

Nazia Rashid
Information Officer



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Mr Nick Hildyard
The Corner House
Station Road
Sturminster Newton
Dorset
DT10 1YJ

14 August 2007

Dear Mr Hildyard,

ENVIRONMENTAL INFORMATION REGULATIONS REQUEST, EIR(07)02

Further to ECGD's letter of 19 June 2007, I write regarding the two outstanding issues relating to your request dated 20 May 2007 under the Environmental Information Regulations 2004 (the "EIRs").

In your request for information you asked for:

1. All records generated by ECGD containing project site monitoring information for the Sakhalin II project.

ECGD has interpreted this part of your request to mean the environmental information contained in the reports generated by ECGD staff who have visited Sakhalin Island to monitor project sites.

ECGD staff have generated eleven reports from visits to Sakhalin Island to monitor project sites since 2003. A list of these reports and the dates of the visits to which they relate is attached to this letter. A search of ECGD's systems indicates that the information you have requested is substantial. ECGD is unable to process such a large request at one and the same time. The work involved in separating out the environmental information from other types of information contained in these reports in accordance with the EIRs would involve a significant cost and diversion of resources from ECGD's casework. ECGD will therefore not disclose the information for the reason provided in Regulation 12(4)(b) of the EIRs, namely that the request for information is manifestly unreasonable.

In applying the above exception, we have had to balance the public interest in withholding the information against the public interest in disclosure. We consider that the public interest in not diverting a significant amount of ECGD's limited specialist



resources away from its other work outweighs the public interest in disclosing the information.

However, if you wish to revert to ECGD with a request for information with a narrower scope, we would re-consider the matter. A possible means of reducing the extent of your request would be to request, one visit at a time, the environmental information contained in the report relating to a particular site visit. Please refer to the attached site visit list for this purpose.

2. Notifications of Environmental Incidents and HSE or Social harm and related information provided to ECGD.

As we have not heard from you in response to our letter of 19 June 2007, we are treating this part of your request as a request for environmental information contained in notices to ECGD from Sakhalin Energy Investment Company Ltd that would have fallen within paragraph 5.8 (Notifications of Environmental Incidents and HSE or Social Harm) of Part 1 of the Health, Safety, Environmental and Social Action Plan dated November 2005, if it had been in force as a consequence of a Common Terms Agreement having been entered into. Please note that no Common Terms Agreement has been entered into to date.

An examination of ECGD's files reveals that ECGD has received a single notice falling within this criterion. The notice relates to the vessels blown ashore in Aniva Bay at Prigorodnoye on 22 November 2005. A copy of the notice is attached. Certain other notices that have been received by ECGD fall outside the above criterion.

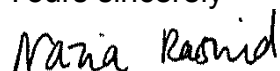
If you are unhappy with the result of your request for information you may request an internal review within two calendar months of the date of this letter. If you wish to request an internal review, please contact Steve Roberts-Mee, Senior Information Officer, ECGD, 2 Exchange Tower, Harbour Exchange Square, London E14 9GS, or email: information.access@ecgd.gsi.gov.uk if you wish to complain.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

If you have any queries about this letter, please contact me. Please remember to quote the reference number above in any future communications.

Yours sincerely



Nazia Rashid
Information Officer



Sakhalin II, Phase 2

Site Visit Reports Generated by ECGD Staff

| | Date of Visit | Site Visit Reports |
|----|----------------------|--|
| 1 | June/July 2003 | Sakhalin II Environment and Social Visit |
| 2 | June 2004 | Sakhalin II Environmental and Social Update |
| 3 | February 2005 | Sakhalin II – Visit Report and Issues Update |
| 4 | March 2006 | Log of Visit to Sakhalin II Phase 2 Project |
| 5 | May 2006 | Sakhalin Site Visit |
| 6 | July 2006 | Sakhalin II Site Visit Report/ Sakhalin Site Visit Log |
| 7 | November 2006 | Lenders' Environmental Site Visit |
| 8 | November 2006 | Further ECGD Environmental Site Visit |
| 9 | April 2007 | Social Due Diligence visit |
| 10 | April 2007 | Summary of AEA Environmental Due Diligence close out meeting |
| 11 | May 2007 | Environmental Due Diligence Visit |

Notice of Environmental Incident

FINAL

Vessels blown ashore in Aniva Bay at Prigorodnoye

Media Release No. 1 (22/11/2005)

Yuzhno-Sakhalinsk, Russian Federation, 22 November 2005: Sakhalin Energy regrets to advise that early on the morning of 22nd November between 02:00 and 04:00 hours, three vessels associated with offshore construction activities at the LNG site in Aniva Bay were blown ashore during severe weather and high winds.

The vessels involved in the incident, a small anchor boat and two hopper-barges that were used to collect and transport dredged material, were unmanned at the time.

The vessels are aground approximately one kilometre west of the LNG site. They have been inspected and there are currently no reports of any fuel leaks. As a precautionary measure oil spill equipment has been mobilised to the site. A response team including the oil spill contractor Ecoshef are on location. The situation is being continuously monitored.

Currently the sea conditions do not allow attempts to refloat the vessels safely. A plan is being developed to rectify the situation as conditions allow.

An investigation is underway into the incident and the relevant authorities have been informed.

Ian Craig, Sakhalin Energy CEO, said, “We regret that this unfortunate incident has occurred and any concern it may have caused in the local community. I am pleased to learn there have been no injuries or fuel leaks reported and we will do everything in our power to ensure that this remains the case. I will personally ensure that there is a full investigation to understand the circumstances and put immediate measures in place to avoid recurrence. I would however also like to express my thanks to those involved for the professional way they are responding.”

The vessels involved had been previously engaged on dredging work in Aniva Bay and they were awaiting demobilisation. Both of the hopper-barges were empty.

END

