

Initial Project Summary

Project Location: Palgua, Puerto Boyaca, Colombia

Names of Applicants: Joshi Technologies International, Inc. and Parko Services, S.A.

Name of the Project: Joshi Technologies International, Inc. and Parko Services, S.A.

Project Description:

This is an existing OPIC Project that is expanding its oil drilling activities in an existing oil field that is owned by Ecopetrol. The proposed expansion is to drill at 40 existing well sites for enhanced recovery in the Palagua oil field in the Magdalena valley.

Environmental and Social Categorization and Rationale:

This project has been screened as a Category A project because potential impacts are significant and diverse. The major issues of concern related to the production of oil are air emissions, wastewater discharges, oily-waste management, control of oil spills, disposal of drilling muds, worker safety, and the adequacy of fire protection.

Environmental and Social Standards:

The Project and its contractors will be required to comply with (i) the International Finance Corporation's (IFC) Onshore Oil and Gas Development (April 30, 2007) and General Environmental, Health, and Safety Guidelines (April 30, 2007); (ii) the World Health Organization's Guidelines for drinking water or treated to baseline quality for water re-injected into groundwater; (iii) the applicable provisions of American Petroleum Institute's (API) Standard 2610 for Design, Construction, Operation, Maintenance, and Inspection of Terminal & Tank Facilities; (iv) "Dutch Standards" (VROM, Dutch Ministry of Housing, Spatial Planning and Environment, Circular 21 137, dated February 4, 2000) for the treatment of contaminated soil, sediments, and waters; and (v) all applicable environmental, health, and safety requirements of Colombia with respect to the Project.

The Project is located in an existing oil field and involves enhanced oil recovery using horizontal drilling technology at existing well sites. There will be no need to clear any additional land for drilling pads or access roads. The site is not located near any area of cultural significance and will not result in any adverse impacts on internationally-designated protected areas or critical habitats. The Project will not result in physical or economic displacement. Therefore, IFC's Performance Standards 5, 7, and 8 are not applicable to the project.

The Project's greenhouse gas (88,000 tons of carbon dioxide equivalent) emissions are less than 100,000 tons and therefore, it is not considered a major source of greenhouse gas emissions.

Groundwater is abstracted to meet the project's water requirements. Electricity is produced by generators that are fueled by gas (that is associated with the extraction of oil). Small quantities of sewage will be treated in a wastewater treatment unit. Solid wastes are treated to reduce the toxicity of contaminants present. The Project has identified the safety provisions that will be followed to manage hazardous materials including flammables. The Project has submitted: (i)

Annual Reports on its performance; (ii) Environmental Management and Monitoring Plan, Spill Prevention and Control Countermeasures Plan, Occupational Health and Safety Plan, and Fire Prevention and Control Plan; and (iii) held public consultations at least on annual basis and address community concerns.

Location of Local Access to Project Information: A copy of the Environmental and Social Impact Assessment report may be found at the following locations:

- 1) JTI de Colombia Sucursal
Avenida 19 N° 97-31 Off 305
Bogotá, Colombia

Contacts:

Lifardo Urrea

Phone: 011 (57) 1- 623-4546 Ext 112

Sandra Pinzón

Phone: 011 (57) 1- 623-4546 Ext 109

- 2) JTI de Colombia,
Campo Palagua
Cra 4 N° 21-71
Puerto Boyacá
Department of Boyaca
Colombia