Over view of Sakhalin set up and OSR Activities William Stillings Deputy Director Echoshelf Ltd.

Saturday October 27, 2001 -- 3:24 am EST Sakhalin Oil to be Shipped to Japan from '05
 TOKYO, Oct 27 2001 (Reuters) - A consortium of Japanese trading firms and U.S. oil giant ExxonMobil Corp (NYSE: XOM) are set to produce oil in Russia's Sakhalin 1 field and export most of it to Japan from December 2005, Japanese media reported on Saturday.

See The companies have assessed that it would be possible to produce 250,000 barrels per day (bpd) in the Chayvo oil field off Sakhalin's northeastern shores and were considering exporting almost all of the oil to Japan, Kyodo news agency said.

Ecoshelf - Sakhalin "Protecting the Environment" Sakhalin Island, Russia "The Status of Oil Development & Spill Response" Ecoshelf - Sakhalin "Protecting the Environment"

必婚Akhalin Island Orientation 必要Ederal & Regional Response 必婚Akhalin Island Environment 必要Coshelf Ltd. ? Sakhalin

Ecoshelf - Sakhalin "Protecting the Environment" Sakhalin Island -- Orientation Ecoshelf - Sakhalin "Protecting the Environment" ZeSakhalin is the largest island in Russia.

K≪It is bounded by the Sea of Okhotsk on the east and the Tatar Straits, an arm of the Sea of Japan on the west.

##The population of the island is about 670,000, of whom 180,000 live in the regional center, Yuzhno-Sakhalinsk.

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skhalin is situated in the Russian Far East, just north of Hokkaido, Japan. [approx. 30
 miles]

ZeProven reserves of offshore oil are estimated at 1.5 billion bbl

Substantial gas reserves are also present

Meroduction and transportation infrastructure is almost completely lacking

ZeThe Russian Federation lacks money and technology to develop the fields offshore Sakhalin and thus has developed Production Sharing Agreements to attract multi-national consortia Sakhalin Island

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⊯ Affshore Oil Development Is Just Beginning

Zenvestment is expected to reach \$20 Billion USD to 10 years

Sakhalin Development

必承許 first onshore oil was discovered and produced on Sakhalin in 1928. This is now 65%
depleted

ビ▲ Japanese-Russian joint venture discovered the first offshore fields in the 1970s Oil Development by Companies

Sakhalin 1 ? Exxon Neftegas Limited

∠ ÆxxonMobil ? 30%

- stading houses Itochu Corp, Marubeni Corp and other firms}

 Sakhalin Oil & Gas Development Co Ltd (SODECO)? 30% {SODECO owned by Japanese
 trading houses Itochu Corp, Marubeni Corp and other firms}
- ZaRussian oil firm Rosneft and its affiliate owned the remaining 40 percent. In February2001 India's ONGC Videsh Ltd purchased 20% from Rosneft ONGC

Sakhalin II ? Sakhalin Energy Investment Co.
Shell 55 per cent, Mitsui & Co. Ltd. (Mitsui Sakhalin Holdings B.V.) 25 per cent and Mitsubishi Corp. (Diamond Gas Sakhalin B.V.) 20 per cent
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Russian Federation & Regional Oil Spill Planning

 Ecoshelf - Sakhalin "Protecting the Environment" Emergency Planning Based Upon "Regional Approach" Erector Action has an Emergency Committee 必承he Regional Emergency Committee has Responsibility for Oil Spill Response Ecoshelf - Sakhalin " Protecting the Environment" *⊯*ARegional Emergency System Ecoshelf - Sakhalin "Protecting the Environment" Edecal & Regional Planning Recognizes the use of a "Tiered " Response Approach Response Level Concept Tier I ? Response Resources maintained by Companies on Sakhalin Island Tier II ? Response Resources additionally from Other Sources in Russia Tier III ? Response Resources from international sources (OSRL/EARL) Ecoshelf - Sakhalin " Protecting the Environment" Ecoshelf Ltd. ? Sakhalin is key part of the Sakhalin Regional Response Ecoshelf - Sakhalin "Protecting the Environment" Sakhalin Island Environment Ecoshelf - Sakhalin " Protecting the Environment" Sakhalin Island =

"Harsh "

Meteorological Conditions - Precipitation

Average Annual Precipitation: 60cm
Areatest Precipitation Occurs in October
Areatest: 6.4 cm in 12 hour period and 3 cm in 1 hour.
Areatest: 80 days per year.
Acing in winter.

Tides & Arides almost entirely diurnal (1 high tide and 1 low tide per day) & Aride Some variation (semi-diurnal)

*⊯*Atormal Height 1-2m, occasional 3-4m Kenfluence on offshore currents Extreme Tidal Currents in Coastal Bay Entrances Water Currents Regional ZeOffshore: 0.5-1.2 knots to the south. Currents may split, meander, and may form vortexes. With high winds in summer, current reversals are possible. SeCoastal Bay Entrances: 1-4 knots tidal currents. Water Currents - Local ≪ ∞ ffshore/Molikpaq ? SeCoastal ? Wind/wave driven long-shore currents SeCoastal Bay Entrance? 1-4 knots, sometimes very localized and complex, mostly tidal driven. ∠Coastal Bays ? variable, 1-3 knots, influenced by (1) tides, (2) River Discharge, (3) Bathymetric Features and (4) Winds. Wave Height Summer Normal: 1-3 m wave height Sctober-December: 2-4m wave height ≪storm: 4-8 m wave height ✓ Typhoon/Cyclone Sea: 10-11m wave height SeCoastal Bay Entrance - breaking wave zone, depending on weather, always present. Sea Ice & Open Water Periods Coastal/Nearshore Ice Z Rivers Begin Freezing in October. Tym River typically +90% Ice Coverage by Late October. Exe Ice formation in Coastal Bays Starts in Late October. Typically +90% Ice Coverage by Mid-November. Entrances contain broken ice during flood tides, clears with ebb tide. ∠∠Late April/Early May ? Bays and Rivers Break-up (approximately at the same time). Environmental Sensitivities ? Why? ZeRich Diversity ? Birds, Mammals, Fish, Whales, and Breeding/Nesting Habitat SeConcentrations? 2 Million Seabirds Migrate through Area. Tens of Thousands to Hundreds of Thousands of Seals. Sensitivity? Seabirds on Water, Seals on Haul outs, Pups on Ice in Winter Red Book Species (Many) Environmental Sensitivities - Birds Murre most common. ∠ #0 Red Book species. Seabirds, Waders, and Eagles.

Environmental Sensitivities - Fish ZePollack, Herring, Sturgeon, Smelt, Salmon, Navaga, Flounder, Sculpin. KetHerring Spawning in Bays. Juvenile fish of many species rear in the Bays. 🗷 🕿 Salmon ? migrate through the Bays, Spawn in Rivers. Main concentrations in mid to late summer. Secommercial Fishing? Primarily Piltun, Chayvo, and Nyyski Bays, Environmental Sensitivities - Pinnipeds SetTrue Seals - Ringed, Bearded, Ribbon, and Spotted Seals SetEared Seals - Steller's Sea Lion and Northern Fur Seals setMigrate north and south direction through project area ExeRinged Seals pup on shore-fast ice within 30 km of shoreline beginning April. ∠≤Haul outs on Shoreline, large concentrations of Spotted Seals at coastal bay entrances SeTyuleniy Island ? Extremely Large Pinniped Colonies Ecoshelf - Sakhalin " Protecting the Environment" *⊯* Barrier Shorelines [Beaches] *⊯Æ*xtensive Salt Water Bay & Marshes ≪aMarrow Bav Entrances Shorelines ZeOuter Shoreline, Project Area ? gentle sloping, high-energy sandy intertidal beaches, small amount of pebbles. Back-beach areas both low grass meadows and some steep eroded bluffs. Eduter Shoreline, South of Project? also has boulder/cobble and rock outcrops. Secoastal Lagoons ? mostly low energy sand and marsh. Small peat shoreline areas observed. Barrier Beaches Ecoshelf - Sakhalin " Protecting the Environment" 🛋 & Sondy Beaches are a low priority which are fairly easily cleaned --NOAA system KResponse plan is to protect the sensitive Bays at their entrances Coastal Bays ? MOST SENSITIVE ZONES Remote, most difficult to get to. Road access extremely limited and primitive. No support. Kery Shallow Marrow, highly dynamic entrances. 1-4 knot tidal currents, breaking waves at entrances. Entrances have high concentration of fish, seals and birds.

set Interior areas have expansive sea grass beds.

set Interior has expansive marshy, low energy shorelines.

Bird and fish habitat, commercial fishing, fishing camps.

Se World-class northern estuary systems.

Coastal Bays

- ### Piltun Bay? Slightly north of Molikpaq Latitude. Remote, difficult access. Impact would depend on current direction. Current mostly to south. When current is to north, impact could be within 20 hours.
- Exact Chayvo Bay? Slightly South of Molikpaq Latitude? Most likely to be impacted. Potential impact within 24-36 hours.
- Kernet Strategy (2 Entrances, plus storm overflows). Potential impact within 36-48 hours.
- Kabil Bay? One entrance, fair access. Personnel transfer vessel dock. Potential impact within 48-72 hours.

ExcLunskyi Bay? One entrance, narrow. Potential impact within 72-96 hours.

内 湾

- ビビビルトン湾 モリクパックの少し北に位置する。遠隔地のためアクセスが困難。海流の方向により影響が異なる。海流はほとんどの場合、南向き。北向きの場合20時間以内に影響を受ける可能性がある。
- ≪ チャイウォ湾 モリクパックの少し南に位置する 最も影響を受けやすい地域。24~36 時間以内に影響を受ける可能性がある。
- エースキー湾(湾口2カ所、嵐により氾濫の恐れあり)36~48時間以内に影響を受ける可能性がある。
- 定定 ナビル湾 湾口1カ所、アクセス条件は良好。要員輸送船用の埠頭がある。48~72時間以内
 に影響を受ける可能性がある。
- ∞∞ ルンスキー湾 湾口1カ所、狭い。72~96時間以内に影響を受ける可能性がある。

Sensitive Bay Environments

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Ist Ecoshelf Contracts Written in 1997
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"Protecting the Environment"
Ecoshelf Capable of Immediate Tier 1 & Rapid Tier 2 Response
ECOff-Shore - Open Ocean
Stear-Shore & Shoreline
Stear-Shore
OSRV
Offshore Spill Response Vessel (OSRV)
Ecoshelf class Vessel ? 80m long x 16.3m breadth

Norwegian Oil Trawl System

OSRV J Configuration with Sweep RoSweep & Desmi 250

Desmi, Sweep Boom & Arm OSRV Single/Double Sweep Configurations Ecoshelf - Sakhalin "Protecting the Environment" SEIC and ENL Equipment Mechanical Response 📨 "Kvichak" Aluminum Work Vessels ? 8.5m, Radar, Twin 150 HP Outboard Engine, Comms SEIC and ENL Equipment Mechanical Response SeOver 3600 meters of Bay Protection Containment Boom KAnchor Systems, Line, Buoys, Shackles ≤≤6 Small Bay Skimmers ∠≤2 Small Oleophilic Skimmers SSOver 2500 meters of Oleophilic Boom SecOver 34 Portable Storage Tanks (7.5m3), Pumps, Hoses Maintenance and Repair Tools, Spare Parts, Safety Gear, Lubs, etc. ≪Trucks, Trailers, Lift Harnesses, Fuel Tanks Scommunications ? Fixed Base Station, Vessels, Portable, and Repeaters Coastal Bay Protection Systems SeOriginal Coastal Bay Resources for Protection of 1 Bay Entrance.

Expansion for 1.5 Entrances with Purchase of Additional Boom. Possibly 2 entrances with favorable weather and logistics conditions. Determined based on duration time for oil to impact bays and time duration for transportation of Tier II/III Equipment.

& Full Protection is Not Feasible? Tidal currents and Width of Entrances prevent full boom
protection of the Coastal Bays
Coastal Bay Protection
& COSR Bay Protection Equipment owned by both SEIC/ENL - Sharing Agreement
& Stored and Maintained at SEIC Nogliki Base
& Inventory in OSR Plan and Updated Annually
& Strategies developed and refined since 1997
& Training and Deployment Exercises Every Year
& Continual Logistics and Operational Review and Improvement

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" Protecting the Environment" SeGrowth of Organization Small organization in 1997 Several hundred personnel during the active season in 2001 Ecoshelf - Sakhalin " Protecting the Environment" Ecoshelf Tier 1 Support Provides *⊯*dome Office - Yuzhno-Sakhalinsk 必動port Base - Korsakov ≪Support Base & Office - Nogliki ≪Support Base - Vladivostok 必知pport Base ? Nahodka 必知pport Base ? Dekastri Equipment Staging Ecoshelf - Sakhalin "Protecting the Environment" Nearshore / Onshore Equipment Kvichaks Kvichak Deploying Boom Rope Mops & Spate Pumps Lowe Skiffs Deploy Boom Airboats Ecoshelf - Sakhalin " Protecting the Environment" ≪ Sakhalin Basin Salvage Authority - SakhBASU SetWorld Environmental Service Technologies - WEST LLC. 🖉 State Marine Pollution Control, Salvage & Rescue Admin. - SMPCSRA - Moscow ≪∉Far East Salvage Authority - DVBASU Ecoshelf - Sakhalin "Protecting the Environment" ∠Æxtensive Open Ocean Equipment ≤ 250 Transrec 250 's - 250 Tons/hour each 80 Tons/hour each *≪本*Desmi 250's – 60 Tons/hour each ≪aKWalosep 2's –

≪¥alue in excess of \$2 million USD

Ecoshelf - Sakhalin "Protecting the Environment" ∠ Access to Additional Equipment *⊯Æ*xtensive Open Ocean Equipment ≪ Maofi Trawl PL-1000 *∞©*cean Boom - 800 meters 必顧 amo Lightering System ⊯≪ ¥alue in excess of \$1 million USD Ecoshelf - Sakhalin "Protecting the Environment" 🔊 🔊 🖉 🖉 🖉 🖉 🖉 🖉 🖉 🖉 🖉 ✓ ⊉fovides Additional Expert Personnel KACCESS to Additional Equipment ≪Access to Additional Vessels ≪ Æacilities - Korsakov & Nogliki Ecoshelf - Sakhalin " Protecting the Environment" Korld Environmental Service Technologies - WEST LLC. 必約ternational Experience «Arctic / sub-Arctic spill experience ≤ Land ≤ Land ≤ Land ≪ Extensive Co-op Experience ≪ Access to World Resources Ecoshelf - Sakhalin " Protecting the Environment" ⊯Æar East Salvage Authority - DVBASU ✓ ⊉rovides Additional Expert Personnel KACCESS to Additional Equipment ≪Access to Additional Vessels Ecoshelf - Sakhalin " Protecting the Environment" *K*Æcoshelf Tier 3 Capable ≪ Russian Federation Equipment ≪Komi Response Equipment ✓ @ther Russian Federation Equipment ≪øsrl / Earl *≪ ∎*fapan Ecoshelf - Sakhalin

" Protecting the Environment" State Marine Pollution Control, Salvage & Rescue Administration - SMPSRA ✓ Provides Russian Federation Support ZACCESS to State Personnel *≝* Access to State Equipment Ecoshelf - Sakhalin " Protecting the Environment" *≪* Reserve Equipment *⊯* Aff-Shore - Open Ocean ∞ Specialized OSRV's - Neftegas Class *∞*∦Kalar & Irbis ≪≰Salvage Tugs ≪@ther Specialized vessels ∠Mizar - Fast Boom Layer ≤ SPA-004 - Landing & Shimming Barge 🖅 rias – Seismic & Skimming Vessel OSR Equipment Non-Mechanical Nogliki Dispersant & Spray Arm Ecoshelf - Sakhalin "Protecting the Environment" *⊯*∠£8m-Shore - Nogliki *∞***75** man response team ≪∠Ecoshelf/SakhBASU Support Base - Nogliki ≪ Kaiver Tug ∞⊠ispersant Systems ≪₩otorized Land Equipment Field Personnel ? Nogliki & OSRV Crew Meeting Management Personnel