

## SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

<b>Host Country:</b>	Botswana
<b>Name of Guaranteed Party:</b>	A special purpose company (“Guaranteed Party” or “SPV”), which will be a wholly owned subsidiary of Lazare Kaplan International and ABN AMRO Bank N.V. and Fortis Group N.V.
<b>U.S. Sponsor:</b>	Lazare Kaplan International, Inc. (“LKI”), an approximately 51% equity holder in the Guaranteed Party.
<b>Foreign Sponsor:</b>	ABN AMRO Bank N.V. and Fortis Group N.V. (jointly “ABN AMRO/Fortis”), an approximately 49% equity holder in the Guaranteed Party.
<b>Project Description:</b>	<p>A \$333 million revolving guaranty framework facility (the “Facility”) in which OPIC will share credit risk for up to \$250 million with ABN AMRO/Fortis in loans to Botswana-based diamond cutting and polishing companies underwritten and administered by ABN AMRO/Fortis. Fortis is a global financial institution that provides banking and insurance services in over 50 countries. Fortis is rated “A+” by S&amp;P, with a “Stable” outlook. In October 2007, Fortis, along with a consortium of banks, completed the acquisition of ABN AMRO.</p> <p>ABN AMRO/Fortis will provide up to \$83 million in revolving credits as part of the total Facility. The proposed Facility will: (i) enable companies in Botswana engaged in the business of cutting and polishing diamonds to access debt to finance the purchase of rough diamonds for processing; (ii) facilitate the development of a financial sector to assume the function, thereby enabling the development of a cutting and polishing industrial sector in Botswana; and (iii) provide a major source of revenues and development to one of the most politically stable countries in Sub-Saharan Africa.</p> <p>ABN AMRO/Fortis will underwrite each loan guaranteed by OPIC under the Facility in accordance with ABN AMRO-Fortis’ credit underwriting policies and procedures as well as OPIC’s statutory and policy requirements. Participation in the Facility by other banks may be permitted after completion of due diligence and normal OPIC approval procedures.</p> <p>The development of a competitive global center for the distribution, cutting and polishing of rough diamonds is a top economic priority of the Government of Botswana (“GOB”). Botswana is the world’s leading producer of gem quality diamonds, and diamond production generates approximately 80% of the country’s foreign exchange. Historically, the</p>

manufacturing of all of Botswana's rough diamond output has been processed through De Beers Group's Diamond Trading Company in London, Antwerp and Amsterdam. Given the critical importance of the diamond industry to their economies, Botswana and other Southern African countries have implemented local beneficiation policies that require additional economic benefits derived from its diamond resources, which go beyond just mining. Beneficiation has primarily focused on promoting in-country manufacturing and polishing of diamonds and the development of other value-added diamond-related industries.

The implementation of the GOB's diamond beneficiation policies will depend on the availability of committed debt capital, which is not currently available to diamond manufacturers in Botswana. This factor, coupled with the current credit crises and the higher credit risks associated with lending cross-border to Botswana, make a strong case for OPIC support. Therefore, the proposed Facility is an essential component to the development of Botswana's new diamond manufacturing industry.

**Total Project Cost:** \$333,000,000

**Proposed OPIC Loan Guaranty:** \$250,000,000 available via a revolving guaranty framework credit facility. Term not to exceed 13 years.

**Developmental Effects:** The Facility will have a positive developmental impact by contributing to the GOB's diamond beneficiation efforts. Diamond beneficiation is expected to have multiplier effects in associated sectors such as construction, insurance, and jewelry, and is also expected to increase local job opportunities. The project will augment private capital in the financial sector to supply credit to diamond manufacturers. These diamond manufacturers, who are helping to create a new sector in Botswana, will introduce new production techniques to the diamond polishing industry.

**Environment:** Framework facilities are screened as Category D projects under OPIC's environmental guidelines. As with all such facilities, OPIC will review and provide environmental clearance on each downstream loan prior to granting consent for each such loan. OPIC will require mandatory environmental language to be included in downstream loan documentation applicable to downstream borrowers.