

Initial Project Summary

Project Location: Western Desert, Egypt

Name of Downstream Investor: Apache Egypt Companies

Project Description: The Project involves the acquisition of existing, on-shore oil and gas assets, including four development leases, one exploratory concession and strategically placed infrastructure. Specifically the acquired assets include the Dashour Gas Plant; the Abu Gharadig (AG), WD-33 and Razzak Fields; the El Alamein Pumping Station; a 24" AG to Dashour gas pipeline; and a 12" oil pipeline linking WD33, AG and Razzack to the Alamein terminal. These Western Desert assets were originally established in the mid- to late-1970s.

Environmental and Social Categorization and Rationale: Large-scale onshore oil and gas development projects are screened as Category A under OPIC's environmental and social guidelines. Environmental issues associated with the acquisition of existing on-shore development include potential adverse impacts on surface water, ground water and soils from oil spills; potential adverse impacts from produced water and sand disposal as well as wastes from phase separation; control of oil spills; prevention of fires and explosions; adequacy of worker occupational health and safety protection; and the need to establish chance finds procedures for activities in the exploratory concession.

Environmental and Social Standards: The International Finance Corporation's ("IFC") (April 2006) Performance Standards 1 (Social and Environmental Assessment and Management Systems), 2 (Labor and Working Conditions), 3 (Pollution Prevention and Abatement), and 4 (Community Health, Safety and Security).. No additional land acquisition is anticipated; therefore PS 5 (Land Acquisition and Involuntary Resettlement) is not triggered. The Project is not expected to result in adverse impacts on biodiversity or other living natural resources; therefore PS 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources) is not triggered. The Project is not expected to result in adverse impacts on Indigenous Peoples; therefore PS 7 (Indigenous Peoples) is not triggered at this time. PS 8 (Cultural Heritage) is applicable with respect to the need to establish chance finds procedures.

Environmental guidelines applicable to the Project include the IFC General Environmental, Health and Safety Guidelines (April 2007) and the Environmental, Health and Safety Guidelines for Onshore Oil and Gas Development (April 2007).

Location of Local Access to Project Information: A copy of the Baseline Environmental Audit Report may be found at the following location: Apache Egypt Companies, 11 Street 281, New Maadi, Cairo, Egypt.