

Minutes of

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

Venue: TCO Headquarters, Atyrau

Date & Time: September 25, 2017

15:00 – 16:30

R. Artygaliev (TCO) announced that the consultation meeting objective was to provide the updates on FGP-WPMP work progress and hear the public opinion about TCO and the project. He noted that the meeting was not a public hearing and such meetings would be held annually for a period of the Project execution. It was explained that following the presentation on the Project the Q & A session would take place and if participants of the meeting wanted to ask questions in written they might use a special form which was readily available to everybody. At any later date if there were questions it was advised to contact TCO using contact details which were presented to the attention of the consultation meeting participants in handouts.

With regard to the action plan of the previous meeting, R. Artygaliev noted that the responses were provided to all questions put by meeting attendees.

Further R. Artygaliev added that in July 2016 the Partners made a final investment decision on the FGP-WPMP Project, and it was declared by the Minister of Energy K. Bozumbayev. The project cost - 36.8 billion USD.

Then, in accordance with the agenda Nurtas Kenganov, FGP-WPMP RA Manager, delivered the TCO and FGP-WPMP presentation.

Following the presentation, R. Artygaliev highlighted two focus areas. First – the successful cooperation between TCO and the RoK Ministry of Labour and Social Protection of Population resulted in the decision to make all the TCO FGP-WPMP contractors and subcontractors use ENBEK.kz, a unified web portal, to post available vacancies and select personnel. Registration in the web-portal is free. All RoK citizens would be able to access the vacancies database. R. Artygaliev emphasized that the FGP-WPMP Project Director Mick Kraly had sent a letter to all the contracting organizations strictly recommending posting open vacancies on ENBEK.kz. Information on the web portal was also shared with the contracting companies during three forums held that year. The Forums involved representatives of Employment and Social Programs Departments and Akimats from 5 oblasts: Atyrau, Aktobe, West-Kazakhstan, Kyzylorda, and Mangystau. Owner of the unified digital Labour Employment Service ENBEK.kz was the Ministry of Labour and Social Protection of the Population. So far more than 4,000 FGP-WPMP vacancies were posted on the web portal. All Kazakhstani enterprises may use this web portal. Then R. Artygaliev told that by the end of the

current year and early next year 4 major contracts would be awarded, and it 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 the rotational system, it means around 30,000 - 35,000 people would be employed on the Project. Second – the Cargo Offloading Facility is being constructed at Prorva, and the Project is experiencing difficulties related to the unauthorized access by local people to facility construction area for fishing. The Akim of Atyrau Oblast was informed about the situation, and the measures are now underway. The people's access to construction area will be limited since this impedes the implementation of construction works at Cargo Offloading Facility site. R. Artygaliev asked the local people to take the given information into account.

After that, the Q&A session started.

U. Nurgaliyev: What is the coastal area occupied by the project? In this territory, the population is engaged in cattle breeding. What are the opportunities in this area? How are the problems of settlements surrounding the Tengiz being solved? How does TCO assist them?

T. Makharashvili (TenizService): I represent TenizService LLP Company. My work is fully focused on Cargo Transportation Route (CaTRo) Project and I am responsible for the site safety. The marine channel is 71 km long, about 100 m in width and has a depth of about 6 m. At present, the dismantling of wall protections is underway: the channel was dredged and the wall protections were installed. These protections are being dismantled now. The channel will be aligned with the sea level. In addition to the channels, there are 2 causeways: 14 km long road that leads to the camps and Cargo Storage Facility, and other 22 km long road that leads to Tengiz, which is now in the final stages of construction. This road will be used for transportation of modules to Tengiz. Construction of port facility - Cargo Offloading Facility - is also nearly complete. When the construction is completed, TCO will notify you accordingly.

R. Artygaliev (TCO): The modules will be delivered to Prorva from ERSAI Fabrication Yard. Customs clearance of modules delivered by the Russian Inland Waterway System (RIWS) will be carried out in Bautino. Then they will be delivered to Prorva (*the Cargo Transportation Route was shown on the slide*). At the beginning of the project, during the public hearing, we offered to use the Atyrau port for module transportation. But the community was against this option and recommended to use Prorva area.

U. Nurgaliyev: What cargoes will be transported?

R. Artygaliev (TCO): Modules will be transported. As it was mentioned, the modules will be delivered from ERSAI Fabrication yard and other fabrication sites in Italy and South Korea. Modules weigh from 500 to 1,800 tonnes. Regarding the next question - the Sanitary Protection Zone (SPZ) is set up in Tengiz, the boundaries of which are situated in 10 km away from the farthest well. SPZ boundaries were approved by relevant state authorities. The living communities covered by SPZ were resettled. Regarding the sea channel, it was specifically designed to support the habitat of fish and seals. The islands were staggered and arranged in such a way as to make the water flow and fish migration possible. CaTRo facility owner is TenizService LLP. After FGP-WPMP project

completion these facilities will be used for other projects (*the scheme of the sea channel was shown on the slide*).

U. Nurgaliyev: You noted that there will be no access to the sea for hunters and fishermen.

R. Artygaliev (TCO): The access will be limited only to a particular territory, where the construction is ongoing (CaTRo was shown on slide).

S. Yelseitov: Many private houses were built in Zhylyoi District. A variety of materials were delivered to Tengiz. We were unable to obtain the packaging and other construction materials. Timber and other construction materials were buried. It was explained that the materials were harmful to human health. What can you tell about the impact on the animals which inhabit the Prorva territory where you are restricting the access? We are living in Atyrau, and we cannot buy the fish anywhere, while in Aktobe there are many types of fish are sold. Can TCO help with opening the fish factory? That way, people wouldn't have been fishing in the prohibited areas.

R. Artygaliev (TCO): The access will be limited only to a particular territory, where the construction of CaTRo is ongoing. Other areas are accessible for the fishing and the licenses are issued by authorized bodies. With regard to the second question - Akimat supports the business entities. As for the use of construction materials - if possible, TCO provides the construction materials to the community. Also, TCO implements a number of social projects and programs.

N. Yesmagambetov: Thank you for the social projects and support that you've been giving to veterans. We wish you success in your work. What are your plans for further improvement of living conditions of the people? What are TCO's future goals?

R. Artygaliev (TCO): Currently, TCO is implementing two programs. The first one is Egilik Voluntary Program, with a budget of 25 million USD per year. The second one is Community Investments Program. Under Egilik program 130 projects were implemented including schools, kindergartens, hospitals, etc. Construction of the National Gymnasium for 320 Gifted Children, Vocational Gymnasium for 624 people and a kindergarten for 280 kids has been completed in the city of Atyrau. The project that are being executed right now: Retro Park. Approved plans for the year of 2018 provide for the following facilities: Secondary School for 624 children in Zhuldyz micro-district. 2 kindergartens construction projects are being executed in the city of Kulsary, each of them is designed for 290 kids (to be completed in the 2nd quarter of 2018). This year 10 projects are underway in Atyrau Oblast. At present, we are enlarging the geographic coverage of Egilik program, and social facilities are being constructed in Inder, Makhambet, and Akkystau. As for the Community Investments Program, the annual budget amounts to 1 million USD. I would like to mention Zharkyra Program which is implemented by Eurasia Foundation of Central Asia in 2016-2017 in the city of Atyrau and Zhylyoi District with financial support provided by TCO. The Program objective is the development of social entrepreneurship in Atyrau and Zhylyoi District. Throughout many years, working in cooperation with the Kazakhstan Association of Family Physicians TCO has been implementing the project which main objective is to increase awareness of Atyrau oblast population and medical staff so to enable early detection of arterial hypertension and other cardiovascular diseases; 'Independent Generation of Kazakhstan' NGO together with TCO successfully implements the project called "My Professional Choice". In the year of 2012, TCO and 'PYXERA Global' NGO became partners to implement the Community Development Program called "Yntymak". The Program is focused on engagement of volunteers into the resolution of the issues Atyrau and Kulsary communities have; Also, the Project of "Tech Age Society" is operating which is aimed to improve

ICT education quality in the city of Atyrau and Zhylyoi District. The British Council, with financial support provided by TCO, implements the Program for English Teachers' Training in Zhylyoi District and the city of Atyrau, to help teachers continue their professional development. Aside from the official programs, as a part of the Volunteer Program every year, Tengiz specialists who speak fluent English meet Zhylyoi District school students and kindergarten children on a weekly basis. TCO will continue to implement the social project under Egilik program. The projects are agreed upon with Atyrau Oblast Akimat. With regard to the production output - FGP-WPMP will increase the crude oil production by 12 MMTY. 121 billion USD contributed to Kazakhstan's economy since its formation in 1993. Direct payments to the Republic of Kazakhstan totalled \$4.3 billion in the first half of 2017. The Project's KC target is 32 percent of total project spend estimated to be \$12 billion USD.

Z. Bainekeeva: Please specify in detail the place, coordinates and area where hunting and fishing will be prohibited.

R. Artygaliev (TCO): Place near Prorva, down to Tengiz field, where the construction of Cargo Transportation Route is ongoing.

Z. Bainekeeva: Is this closure effective both for land and water? Is area barricaded? Will there be security personnel?

R. Artygaliev (TCO): This land was allotted for construction works. The area has signs and security.

T. Makharashvilli (TenizService): The Prorva field currently being developed by ZhylyoiMunaigaz, and TenizService Company rents a land at Prorva. Correspondingly, TenizService Company as a highly responsible renter has concerns about the safety of employees, working at Prorva. That is why we have taken all possible measures both preventive and protective to restrict unauthorized access to our facilities from the very beginning of project development. The measures were taken since the start of the project in April 2015. We distributed information bulletins and placed billboards along with licensed security service to ensure the security of this facility.

Z. Bainekeeva: So, it was not allowed to be at that site since April 2015?

T. Makharashvilli (TenizService): The restriction is the same as for all construction sites.

Z. Bainekeeva: What is the duration of restriction?

T. Makharashvilli (TenizService): For the project lifetime. Besides, the particular land allotment is a property of ZhylyoiMunaigaz Company, which also has own security and doesn't support unauthorized entry.

Z. Bainekeeva: Who endorses or approves this type of restrictions? What regulations do they refer to?

R. Artygaliev (TCO): These are regulations of Land Code: if any entity rents the land, then the land is owned by the renter.

Z. Bainekeeva: Do you know what the area you are talking about is?

T. Makharashvilli (TenizService): In water – 71 km, 2 causeways with distances 14 and 22 km. The land begins in the sea area and goes all the way to onshore.

Z. Bainekeeva: Are there any hunting lands?

T. Makharashvilli (TenizService): No.

Z. Bainekeeva: Is it delta zone?

R. Artygaliev (TCO): No, the delta zone is near the Atyrau city. The Cargo Transportation Route is lower. (CaTRo is shown on slide)

G. Kulbaeva: We can see the construction of several facilities in the Oblast, and it is something we should be proud of. TCO is one of those companies, which provides support to the local community. Balykshi micro district has a long-lasting problem with hot water supply and heating in the winter period. Akimat promises to resolve this issue, but it is still outstanding. What support can TCO provide in order to resolve this problem?

R. Artygaliev (TCO): These types of problems are under the supervision of Akimat. All social projects realized by TCO are approved by the Akimat. The only thing we can do in this case: forward your request to Akimat, indicating that this issue was raised during the meeting with the community.

A. Sagyntaiuly: How much experience is required to be hired by TCO? Does TCO employ residents of Atyrau region only or other Kazakhstan citizens are also considered for employment?

R. Artygaliev (TCO): Local employment is one of the requirements imposed on FGP-WPMP implementation. To accommodate this requirement, TCO and the Ministry of Labour and Social Protection agreed that TCO FGP-WPMP contractors and subcontractors would use the unified web portal ENBEK.KZ for hiring and posting job vacancies. And the companies were strongly recommended to use this web portal. According to recent data, there have been more than 4 000 vacancies posted to date. You may register your CV in the web portal, the registration is free. The detailed information on open vacancies is available on the web portal. Companies prefer to employ Atyrau and Mangystau Oblasts residents, as it would not bring any additional costs to the companies such as travel expenses, accommodation, etc.

A. Sagyntaiuly: Are there any limitations in regard to a number of foreign specialists?

R. Artygaliev (TCO): As of today, 20,000 Kazakhstani citizens work at the project within the country, which is 92% of overall project employees in Kazakhstan.

S. Yelseitov: Who owns the Kulsary-Tengiz road? Why is it not being repaired? There were lethal car incidents on that road.

R. Artygaliev (TCO): The mentioned road was state-owned. Currently, it is owned by Zhylyoi region. Despite all that, TCO performs road repairing activities from time to time. About 2 million USD was invested to road repair.

U. Nurgaliyev: The condition of the road is very poor, many potholes. We ask you to resolve the road problem jointly with Government.

S. Yelseitov: No speed limit and traffic signs.

R. Artygaliev (TCO): Since TCO is not an owner of the road, we cannot do the road repairing, it requires legal justification.

R. Artygaliev thanked all participants and noted that Consultation Meetings with the community will be conducted each year till the end of the project.

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 by Atyrau residents:

- Employment;
- Cargo Transportation Route;
- Social Projects.