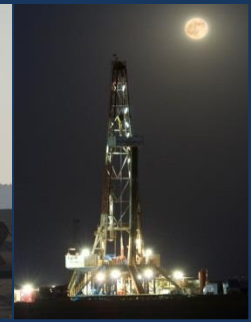
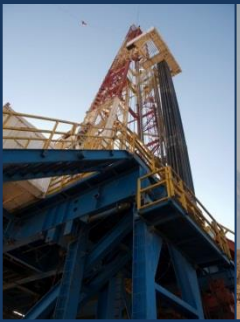




**TransGlobe Energy**  
CORPORATION

# Our Commitment to our Environment

TSX: **TGL** / NASDAQ: **TGA**



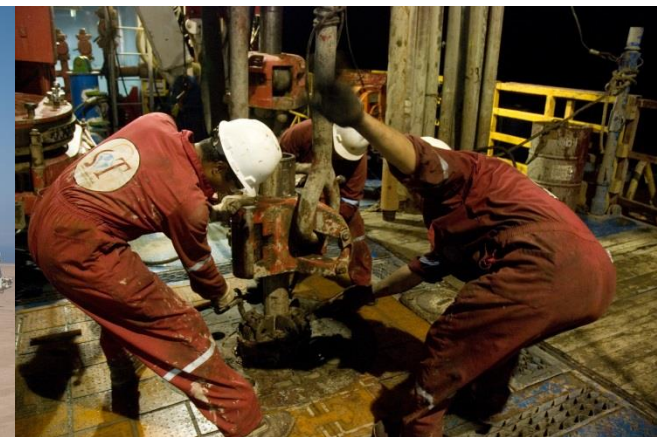
# Overview of TransGlobe Energy

TransGlobe Energy Corporation is an international exploration and production company based in Calgary, Alberta, Canada with oil interests in the Arab Republic of Egypt ("Egypt") and the Republic of Yemen ("Yemen").

TransGlobe has a proven track record with extensive Middle East experience. This experience combined with an extensive and diversified portfolio of development and exploration opportunities provides for significant upside potential. TransGlobe focus is on onshore oil fields of 5 million barrels recoverable and greater with high individual per well productivity and reserves. Existing portfolio includes a significant production and reserve base along with multiple identified exploration and development locations.

TransGlobe holds interest in five Production Sharing Concessions ("PSC") in Egypt: ( a 100% working interest in the West Gharib Concession, a 100% working interest in West Bakr Concession, a 50% working interest in the East Ghazalat Concession, a 100% working interest in the South Alamein Concession and a 60% interest in the South Mariut Concession). TransGlobe also holds interests in four PSCs in Yemen (a 13.81087% working interest in Block 32, a 25% working interest in Block S-1, a 20% working interest in Block 72 and a 25% working interest in Block 75). In addition, TransGlobe was awarded (pending ratification) four new 100% working interest exploration blocks in Egypt on November 6, 2012.

Since inception, TransGlobe has recorded significant growth in production, reserves and funds flow, on both a gross and per share basis. TransGlobe is dedicated on improving productivity through promoting good oilfield development and exploitation practices including the implementation of industry leading secondary and tertiary recovery methods as well as improvements to production and transportation infrastructure.



# International Finance Corporation

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector in developing countries.

Established in 1956, IFC is owned by 184 member countries, a group that collectively determines our policies. Our work in more than a 100 developing countries allows companies and financial institutions in emerging markets to create jobs, generate tax revenues, improve corporate governance and environmental performance, and contribute to their local communities.

IFC's vision is that people should have the opportunity to escape poverty and improve their lives.

## IFC's Vision, Values, & Purpose

- **Vision** is that people should have the opportunity to escape poverty and improve their lives.
- **Values** are excellence, commitment, integrity, teamwork, and diversity.
- **Purpose** is to create opportunity for people to escape poverty and improve their lives by:
  - Mobilizing other sources of finance for private enterprise development
  - Promoting open and competitive markets in developing countries
  - Supporting companies and other private sector partners where there is a gap
  - Helping generate productive jobs and deliver essential services to the poor and the vulnerable

IFC offers development-impact solutions through firm-level interventions (direct [investments](#), [advisory services](#), and the [IFC Asset Management Company](#)); by promoting global collective action; by strengthening governance and standard-setting; and through business-enabling-environment work.



# Management of Environmental and Social Risks and Impacts

TransGlobe has two producing locations, West Bakr and West Gharib respectively. Each of these assets have been developed and approved under the Egyptian Environmental regulations, Law 4 of 1994.

Both West Bakr and West Gharib have full time HSE Managers reporting to the JV Managing Directors. The field HSE teams report to the Field General Managers and ensure that all company and regulatory requirements are met regarding, risk assessment and environmental procedures, objectives and programs, necessary training, communication and control, emergency response and incident investigation, auditing, corrective and preventative action procedures, permit to work processes and procedures, contractor management and monitoring and measurement. HSE handbooks are provided for all staff and contractors in both Arabic and English.

TransGlobe has a reporting and monitoring system in place allowing field staff to generate daily reports which are then circulated throughout the organization. TransGlobe's HSE Manager is responsible for regular reporting to the Country Manager and the COO. He generates the annual HSE plan and reports on progress against that plan in monthly performance management meetings. He maintains the emergency response plan in place, and to respond to any environmental and or safety issues as they arise.

The reporting system that is in place includes the following;

- Annual HSE plan to identify key improvement activities and KPIs
- Daily HSE Reports
- Management weekly review meeting
- Monthly Performance Review meeting
- Monthly field meetings to discuss upcoming or current HSE initiatives
- Contractor meetings to update and reiterate all HSE standards to third party employees
- Quarterly meetings in the field to review all HSE initiatives and to address any issues
- Quarterly & Annual HSE reports prepared in Cairo and sent to Calgary and onward to the Board
- TransGlobe contracts third party consultants to conduct environmental audits as needed
- Senior staff are required to take trips to the field to help reinforce and support the HSE policies and procedures that are in place
- COO typically meets with Cairo staff quarterly to review the HSE programs and initiatives

TransGlobe has had two Board of Director field trips to West Gharib over the last 3 years, this is a reflection of the involvement of the Senior Management team. At the Corporate level TransGlobe's HSE policy is subject to a periodic review and is updated on an annual basis with new and improved goals and objectives.





# Labour and Working Conditions



TransGlobe Cairo has a suite of HR policies in place. Employees are provided with a Personnel Handbook which explains policies and procedures explained in detail;

- Working conditions
- Non-discrimination
- Minimum employee age requirement
- Recruitment process
- Compensation & benefits ( including medical coverage)
- Overtime allowances
- Salary advances
- Savings plan
- Protecting the workforce
- Drug policy
- Smoke free working environment
- Disclosure policy
- Whistle blower protection policy
- Code of conduct

TransGlobe's Calgary employees receive a number of different benefits that include;

- Paid annual leave
- Recognized public holidays
- Life and medical insurance for employees and dependents
- Pilgrimage leave

Salaries are linked to staff performance which is assessed by the annual staff performance appraisal process.

Activities within the operated field, concerning producing and exploration are subject to hazard identification and risk assessment to certify that all HSE policies are in place and adhered to before labour commences.

The stringent enforcement of H&S procedures is reflected in the positive safety statistics reported for TransGlobe operations which are well within industry norms.

If any incidents occur, they are immediately reported to Management and thereafter follow an investigation to determine the cause and potential action items to prevent future occurrence.

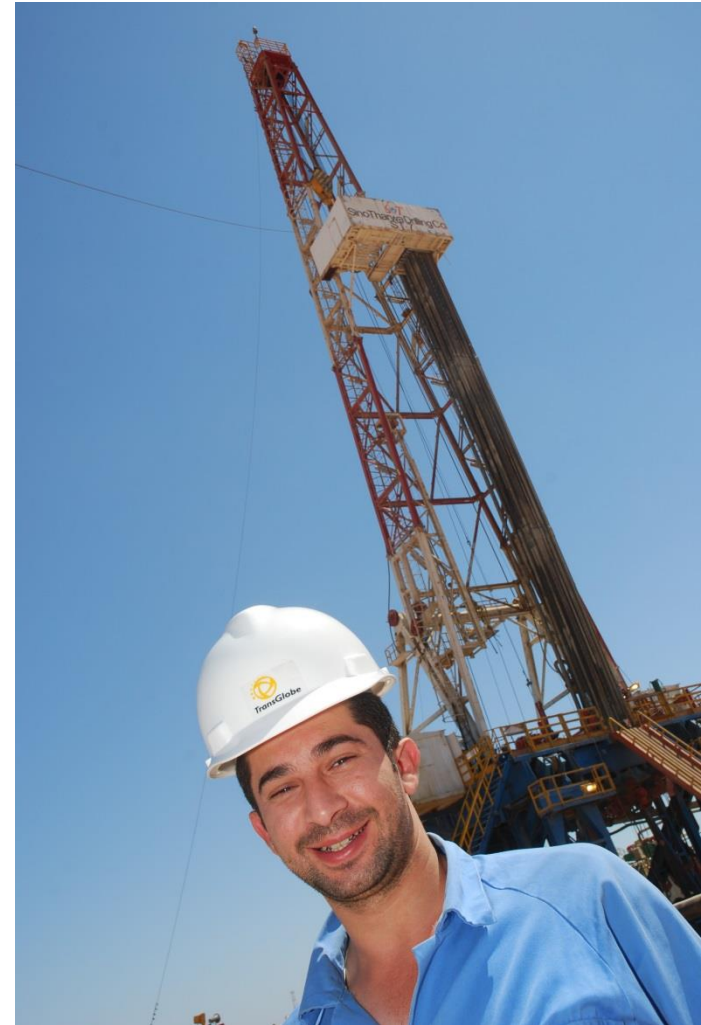
TransGlobe Cairo ensures that there are firefighting and emergency response plans for parts of the operated assets. Small localized drills are frequently conducted to practice and test emergency arrangements. The Geographical committee make certain that there is frequent communication with neighboring oil companies.

# Resource Efficiency and Pollution Prevention

TransGlobe's goal is to increase fuel efficiency at their producing locations. Currently diesel is used at both West Bakr and West Gharib facilities, TransGlobe is investigating other alternatives which include switching fuel types from diesel to gas, additional power generation centralization, as well as options to draw power from the national grid.

All produced water generated at TransGlobe operated producing assets is re-injected down-hole, no produced water is discharged into the environment.

Waste is transferred to approved facilities for either recycling, re-use or treatment and disposal, which is monitored through a waste tracking system.



# Community Health, Safety and Security



TransGlobe's properties are generally located in remote and sparsely populated areas, with minimal impact on local communities other than providing a safe working environment for local employees and contractors.

When working in the agriculture areas, such as drilling at South Mariut, the company engaged local stakeholders prior to commencing exploration drilling activities. Safe access was assured, employment for local tribesmen was agreed and land was restored to the original condition once operations were complete.

The company used closed drilling mud systems and all used drilling materials were transported to a government approved disposal sites.

# Action Plan

Task Title/Description	Anticipated Completion Date
<p>1. Develop a corporate level ESMS and procedures and review and update existing policies per IFC's Performance Standards and guidelines, including:</p> <ul style="list-style-type: none"> <li>a) Emergency preparedness and response plans for development ad operational phase activities of TransGlobe operated or co-operated assets</li> <li>b) Acquisition/farm-in screening mechanism for assessing environmental and social aspects for new assets/projects to determine their compliance with TransGlobe ESMS. TransGlobe will screen according to IFC's Performance Standards, will identify any potential "material non-compliances" and will define corrective actions in an Environmental and Social Management Plan</li> <li>c) Corporate and site level HSE&amp;S Management Plans, Corporate Minimum HSE Standards; Standard Operating Procedures</li> <li>d) Corporate Standards of defining ESIA requirements, to be undertaken at an appropriate stage in a project's cycle (such as FEED)</li> <li>e) Environmental and social monitoring requirements</li> <li>f) Contractor and sub-contractor supply chain management</li> <li>g) Framework Public Consultation and Disclosure Plan; Framework and Land Acquisition and Compensation Plan, Community Development Strategy</li> <li>h) Grievance Mechanism to be communicated locally to potentially affected communities, containing a complaints procedure defining who is responsible for receiving complaints, processes followed for recording and acting on complaints and process for following through, communicating and closing complaints</li> <li>i) Chance Finds Procedure to address impacts to, and protection, of cultural property encountered during project activities</li> </ul>	<p>Sept 30, 2013</p>
<p>2. Qualified independent third party environmental and social consultant to review existing "West Bakr", "West Gharib" and "South Alamein" Environmental and Social Impact Assessments and augment where necessary to ensure consistency with the Company ESMS ahead of future development activities, including supporting baseline surveys where required.</p>	<p>Sept 30, 2013</p>

