

PUBLIC INFORMATION SUMMARY

Host Country:	Oman
Name of Borrower/Insured Investor:	PetroTel Oman LLC (“ PetroTel ”)
Name of Sponsor:	Dr. Anil Chopra
Project Description:	Development, construction and operation of the Tibat and Ash Sham oil and gas fields within the Block 17 concession and construction of a 3-km long pipeline, all on the Musandam peninsula, an exclave of Oman on the Strait of Hormuz (the “ Project ”).
Total Project Costs:	\$435 million
U.S. Involvement:	PetroTel is a Delaware limited liability company and is at least majority beneficially-owned by U.S. citizens. PetroTel’s equity contribution upon Project stabilization will be equivalent to \$135 million.
Proposed OPIC Loan:	Up to \$300 million
Proposed Insurance:	Up to \$150 million for the equity investment
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. U.S. procurement associated with the Project is expected to have a positive impact on U.S. employment. The Project is expected to have a positive five-year U.S. trade balance impact.
Developmental Effects:	This Project is expected to have a highly developmental impact in Oman. The Project will support the Omani Government’s goal to further develop the Musandam region, an area that is strategically important and has lagged behind the development of the rest of the country with its isolated location and rocky topography. The Project will bring significant infrastructure development, introduce modern oil drilling technologies, and is expected to create over 150 permanent jobs. In addition, the Project will have significant fiscal impacts through the generation of export earnings

	<p>from the sale of oil, and developmental benefits with the sale of natural gas for domestic uses.</p>
<p>Environment:</p>	<p>Screening: The Project has been reviewed against OPIC’s 2017 Environmental and Social Policy Statement (“ESPS”) and determined to be categorically eligible. In accordance with OPIC’s ESPS small-scale onshore oil and gas development projects that are not located in sensitive areas are screened as Category B because environmental and social impacts can be mitigated to acceptable levels by adopting good management practices.</p> <p>Applicable Standards: OPIC’s environmental due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following Performance Standards:</p> <p>PS1: Assessment and Management of Environmental and Social Risks and Impacts; PS2: Labor and Working Conditions; PS3: Resources Efficiency and Pollution Prevention; PS4: Community Health, Safety and Security; PS6: Biodiversity Conservation and Sustainable Development.</p> <p>Consistent with the Requirements of PS3 (Resources Efficiency and Pollution Prevention) the Project is required to meet applicable provisions of the IFC General Environmental Health and Safety Guidelines and the Environmental Health and Safety Guidelines for On-shore Oil and Gas Development.</p> <p>Environmental Risks: The major environmental risks associated with this Project include potential adverse impacts on air quality; potential to emit</p>

greenhouse gases; potential adverse impacts on surface water, groundwater and soils as a result of oil spills; potential adverse impacts resulting from disposal of sludge and drilling muds; potential fire and explosion; and occupational health and safety risks.

The Project involves the drilling and commissioning of 4 on-shore production wells on a single well pad using extended reach drilling to access off-shore reserves and the construction of a 3 km pipeline to transport oil and associated gas and produced water to the Musandam gas plant for processing. The Project will also include an on-site camp for 80 people, office facilities, control room and electrical building. Power will be supplied by on-site diesel generators which may in the future utilize some of the associated gas. Fresh water will be supplied by local sources. Land use impacts are anticipated to be minimal.

Ambient air quality in the area is within regulatory levels and emissions from the projects are expected to be acceptable. Greenhouse gas emissions from the project are expected to be less than 25,000 tons CO₂e/year.

Significant ambient noise in the Project area results from wind and waves. Noise levels resulting from drilling operations are expected to attenuate to 45-55 dB(A) at about 1 km from the well pad location. Because at least one sensitive receptor is located at half that distance, additional noise mitigation, such as restricted hours of work, may be required. Additional noise shielding on the generators may also be required.

Grey water and sewage from the accommodation camp and rig sites will be

	<p>collected in holding tanks and collected by third party vendors, who will transport the waste to the local wastewater treatment plant. Vehicle/machinery wash water and storm water runoff will be routed to the drill cuttings pit for evaporation. Drilling fluids will be separated from cuttings and reused to the maximum extent possible. The cuttings will be stored in pits adjacent to the well pad and then ultimately disposed at an approved hazardous waste management facility per government directives. The Project plans to use some non-aqueous drilling fluids. Separate tanks and a leak proof conduit system will be used for these fluids and an impervious HDPE lined pit will be used for storage of these cuttings pending further treatment and disposal.</p> <p>Risk Mitigation: The Project will be required to submit annual reports on its environmental performance, update its Environmental and Social Management System and Occupational Health and Safety System and develop a Spill Prevention and Control Countermeasure Plan.</p>
<p>Social Assessment:</p>	<p>The Project will have impacts that must be mitigated in a manner consistent with the International Finance Corporation's Performance Standards, OPIC's Environmental and Social Policy Statement and applicable local laws. OPIC's statutorily required language regarding the rights of association, organization and collective bargaining, minimum age of employment, and prohibition against the use of forced labor, will be supplemented with provisions concerning non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions. Standard</p>

and supplemental contract language will be applied to all workers of the Project, including any contracted workers.

The main social risks for the Project include labor and security management; engagement and consultation with nearby residents, sensitive receptors, and land users; and potential impacts to cultural heritage. The Project has in place a Labor Management System, Security Policies, and Chance Find Procedures that are commensurate to these risks. The Project represents that they hold meetings with local leadership, and that the Project has in place information dissemination and grievance submission programs. OPIC will require the Project to develop an updated Stakeholder Engagement Plan to ensure adequate information dissemination and consultation on potential impacts of the Project and a Land Acquisition Policy Framework to ensure potential impacts related to land acquisition are mitigated in alignment with the IFC Performance Standards.

This review covers the commensurate human rights risks associated with the development of an oil field in Oman.