

Public Information Summary

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| Host Country: | Ukraine |
| Name of Insured Investor: | ERU Corporation |
| Foreign Enterprise: | ERU Trading LLC |
| Project Description | The project is the expansion of a gas trading business by ERU Trading in Ukraine. ERU Trading imports LNG from the U.S. and purchases gas from local producers, stores the gas in the Ukrainian gas storage facilities owned and managed by Ukrtransgaz, a state-owned entity, and sells the gas to ERU Trading's industrial customers (the "Project"). |
| Total Project Cost: | \$70,000,000 |
| Proposed OPIC Insurance Amount: | \$38,000,000 |
| Policy Review: | |
| U.S. Economic Impact: | The Project is not expected to have a negative impact on the U.S. economy. The procurement of LNG from the U.S. is expected to have a positive impact on U.S. employment. The Project is expected to have a positive five-year U.S. balance of payments impact. |
| Developmental Effects: | The Project is expected to have a highly developmental impact on Ukraine by increasing the diversification of its gas imports to achieve energy security. The Project will strengthen Ukraine's energy security through the purchase and storage of approximately 10% of Ukraine's total annual gas needs. Ukraine has been negatively affected by political uncertainty and the continued military conflict centered on the eastern part of the country, which has exacerbated the country's vulnerability to gas supply cutoffs. By increasing the volume of gas stored in Ukraine's underutilized reserves, the Project supports Ukraine's development into a gas hub for Eastern Europe. The Project is expected to have demonstration effects through the implementation of transparent automated exchanges, which will reduce transaction costs and instances of corruption. |
| Environment: | Insurance coverage of commercial activities that do not involve any construction or operations (including the handling of gas) are screened as Category C projects under OPIC's |

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| | <p>environmental and social guidelines. Environmental, health, safety and social impacts are minimal. However, in order to insure that the Project's activities are consistent with OPIC's statutory and policy requirements, the Foreign Enterprise will be subject to conditions that limit it from undertaking construction activities, taking physical possession of fuel or managing fuel in any manner including transportation or storage.</p> <p>The Foreign Enterprise will develop and implement its environmental and social policy that will be used to guide the Project and achieve sound and sustainable environmental and social performance in compliance with the International Finance Corporation's 2012 Performance Standards. The Foreign Enterprise will also develop and implement an appropriate grievance mechanism.</p> |
| Social: | <p>The Project will be required to operate in a manner consistent with the IFC's Performance Standards, OPIC's Environmental and Social Policy Statement, and applicable local laws.</p> <p>OPIC's statutorily required language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age of employment, prohibition against the use of forced labor, non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions. Standard and supplemental contract language will be applied to all workers of the Project, including contracted workers.</p> <p>Representations of the Project's labor management system, including employment policies, grievance mechanism, and employment agreements, have been evaluated against the IFC Performance Standards and OPIC's Environmental and Social Policy Statement. It is anticipated the Project will operate in a manner that is consistent with local law, IFC Performance Standards, and OPIC's ESPS.</p> |

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| | <p>This review covers the commensurate human rights risks associated with gas storage and distribution.</p> |
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