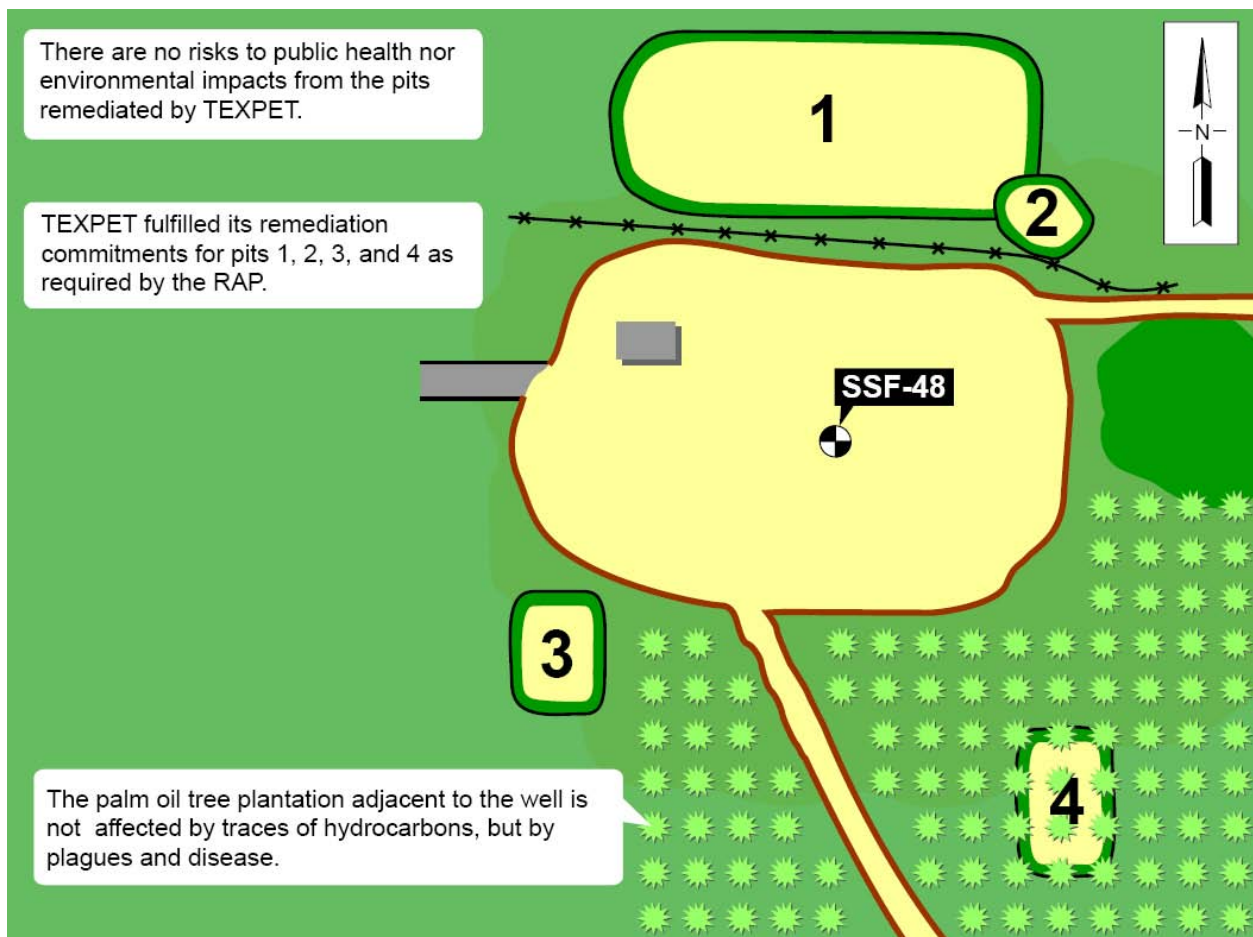


EXECUTIVE SUMMARY

Based on the field activities conducted during the judicial inspection and subsequent review of reports and documents related to remedial activities at Shushufindi 48, the following conclusions can be summarized:

- 1. There are no tangible environmental impacts.**
- 2. There are no risks to human health or the environment from the remediated pits.**
- 3. There is no impact to the palm oil tree plantation adjacent to the well pad from compounds derived from crude oil.**
- 4. TEXPET fulfilled its remediation commitments related to well Shushufindi 48.**



These conclusions are discussed below:

– **THERE ARE NO TANGIBLE ENVIRONMENTAL IMPACTS**

During the three days of field work at well Shushufindi 48 and surroundings, no impacts to the environment or private property were noted. The areas surrounding the platform were covered with dense vegetation, a large palm oil tree plantation, trees and grass.

There was no visual evidence of crude oil on the ground surface.

– **THERE ARE NO RISKS TO HUMAN HEALTH OR THE ENVIRONMENT FROM THE REMEDIATED PITS**

According to the analytical results for samples collected from within the remediated pit areas, soil that could come into contact with residents or animals contained hydrocarbon, BTEX, PAH, and metal concentrations below applicable international criteria and comply with the requirements set forth in the RAP (see tables 2A and 2B). The only sample that did not meet international criteria was collected from Pit 4 at a depth of more than 0.95 m and contained highly degraded hydrocarbons (TPH; see appendices P and Z) that are practically immobile (see Appendix H) and are not bio-available (see Appendix U). Other samples collected at smaller and greater depths from Pit 4 contained TPH concentrations below the international criterion.

Therefore, the pits remediated by TEXPET do not require any additional remediation.

– **THERE IS NO IMPACT TO THE PALM OIL TREE PLANTATION ADJACENT TO THE WELL PAD FROM COMPOUNDS DERIVED FROM CRUDE OIL**

According to the report prepared by an Ecuadorian agronomist, expert in palm oil tree plantations, the palm oil tree plantation adjacent to the well pad is not affected by hydrocarbon residues that could exist in the subsurface; rather, it is affected by plagues such as the *Sagalassa valida* root worm and the “Pudrición del Cogollo” disease.

– **TEXPET FULFILLED THE REMEDIATION COMMITMENTS RELATED TO WELL SHUSHUFINDI 48**

According to the information reviewed and the analytical results provided by an internationally certified laboratory for samples collected from the remediated pits, TEXPET closed the pits in accordance with the criteria and specifications agreed upon with the Government of Ecuador and Petroecuador, and with applicable international criteria for metals, BTEX and PAHs. Although one of the samples from Pit 4 contained TPH at a concentration above the remediation criterion, the other eight samples from the same pit contained TPH at concentrations below the remediation criterion. Further, samples collected at smaller and greater depths from the same pit contained TPH concentrations below the remediation criterion agreed upon with the Government of Ecuador and applicable international criteria.

The conclusions presented above also are based on the following information:

- There is no crude oil migration from the pits to groundwater.
- All pits have a surface cover of at least 0.8 m over the remediated soil.
- The degraded crude oil found in the subsurface of the remediated pits does not have the potential to migrate because its residual saturation is well below the concentration required for migration to occur.

- Traces of crude oil found in the soil do not pose a risk to human health or the environment. This was proven through scientific tests that confirm the following:
 - *The chemicals of concern in Shushufindi crude that have potential toxic effects, BTEX and PAHs, are present in crude oils from oil-producing areas throughout the world.*
 - *The chemicals of concern are significantly and rapidly degraded by natural mechanisms in tropical climates such as those of the Oriente region in Ecuador, thereby reducing the toxicity potential and mobility of crude oil.*
 - *All results indicated the absence of BTEX, the disappearance of light and mobile fractions, and the degradation of most of the PAH content with respect to fresh Shushufindi crude.*
- The solubility of degraded crude oil in water is extremely low, which is why there are no impacts to nearby water sources.
- Conservative hydrocarbon volatilization estimates indicate that the volatile fractions have been degraded and that calculated concentrations are minimal.
- There are no sources or bodies of water at a radial distance closer than 800 m from well Shushufindi 48; however, according to the data and conclusions from this investigation, it can be ascertained that these would not be affected even if they were present.
- Risk evaluations of exposure routes for hydrocarbons indicate that:
 - *Direct exposure: is not possible because remediated soils have a soil cover of more than 0.8 m in thickness.*
 - *Exposure from ingesting surface water or groundwater: crude oil is immobile in the pits remediated by TEXPET. When leaching to groundwater or surface run-off was considered, the BTEX and PAH values calculated using the most conservative assumptions are not sufficiently high to pose a risk to human health. Degradation quickly eliminates the more mobile light and toxic fractions in crude oil.*
 - *Exposure from Inhalation of Soil Vapor: there is no adverse exposure through inhalation of soil vapor because the trace concentrations of degraded crude do not contain significant concentrations of volatile compounds.*