

Minutes of

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

Venue: School No. 3, Shokpartogai village, Zhylyoi District, Atyrau Oblast

Date & Time: 28 September 2017

14:00 – 15:30

R. Artygaliev (TCO) welcomed the residents of Shokpartogai village and announced a purpose of the consultation meeting that intended to provide an updated TCO FGP-WPMP progress status and to hear a public opinion on TCO and the Project. Further R. Artygaliev added that in July 2016 the Partners had adopted a final investment decision on the FGP-WPMP Project. The Project cost was \$36.8 bln. He highlighted that the meeting was not a public hearing. 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 readily available to everybody. Should any questions have raised later, they could address those questions to the TCO contacts detailed in the handouts distributed among the attendees. Further R. Artygaliev represented Galiya Esenova, Zhylyoi District Community Liaison Officer, and informed that she was responsible for regular contacts with the local community.

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 make 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 would be able to access the vacancies data base. Owner of the unified digital Labour Employment Service ENBEK.kz was the Ministry of Labour and Social Protection of the Population. More than 4,000 FGP-WPMP vacancies were posted on the web portal so far. R. Artygaliev recommended all the attendees to get registered in the web portal ENBEK.kz.

Second – Cargo Offloading Facility was being constructed at Prorva, and at the moment, the problems were encountered with unauthorized access of local citizens to the construction site for fishing purposes. Akim of Atyrau Oblast had been informed on that, and the relevant measures were being taken. Access to the construction area by people would be restricted as it impeded construction activities at COF. R. Artygaliev asked the residents 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.

D. Ibrashev: I have understood only part of the presentation because of the technical words. Is it true that TCO releases toxic substances at night? My son works in Tengiz, and he says that workforce reduction is planned, is it true?

G. Yerkenbayeva (TCO): In accordance with the RoK Environmental Code at Tengiz area there is permanent environmental monitoring of air, soil and ground water to prevent any serious environmental impact by operation. We have 12 air monitoring stations around Tengiz. They are designed for measuring the concentration of six main air pollutants specified by the RoK legislation. We also monitor the effluents and wastes generated by TCO operation to ensure their proper treatment and disposal. Total air emissions generated per tonne of oil produced has reduced by 70% since 2000. Also, a new laboratory equipped with modern technologies was launched in 2017.

R. Artygaliev (TCO): In accordance with the RoK legislation, Sanitary Protection Zones (SPZ) shall be established around such industrial areas as Tengiz to protect communities. In Tengiz, the SPZ border is located 10 km away from the outermost well. In 2015, 12 air monitoring stations located within Tengiz field were equipped with state of the art equipment, and it increased the sensitivity of the stations. The stations monitor the air quality for 24 hours a day. The monitoring results are regularly submitted to the relevant government agencies. We also have 130 water monitoring wells around Tengiz field. As for the manpower reduction, you should be flexible in the employment issues and do not rely on the help of akimat. The labour market has changed now. Companies cannot guarantee the employment for 30 - 40 years. Companies start the execution of projects, hire people, a project is completed, and you need to find further opportunities in other projects. FGP-WPMP has allocated funds for trainings, and it allows to change one's qualification if required.

Question: Do the contractors report to you? Why do not they increase wages in the contracting organizations? Why do they have a rotational shift of 28 days, whilst TCO has a 15 days rotational shift?

A. Sagingaliyev (TCO): Contractors and subcontractors identify the duration of rotational shifts independently. In FGP-WPMP we have instructed contractors to establish a rotational shift of 14 days if there are local residents in their staff. Those specialists who work with foreign employees have a rotational shift of 28 days, since the duration of rotational shift for the foreign employees is 28 days. The issue on low wages is being addressed now, labour contracts of contractors and subcontractors have been reviewed. If wage of an employee is 700 tenge per hour, no changes in the wage are expected. In those contracting organizations, where the wage is 200 - 300 tenge per hour, it will be increased. As I mentioned already, the issue is under consideration, and changes will be introduced gradually.

R. Artygaliev (TCO): During the Job Fair, this issue was raised by the Akim of Zhylyoi District. Currently we are addressing the issue. We will advise you of the final decision and status of the taken actions at our next meeting.

Ye. Zhiyenkulov: What social projects are planned to be executed?

R. Artygaliev (TCO): In TCO there are two social programs: Egilik Voluntary Social and Infrastructure Program and Community Investments Program, their annual budgets amount to \$25 mln and \$1 mln accordingly. Egilik program is aimed at the construction of kindergartens, schools and other social facilities in Atyrau Oblast. 2 kindergartens construction projects are being executed in Kulsary, each of them is designed for 290 seats (to be completed in the 2nd quarter of 2018). Also, the construction of the kindergarten for 100 seats and a Sports & Fitness Center in Maikumgen village was approved for 2018. The approved 2018 plans provide for the Kursai river bed cleaning and riverwalk landscaping in Kulsary. Construction of the National Gymnasium for Gifted Children for 320 seats, Specialized Technical Gymnasium for 624 seats and a kindergarten for 280 seats has been completed in Atyrau, we are also completing the construction of Retro Park. Geography of the projects is being expanded, the facilities are being constructed in Inder, Makhambet and other districts. As for the Community Investments Program, it is aimed at the support of healthcare and education in Atyrau Oblast. TCO provides financial support to the British Council to train English Teachers in Zhylyoi District and in Atyrau. In 2016 -2017 the Eurasia Foundation of Central Asia is implementing Zharkyra program in Atyrau and Zhylyoi District. The goal of the program is to develop social entrepreneurship. This one and other various projects are being implemented under the Community Investments Program, currently 7 projects are being implemented. And bidding process for 2018 is now underway.

Question: Will a House of Culture (cultural center) be constructed in Shokpartogai village?

R. Artygaliev (TCO): The approved plans do not include construction of the House of Culture. The project is possibly under preparation.

T. Bimukhambetov: I am glad that there will be work for the Zhylyoi District residents. This is good news. Due to TCO's involvement a problem of unemployment is being solved. On behalf of the people I thank you for the social projects: kindergartens, sports facility. I have visited EXPO due to TCO's sponsorship. Thank you for supporting us, elders (aqsaqals), honoured residents of the district.

R. Artygaliev (TCO): I would like to inform you that next year a Job Fair is planned to be held after FGP-WPMP construction contracts are awarded. This information will be published in the newspapers.

G. Esenova (TCO): Those people who want to take part in the Job Fair need to get registered with the Zhylyoi District Employment Department. The registered candidates will be considered for open vacancies in the first place.

R. Artygaliev thanked everyone for participation and highlighted that community consultation meetings would be held annually for the period of the Project execution.

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 Shokpartogai residents:

- Environment (emissions);
- Manpower reduction in contracting organizations;
- Rotational shift duration in contracting organizations;
- Low wages in contracting organizations;
- Social projects.