

REPORT FROM OPIC MANAGEMENT TO THE BOARD OF DIRECTORS

Section I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Country:	Turkey
Borrower:	ST Hurda Metal Ogutme Teknolojileri Sanyı ve Ticaret Anonim Sirketi, a Turkish corporation
U.S. Sponsor:	Chinook Sciences International LLC (25%), a New Jersey limited liability company
Foreign Sponsors:	Ibrahim Yalcin Cevikel (47%) – a Turkish citizen Cevdet Sefer (25%) – a Turkish citizen Kemal Kaya Cevikel (1%) – a Turkish citizen Mustafa Dincer (1%) – a Turkish citizen Opus Bilgi Sistemleri AS (1%) – a Turkish corporation
Project Description:	The development, construction and operation of an aluminum recycling facility and an associated 5.3 MW heat capture energy generation unit, outside of Istanbul, Turkey (the “Project”).
Total Project Cost:	\$115,000,000
Proposed OPIC Loan:	\$75,000,000
Developmental Effects:	The Project will have a positive developmental impact on the host country, Turkey. The investment will provide many environmental and socio-economic benefits to the country, including new employment, technology transfer, energy savings, conservation of natural resources, reduction in the use of city landfills, and revenue for recyclers, charities, NGOs, and local governments. The investment could also serve as a catalyst for the further development of Turkey’s solid waste management infrastructure.
U.S. Effects:	The Project is not expected to have a negative impact on the U.S. economy or employment. The Project’s U.S. procurement is expected to have a positive impact on U.S. employment. The U.S. does not engage in substantial trade of primary or secondary aluminum with Turkey, and ST Hurda will not source its aluminum metal scrap from the United States. As ST Hurda’s aluminum and aluminum alloys will be sold solely in Turkey, its products will not compete with U.S. produced primary or secondary aluminum.
Environment:	<p><u>Screening.</u> The Project has been screened as Category B because environmental and social impacts from aluminum recycling facilities are site specific and readily mitigated. Environmental issues associated with metal recycling plants are related to air emissions, wastewater discharges, solid and hazardous waste disposal, occupational health and safety, fire safety, and noise impacts. Because the Project will be located in an existing industrial park in Cerkozkoıy, Turkey, immediately adjacent to the existing DT Metal facility, there will be minimal environmental or community impacts associated with site development.</p> <p><u>Applicable Standards.</u> The Project is being evaluated against the International Finance Corporation’s (“IFC”) 2007 General Environmental, Health, and Safety guidelines. Because the Project is located within an existing industrial complex and does not involve physical or economic displacement, or impact indigenous people, or any cultural sites, IFC Performance Standards 5, 7, and 8 are not applicable to the Project.</p>

	<p><u>Environmental Risks.</u> Metal recycling facilities have the potential to cause environmental impacts primarily from air emissions, wastewater discharges, and solid and hazardous waste disposal. Feed control will be critical to ensure that no wastes (domestic or hazardous), radioactive material, material contaminated with heavy metal, explosives, tires, asbestos, PVC, chlorine, or halogenated organics are processed by the facility. These materials, and other industrial wastes, may not be able to be processed using the facility's technology and should not be accepted for processing at the facility. Furnaces burning natural gas and aluminum scrap will generate nitrogen oxides, sulfur oxides, and particulate matter emissions. In addition, toxic organics such as VOCs may be emitted.</p> <p>Based on information provided by the sponsors, the Project will not produce significant wastewater discharges. Waste residues from the furnaces will be relatively small in volume and non-hazardous, provided effective feed control measures are implemented, and may be disposed of in a municipal landfill.</p> <p><u>Environmental Risk Mitigation.</u> Based on data provided by the sponsors, particulate matter, sulfur oxide, nitrogen oxide emissions and VOCs will be at acceptable levels. Nonetheless, prior to OPIC commitment, an independent third-party engineer approved by OPIC will be required to verify that the plans for the Project do not contemplate, and the projected energy output would not require, the Project to process hazardous or municipal wastes, halogenated materials, or toxic metals. Further, the independent engineer will be required to verify that the estimated greenhouse gas emissions will be less than 100,000 tons at the proposed natural gas usage and aluminum scrap feed rate. OPIC will require, on an annual basis, documentation of aluminum feed rate and natural gas usage for greenhouse gas accounting purposes in addition to the heat content and annual maximum feed rate of all organics.</p> <p>The facility will use natural gas as fuel which will be piped to the facility; no fuel will be stored on-site. The facility will use a closed-loop cooling system which will decrease water needs. Non-hazardous wastes, which should be the only wastes produced by the facility, may be disposed of at a non-hazardous waste landfill.</p> <p>According to information provided by the sponsors, the Project will not produce significant wastewater discharges. OPIC will require that the borrower demonstrate that there are no transmission and distribution lines outside the plant's boundary.</p> <p>The Project will be subject to applicable provisions of the IFC's 2007 General Environmental, Health, and Safety guidelines. In order to achieve compliance with the guidelines, limitations will be placed on the feed rate and quality, natural gas usage and plant operating conditions. Monitoring and submission of an annual report will also be required to demonstrate compliance.</p>
Worker Rights:	<p>OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining, minimum age, timely payment of wages, hours of work, and hazardous working conditions. Standard and supplemental contract language will be applied to all workers of the Project.</p>

Human Rights:

In consultation with the Department of State, the Project received human rights clearance on January 20, 2010.