

Annex 3
to the Board of Directors Resolution
of May 20, 2009 No.BD/09-1-04

SHTOKMAN DEVELOPMENT AG HSE POLICY

Shtokman Development AG ('Company') is an international company involved in gas, gas condensate and LNG production, from wellhead to export facilities. In its project development and operations, Company will have to manage all risks related to such activities in a systematic and professional way.

Being aware of its responsibilities and duties towards its shareholders and stakeholders, Company is committed to the highest international health, safety and environmental standards. In that respect, the Company goal is zero harm. We will play a leading role in promoting and implementing best practice.

This can be achieved by abiding strictly to the following Principles:

1. Management Responsibility

All managers shall ensure that the HSE policy and principles are implemented at all levels of the company. Managers will be held accountable for HSE performance.

2. Respect for Laws and Regulations

We will comply with Russian laws and regulations and relevant international laws, regulations and conventions.

3. HSE Risk Management

All industrial as well as personal HSE Hazards , and their possible impacts will be identified, registered, assessed and reduced to "as low as reasonably practicable" (ALARP principle). All employees have the duty to stop any work if adequate systems to control risks are not in place.

4. Safety and Security

Facilities and operations will be developed, planned and maintained such that robust barriers are in place to prevent accidents and safeguard against security incidents. The use of any force by security personnel shall be limited to situations where it is absolutely necessary and proportionately to the threat. The use of fire arms shall be strictly limited to the protection of life.

5. Emergency Response

Should accidents occur, we will have emergency preparedness routines and resources available to limit consequences and restore safe operations.

6. Respect for the Environment and Biodiversity

Environmental protection is a Company priority throughout all levels of the organisation. Company will regularly assess the environmental risks as a consequence of its operations, monitor possible impacts and instigate appropriate measures to its best ability. Company will perform environmental and social impact assessment (ESIA) in accordance with good international industry practice and principles laid down by international financial institutions. Company will implement Best Available Techniques (BAT) to minimize negative environmental impacts.

7. Safeguarding of Health and working conditions

The Safety and Health of the employees is of paramount importance. Being aware of risks related to the gas and gas condensate producing industry, Company has taken this consideration into the design of its installations.

The Company management is aware of its line accountability and committed to

- Systematically seek to identify and prevent safety and health accidents and professional diseases by taking appropriate remedial actions to mitigate these risks.
- Closely monitor all working environments to ensure that the health and safety of the employees are satisfactory at all times.
- Setting targets and continuously improve the labour safety and working conditions where this is necessary, realising that such improvements also will support the company to aim its business targets.
- Form consultative committee(s), with representatives from the Company's management, employees and HSE specialists, who will advise the management about the Company employees' health and safety.
- Inform the employees about the company's safety performance, information about production risks, risks at the employees working place and compensations for possible harm to health.
- Support the social working environment and respect for the individual.
- Maintain a system for safety reporting of incidents and accidents and safety performance in general, supporting statistical analysis, goal setting and continuous safety and health improvement.
- Hold consultations with the employees and their representatives on the issues of health and labour safety and engage them in all elements of the HSE management system.

8. Corporate Social Responsibility

Our aim is to be transparent, to contribute to sustainable development, and maximize Russian content whilst enforcing HSE, business ethics and procurement policies of the Company. In meeting our social responsibilities, community impact of our activities shall be assessed and addressed, at minimum, according to International Financial Corporation (IFC) performance standards 1-8, as well as Russian legislation requirements.

9. Incident investigation

All individuals, whether contractor or staff, are required to report all incidents and near misses. Incidents will be investigated and actions taken to prevent their recurrence.

10. Contractors and Suppliers

Contractors and suppliers must be in line with the HSE policy of Company. We will assist contractors in achieving this requirement.

11. Competency and training

All personnel will have necessary qualifications and training for their tasks. Training needs will be evaluated regularly and relevant training programs established.

12. Audits and Inspections

Regular audits will be conducted to verify implementation of the HSE policy. Audits results will be assessed and used to improve the performance. Mitigation measures will systematically be implemented and recorded to ensure continuous improvement.

This policy applies to all activities of the Company from conceptual design through operations.