



ENAP produces earnings of US\$62 million in the third quarter

*This result compares positively with the losses suffered in the first half of this year, which were severely affected by the earthquake.

Empresa Nacional del Petróleo produced a positive consolidated net income of US\$ 62 million in the third quarter of 2010, reflecting an increase in the earnings reported for the second quarter and also showing an improvement in the rate of reversal of the trend, with respect to the losses incurred in the first quarter of this year.

This figure is after the application of income tax of 17% and foreign taxes. The net income for the third quarter, measured after the special additional tax applied to public-sector companies (Law 2,398), was an also positive US\$ 67 million. The accumulated loss to September 30, 2010 thus amounts to US\$ 8 million at the bottom line.

The gross margin to September 30, 2010 was US\$ 82 million, US\$ 194 million lower than for the same period of the previous year. The reduced margin is mainly explained by the effect of the stoppage of operations at ENAP's refineries due to the effects of the earthquake, and partly also to the reduced international refining margins in 2010 compared to 2009.

Administrative expenses to September remained in line with those for the same period of 2009, reaching a level of US\$ 60 million. This reflects the initiatives adopted by the company to strengthen strategies for containing expenses.

Financial expenses between the two periods reduced by the equivalent of US\$ 3 million, representing a 2.7% fall in these costs, from US\$ 131 million to US\$ 128 million, which reflected lower interest rates on ENAP's debt and the excellent access the company enjoys today to fine borrowing terms and conditions.

Exchange differences produced a gain of US\$ 52 million to September 30, 2010, compared to a gain of US\$ 12 million in the same period of 2009. This was due to the closing exchange rate on September 30, of Ch\$483.65/US\$.

Effects of the earthquake

The earthquake that affected the center-south of the country in the early morning of February 27, caused alterations to the operations of the Bío Bío and Aconcagua refineries, mainly because of the electricity black-out and structural damages which led to a stoppage of production for safety reasons.

Both refineries were subjected to rigorous inspections to establish the extent of the damage and to determine the measures necessary for resuming their functioning safely. The repairs made enabled the Aconcagua refinery to resume operations during March. At the Bío Bío refinery, where the damages were considerable, the start-up could only be carried out on June 22. The group submitted claims under its insurance cover for property damage, stoppages and civil damage caused as a result of the earthquake. These claims are currently in their full liquidation process and advances have been received to date against the corresponding indemnities.

The financial statements as of September 30, 2010 incorporate an effect for damages claimed as a result of the earthquake, equivalent to US\$86.1 million (revenues), which are shown deducted from the cost of sales for US\$ 31 million (business interruption) and US\$55.2 million in Other gains (losses) with respect to the claim for physical damage. For presentation purposes, these are shown net of impairments to fixed assets for US\$32.5 million, generating a final balance of US\$22.7 million.

Prices of crude and refined products

During the period January-September 2010, the West Texas Intermediate (WTI) international crude oil benchmark price on the New York Mercantile Exchange averaged US\$ 77.7 per barrel, a rise of 35.6% compared to the average for January-September 2009 (US\$ 57.3 per barrel). The main explanation for this is the increase in global consumption.

The prices of the products on the international markets in the United States generally followed the rise in the crude price, although the increases were smaller in percentage terms. In the case of gasoline, the price rose by 29.3%, from US\$ 66.6 to 86.1 per barrel; diesel rose 33.6%, from US\$ 66.3 to 88.6 per barrel, and in the case of fuel oil No.6, the change between the nine-month periods was 35.3%, from US\$ 51.0 to 69.0 per barrel.

Assets, financial debt and EBITDA

ENAP's total assets showed a moderate rise of 4.5%, from US\$ 5,560 million at December 2009 to US\$ 5,809 million at September 30, 2010. This increase is mainly explained by the higher value of inventories as a consequence of the international prices of crude and products.

Total liabilities, net of cash or equivalents, as of September 30, 2010, amounted to US\$ 5,384 million. The financial debt of ENAP, plus interest-bearing supplier credits, is US\$ 4,032 million as of September 30, 2010, 1.7% lower than the US\$ 4,099 million reported at the end of June 2010. The proceeds of the bond placement for US\$500 million on the international market on August 5 were used to refinance short-term credits. The borrowings of ENAP as of September 30, 2010 are very similar to the debt level of US\$ 4,016 million at the end of 2009.

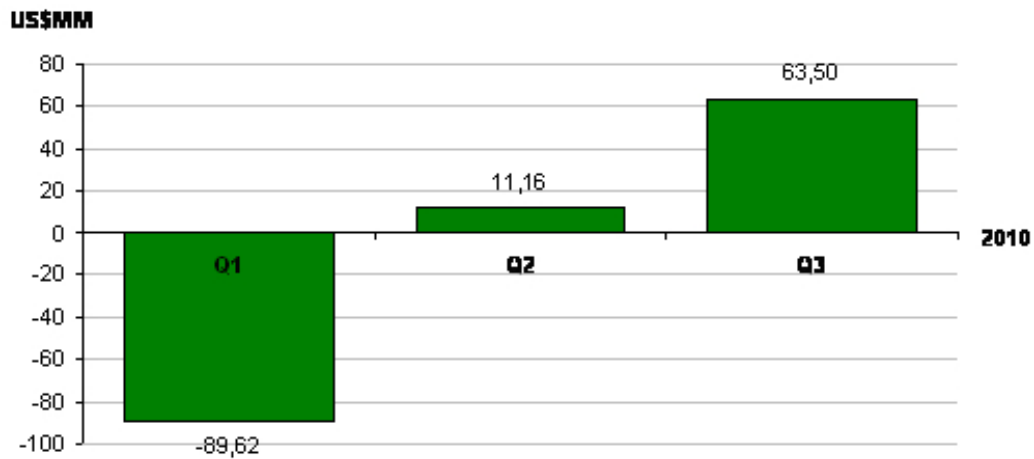
EBITDA generated by ENAP to September 30, 2010 amounted to US\$ 220 million.

RESULTS OF ENAP 2010/2009

Figures in million of dollars

	3Q2010	Accumulated to 30-Jun-2010	Accumulated to 30-Sep-2010	Accumulated to 30-Sep-2009
Revenues	2,069	3,932	6,001	4,971
Gross margin	-10	92	82	276
EBITDA	53	167	220	425
Earnings before 17% income tax & foreign taxes	62	-63	-1	87
Earnings after the 40% tax (Law 2,398)	67	-75	-8	22

Earning (Losses) attributable to owners of the Controller



Santiago, November 26, 2010.

