Venue: TCO Headquarters, Atyrau

Date and Time: 18 October 2016

15:00 - 16:30

Welcoming remarks

R. Artygaliev (TCO) welcomed the participants and gave the floor to Nataliya Nurshikenova, Senior Safety Specialist, to brief on the safety information.

Then R. Artygaliev 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\$1 mln 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.

Questions and Answers Session

L. Guzikov (ATPress.kz): Where can we check out the results of the local communities health surveys conducted by TCO? Are they available on the public internet?

R. Artygaliev (TCO): The survey was conducted by Public Healthcare Institute under the Inter-department Coordination Council on Long-term Storage of Sulphur around 5-6 years ago. The requested survey data should be available on Akimat's website.

L. Guzikov (ATPress.kz): Recently Minister of Healthcare and Social Development informed that thousands job cuts are expected in the oil industry. Do these job cuts affect TCO facilities?

R. Artygaliev (TCO): The figures stated by Minister refer to all RoK oblasts and mostly to service companies, job cuts are driven by low oil price. Three working groups were created to address this issue: the working group on employment issues under the RoK Ministry of Healthcare and Social Development, the working group on Kazakhstani Content and working group on service companies engagement under the RoK Ministry of Energy. TCO works closely with Atyrau Oblast Akimat and Ministries. As it was already mentioned majority of FGP related jobs would be created in Contractor companies. In Atyrau Oblast job cuts will affect the service companies involved in Kashagan project due to its start-up, which was reported in mass media.

S. Rahimova (city maslikhat): The presentation did not cover the issue of production operations impact on the seismic status of the Tengiz field, that is to say seismic safety of this region. Induced earthquakes become more frequent recently. What actions is TCO taking to prevent induced earthquakes?

A. Makedonov (TCO): Since 2001 TCO has been monitoring soil subsidence and seismic activity. We regularly record seismic events which appear to be the natural response of the field to production operations. At the moment there are no dangerous tendencies observed and no negative impact is forecasted relating to the field development and this project execution.

R. Artygaliev (TCO): TCO has 23 seismic stations plus the state-owned regional stations. Soil subsidence is observed at any field involved in oil production therefore seismic activity issues are always under control. All seismic data is provided to the state regulatory authorities.

M. Kasienov (Archeologist): Currently TCO is carrying out works in Sarykamys area, where a lot of cultural and historical sites are available. What measures are taken to secure the sites identified in this area? Inspection of these sites is performed by archaeologists from Almaty. Archaeology is a science, not a speciality. It requires decades for science advancement. I've been surveying Sarykamys area for about ten years and still do not have full information. What kind of scientific works may the archaeologists from Karaganda and Almaty conduct here?

R. Artygaliev (TCO): This issue is under TCO control. Company has the historical and cultural heritage sites & monuments preservation policy which is communicated to all TCO contractors. In case some cultural heritage object/site is discovered, site work is suspended, the area is cordoned

off and the Atyrau Oblast Inspection agency on protection of historical and cultural heritage objects is informed about the findings. The Inspection agency checks the object/site and determines if the finds refer to historical and cultural heritage objects. TCO does not give permission for archaeological works within the area with findings.

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 Atyrau meeting attendees:

- Local communities health survey outcomes;
- Expected job cuts in oil industry;
- Seismic activity;
- Historical and cultural heritage.