

Press Release

August 28, 2001

OCP Pipeline Project in Ecuador

After a bidding procedure involving German and international banks, WestLB was awarded the syndication mandate by the project sponsors and signed the financing and syndication agreement.

Following an environmental compatibility study, the Ecuadorian authorities including the environment ministry authorised the construction of the pipeline. The Ecuadorian environment ministry consulted the Smithsonian Institute and the Netherlands Environment Evaluation Committee advisory group. As part of the regular due diligence process carried out by WestLB, Stone & Webster, the leading firm of engineering and construction consultants, which has extensive experience in conducting environmental compatibility studies, was asked to carry out an appraisal of the environmental study commissioned by the project sponsors. Stone & Webster also came to the conclusion that environmental considerations have been adequately observed and complied with in this project.

An indispensable requirement for any financial involvement of WestLB is full compliance with the strict and globally recognised environmental standards of the World Bank by the project sponsors. Should the national – in this case Ecuadorian – regulations be stricter still, these will take precedence for the realisation of the project. At the initiative of the project sponsors, an independent team of environmental representatives – which will also include representatives of non-governmental organisations – will monitor implementation of and compliance with the environmental regulations.

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