

Loreto, February 18, 2021

Mr. Richard Herbert Executive Director Frontera Energy Corp.

Dear Mr. Richard Herbert,

Please receive our kindest regards from the Amazon indigenous territories of the Achuar people in the Corrientes River, Quechua people in the Pastaza River and Kichwa people in the Tigre River. We are the presidents of the following indigenous organizations: Quechua Indigenous Federation of Pastaza (FEDIQUEP), Federation of Native Communities of the Corrientes Basin (FECONACOR) and the Organization of Amazonian Indigenous Peoples of the Peru-Ecuador Border (OPIKAFPE); our organizations have existed for longer than 20 years and along with the Cocama Association for the Development and Conservation of San Pablo Tipishca (ACODECOSPAT), we have walked in unity for the defense of our territories and the lives of our communities. This trajectory was recognized in 2017, obtaining the National Human Rights Award in Peru in merit of the struggle of our peoples.

We are addressing you as representatives of the indigenous communities affected by severe socio-environmental impacts of the oil corporation that you represent through its branch in Peru, Frontera Energy del Peru SA which has been operating the Block 192, located in the department of Loreto, since 2015. The company concluded operations on February 5th of this year, amid recurrent breaches of their obligations, malpractices, as well as actions that have put the lives of indigenous families at serious risk. The actions of Frontera Energy have caused great indignation and discomfort as well as serious concerns due to the continued impact that the five years of activity has generated in our fragile territories and indigenous communities. These damages have negatively affected the lives of almost 7 thousand people who live in more than 20 communities in the area.

After 50 years of oil activity in the area of Block 192 life in our territories has been severely damaged, resulting in multiple consequences such as contaminating the population with heavy metals and hydrocarbons or polluting water sources and soils, among other damages stated in various reports from public authorities. Frontera Energy, far from facing this sensitive and complex scenario with responsibility, has deepened that damage through corporate behavior. The company has shown a lack of due diligence in reference to the human rights of the population of the indigenous communities and with this it has not only failed to comply with the Peruvian constitutional legal framework, but it has also failed to meet international standards such as the UN Guiding Principles on Business and Human Rights.



It is important to remember that the company was perfectly aware of the poor condition of the pipelines, and not only decided to start operating on the block, but it did not even comply with the minimum operating and maintenance standards written in its service contract. The company also knew that severe impacts previously caused in the block flagrantly violated the most basic rights of our communities. Still, it has continued to perpetuate the above-mentioned violations and has deepened them, increasing the damage to the environment and the health of indigenous families. In addition to all this, Frontera Energy now wants to abandon the block without remedying any of the impacts linked to its operations. It seems to be doing it without hesitation or shame and in a clear breach of the agreements the company has with the communities.

We have listed some of the aspects that we have identified as violations of our rights:

## • Non-compliance with national regulations

The Peruvian supervisory and inspection bodies in environmental matters are categorical when pointing out the breaches of Frontera Energy in terms of national regulations. These breaches have led to the occurrence of 95 spills in 5 years (15 of them during the pandemic), which means that the annual average of spills has doubled, compared to those that occurred with the previous operator. Likewise, there has been an inadequate management of produced waters, thus contaminating the territory of indigenous communities with heavy metals. These impacts have exacerbated the previous existing effects on the lot. Another serious non-compliance is the failure to present the Abandonment Plan, even though it is a contractual obligation and it has been established in the law that it must be approved and executed before the expiration of the contract. Neither the corrective measures nor the fines have been effective in dissuading Frontera from continuing with its unsafe practices with which it has been operating the oil infrastructure and pipelines.

## • Use of the norm and the Contract to legitimize bad practices

In bad faith, Frontera Energy has used contractual clauses and regulatory modifications to evade its responsibilities, increasing the violation of the rights of indigenous peoples. For example, the Force Majeure and Fortuitous Event clause has been abused by Frontera to avoid responding to the social conflicts which have been generated by its own breaches; or even to evade its environmental responsibility. On the other hand, Frontera has sought not to carry out maintenance activities on the infrastructure of the lot, by appealing to modifications in the Regulations for the Transportation of Hydrocarbons by Pipelines. Frontera has used this situation to cover up its lack of due diligence and evade its responsibility. As a result, the company will leave behind the infrastructure in further deteriorated conditions compared to how it was when it arrived, since Frontera operated the lot for more than five years without complying with the adequate security regulations.



## • Negligence in the management of conflicts

The company did not show the will to reduce the measure of conflict that oil activities have caused already for decades in Block 192. On the contrary, it has reverted to the causes that produced conflicts in the past. It has not responded in good faith to the disposition expressed by the communities to dialogue and to find solutions together, in spite of the multiple impacts caused; therefore, creating an atmosphere of distrust and bad relations between communities and the oil company.

## • Violation of human rights and indifference in the context of COVID19

During the pandemic caused by the SARS-CoV-2 virus, the company showed little interest in safeguarding lives in indigenous communities. First, by irresponsibly maintaining the flow of personnel movement in the midst of the pandemic (until May 2020); Second, by conditioning the activation of the oxygen plant located in the lot in exchange for a total reactivation of its operations, all this while the pandemic of Covid-19 was seriously intensifying in the communities in the area; Third, several months of noncompliance with the payments committed to personnel from the indigenous communities hired by Frontera, thus leaving various families without the respective economic income. Finally, the lack of contingency actions to stop and deal with the spills that occurred during the pandemic, thereby generating a scenario in which communities are doubly threatened, on the one hand by the virus, and on the other, by the spills which have not been addressed for months.

For these reasons, we point out that,

- From our communities we will continue to demand Frontera Energy to assume its obligations, remedy the impacts it has generated, comply with the pending commitments with the communities and repair the damage it has caused to our families, children and territories.
- We understand that Frontera Energy Corporation, as a whole, has to answer for such acts. Your Peruvian subsidiary has proven an obvious lack of due diligence in reference to human rights and the environment. Therefore, we will take actions at the international and extraterritorial level to demand justice.
- We consider the Canada, home State of the headquarters of the company, responsible for the impacts that its subsidiaries are generating in our ancestral territories. In awareness of the above-mentioned violations, we expect it will take measures to guarantee reparation and prevent the repetition of such actions.
- As we have always done, we are willing to sit down and enter into a dialogue in order to ensure that the company meets its commitments. However, we will expect for this dialogue to be carried out with the respect and dignity that we deserve.



We thank you for your consideration and we hope that your position within the corporation would permit the conditions to have a fruitful dialogue in good faith that would help avoid and prevent the continued violation of our most basic rights. For any communication with us, write to the email <u>puinamudt@gmail.com</u>.

Sincerely,

AURELIO CHINO DAHUA PDTE: FEDIQUEP DNI: 05364536

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EMERSON SANDI TAPUY

EMERSON SANDI TAPO Presidente - OPIKAFPE

OMAR SAQUIRAY CH. PRESIDENTE DE FECONACOR