



Sberbank of Russia  
Vavilova Street, 19  
117997 Moscow  
Russian Federation

DET NORSKE VERITAS  
CERTIFICATION AS

*Climate Change Services*  
Veritasveien 1  
NO-1322 Høvik  
Norway  
Tel: +47-6757 9900  
Fax: +47-6757 9911  
<http://www.dnv.com>  
NO 945 748 931 MVA

Your ref.:  
-

Our ref.:  
MLEH

Date:  
19 March 2010

## **Expert Statement for “Yuzhno Balykysky Associated Gas Recovery Project in Russia”**

***Project title*** Yuzhno Balykysky Associated Gas Recovery Project in Russia  
***Sector*** Energy sector  
***Project participants*** JSC Sibur Holding (Russian Federation)  
J.P. Morgan Ventures Energy Corporation (United Kingdom)  
***Determination Report:*** DNV Report No. MLEH

### ***Expert Statement***

Det Norske Veritas Certification AS (DNV) is an Accredited Independent Entity for Joint Implementation (JI) projects following the verification procedure under the JI Supervisory Committee, and DNV has on 24 February 2010 received from the JI Accreditation Panel confirmation on the accreditation of DNV in all sectoral scopes. On 14 March 2008 the Ministry of Economic Development and Trade of the Russian Federation approved DNV as expert organization for the determination of JI projects in Russia.

Following the request of J.P. Morgan Ventures Energy Corporation, DNV has performed a determination of the proposed Joint Implementation project “Yuzhno Balykysky Associated Gas Recovery Project in Russia”. The determination was performed on the basis of UNFCCC criteria for Joint Implementation projects as described in the Guidelines for the implementation of Article 6 of the Kyoto Protocol, relevant requirements of the Government of the Russian Federation, as well as DNV criteria for consistent project operations, monitoring and reporting. The review of the project design documentation and the subsequent site visit and follow-up interviews have provided DNV with sufficient evidence to determine the fulfilment of stated criteria.

The host Party is the Russian Federation and the Annex I sponsor Party is the United Kingdom of Great Britain and Northern Ireland.

By recovering associated gas from the Priobskoye oilfield, that in absence of the project activity would be flared, the project activity results in emission reductions that are real, measurable and give long-term benefits to the mitigation of climate change. Emission



reductions attributable to the project are hence additional to any that would occur in the absence of the project activity.

The project activity applies the approved CDM baseline methodology AM0009 (version 3.3) "Recovery and Utilization of gas from oil wells that would otherwise be flared or vented".

The total emission reductions from the project are estimated to be on the average 2 410 210 tCO<sub>2</sub>e per year. The calculation of this emission reduction estimation has been checked and it is deemed likely that the stated amount is achieved provided the underlying assumptions do not change.

Adequate training and monitoring procedures have been implemented at JSC Sibur plant. The project is not expected to have significant environmental impacts. According to Russian legislation an environmental impact assessment and environmental expertise endorsement is not required for the considered project.

In summary, it is DNV's opinion that the "Yuzhno Balykysky Associated Gas Recovery Project in Russia" project in the Russian Federation, as described in the PDD of 8 March 2010, meets all relevant UNFCCC requirements for the JI. Hence, we recommend the approval of this project for the purpose of article 6 of the Kyoto protocol.

The only purpose of this expert statement is its use for project approval process by the JI Focal Point of the Russian Federation. Hence, DNV can not be held liable by any party for decisions made or not made based on this statement, which will go beyond that purpose.

This statement has been submitted on the basis of the legislation of the Russian Federation effective on the date of its submission. This excludes assertive and mandatory requirements of normative acts which will be appointed belated, i.e. following the date of this expert statement signing.

for DET NORSKE VERITAS CERTIFICATION AS

Michael Lehmann\*  
Technical Director  
Climate Change Services