

ABOUT THIS LEAFLET

Large and complex projects, such as the Sakhalin II Project, can sometimes cause problems and/or difficulties for those living within or adjacent to the project area. We want to hear about any concerns (also known as 'grievances') that might have been caused by our activities or business practices so that we can do our best to try and resolve them in a timely manner.

This leaflet tells you how you can inform us of a grievance. It also sets out the steps that we will take to address your concerns.

WHAT KINDS OF GRIEVANCES CAN I RAISE?

Anyone can raise a grievance with Sakhalin Energy if they believe the Company's business practices or development of the Sakhalin II Project is having a detrimental impact on the community, the environment or on their quality of life. Examples of this may include:

- negative impacts on yourself or community, e.g. financial loss, physical harm, nuisance from traffic or dust;
- dangers to Health & Safety or the environment;
- failure to comply with standards or legal obligations;
- harassment of any nature;
- criminal activity;
- improper conduct or unethical behaviour;
- financial malpractice or impropriety or fraud;
- attempts to conceal any of these.

We will look into all grievances that we receive. Sometimes we may find that a grievance is not connected to our activity or that we are working within the applicable Russian and international standards (e.g. noise standards). In these cases we will explain this in writing to you. In all other cases we will investigate whether we have failed to work to our intended standard and, if we have, identify measures which might be taken to protect against the incident occurring again.

HOW DO I REPORT A GRIEVANCE?

There are several ways you can report a grievance:

- Send a completed Grievance Form (given at the end of this leaflet) to the address on the back of the form;
- Contact your local Community Liaison Officer (CLO). A list of CLO contacts is also provided at the end of this leaflet;
- Send an email to the following address
Grievancereport@Sakhalinenergy.ru
- Call Sakhalin Energy directly on a hot line at +8 4242 66 2400. (For security reasons, there are no recorders or caller identification devices attached. If the phone is not answered, please call back);
- Or report your concerns via a confidential website www.seicconfidential.com which is completely anonymous.

CONFIDENTIALITY AND ANONYMITY

You may wish to raise a concern in confidence under this procedure. If you ask Sakhalin Energy to protect your identity, it will not be disclosed without your consent. Details of submissions and allegations will remain secure within the team responsible for investigating your concerns. However, the situation may arise where it will not be possible to resolve the matter without revealing your identity (for instance where you are required to give evidence in court). The investigative team will discuss with you whether and how best to proceed.

You may also choose to raise a concern anonymously. However, remember that if you do not tell Sakhalin Energy who you are it may make it more difficult to look into the matter, to protect your position or to give you feedback. Accordingly, while Sakhalin Energy will consider anonymous reports, they are not encouraged. If you do insist on raising a concern anonymously, you will need to provide sufficient facts and data to enable the investigative team to look into the matter without your assistance.

WHAT HAPPENS ONCE I HAVE FILED A GRIEVANCE?

In some instances, for example when you have contacted one of our CLOs and they are able to act immediately, it may be possible to resolve your grievance straight away. Where this is not possible we will work through the steps shown below:

Step 1: Receive Complaint

- Once we receive your completed form or get notification of your problem, we will assign someone to be responsible for resolving your grievance.

Step 2: Acknowledgement

- We will acknowledge receipt of your grievance by letter within 10 working days of having received the grievance.
- Our acknowledgement will specify a contact person, grievance reference indicator and an anticipated target date when you can expect to receive an update on actions taken.

Step 3: Investigation

- We will work to understand the cause of your grievance. We may need to contact you during this time.

Step 4: Resolution

- Once we have investigated your grievance, we will write to you with the results of the investigation and of our proposed course of action, should we believe any to be necessary.
- If you consider the grievance to be satisfactorily resolved we would appreciate your sharing that with us by signing a Statement of Satisfaction.
- If the grievance remains unresolved it will be reassessed and we will have further dialogue with you to discuss if there are any further steps which may be taken.

Step 5: Follow Up

- If you are happy for us to do so, Sakhalin Energy may contact you at a later stage to ensure that our activities continue to pose no further problems.

How you can contact Community Liaison Officers:

District	Contact telephone*
Okha, Noglikskiy, Tymovsk, Alexandrovsk	29-44-08
Poronaysk, Makarov, Smirnykh	29-47-44
Yuzhno-Sakhalinsk, Aniva, Dolinsk, Kholmsk	29-44-84
Korsakov	29-09-93

* International code 7 4242, Russian and local code 8 4242+.

Sakhalin Energy Public Grievance Form

You can submit your grievance anonymously if you wish. However, the more information you can provide, including your contact details, the more efficiently we will be able to follow-up.

Sakhalin Energy Reference No:	
<p style="text-align: center;">Full Name:</p> <p><i>Note: You can remain anonymous if you prefer or request not to disclose your identity to the third parties without your consent</i></p>	<p>_____</p> <p>_____</p> <p><input type="checkbox"/> I request not to disclose my identity without my consent</p> <p><input type="checkbox"/> I wish to raise my grievance anonymously</p>
<p style="text-align: center;">Contact Information:</p> <p><i>Please mark how you wish to be contacted (mail, telephone, e-mail).</i></p> <p><i>Note: You do not have to give your details if you do not wish to provide them.</i></p>	<p><input type="checkbox"/> Address:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p><input type="checkbox"/> Telephone: _____</p> <p><input type="checkbox"/> E-mail _____</p>
<p style="text-align: center;">Passport number:</p> <p><i>Note: You do not have to give your passport details if you do not wish to do so.</i></p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>Indigenous Peoples-related?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p style="text-align: center;">Preferred Language for communication:</p> <p><i>Please mark how you wish to be contacted.</i></p>	<p><input type="checkbox"/> Russian <input type="checkbox"/> English <input type="checkbox"/> Other <i>(please indicate</i></p> <p style="text-align: right;">_____</p>

Description of Incident or Grievance (What happened? When did it happen? Where did it happen? Who did it happen to? What is the result of the problem?):

What would you like to see happen to resolve the problem?

Signature: _____ *Date:* _____

Consent to disclose grievance-related information to the third parties

I am aware that this grievance of mine (in full or in part) refers to actions or failure to act of third parties, which are not Sakhalin Energy (for example, contractors of Sakhalin Energy). I understand that in order to efficiently resolve my grievance Sakhalin Energy will have to contact these third parties so as to check into the facts stated in the grievance and work out a solution. I hereby agree that Sakhalin Energy can disclose this grievance (as well as additional information that I have provided and will provide to Sakhalin Energy in connection with this grievance) to third parties to whose actions or failure to act my grievance refers (at that Sakhalin Energy shall not disclose information, which could contribute to identifying me personally, if I requested so by ticking in the grievance registration form).

Signature: _____ *Date:* _____

Please return this form to: External Affairs, Community Grievance Procedure Focal Point, Sakhalin Energy Investment Company Ltd, 35 Dzerzhinskogo St., Yuzhno-Sakhalinsk 693020, Russian Federation