

Public Information Summary
Vista Oil & Gas Argentina S.A.U.

Host Country	Argentine Republic
Name of Borrower	Vista Oil & Gas Argentina S.A.U.
Project Description	Development, operation, and sale of unconventional shale oil and associated gas production of Argentina's shale reserves in the Vaca Muerta Bajada del Palo Oeste concession located in the province of Neuquén (the "Project").
Proposed OPIC Loan/Guaranty	USD 300 million for up to 10 years
Total Project Costs	USD 1,428 million
U.S. Nexus	RS Vista Holding GP, L.L.C., and Nabors Industries Limited
Foreign Sponsor	Vista Oil & Gas Argentina S.A.U.
Policy Review	
U.S. Economic Impact	The Project is not expected to have a negative impact on the U.S. economy. There is U.S. procurement associated with this Project, and, therefore the Project is expected to have a positive impact on U.S. employment and on the U.S. trade balance.
Developmental Effects	This Project is expected to have a highly developmental impact on Argentina through the support of an oil and gas drilling company operating in the Vaca Muerta reserves in the Neuquén Basin in northern Patagonia. Development of the shale resources in Vaca Muerta is expected to increase export earnings from the sale of oil and improve the country's energy independence by reducing the country's reliance on imported fuel. Historically, Argentina has been a net exporter of natural gas, but has been a net importer since 2010 as demand exceeds supply. Imports of natural gas in last two years were valued at over one billion dollars, adding to the country's fiscal strain.
Environment	Environmental and Social Categorization and Rationale: The Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. The Project has been screened as Category A because the Project involves an expansion of enhanced oil recovery operations that includes drilling 110 additional wells whose environmental impacts are significant and diverse. Major impacts include the potential for spills of crude oil and diesel into the nearby environment; potential seismic impacts triggered by drilling and hydro-fracking activities; well blow-out; inappropriate handling, management, and disposal of produced water, sanitary wastes, and other effluent discharges, drilling muds, and hazardous and solid wastes; surface and groundwater impacts associated with drilling and plant operations; transport of particulate matter, nitrogen oxides, and sulfur oxides releases beyond the Project boundaries; occupational

health and safety risks associated with the handling of hazardous materials (including oil, natural gas, liquefied petroleum gas, and diesel); fires and explosions at the Project facilities; and impacts on community safety during Project's construction and operations phases (from equipment and product transport). The Project's greenhouse gas emissions have been estimated to be approximately 420,000 tons of carbon dioxide equivalent per year.

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).

Environmental Risks and Mitigation Measures: The Project will drill wells and there will be a significant expansion of production facilities, all of which will result in the need to construct additional access roads. Water will be sourced from a nearby reservoir "Cruz de Lorena" operated by O&G Developments S.A. (Shell) and which has been constructed to meet the water requirements of local oil drilling operators. Electricity will be produced by generators that will be fueled by associated gas. Ambient air quality in the area complies with the local regulations.

Sewage will be treated in an on-site wastewater treatment unit. The wastewaters generated from the Project's oil production process will be treated to acceptable levels in the process wastewater treatment units and include oil separators. Solid wastes will be treated to reduce the toxicity of contaminants present and disposed in a manner so as to prevent environmental releases. Drilling muds will also be disposed at authorized disposal sites which have been designed to prevent environmental releases of any contaminants that may be present.

	<p>The Project will follow acceptable safety provisions. Past waste disposal practices did not result in any contamination of onsite soil, creeks, and sediments.</p> <p>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.</p> <p>OPIC Site Visit and Disclosure: OPIC staff undertook an environmental and social due diligence site visit from May 19 through 20, 2019. Meetings took place with the local Project team and the local regulators.</p>
<p>Social Assessment</p>	<p>The Project will have impacts that must be mitigated in a manner consistent with the IFC PSs, 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 and supplemental contract language will be applied to all workers of the Project, including contracted workers.</p> <p>The Borrower holds regular meetings with the relevant municipal authorities. The Borrower is formalizing the Project’s stakeholder engagement plan, both external and internal grievance mechanisms, and chance finds procedures. OPIC will require these be submitted and implemented.</p> <p>The Project also has completed land access easements with several landowners and users; these activities do not represent a significant change in land use and land owners are compensated annually for the access. OPIC will also require the Borrower to document the Project’s land management policies and procedures regarding land use and compensation negotiation, and to include risk assessment and mitigation measures.</p> <p>The Borrower has established Human Resources Policies and all on-site workers are represented by one of four unions and a collective bargaining agreement. The Borrower will be required to establish a contractor management system to provide a consistent and effective approach for managing the performance of its contractors.</p> <p>This review covers the commensurate human rights risks associated with oil and gas exploration and processing in Argentina.</p>