



ENAP REPORTS EARNINGS OF US\$ 25 MILLION FOR THE FIRST QUARTER OF 2011

- *The result confirms the trend evident in the last six months of 2010 and reflects the measures taken by the company to face the business environment.*

The consolidated earnings of the ENAP group of companies in the first quarter of 2011, after income tax of 20%, were US\$ 25 million, which compare favorably with the loss of US\$ 81.1 million in the same quarter of 2010. Earnings after deducting the special 40% tax (Decree Law 2,398), were US\$18.2 million, compared to the loss of US\$ 86.3 million in the same period of 2010.

This result confirms the positive tendency in the business's results seen in the second half of 2010.

The gross margin in the first three months of the year was US\$ 125.1 million, compared to a margin of US\$ 27.6 million in the same period of 2010. The improved margin is mainly explained by an increase in sales revenues of 30.5% and a 26.5% increase in the cost of sales, both strongly influenced by the volatility of the international prices of both oil and the refined products. This partly reflects the comparison with the first quarter of 2010 which had been partially affected by the earthquake of February 27.

Administrative expenses declined by 13.7%, from US\$ 22.6 million in 2010 to US\$19.5 million in 2011, mainly due to the effects of the costs containment policy implemented during the period.

Financial expenses rose by 16% between the first quarter of 2010 and the same period of 2011, from US\$ 35 million to US\$ 41 million. This was the result of the first payment made in the 2011 quarter of the international bond placed by the company in 2010, which was used to refinance short-term debt.

There was also a loss of US\$ 12.5 million from exchange differences in the first quarter of 2011, which compares with a gain of US\$ 9.6 million in the same quarter of 2010.

Prices of crude and refined products

The average West Texas Intermediate (WTI) crude benchmark price for the first quarter of 2011 was US\$ 94.6 per barrel (US\$/bbl) on the New York Mercantile Exchange, 11.0%, higher than the average for the last quarter of 2010 (85.2 US\$/bbl). There was an important decoupling during the quarter between the WTI crude price and the levels of crude prices at the global level. The average WTI price was also 11.3 US\$/bbl lower than the Brent price.

The significant rise in the Brent price is evidence of vigorous demand, but also of firstly the political crisis in Egypt and then the civil war in Libya. These were the factors that drove the price rise, as movement through the Suez Canal was interrupted for some days and Libyan production was drastically reduced. Libyan crude production fell from 1.59 million barrels per day (bpd) in January to just 390,000 bpd in March.

On the other hand, the prices of the different fuels on the United States Gulf Coast international market in the first quarter of 2011 rose roughly in line with the proportional rise in the price of Brent crude, compared to the levels of the fourth quarter of 2010. Firm demand in the Asia Pacific market, led by China, and the recovery in demand in the United States, were the principal supports for fuel prices, which enabled them to maintain their levels in relation to the crude price despite the large increase in the latter.

The gasoline price averaged 110.3 US\$/bbl, a 20.2% increase over the average for the last quarter of 2010. The average price of diesel in the 2011 quarter was 119.5 US\$/bbl, 21.3% more than the average for the previous quarter. The price of fuel oil No. 6 averaged 87.9 US\$/bbl in the first quarter of 2011, with a rise of 19.9% over the preceding quarter.

Assets, financial debt and Ebitda

ENAP's total assets at the end of the first quarter of the year rose by 7%, from US\$ 5,733 million as of December 31, 2010 to US\$ 6,139 million as of March 31, 2011. This increase is mainly due to the growth in inventories which grew by US\$ 318 million, as a result of a rise in crude stocks of US\$ 185 million (due to increased volumes and higher cost of the raw material),

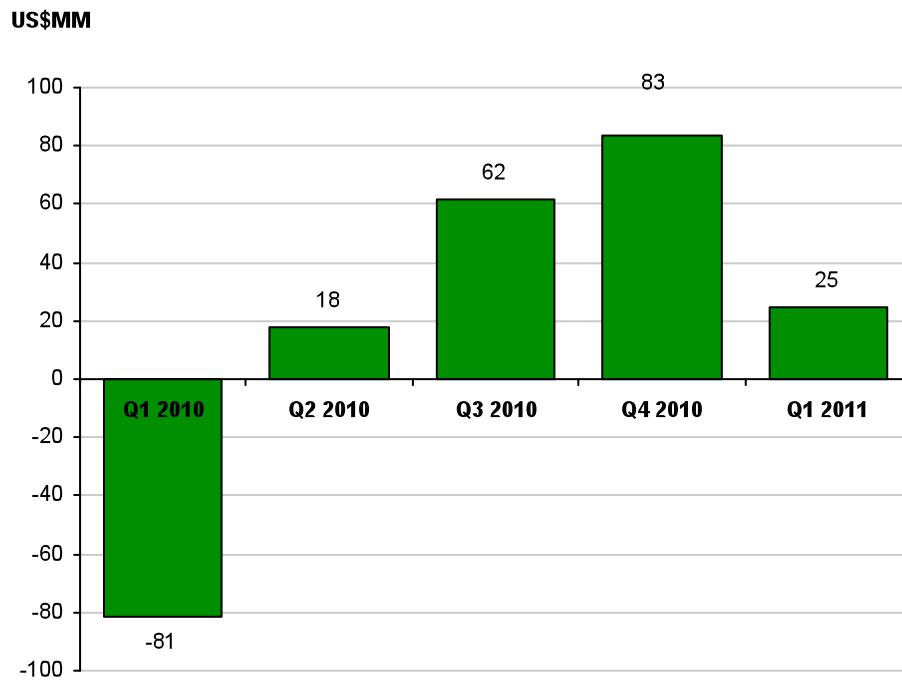
and an increase in stocks of products of US\$ 132 million, affected by the higher international prices.

Current and non-current liabilities (excluding equity) as of March 31, 2011 rose by US\$ 385 million (7.3%) in relation to December 31, 2010. The main change is in trade debtors which increased by US\$ 666 million, as a result of the higher international prices of crude and products, offset by a reduction in financial debt of US\$ 185 million.

The EBITDA generated by ENAP in the first quarter of 2011 was US\$ 168 million, which compares positively with the US\$ 60 million generated in the same quarter of 2010.

FINANCIAL INDICATORS			
		March 2011	March 2010
SALES	MMUS\$	2,528	1,937
GROSS MARGIN	MMUS\$	125	28
EBITDA	MMUS\$	168	60
EARNINGS AFTER TAX OF 20% (2011) & 17% (2010)	MMUS\$	25	(81)

Resultado acumulado después del Impuesto a la renta (20% y 17%)



Santiago, May 30, 2011.

Further information on www.enap.cl