

Minutes of

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

Location: Cultural Centre, Kulsary, Zhylyoi Region, Atyrau Oblast

Date and Time: 19 October 2016

11:30 - 13:00

Welcoming remarks

N. Umirbayev, Deputy Akim of Zhylyoi Region, opened the meeting, he welcomed Kulsary residents and said that TCO would provide information on Future Growth Project - Wellhead Pressure Management Project.

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\$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.

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

Questions and Answers Session

L. Kurmanbekova: I'm a principal of "Guldauren" kindergarten. The kindergarten has an inclusive room for 16 children with disabilities (physically challenged). Can you company provide any sponsor support to these children? If yes, how can we contact you?

R. Artygaliev (TCO): Please contact Gulnara Aitzhanova from TCO PGPA department and she will respond you.

N. Umirbekov (Akimat): How many companies participate in "Zharkyra" programme?

G. Aitzhanova (TCO): 72 projects were submitted, among them over 50 were from Zhylyoi region. As a result, 6 projects approved: 4 – in Zhylyoi region, 2 - in Atyrau.

E. Koshakanov: According to the presentation the project is planning to lower the well pressure which will improve production of oil. Has this approach been proven successful? May it happen that the pressure builds up and causes explosion in the plant in case of earthquake?

Z. Katrenov (TCO): As for earthquakes TCO has geomonitoring programme. Under this programme ground subsidence and microseismic status of the field has been monitored for 15 years. The seismic status of the field territory is monitored by 23 seismic stations 24 hours per day. Ground subsidence is also controlled by various methods. TCO submits relevant reports to ZapKazNedra twice a year. According to 15 years of monitoring and scientific studies outcomes the seismic status of the field is considered as safe at the moment.

Question: Are the reports available to the community?

Z. Katrenov (TCO): TCO does not provide reports to the community. TCO submits reports to the state authorities.

N. Umirbekov (Akimat): How many earthquakes were registered for the last 5 years and how many this year?

Z. Katrenov (TCO): Low level of microseismic events is observed in Tengiz every day. They are insensible for people, however, our equipment do record them. At the moment we can't tell their precise number, but the events are negligible with range from 0.5 to 2.5 points.

N. Umirbekov (Akimat): What's the reason of these events?

Z. Katrenov (TCO): Such microseismic events are typical throughout the world. They are induced by field development. Earthquake level is within the safety margin.

N. Umirbekov (Akimat): Are the earthquakes induced or natural?

Z. Katrenov (TCO): Both induced and natural. They are caused by the field development and geological processes as well. Zhylyoi region refers to tectonically stable area. Serious earthquake is not expected here.

A. Mambetiyazov: I think it's worthwhile to develop forestry in costal area of Emba River or in Kulsary city. It would be great to pay particular attention to this issue.

R. Artygaliev (TCO): Current greening programme includes two parks in microdistricts #1 and 5 in Kulsary. Greening works were performed in Zhana Karaton and Koschagyl villages. Your question will be re-addressed to Zhylyoi Region Akimat for review.

E. Koshakanov: The presentation stated that the project would not impact the environment. Zhylyoi Region Ecology department was closed. Were any specialists from Atyrau Oblast Ecology Department invited to this meeting? Also was Asylbek Shyngys, "Zhylyoi Tabigat" association representative, invited? Why don't they take part in this meeting today?

R. Artygaliev (TCO): TCO makes an announcement about consultation meetings, everyone can participate. TCO cannot give a task to state authorities or NGOs to take part in meetings. TCO's contact information is provided and available for everyone.

A. Ustemirov: Please clarify if the channel being constructed in the Caspian Sea is the part of FGP-WPMP?

R. Artygaliev (TCO): FGP-WPMP will be constructed using modular blocks. Some modules will be fabricated by ERSAL Company and transported by sea to the cargo offloading facility in Prorva. TenizService LLP is the owner of this facility. TenizService LLP will provide contracting services to FGP-WPMP.

S. Kariev: How many people from Zhylyoi region will be employed at the project? Will students from our Petroleum College be employed?

R. Artygaliev (TCO): As it was mentioned 20,000 jobs will be created at the peak of the project construction. The project is executed by seven categories: for engineering 1,200 jobs are expected at peak periods; next year when construction starts we expect 11,200 jobs, 90% of them will be on rotational basis. Number of jobs to be created within all seven categories is up to 20 000. Majority of jobs will be opened in contractor companies. TCO cooperates with Atyrau Oblast and Zhylyoi Region Akimats on this issue. Contractor companies are required to consider Zhylyoi Region citizens on priority basis. Construction bid packages are to be awarded next year and accordingly contractor companies will start hiring. Employment issue is under control of Ministries and Akimat. TCO and Akimat representatives meet once a month to discuss this issue.

G. Kuspanova: When is it planned to complete the construction of the kindergarten in Koschagyl village?

K. Ulkhanov (TCO): The construction of the kindergarten in Koschagyl village is planned to be completed by the end of this year.

E. Koshkanov: It was noted that earthquakes observed in the field territory. What measures are considered in case of emergency situation similar to the one happened in well #37?

R. Artygaliev (TCO): The issue of Well #37 is controlled by state authorities and TCO. TCO will prevent the recurrence of such emergencies. Continuous monitoring of the well is performed.

E. Koshakanov: Is there any possibility to provide information to the community?

R. Artygaliev (TCO): TCO provides information to the state authorities.

E. Koshakanov: It would be good to conduct emergency response drills for the community residents, invite mass media and provide the information.

R. Artygaliev (TCO): This information is available on request.

E. Koshakanov: I do not have this information

R. Artygaliev (TCO): As it was mentioned this issue is under control of experts. Monitoring of well #37 is performed several times a year.

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 Kulsary meeting attendees:

- Social Investment Program;
- Reservoir pressure;
- Earthquake;
- Greening;
- Participation of state authorities and NGOs in FGP-WPMP consultation meetings;
- Prorva channel;
- Employment issues;
- Social projects.