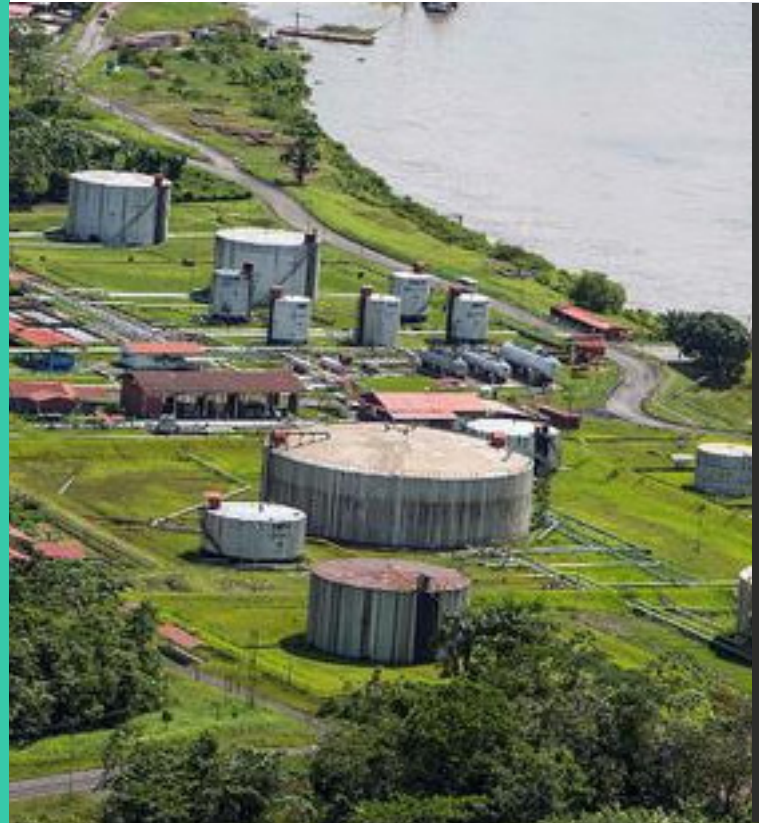


BLOCK 192

Peru Reaches an Unprecedented Agreement



The state and indigenous communities come together to extract hydrocarbons from the country's most important oil-producing block

In the wake of an agreement between representatives of native communities and entities such as Perupetro, the Ministry of Energy and Mines (MINEM), the Ministry of Culture, and the Ombudsman's office, the prior consultation process for Block 192 has officially concluded.

Block 192 — formerly known Block 1-AB — is the most important oil-producing block in Peru. After a long period of being controlled by private companies, the block will soon return to be operated by the national oil company (NOC) of Peru, Petroperu, once MINEM issues the supreme decree that authorizes the signing of a new contract with

Perupetro, the agency in charge of promoting and supervising hydrocarbon exploration and exploitation activities on behalf of the country of Peru, and once the prior consultation process has finished.

Since 1995, the right to prior consultation has been in force in Peru. As a result of ILO Convention 169, Peru is obligated to consult indigenous or native peoples about legislative and administrative measures that generate or could have a direct impact on the exercise of their collective rights.



REACHING AGREEMENTS BETWEEN THE STATE AND INDIGENOUS PEOPLES

According to Article 3 of the law, the purpose of the prior consultation is to reach agreements between the state and the indigenous or native peoples who would be impacted by an action before moving forward with any projects.

However, the validity of the prior consultation process isn't impacted by whether agreements are made. Rather, it's designed to ensure that the indigenous peoples have access to sufficient information about the measure — and that they have enough time to make their proposals, which are

ultimately addressed in an intercultural dialogue.

According to Article 8, there are seven minimum stages in the consultation process, ranging from the Identification of the Legislative or Administrative Measure that must be the subject of consultation through a dialogue between representatives of the state and representatives of indigenous or native peoples until the decision is made.

In 2015,

MINEM completed the first stage of the prior consultation process, called "Identification of the Measure." This stage approved and authorized Perupetro to sign the Block 192 license contract via Ministerial Resolution No. 209-2015-MEM / DM.

Following this — in line with the fulfillment of the second stage, called "Identification of Indigenous Peoples" — MINEM located 25 native communities or localities of the Pastaza, Corrientes, and Tigre basins as part of the Quechua Achuar and Kichwa indigenous peoples that were impacted by the scope of Block 192.

Continuing with the implementation of the consultation process — and prior to the "Publicity Stage" — MINEM agreed with each of the native communities and delivered consultation plans to representatives of the 25 communities.

During the "Information Stage," MINEM planned to carry out 10 informative workshops. While seven of these were concluded satisfactorily, two were not concluded, and one wasn't held.

Due to this hold-up, MINEM decided to temporarily give Perupetro the ability to oversee the Information, Internal Evaluation, and Dialogue stages of the prior consultation process for Block 192.

TEMPORARY POWERS

Assuming the powers temporarily delegated to it, Perupetro carried out the fourth stage of this process. The organization held three additional informative workshops, where seven native communities of the Tigre river basin affiliated with the FECONAT Federation participated.

The information stage concluded with three additional informative workshops — one in each basin (Pastaza, Corrientes and Tigre) — with the participation of 15 communities affiliated with the Fediquep, Feconacor, and Opikafpe federations.

Continuing with the “Internal Evaluation” stage, the 25 native communities regrouped and held nine internal evaluation meetings. After this stage, Perupetro sent the Internal Evaluation Minutes to MINEM to continue with the implementation of the “Dialogue” stage.

This stage was conducted by MINEM’s social management office, with the participation of Perupetro. At this point in the prior consultation process, the 25 native communities in Block 192 decided to reorganize into three groups due to differences that arose during each stage:

- Group 5 basins independent communities of Pastaza,
- Group FECONAT, and
- Group 4 Basins.



PERUPETRO S.A. and members of indigenous communities signing agreements



Daniel Hokama, General Manager, presenting the agreements to the members of the communities



Daniel Hokama, General Manager, together with one of the members of the communities



PERUPETRO S.A. staff presenting in front of members of native communities

The LIGHT AT THE END OF THE TUNNEL

Faced with this situation, Perupetro coordinated six intercultural dialogue meetings. Under the leadership of MINEM, the organization was able to conclude the prior consultation process for Block 192, having signed three consultation minutes with more than 90 agreements.

In accordance with Article 15 of the Prior Consultation Law, it's now up to MINEM to continue with the procedure for the approval of the new Block 192 License Agreement. It's also their responsibility to adopt all necessary measures in order to guarantee the collective rights of the 25 native communities consulted.

According to the community members, this process represented a high standard of prior consultation unprecedented in Peru.

This is evident in the content of the consultation agreements, which stand out for the inclusion of proposals and demands discussed and agreed upon with the communities — as well as for their specific information about deadlines for compliance.

The agreements signed with the communities focus on a variety of issues, including participatory committee, labor, social fund, environmental monitoring, remediation, easement, and communication.

As a result of this experience, Perupetro ratifies its commitment to promote the sustainable use of the country's hydrocarbon resources, respecting the collective rights of indigenous peoples in the area of influence of Block 192. It also ratifies its commitment to comply with the agreements signed and with respect for intercultural dialogues.

Geoportal

General, technical, infrastructure
and cultural information

GENERAL INFORMATION:

- Blocks, Sedimentary Basins, fields, outcrops, "oil seeps", mineral collection, undrilled prospects.

TECHNICAL INFORMATION:

- Location of all the 2D and 3D seismic campaigns. Gravimetric and magnetometric campaigns.
- Well locations.

INFRASTRUCTURE INFORMATION:

- North Peruvian pipeline, multi-product pipelines, gas pipelines, southern gas pipeline, platforms, batteries and other facilities.

CULTURAL INFORMATION:

- Native Communities (IBC).
- Protected Natural Areas (SERNANP).

