

## Initial Project Summary

Project Location: Khor Mor (KM), Kurdistan, Iraq

Name of Applicant: Pearl Petroleum

Project Description:

The Project involves the expansion of gas production and processing operations (the “KM250A Plant”) which will be located adjacent to the existing gas processing plant, near Khor Mor in the Kurdistan Region of Iraq. The Project will be designed to gather, process and transport natural gas through an existing pipeline network. Liquefied petroleum gas will be produced as a by-product and it will be transported through trucks. Construction of the KM250A Plant will be within the existing Pearl Petroleum’s site boundary and up to five new flowlines will transport raw gas from new production wells to the KM250A Project site. The Project, which will be operated by Pearl Petroleum, involves the initial extraction and ultimate production of approximately 2.5 million tons per annum (MTPA) of natural gas.

Environmental and Social Categorization and Rationale:

The Project has been screened as Category A because the projected greenhouse gas emissions exceed 100,000 tons of carbon dioxide equivalent (CO<sub>2</sub>eq) annually.

Key environmental impacts include impacts due to air emissions and noise; impacts to the visual landscape; and impacts on soil, surface water, groundwater, vegetation, and fauna present in the area (including reptiles, amphibians, birds, and mammals). The Project also has the potential to emit approximately 120,000 tons of CO<sub>2</sub>e/year.

Key social impacts include impacts related to access to land and potential economic displacement; impacts due to in-migration and related to overall labor management; and potential impacts related to cultural heritage and regional security concerns.

Environmental and Social Standards: International Finance Corporation’s (IFC) Performance Standards (April 2012) 1 (Assessment and Management of Environmental and Social Risks and Impacts), 2 (Labor and Working Conditions), 3 (Resource Efficiency and Pollution Prevention), 4 (Community Health, Safety, and Security), 5 (Land Acquisition and Involuntary resettlement), 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources), and 8 (Cultural Heritage) are applicable.

No indigenous peoples have been identified at or near the Project site. Therefore, Performance Standard (PS) 7 (Indigenous Peoples) is not triggered by the Project at this time.

IFC’s Guidelines applicable to the Project include: General Environmental, Health, and Safety (EHS) (2007); and Onshore Oil and Gas Development (2015).

Location of Local Access to Project Information: A copy of the Environmental and Social Impact Assessment (ESIA) package may be found at the following locations:

Online at <https://www.pearlpetroleum.com/>

Pearl Petroleum, Crescent Tower, PO Box 211, Corniche Al Buhaira, Sharjah, UAE

Pearl Petroleum, Floor 5, Gulan Park Office Building, Gulan Street, Erbil, Kurdistan Region of Iraq

Pearl Petroleum, Khor Mor LPG Facility, Kurdistan Region of Iraq