

June 5, 2005

Ian Craig  
Chief Executive Officer  
Sakhalin Energy Investment Company, Ltd. (SEIC)

Mr. Craig,

During the Annual General Meeting of European Bank for Reconstruction and Development, we were informed that SEIC is currently conducting construction work of pipeline crossing around Chaivo Bay where is crucial habitat for migratory rare bird species. It is also confirmed from several sources in Sakhalin island. It is the most important nesting and breeding season for those bird species<sup>1</sup>.

This is not only a clear breach of mitigation measures committed by SEIC in official documentations but also a breach of trust as SEIC provided false information to Japanese stakeholders through public meeting that is “the pipeline construction work in Chaivo Bay has finished this winter where there is no existence of birds.” With strong denouncement, we urge you to stop the pipeline construction work immediately.

In Environmental Impact Assessment to Working Project Onshore Pipelines Construction (Chaivo, October 2005)<sup>2</sup>, SEIC states;

*“Construction of the pipeline system (water crossings inclusive) is planned for the winter season (2.1.2 Mainlaying)”*

*“construction of onshore pipelines will be performed in the winter season so to prevent the migration season and the life cycles of nestling birds and, first of all, of the protected critically endangered ‘Red Book’ species; (9.4 Environment actions on minimization of damage to fauna )”*

Also, in the Onshore biodiversity Commitments of Health, Safety, Environment and Social Action Plan (Nov 2005), SEIC commits<sup>3</sup>;

*“34: Winter working to avoid sensitive areas of wetland habitat used by breeding red data book bird species (during the construction of Alternative 1 onshore pipeline reroute around the Chaivo area)”*

The migratory birds in the area includes Steller’s sea eagles and Spotted-greenshanks which are identified in Russian RDB, IUCN Red lists and in the Japan-Russia Migratory Bird Agreement that requires to “make efforts to take appropriate measures to protect or restore the habitat of bird species (Article 6).” Therefore, a number of Japanese Ornithologists, wildlife experts and citizen have raised strong concerns and opinions to SEIC’s environmental assessment and construction activities for

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<sup>1</sup> Steller’s sea eagles could start breeding behavior around the end of February.

<sup>2</sup> [www.sakhalinenergy.com/en/library.asp?p=lib\\_sel\\_eia20032005&l=chaivo\\_eia](http://www.sakhalinenergy.com/en/library.asp?p=lib_sel_eia20032005&l=chaivo_eia)

<sup>3</sup> [www.sakhalinenergy.com/en/library.asp?p=lib\\_sel\\_hsesap2005&l=hsesap\\_part2](http://www.sakhalinenergy.com/en/library.asp?p=lib_sel_hsesap2005&l=hsesap_part2)

several years<sup>4</sup>.

Nevertheless, SEIC decided to choose Chaivo Bay, where SEIC itself acknowledged important area for those bird species, as rerouted pipeline route in 2005 without any consultation with Japanese stakeholders and appropriate consideration of the impact to wildlife species including endangered bird species by the alteration.

Whereas the decision of the pipeline route is still unacceptable for us, SEIC's failure to take minimum mitigation measure with this case explicitly showed us SEIC has no intention to take precautionary approach to prevent or minimize impact to protect rare, endangered species and their habitats.

Lastly, the area also meet criteria for the Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention) and identified as Important Bird Area (IBA) by BirdLife International, which consists of organizations at 100 countries and regions. This case enough represented that SEIC's Sakhalin II far from meet international standards.

We request you to take immediate response on this matter and inform us your action as chief executive officer as soon as possible.

Sincerely,

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<sup>4</sup> e.g. a letter from the Japanese Society of Zoo and Wildlife Medicine (July, 2003), a letter from Wildlife Preservation Bureau of Hokkaido Corporation (August 2003), Expert Reports on the Environment Impact Assessment of Sakhalin II by Institute for Raptor Biomedicine Japan (January 2004), a letter from Hokkaido Government (February 2004), Experts Review Report on the EIA Addenda (April 2006)