Public Information Summary

Host Country:	Colombia
Name of Borrower:	Parko Services S.A.
Project Description:	Expansion of oil production in the Palagua Field
Proposed OPIC Guaranty:	$3,000,000
Total Project Costs:	$25,760,000
U.S. Sponsors:	Parko Services S.A. (a Panama company majority-owned by U.S. citizens) and Joshi Technologies International, Inc. (an Oklahoma company)
Foreign Sponsor:	Ismocol de Colombia S.A. (a Colombia company)
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy as growing demand for oil in Colombia and globally is expected to absorb the additional production associated with the Project without displacing U.S. exports. There is no U.S. procurement associated with the Project, and, therefore the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a neutral five-year U.S. trade balance impact.
Developmental Effects:	The Project is expected to have a positive developmental impact on Colombia by improving its energy infrastructure. Crude oil represents an important revenue source for the Government of Colombia, but revenues from this sector fell dramatically when the price of crude collapsed in 2014, causing production to fall over the last four years. The Project is expected to increase crude oil production in Colombia, resulting in additional revenues for the Government of Colombia. The Project aligns with the Government of Colombia's National Development Plan, which calls for further exploration and extraction of hydrocarbons, and the Project will use innovative and uncommon production and processing technologies.
Environment:	**Screening**: The Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. The Project is screened as Category B because it involves expansion of enhanced oil recovery operations that includes 15 additional wells whose environmental impacts are limited to the fence-line of the existing concession. The Project's environmental and social issues include: potential adverse impacts on air quality; potential to emit small quantities of greenhouse gases; potential adverse impacts on surface water, groundwater, and soils as a result of oil spills; potential adverse impacts resulting from the disposal of sludges and drilling muds;

	potential for fire and explosion; and occupational health and safety risks. **Applicable Standards:** OPIC's environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following International Finance Corporation's (IFC) 2012 Performance Standards (PS): PS 1: Assessment and Management of Environmental and Social Risks and Impacts; PS 2: Labor and Working Conditions; PS 3: Resource Efficiency and Pollution Prevention; PS 4: Community Health, Safety, and Security; and PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources. Consistent with the requirements of PS 3 (Resource Efficiency and Pollution Prevention), the Project is required to meet applicable provisions of the IFC's General Environmental Health and Safety (EHS) Guidelines (2007) and the EHS Guidelines for Onshore Oil and Gas Development (2007). Additionally, the American Petroleum Institute (API) has developed a guidance document, "Design, Construction, Operation, Maintenance, and Inspection of Terminal & Tank Facilities" (API Standard 2610) that provides a comprehensive framework for the operation of oil storage and handling facilities and provides references to the applicable National Fire Protection Association's (NFPA) Codes and that will apply to this Project. It also provides a description of Good Industrial Practices (GIP) regarding pollution prevention, waste management, safe operation of tanks, and fire protection. The Project's greenhouse gas emissions have been estimated to be approximately 23,000 tons of carbon dioxide equivalent per year. **Environmental Risks and Mitigation Measures:** The Project will drill wells from existing well locations and there will be no expansion of production facilities or need to construct additional access roads, so, land use impacts are minimal. Groundwater is abstracted to meet the Project's water requirements from an on-

	site well which has adequate capacity for the expansion Project. Electricity is produced by generators that are fueled by gas (that is associated with the extraction of oil) or diesel. Ambient air quality in the area is well within regulatory levels. Small quantities of sewage will be treated in an on-site wastewater treatment unit. The wastewaters generated from the Project's oil production process are treated to acceptable levels. Solid wastes are treated to reduce the toxicity of contaminants present and disposed in a manner so as to prevent environmental releases. Drilling muds are also disposed in a manner to prevent environmental releases of any contaminants that may be present. The Project follows acceptable safety provisions. Past waste disposal practices (prior to current ownership) resulted in contamination of onsite soil, creeks, and sediments. Remediation has been ongoing on the site and monitoring reports document significant improvement. The Project will implement its Environmental Management Plan, Spill Prevention and Control Countermeasures Plan, Occupational Health and Safety Plan, and Fire Prevention and Control Plan to ensure acceptable environmental performance.
Social Assessment:	The Project involves the drilling of oil wells within an existing oilfield located 180 km outside of Bogota, Colombia. The Project will be operated by Union Temporal, an unincorporated joint venture among Joshi Technologies International, Inc., Parko Services S.A., and Ismocol de Colombia S.A. to develop the Palagua Field, which has been in production for over 50 years. The Project has developed and implemented policies and procedures that address social risk, including labor, commensurate with the associated risks. The Project will be required to update its grievance mechanism to strengthen its capacity to handle worker grievances. The Project represents OPIC's fifth loan to the Borrowers. The Project will be required to operate 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 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. This review covers the commensurate human rights risks associated with oil/gas extraction in Colombia.