



ENAP AND SUBSIDIARIES

Consolidated Interim Financial Statements prepared
under IFRS as of September 30 2010 and December 31 2009

EMPRESA NACIONAL DEL PETROLEO AND SUBSIDIARIES

Interim Consolidated Financial Statements

September 30, 2010

CONTENT

Interim consolidated statements of financial position
Interim consolidated statements of comprehensive results
Statement of changes in equity
Interim consolidated statements of cash flows
Notes to the interim consolidated financial statements

Ch\$ - Chilean pesos
US\$ - United States dollars
ThUS\$ - Thousand of United States dollars
UF - Unidades de Fomento

ENAP AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2010 AND DECEMBER 31, 2009
(In thousands of dollars)

	Note N°	<u>30.09.10</u> ThUS\$	<u>31.12.09</u> ThUS\$
ASSETS			
Current assets			
Cash & cash equivalents	26	72.693	76.812
Other current financial assets	13	-	2.824
Other non-financial assets, current		21.504	13.625
Trade debtors & other accounts receivable, current	15	857.190	837.276
Accounts receivable from related entities, current	24 a)	43.592	57.009
Inventories	14	1.276.267	1.060.353
Current tax assets	23 d)	169.506	183.510
Total current assets		<u>2.440.752</u>	<u>2.231.409</u>
Non-current assets:			
Other financial assets, non-current	13	48.790	82.266
Other non-financial assets, non-current		12.628	5.552
Receivables, non-current	15	25.088	25.965
Accounts receivable from related entities, non-current	24 a)	11.942	12.964
Investments booked using the participation method	9 b)	165.443	128.270
Activos intangibles distintos de la plusvalía		3	-
Property, plant & equipment	6	2.573.727	2.598.236
Investment properties	8	2.062	2.066
Deferred tax assets	23 c)	528.217	473.024
Total non-current assets		<u>3.367.900</u>	<u>3.328.343</u>
TOTAL ASSETS		<u>5.808.652</u>	<u>5.559.752</u>

The accompanying Notes form an integral part of these interim consolidated financial statements

	Note N°	<u>30.09.10</u> ThUS\$	<u>31.12.09</u> ThUS\$
EQUITY AND LIABILITIES			
Current liabilities:			
Other financial liabilities, current	13	549.470	611.399
Trade creditors & other accounts payable	29 a)	1.288.573	1.378.646
Accounts payable to related entities, current	24 b)	3.518	27.624
Other short-term provisions	18	48.056	57.603
Current tax liabilities	23 e)	68.712	32.500
Current provisions for personnel benefits	19	45.644	42.123
Other non-financial liabilities, current		<u>505</u>	<u>1.338</u>
Total current liabilities		<u>2.004.478</u>	<u>2.151.233</u>
Non-current liabilities:			
Other financial liabilities, non-current	13	2.887.791	2.433.572
Non-current liabilities	29 a)	5.687	3.744
Other long-term provisions	18	81.427	78.504
Deferred tax liabilities	23 c)	323.678	286.175
Non-current provisions for personnel benefits	19	151.275	160.464
Other non-financial liabilities, non-current		<u>2.301</u>	<u>2.220</u>
Total non-current liabilities		<u>3.452.159</u>	<u>2.964.679</u>
Total liabilities		<u>5.456.637</u>	<u>5.115.912</u>
Equity			
Issued capital	16 b)	1.182.700	1.182.700
Ganancias (pérdidas) acumuladas	16 d)	(729.951)	(680.044)
Other reserves	16 c)	<u>(133.247)</u>	<u>(96.434)</u>
Equity attributable to owners of the controller		319.502	406.222
Non-controlling participations	17	<u>32.513</u>	<u>37.618</u>
Total equity		<u>352.015</u>	<u>443.840</u>
TOTAL EQUITY & LIABILITIES		<u><u>5.808.652</u></u>	<u><u>5.559.752</u></u>

The accompanying Notes form an integral part of these interim consolidated financial statements

ENAP AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2010 AND DECEMBER 31, 2009
(In thousands of dollars)

	Note	Quarter			
		30.09.10	30.09.09	01.07.10 30.09.10	01.07.09 30.09.09
	Nº	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenues from ordinary activities	20	6.001.133	4.970.506	2.068.903	1.937.698
Cost of sales		<u>(5.918.934)</u>	<u>(4.694.612)</u>	<u>(2.078.962)</u>	<u>(1.854.646)</u>
Gross margin		<u>82.199</u>	<u>275.894</u>	<u>(10.059)</u>	<u>83.052</u>
Other Incomes, by function		27.687	33.146	12.542	8.140
Administrative expenses		(60.256)	(59.335)	(12.978)	(9.859)
Other expenses, by function		(29.850)	(99.769)	7.463	(16.987)
Other gains (losses)	7 y 36	21.025	7.311	17.336	2.885
Financial income		3.319	1.087	1.730	226
Financial costs	22	(127.917)	(131.397)	(45.697)	(43.087)
Participation in earnings (losses) of associates & joint ventures booked using the participation method	9 b), c)	16.272	8.699	3.607	4.513
Exchange differences	34	51.609	12.264	71.919	(5.864)
Earnings (loss) before tax		<u>(15.912)</u>	<u>47.900</u>	<u>45.863</u>	<u>23.019</u>
Income tax charge	23 b)	<u>7.970</u>	<u>(71.535)</u>	<u>21.060</u>	<u>(31.166)</u>
Earnings (loss) from continuing operations		<u>(7.942)</u>	<u>(23.635)</u>	<u>66.923</u>	<u>(8.147)</u>
Earnings (loss) from discontinued operations	31	-	45.751	-	-
Earnings (loss)		<u>(7.942)</u>	<u>22.116</u>	<u>66.923</u>	<u>(8.147)</u>
Attributable earnings (loss)					
Earnings (loss) attributable to owners of the controller		(14.962)	18.058	63.182	(7.635)
Earnings (loss) attributable to non-controllers	17	<u>7.020</u>	<u>4.058</u>	<u>3.741</u>	<u>(512)</u>
Earnings (loss)		<u>(7.942)</u>	<u>22.116</u>	<u>66.923</u>	<u>(8.147)</u>

The accompanying Notes form an integral part of these interim consolidated financial statements

ENAP AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE RESULTS
FOR THE PERIODS ENDED SEPTEMBER 30, 2010 AND 2009
(in thousands of dollars)

	30.09.10 ThUS\$	30.09.09 ThUS\$	01.07.10 30.09.10 ThUS\$	01.07.09 30.09.09 ThUS\$
Earnings (loss)	(7.942)	22.116	66.923	(8.147)
Components of other comprehensive result, before taxes				
Translation exchange differences				
Reclassification adjustments in translation exchange differences, before taxes	5.532	3.632	8.561	406
Other comprehensive result before taxes, translation exchange differences	<u>5.532</u>	<u>3.632</u>	<u>8.561</u>	<u>406</u>
Financial assets available for sale				
Earnings (losses) from new measurements of financial assets available for sale, before taxes	450	-	728	-
Other comprehensive result before taxes, financial assets available for sale	<u>450</u>	<u>-</u>	<u>728</u>	<u>-</u>
Cash flow hedges				
Gains (losses) from cash-flow hedges, before taxes	(80.523)	(22.979)	(34.654)	5.832
Other comprehensive result before taxes, cash-flow hedges	<u>(80.523)</u>	<u>(22.979)</u>	<u>(34.654)</u>	<u>5.832</u>
Other components of other comprehensive result, before taxes	<u>(74.541)</u>	<u>(19.347)</u>	<u>(25.365)</u>	<u>6.238</u>
Income tax related to translation exchange differences of other comprehensive result				
Income tax related to cash-flow hedges of other comprehensive result	22.587	18.755	10.486	24.964
Reclassification adjustments in income tax related to components of other comprehensive result	-	-	-	-
Sum of income taxes related to components of other comprehensive result	<u>22.587</u>	<u>18.755</u>	<u>10.486</u>	<u>24.964</u>
Other comprehensive result	<u>(51.954)</u>	<u>(592)</u>	<u>(14.879)</u>	<u>31.202</u>
Total comprehensive result	<u>(59.896)</u>	<u>21.524</u>	<u>52.044</u>	<u>23.055</u>
Comprehensive result attributable to				
Result of revenues attributable to owners of the controller	(55.829)	8.994	51.971	24.936
Result of revenues attributable to owners of non-controllers	(4.067)	12.530	73	(1.881)
Total comprehensive result	<u>(59.896)</u>	<u>21.524</u>	<u>52.044</u>	<u>23.055</u>

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ENAP AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIODS ENDED SEPTEMBER 30, 2010 AND 2009
(in thousands of dollars)

	Changes in other reserves										
	Issued Capital	Revaluation surplus	Reserves for translation exchange differences	Reserves of cash-flow hedges	Reserves of gains or losses on the measurement of financial assets available for sale	Other reserves	Sub total Other sundry reserves	Accumulated earnings (losses)	Equity attributable to controller's equity holders	Minority participations	Total equity
Notes	16 b)	16 c)	16 c)	16 c)	16 c)	16 c)		16 d)		17	
Opening balance at 01/01/2010	1.182.700	195.770	(70.683)	(45.514)	-	19.763	99.336	(875.814)	406.222	37.618	443.840
Increase (decrease) for corrections of errors	-	(195.770)	-	-	-	-	(195.770)	163.554	(32.216)	-	(32.216)
Restated opening balance	1.182.700	-	(70.683)	(45.514)	-	19.763	(96.434)	(712.260)	374.006	37.618	411.624
Comprehensive result	-	-	-	-	-	-	-	-	-	-	-
Earnings (loss)	-	-	-	-	-	-	-	(14.962)	(14.962)	7.020	(7.942)
Other comprehensive result	-	-	5.532	(46.849)	450	-	(40.867)	-	(40.867)	(11.087)	(51.954)
Comprehensive result	-	-	-	-	-	-	-	-	(55.829)	(4.067)	(59.896)
Increase (decrease) for transfers & other changes	-	-	-	-	-	4.054	4.054	(2.729)	1.325	(1.038)	287
Total changes in equity	-	-	5.532	(46.849)	450	4.054	(36.813)	(17.691)	(54.504)	(5.105)	(59.609)
Closing balance at 30/09/2010	1.182.700	-	(65.151)	(92.363)	450	23.817	(133.247)	(729.951)	319.502	32.513	352.015
Opening balance at 01/01/2009	1.182.700	198.016	(75.396)	(36.251)	-	25.067	111.436	(1.109.495)	184.641	11.993	196.634
Increase (decrease) for corrections of errors	-	(198.016)	-	-	-	-	(198.016)	198.016	-	-	-
Restated opening balance	1.182.700	-	(75.396)	(36.251)	-	25.067	(86.580)	(911.479)	184.641	11.993	196.634
Comprehensive result	-	-	-	-	-	-	-	-	-	-	-
Earnings (loss)	-	-	-	-	-	-	-	18.058	18.058	4.058	22.116
Other comprehensive result	-	-	3.632	(12.696)	-	-	(9.064)	-	(9.064)	8.472	(592)
Comprehensive result	-	-	-	-	-	-	-	-	8.994	12.530	21.524
Increase (decrease) for transfers & other changes	-	-	-	-	-	(1.712)	(1.712)	181.874	180.162	10.916	191.078
Total changes in equity	-	-	3.632	(12.696)	-	(1.712)	(10.776)	199.932	189.156	23.446	212.602
Closing balance at 30/09/2009	1.182.700	-	(71.764)	(48.947)	-	23.355	(97.356)	(711.547)	373.797	35.439	409.236

The accompanying Notes form an integral part of these interim consolidated financial statements

ENAP AND SUBSIDIARIESINTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED SEPTEMBER 30, 2010 AND 2009
(in thousands of dollars)

	30.09.10 ThUS\$	30.09.09 ThUS\$
Statement of cash flows, direct		
Cash flows from (used in) operating activities		
Classes of revenues from operating activities		
Revenue from sales of assets & provision of services	7.989.235	6.364.103
Other operating activity revenues	7.539	-
Classes of payments		
Payments to suppliers of goods & services	(7.067.489)	(6.116.528)
Payments to & on behalf of personnel	(166.480)	(209.001)
Other payments for operating activities	(713.340)	(207.382)
Dividends paid	-	(977)
Dividends received	5.864	5.129
Interest paid	(32.521)	(34.490)
Interest received	102	1.909
Income taxes refunded (paid)	24.237	(20.226)
Other cash inflows (outflows)	12.401	134.402
Cash flows from (used in) operating activities	<u>59.548</u>	<u>(83.061)</u>
Cash flow from (used in) investment activities		
Cash flow used in the purchase of non-controlled participations	(22.549)	(10.282)
Loans to related entities	(6.000)	(11.628)
Proceeds of the sale of property, plant & equipment	3.754	69.460
Purchases of property, plant & equipment	(298.098)	(324.120)
Purchases of other long-term assets	-	(57)
Cash advances and loans granted to third parties	(2.070)	-
Proceeds of the reimbursement of advances & loans to third parties	-	21.797
Revenue from related entities	2.327	-
Interest received	156	5.082
Cash flows from (used in) investment activities	<u>(322.480)</u>	<u>(249.748)</u>
Cash flow from (used in) financing activities		
Proceeds of long-term loans	496.325	1.260.556
Proceeds of short-term loans	1.205.717	1.059.617
Total loan proceeds	<u>1.702.042</u>	<u>2.320.173</u>
Loans from related entities	-	461
Loan repayments	(1.381.147)	(2.004.534)
Financial lease payments	(2.710)	(1.593)
Dividends paid	(1.074)	-
Interest paid	(89.508)	(54.970)
Other cash inflows (outflows)	33.396	5.098
Cash flows from (used in) financing activities	<u>260.999</u>	<u>264.635</u>
Net increase (decrease) in cash & cash equivalents, before the effect of exchange rate changes	<u>(1.933)</u>	<u>(68.174)</u>
Effects of exchange rate variations on cash & cash equivalents		
Effects of exchange rate variations on cash & cash equivalents	<u>(2.186)</u>	<u>4.416</u>
Net increase (decrease) in cash & cash equivalents	<u>(4.119)</u>	<u>(63.758)</u>
Cash & cash equivalents at the beginning of the period	<u>76.812</u>	<u>150.459</u>
Cash & cash equivalents at the close of the period	<u>72.693</u>	<u>86.701</u>

The accompanying Notes form an integral part of these interim consolidated financial statements

EMPRESA NACIONAL DEL PETROLEO
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

<u>Index</u>	<u>Page</u>
1. General information.....	1
2. Description of the business.....	1
3. Summary of principal accounting policies applied.....	2
4. Financial risk management and definition of hedges.....	19
5. Estimates and critical accounting judgments.....	23
6. Property, plant and equipment.....	27
7. Losses for impairment.....	31
8. Investment properties.....	33
9. Investments booked using the participation method.....	34
10. Participations in joint ventures.....	39
11. Other businesses.....	45
12. Financial instruments.....	47
13. Other financial assets and liabilities.....	49
14. Inventories.....	63
15. Trade debtors and other accounts receivable.....	63
16. Equity.....	65
17. Non-controller participations.....	68
18. Other provisions.....	69
19. Provisions for personnel benefits.....	70
20. Ordinary business revenues.....	71
21. Operative segments.....	71
22. Financial costs.....	75
23. Income tax.....	75
24. Balances and transactions with related entities.....	80
25. Guarantees in favor of third parties.....	83
26. Cash and cash equivalents.....	86
27. Lawsuits and commercial commitments.....	87
28. The environment.....	109

29. Trade creditors and other accounts payable.....	111
30. Personnel expenses	111
31. Discontinued operations	112
32. Scope of consolidation.....	113
33. Non-current assets or groups of assets for disposal.....	115
34. Exchange differences.....	115
35. Foreign currency	116
36. Effects of the earthquake	118
37. Subsequent events.....	118

ENAP AND SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

1. GENERAL INFORMATION

Empresa Nacional del Petróleo (hereinafter “ENAP”) is the parent of the group of companies referred to in these interim consolidated statements.

The Company was registered in the Securities Register of the Superintendency of Securities and Insurance, under No.783, on October 4, 2002. The Company is therefore subject to the regulations of the Superintendency.

ENAP was created by Law 9,618 of June 19, 1950 and is owned by the state of Chile. Its business is the exploration, production and sale of hydrocarbons and their derivatives. It is domiciled in Santiago at Avenida Vitacura 2736, 10th floor, Las Condes, and in Punta Arenas at José Nogueira Street 1101.

2. DESCRIPTION OF THE BUSINESS

The principal business, according to that law and its later amendments, is the exploration, exploitation or processing of deposits containing hydrocarbons, which activity it is authorized to carry out within and outside Chile. It is the parent of the subsidiaries Enap Refinerías S.A., Enap Sipetrol S.A., Petro Servicio Corp. S.A. and Gas de Chile S.A., and also has branches in Argentina and Ecuador, and other special-purpose companies which are included in Note 32.

The subsidiary Enap Refinerías S.A. (“ERSA”) refines crude oil acquired from ENAP and foreign suppliers. The financing of imports of crude and products is made by ENAP through direct payments to the suppliers. It also provides hydrocarbons reception and storage services through terminals and tanks.

The direct companies Petro Servicio Corp. S.A. and Enap Sipetrol S.A. carry on one or more exploration, exploitation or processing operations of deposits containing hydrocarbons outside Chile.

Enap Sipetrol S.A. has branches in Ecuador and Venezuela (the latter non-operational) and subsidiaries in Argentina, England, Ecuador, Uruguay, and the joint ventures described in the table in Note 10.

Enap Sipetrol (UK) Limited (United Kingdom) is the process of closing down its operations, which is expected to conclude during 2010. Enap Sipetrol S.A. has a 100% holding in its capital.

The subsidiaries Enap Refinerías S.A. and Enap Sipepetrol S.A are closely-held corporations registered voluntarily in the Securities Register of the Superintendency of Securities and Insurance, with the numbers 833 and 1005 respectively. With the promulgation of Law 20,382 in October 2009, the Superintendency of Securities and Insurance cancelled these registrations and recorded them in the Special Register of Reporting Entities on May 9, 2010, with the numbers 95 and 187 respectively, with effect from January 1, 2010.

3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES APPLIED

3.1 Accounting principles

These interim consolidated financial statements are shown in thousands of United States dollars and are prepared from the accounting records of ENAP and subsidiaries, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”), and were approved by its board at its meeting of November 25, 2010.

The preparation of these interim consolidated financial statements in accordance with IFRS requires the use of estimates and assumptions by the management of the ENAP Group. These estimates are based on the management’s best knowledge of the amounts reported, events or actions. The detail of the estimates and significant accounting criteria is explained in Note 5.

The following describes the principal accounting policies adopted in the preparation of these interim consolidated financial statements. These policies have been defined as a function of the IAS and IFRS in effect at September 30, 2010, and have been applied uniformly in the periods shown in these interim consolidated financial statements.

a) Preparation and period – The interim consolidated financial statements of the ENAP Group consist of the statement of financial position as of September 30, 2010 and December 31, 2009, and the statements of comprehensive results, changes in equity and cash flows for the periods of nine and three months ended on September 30, 2010 and 2009, and have been prepared in accordance with International Financial Reporting Standards (“IFRS”) which have been adopted in Chile as Chilean Financial Reporting Standards (“CFRS”), and represent the comprehensive, explicit and unreserved adoption of these international standards.

b) Consolidation – The interim consolidated financial statements of the ENAP (“the Parent” and its subsidiaries) include the assets, liabilities, revenues, expenses and cash flows after eliminating inter-company transactions.

i) Subsidiaries

The subsidiaries (including ENAP's special-purpose entities (SPE)) are those over which ENAP exercises control directly or indirectly, understood to be the power to be able to direct the operational and financial policies of a company to obtain benefits from its activities. This power is usually, but not only, evident from the ownership, directly or indirectly, of 50% or more of the company's political rights. This method also consolidates all those entities where, despite not having this percentage participation, it is understood that its activities are carried out for benefit of the Company, this being exposed to most of the risks and benefits of the dependent entity.

When evaluating whether the ENAP Group controls another entity, the existence and effect of the potential voting rights that are currently susceptible to being exercised are considered. The subsidiaries are consolidated from the date on which control is transferred to the Group, and are excluded from the consolidation on the date that such control ceases.

The following table shows the direct and indirect subsidiaries (including SPEs) which have been consolidated by the ENAP Group.

Company	Domicile	Relationship to parent	Percentage shareholding	
			30-09-10	31-12-09
Enap Refinerías S.A.	Chile	Direct subsidiary	99,98%	99,98%
Petro Servicios Corp. S.A. (Argentina)	Argentina	Direct subsidiary	100,00%	100,00%
Enap Sipetrol S.A.	Chile	Direct subsidiary	100,00%	100,00%
Enap Sipetrol Argentina S.A. (Filial de Enap Sipetrol S.A.)	Argentina	Indirect subsidiary	100,00%	100,00%
Enap Sipetrol (UK) Limited (Filial de Enap Sipetrol S.A.)	United Kingdom	Indirect subsidiary	100,00%	100,00%
Sipetrol Internacional S.A. (Uruguay) (Filial de Enap Sipetrol S.A.)	Uruguay	Indirect subsidiary	100,00%	100,00%
Sociedad Internacional Petrolera Enap Ecuador (filial de Enap Sipetrol S.A.)	Ecuador	Indirect subsidiary	100,00%	100,00%
Manu Perú Holdings S.A. (Filial de Enap Refinerías S.A.)	Perú	Indirect subsidiary	100,00%	100,00%
Compañía Hidrógeno del Bio-Bio S.A.	Chile	Special purpose entity	10,00%	10,00%
Energía Cón-Cón S.A. (Enercon)	Chile	Special purpose entity	49,00%	49,00%
Éteres y Alcoholes S.A. (Etalsa)	Chile	Special purpose entity	41,74%	41,74%
Petrosul S.A.	Chile	Special purpose entity	47,39%	47,39%
Productora Diesel S.A. (Prodisa)	Chile	Special purpose entity	45,00%	45,00%
Gas de Chile S.A.	Chile	Direct subsidiary	100,00%	100,00%

ii) Joint Ventures

A joint venture is a contractual agreement by which two or more parties perform an economic activity that is subject to joint control. Joint ventures may take the form of (a) jointly-controlled operations, (b) jointly-controlled assets, or (c) jointly-controlled entities.

- a) Jointly-controlled operations: The operation of some joint ventures implies the use of the assets and other resources of the participants more than the establishment of a company, association or other entity, or of a financial structure that is separated from the participants themselves. Each participant has its own property, plant and equipment and carries its own inventories. It also incurs its own expenses and liabilities and obtains its own financing, which

represent its own obligations. Joint-venture activities can be performed by personnel of the participant together with similar activities of the participant. The joint-venture agreement usually provides the means for sharing between the participants the ordinary revenues generated by the sale of the joint product and any expenses incurred in common.

- b) Jointly-controlled assets: Some joint businesses imply joint control, and often joint ownership, by the participants, of one or more assets contributed to or acquired with the purpose of the joint venture and dedicated to the purposes of the joint venture.
- c) Jointly-controlled entities. This is the joint business that implies the establishment of a company, association or other entity in which each participant has an interest. The entity operates in the same way as other entities, except that the contractual agreement between the participants establishes the joint control of the entity's economic activity.

Joint ventures are consolidated by the proportional integration method which requires the inclusion in the consolidated financial statements of the proportional part of the assets, liabilities, expenses and revenues of these companies as a function of the company's participation in them.

The assets, liabilities, expenses and revenues corresponding to the joint ventures are shown in the consolidated statement of financial position and statement of comprehensive results according to their specific nature.

iii) Associates

Associate entities are those in which the ENAP Group is in a position to exercise significant influence but not control or joint control, by being able to participate in decisions concerning their operative and financial policies.

According to the equity-value method, the investment in an associate is booked initially at cost and its book value will increase or decrease to recognize the portion corresponding to the investor in the earnings or loss obtained by the entity in which the investment is made, following the date of acquisition. The investor will recognize in its earnings or loss the participation corresponding to it in such earnings or loss. This requires the booking of the investment in the beginning at the cost for the ENAP Group and then, in subsequent periods, adjusting the book value of the investment to reflect the ENAP Group's participation in the results of the associate, less the impairment of goodwill and other changes in the net assets of the associate.

The net result for each year for these companies is reflected in the consolidated statement of comprehensive results as "Participation in earnings (losses) of associates booked by the participation method".

The losses of associate companies attributed to the investor that exceed its interest in such associates are not booked unless the ENAP Group is obliged to cover these.

iv) Branch

Branches are those extensions of the same company created to cover markets located outside the place where the parent corporate office is situated. From a legal point of view, the principal characteristic of branches is that they are an integral part of the parent. The concept of branch implies economic and legal dependence of the principal, and there exists the title of one legal entity with unitary legal treatment. It has the same name, maintains the company unit, has no capital of its own or separate responsibility, although within the internal relations it is invested with a relative administrative autonomy.

v) Special Purpose Entity (“EPE”)

A Special Purpose Entity (SPE) is an organization constituted with a limited purpose and term. SPEs frequently serve as intermediary organizations. In some way, these organizations perform the role of isolating financial risk.

Although the ENAP Group has a participation of less than 50% in Energía Con-Con S.A. (“Enercon”), Éteres y Alcoholes S.A. (“Etalsa”), Petrosul S.A. (“Petrosul”), Productora Diesel S.A. (“Prodisa”) and Compañía de Hidrógeno del Bío-Bío S.A. (“CHBB”), they are considered as subsidiary companies as the Group, directly or indirectly, under shareholder agreements or as a result of the structure, exercises control of these companies.

The minority interest is also booked, corresponding to the percentage participation of third parties in subsidiary companies.

The results of operations between companies of the ENAP Group and associate companies have been eliminated in the percentage participation that the ENAP Group holds in these.

The accounting principle and procedures used by the companies of the ENAP Group have been standardized with those of the Parent in order to present the consolidated financial statements based on standard valuation rules.

The financial statements of dependent entities whose functional currency is other than the currency of presentation are translated using the following procedures:

- a) Assets and liabilities, using the exchange rate on the date of closing of the financial statements.
- b) Items of the statement of results, using the average exchange rate for the period.

- c) Equity is maintained at the exchange rate on the date of acquisition or contribution, and at the average exchange rate on the date of generation in the case of accumulated results. Exchange differences produced in the translation of the financial statements are shown in Exchange difference through translation within Equity.

When a company with a functional currency other than the dollar is disposed of, exchange differences deferred as a component of equity, related to that company, are shown in results accounts at the same time that the result of the disposal is booked.

The results of businesses acquired during the period are imputed to the consolidated financial statements from the effective date of acquisition. The results of businesses sold during the period are included in the consolidated financial statements for the period up to the effective date of disposal. Gains or losses on disposals are calculated as the difference between the sales proceeds (net of expenses) and the assets attributable to the participation sold.

vi) Other Investments

These relate to investments not booked as subsidiaries, associates or joint ventures which are shown as explained in Note 3.1.iii) Other current and non-current financial assets.

c. Functional currency - The functional currency for each entity of the ENAP Group has been determined as the currency of the principal economic environment in which it operates. Transactions other than those made in the entity's functional currency have been translated at the exchange rate current on the transaction date. Monetary assets and liabilities denominated in currencies other than the functional one have been translated at the closing exchange rates. Gains or losses on the re-translation have been included in the net earnings or losses for the period within other financial items.

The functional and presentational currency of the ENAP Group is the United States dollar. In the consolidation, items of the statement of comprehensive results corresponding to entities with a functional currency other than the US dollar have been translated to the latter currency at average exchange rates. Items in the statement of financial position have been translated at the closing exchange rates. Exchange differences on the translation of the net assets of such entities have been booked as a charge or credit to equity, forming part of the changes in other translation reserve.

d. Translation – Assets and liabilities in Chilean pesos, Unidades de Fomento and other currencies have been translated to dollars at the exchange rates prevailing on the closing date of the financial statements, according to the following detail:

	30-09-10	31-12-09
	US\$	US\$
Chilean peso	483.65	507.10
Argentine peso	3.96	3.80
Pound sterling	0.64	0.62
Unidad de Fomento	0.02	0.02
Euro	0.73	0.70

e. Compensation of balances and transactions – As a general rule, neither assets or liabilities nor revenues and expenses are compensated in the financial statements, except for those cases where compensation is required or is permitted by some regulation and this presentation reflects the basis of the transaction.

Revenues and expenses originating from transactions that, contractually or as required by a regulation or interpretation, contemplate the possibility of compensation and the ENAP Group has the intention of settling for the net amount or selling the asset and paying the liability simultaneously, are shown net in the statement of results.

f. Foreign currency - Transactions in a currency other than the functional currency are considered as foreign currency transactions and are booked in the functional currency at the exchange rate on the date of the transaction. At the close or each period/year, the balances in the statement of financial position of the monetary items in foreign currency are valued at the exchange rate on that date. Exchange differences arising from such valuation are booked in the statement of comprehensive results.

Exchange differences resulting from long-term financing operations that form part of the net investment in a foreign company are booked in Reserves for translation exchange differences in Equity.

g. Property, plant and equipment – Items of property, plant and equipment are booked at cost, excluding periodic maintenance costs and less accumulated depreciation and losses for impairment.

The cost of items of property, plant and equipment comprises their acquisition price plus all costs directly related to the positioning of the asset and its readiness for functioning as planned by management, and the initial estimate of any dismantling and retirement cost of the element or its physical re-positioning.

In addition, the financing interest costs directly attributable to the acquisition or construction of assets which require a substantial period of time before they are ready for use or sale will be considered as cost of the elements of property, plant and equipment.

Expenses for repairs, preservation and maintenance are imputed to results for the period in which they are produced. Some elements of property, plant and equipment of the ENAP Group require periodic revisions. In this context, the elements for replacement are

booked separately from the rest of the assets and with a level of segregation that enables them to be amortized in the period between the current one and the next repair.

Exploration activities are booked in accordance with IFRS 6 “Exploration and Evaluation of Mineral Resources”.

Hydrocarbon exploration and production activities are booked according to the successful-efforts method. The accounting treatment of the different costs incurred using this method is as follows:

- i)** Costs arising from the acquisition of new rights or participations in areas with proven and unproven reserves are capitalized in Property, plant and equipment.
- ii)** Costs arising from the acquisition of participations in exploration areas are capitalized at their purchase price and are amortized against results with the criterion stated in Exploration costs. Should reserves not be found, those amounts previously capitalized are booked as an expense in results. When the exploration result is positive, i.e. there is a commercially-exploitable deposit, the costs are shown in Property, plant and equipment at their net book value at the time this is determined. Wells are classified as commercial only if it is expected that they will generate a volume of reserves sufficient to justify their commercial development.
- iii)** Exploration costs prior to drilling, like geology and geophysical tests, costs related to the maintenance of unproven reserves and other costs related to the exploration are charged to results at the time they are incurred.

Drilling costs incurred in the exploration campaigns, including strati-graphic exploratory wells, are capitalized and shown in Property, plant and equipment, pending the determination of whether proven reserves have been found that justify their commercial development. If proven reserves have not been found, the costs initially capitalized are charged to results.

Well-drilling costs that have led to a positive discovery of commercially-exploitable reserves are capitalized and shown in Property, plant and equipment.

- iv)** Development costs incurred in extracting proven reserves and for the treatment and storage of oil and gas (including drilling costs of productive wells and dry wells in development, platforms, recovery improvement systems, etc.) are capitalized and shown in Property, plant and equipment.
- v)** The costs of future abandonments and dismantling of fields are calculated field by field, and their value capitalized. This capitalization is carried out by crediting non-current provisions.

Investments capitalized according to the above criteria are amortized according to the following method:

- a) Investments relating to the acquisition of proven reserves are amortized over the estimated commercial life of the deposit as a function of the relationship between production for the year and the proven reserves of the field at the start of the period of amortization.
- b) Investments related to unproven reserves or fields under evaluation are not amortized. These are analyzed at least annually, or before if there is an indication of impairment and, should there be impairment, this is booked as a charge to results.
- c) Costs incurred in drilling and investments made subsequently for the development and extraction of the hydrocarbon reserves are amortized over the estimated commercial life of the deposit as a function of the relationship between production for the year and the proven reserves of the field at the start of the period of amortization.

Changes in the estimates of reserves are taken into account in the calculation of the amortizations of a prospective nature.

At the date of closing or always if there is an indication that an impairment might exist to the value of the assets, their recoverable value is compared with their net book value.

Any booking or reversal of a loss in value arising from this comparison is booked as a charge or credit to results.

h. Depreciation - The elements of Property, plant and equipment, except those related to hydrocarbon exploration and production activities, are amortized using the straight-line method, through the distribution of the acquisition cost of the assets less the estimated residual value between the estimated useful lives of the elements. The following shows the principal elements of property, plant and equipment and their useful lives:

	Useful life years
Buildings	30 y 50
Plant & equipment:	
Plant	10 y 15
Equipment	10 y 18
Computer equipment	4 y 6
Fixed installations & accessories	10 y 20
Motor vehicles	7
Improvements to leased assets	
Buildings	10
Investments in exploration & production	Exhaustion quota
Other property, plant & equipment	3 y 20

For those elements of property, plant and equipment related to hydrocarbons exploration and production activities, amortization is calculated using the production units method (exhaustion quotas).

The residual value and useful life of the elements of fixed assets are revised annually and their depreciation begins when the assets are ready for use.

Land is booked independently from the buildings or installations that might be sited on it, and it is understood that land has an indefinite useful life and is thus not subject to depreciation.

The ENAP Group evaluates at least annually the existence of a possible deterioration in value of the assets of property, plant and equipment.

i. Investment properties – Investment properties fundamentally consist of land and buildings held for the purpose of obtaining gains on future sales, or their exploitation by earning rental income.

Investment properties are valued at their acquisition cost net of their corresponding accumulated depreciation and any losses for impairment. These properties, excluding land, are depreciated by distributing on a straight-line basis the cost of the different elements that comprise them over the years of useful life.

j. Non-current assets or groups of assets for disposal - Non-current assets or groups of assets for disposal are classified as held for sale if their book value is recovered through a sale and not through their continuous use. This condition is considered met only when the sale is highly probable and the asset is available for immediate sale in its present condition. The sale is considered to be highly probable if it is foreseen to be completed within a year from the date of classification.

These assets are shown valued at the lower of book value and fair value less the cost of sale.

k. Impairment of other non-financial assets – The policy defined by the ENAP Group is that impairment tests are made every time there is objective evidence that the book value may not be recoverable as a result of one or more events occurring after the initial booking.

The loss for impairment is booked for the excess of the book value over the recoverable value. The amount recoverable is the higher of the fair value of an asset less the costs of sale and its value in use.

For evaluating losses for impairment, the assets are grouped at the lowest level for which there are separately-identifiable cash flows (cash generating units).

The following are the assets to which the above methodology is applied:

- Fixed assets related to hydrocarbons production and exploration activities.
- Investments in subsidiary companies
- Accounts receivable

1. Other financial assets – Financial assets at fair value with changes in results are financial assets held for trading. A financial asset is classified in this category if it is acquired mainly for the purpose of being sold in the short term.

Investments in negotiable instruments are booked initially at cost and later their value is adjusted based on their market value (fair value).

Investments in shares are booked at their fair value and the results obtained are booked in other revenues by function.

i) Loans and accounts receivable

Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments, which are quoted on an active market. They are classified as current assets, except for maturities of over 12 months from the date of the statement of financial position, which are classified as non-current assets. Loans and accounts receivable include trade debtors and other accounts receivable.

ii) Financial assets held to maturity

Financial assets held to maturity are non-derivative financial assets with fixed or determinable payments and fixed maturity, which the management of the Group has the positive intention and capacity to hold until their maturity. Should the Group sell a significant amount of the financial assets held to maturity, the complete category should be reclassified as available for sale. These financial assets are classified in other non-current financial assets, except for those maturing within 12 months from the date of the statement of financial position, which are classified as current financial assets.

iii) Financial assets available for sale

Financial assets available for sale are non-derivative assets that are designated in this category or that are not classified in any of the other categories. They are classified as other financial assets, non-current, unless the management intends to dispose of the investment within 12 months from the date of the statement of financial position.

iv) Impairment of financial assets

Financial assets other than those valued at fair value through results are evaluated at the date of each statement of financial position to establish any signs of

impairment. The financial assets are impaired when there is objective evidence that, as the result of one or more events occurring after the initial booking, the estimated future cash flows of the investment have been negatively affected.

In the case of financial assets valued at amortized cost, the loss for impairment is the difference between the book value of the asset and the present value of the estimated cash flows, discounted at the original effective interest rate of the financial asset. The financial investments of the ENAP Group are made with institutions with the highest credit ratings and are made for short terms. They do not therefore currently show any indication of deterioration with respect to their book value.

Booking and measurement of financial assets

Acquisition and disposals of financial assets are booked on the date of trading, i.e. the date on which the Group commits to acquire or sell the asset.

Changes in the fair value of financial investments in debt instruments denominated in foreign currency classified as available for sale are separated between exchange differences resulting from modifications to the amortized cost of the instrument and other changes in their book value. Exchange differences are booked to the result for the year and other changes in the book value are shown in equity, the latter shown according to IAS 1 through the statement of other comprehensive results. Exchange differences on financial investments in equity instruments held at fair value with changes to results are shown as part of the gain or loss in the fair value. Exchange differences on such instruments classified as financial assets available for sale are included in equity in the corresponding reserve account, and are shown in the statement of other comprehensive results.

When the value of an instrument classified as available for sale is sold or its value deteriorates, the accumulated adjustments for fluctuations in its fair value booked in equity are shown in the statement of results.

Interest arising from instruments available for sale calculated using the effective-interest method is shown in the statement of results as Other revenues by function. Dividends generated by instruments available for sale are shown in the statement of results as Other revenues by function when the right has been established of the Group to receive the payment of the dividends.

The fair values of quoted investments are based on current purchase prices. If the market for a financial asset is not active (and for un-quoted instruments), the Group establishes the fair value by employing valuation techniques that include the use of values observed in recent free transactions between interested parties and duly reported, with reference to other substantially-similar instruments, analysis of discounted cash flows, and price-setting models of options, making the maximum use market information and relying the least possible on specific Group internal information. Should none of the techniques mentioned be able to be used to set the

fair value, the investments are booked at their acquisition cost net of any loss for impairment.

The Group evaluates on the date of each statement of financial position whether there is objective evidence that a financial asset or group of financial assets might suffer losses through impairment. In the case of equity instruments classified as available for sale and in determining whether the instruments have suffered losses through deterioration, consideration is given to whether there has been a significant or prolonged fall in the fair value of the instruments to below their cost. If there is any evidence of this kind for the financial assets available for sale, the accumulated loss determined as the difference between the cost of acquisition and the current fair value, less any loss for impairment of value of that financial asset previously booked in results, is eliminated from equity and booked in the statement of results.

Losses for impairment of value booked in the statement of results for equity instruments are not reversed through the statement of results.

m. Derivative and hedge financial instruments – Derivative contracts signed by the ENAP Group relate mainly to currency forward contracts and interest-rate swaps, to hedge risks associated with interest-rate and exchange-rate fluctuations, and zero-cost collar and three-way zero-cost collar options, all corresponding to hedge contracts, so that the effects arising from the changes in fair value of this type of instrument are booked as hedging assets and liabilities, always provided the hedge of this item has been declared as effective according to its hedge purpose.

The corresponding unrealized gain or loss will be booked in results for the period only in those cases where the contracts are settled or cease to meet the characteristics of a hedge contract.

Derivatives are booked initially at fair value on the date the derivatives contract is made and later they are again valued at their fair value. The method for booking the resultant loss or gain depends on whether the derivative has been designated as a hedge instrument and, if so, the nature of the item hedged. The Group currently holds only instruments designated as hedges of the fair value of booked liabilities (hedge at fair value), hedges of a concrete risk associated with a booked liability or a highly-probable expected transaction (cash-flow hedge).

The fair value of currency forward contracts is calculated with reference to the forward exchange rates of similar maturities. The fair value of interest-rate swap contracts is determined by reference to the market values of similar instruments.

The total fair value of hedge derivatives is classified as a non-current asset or liability if the remaining term of the item hedged is more than 12 months, and as a current asset or liability if the remaining term is less than 12 months.

i) Cash-flow hedges :

The effective portion of the changes in fair value of derivatives that are designated and qualify as cash-flow hedges are booked in equity through the statement of other comprehensive results. The gain or loss relative to the ineffective portion is booked immediately in the statement of results.

The amounts accumulated in equity are reclassified to the statement of results when the item hedged affects the results (e.g. when the planned sale hedged occurs or the flow hedged is realized). However, when the foreseen hedged transaction results in the booking of a non-financial asset (e.g. inventories or fixed assets), the gains or losses previously booked in equity are reclassified as part of the initial cost of the asset. The deferred amounts are finally booked to the cost of the products sold in the case of inventories, or as depreciation in the case of fixed assets.

When a hedge instrument matures or is sold, or when it ceases to meet the criteria for which it was booked through the hedges accounting treatment, any accumulated gain or loss in equity at that date remains in equity and is recognized when the foreseen transaction affects the statement of results. When it is expected that the foreseen transaction will not result, the accumulated gain or loss is transferred to the statement of results.

ii) Implicit derivatives

The ENAP Group evaluates the existence of implicit derivatives in financial instrument contracts to determine whether their characteristics and risks are closely related to the principal contract, provided the combination is not booked at fair value. Implicit derivatives are separated from the principal contract, which is not measured at fair value through results, when the analysis shows that the economic characteristics and risks of the implicit derivatives are closely related to the principal contract.

n. Booking of revenues and expenses – Revenues from sales and services are booked by the ENAP Group when the relevant ownership risks and benefits of the products are transferred to the buyer and the products are delivered to the agreed location. Revenues are measured at the fair value of the consideration received or receivable, and represent the amounts receivable for the services provided in the usual course of business, net of discounts and related taxes.

The ENAP Group books revenue when the amount can be measured reliably and it is probable that the future economic benefits will flow to the Group, as described below:

i) Sales of goods: Revenue from sales of goods is booked when the Group has delivered the products to the customer and there is no obligation pending that might affect the acceptance of the products by the customer. Delivery does not take place until the products have been sent to the place indicated by the buyer, the risks of obsolescence and loss have been transferred to the customer, and the customer has

accepted the products in accordance with the sale contract, the acceptance period has expired, or the ENAP Group has objective evidence that the criteria necessary for acceptance have not been met. Sales are booked as a function of the price set in the sale contract, net of volume discounts and estimated returns at the date of sale. It is presumed that there is no significant financing component as the sales are made for prompt payment, which is in line with usual market practice.

ii) Sale of services: Revenue from sales of services is booked when it can be estimated reliably and as a function of the services effectively provided at the date of closing of the financial statements.

iii) Dividend income: Dividends are booked when the right of the ENAP Group to receive the payment is established.

iv) Interest income: Interest is booked using the effective interest-rate method.

v) Deferred income: Deferred income refers to amounts received in advance under a signed usufruct contract. These revenues are amortized on a straight-line basis to results on an accrued basis.

vi) Expenses: Expenses are booked when an asset is reduced or a liability increased that can be measured reliably.

p. Provision for employee benefits – The costs associated with contractual personnel benefits related to the services provided by employees during the period are charged to results for the period in which they accrue.

The obligations booked for severance payments arise under collective agreements signed with Group employees, which establish this commitment by the company. The Group books the cost of personnel benefits according to an actuarial calculation, as required by IAS 19 “Personnel benefits”, which includes variables like life expectancy, wage increases, etc. In making this calculation, an annual discount rate of 6.8% has been used.

q. Other provisions and contingent liabilities – These correspond to present, legal or assumed obligations arising as a consequence of a past event whose settlement is expected to be an outflow of funds and whose amount and timing can be estimated reliably.

Contingent liabilities are obligations arising from past events whose confirmation is subject to the occurrence or otherwise of events outside the control of the company, or present obligations arising from prior events whose amount cannot be estimated reliably, or for whose settlement it is unlikely that there will be an outflow of funds.

The ENAP Group does not book any contingent assets or liabilities except those deriving from onerous contracts which are booked as a provision and are revised at the date of each statement of financial position to reflect the best existing estimate at that time.

r. Income tax and deferred taxes – The Parent company and its subsidiaries in Chile determine their taxable income and calculate their income tax in accordance with current legislation in each year. The foreign subsidiaries submit their tax declarations individually in accordance with the fiscal regulations applicable in the country of operation.

Deferred taxes originating from timing differences and other events that create differences between the accounting and taxation basis of assets and liabilities are shown in accordance with IAS 12 “Income taxes”.

Income tax is booked in the statement of comprehensive results or the equity accounts of the consolidated statement of financial position as a function of where the gains or losses originating it have been booked. Differences between the accounting value of the assets and liabilities and their fiscal basis generate balances of deferred tax assets and liabilities which are calculated using the taxation rates expected to be in force when the assets and liabilities are realized.

Variations produced in the period in deferred tax assets and liabilities are booked in the consolidated results account or directly in the equity accounts of the statement of financial position.

Deferred tax assets are booked only when it is expected to have taxable income in the future sufficient to recover the deductions for timing differences.

s. Other financial liabilities – Interest-bearing loans and obligations with the public and financial liabilities of a similar nature are booked initially at their fair value, net of the costs incurred in the transaction. They are later valued at their amortized cost and any difference between the funds obtained (net of the costs necessary for obtaining them) and the reimbursement value, is booked in the statement of results during the life of the debt in accordance with the effective interest-rate method.

Financial obligations are classified as current liabilities unless the ENAP Group has an unconditional right to defer their settlement for at least 12 months following the date of the statement of financial position.

t. Financial leases – Financial leases: The lessor transfers substantially all the risks and advantages inherent in the ownership of the assets to the lessee. The ownership of the asset may or not be transferred. When the companies of Enap Sipetrol S.A. act as lessees of an asset under a financial lease, the cost of the assets leased is shown in the consolidated statement of financial position, according to the nature of the asset subject to the contract, and is simultaneously booked as a liability for the same amount. This amount is the lesser of the fair value of the asset leased and the sum of the present values of the amounts payable to the lessor plus, if appropriate, the price for exercising the purchase option. These assets are amortized under similar criteria to those applied to all the property, plant and equipment of own use or over the term of the lease when the latter is shorter.

Financial expenses derived from the financial updating of the liability booked are charged to Other expenses by function in the consolidated statement of results.

u. Dividend distribution – The dividend distribution policy followed by ENAP is that established through notifications and/or decrees issued by the Ministry of Finance, which constitute the legal obligation for their booking.

v. Environment – The policy of the ENAP Group is to capitalize project-related environmental expenses and to book all other disbursements as a charge to results.

w. Trade creditors and other accounts payable – Trade creditors and other accounts payable are booked initially at their fair value and are later valued at their amortized cost.

x. Cash and cash equivalents – The statement of cash flows shows the movements of cash during the period, determined by the direct method. The following expressions are used in the statement of cash flows as explained below:

- i) Cash and cash equivalents: The Company considers cash equivalents to be those liquid financial assets, liquid deposits or financial investments, that can be transformed rapidly into cash within three months and whose risk of a change in value is little significant.
- ii) Operating activities: these activities are the Company's principal source of ordinary revenues, plus other activities that cannot be classified as for investment or financing.
- iii) Investment activities: these are activities related to the acquisition, disposal or disposition by other means of long-term assets and other investments not included in cash and cash equivalents.
- iv) Financing activities: these are activities that produce variations in the composition of equity and of financial liabilities.

3.2 New accounting pronouncements

Accounting pronouncements with application effective from January 1, 2010

Standards, Interpretations & Amendments	Obligatory application for:
IFRS 3 (revised) Combination of businesses	Annual periods starting July 1, 2009
Amendment IAS 39 Election of items covered.	Retroactive application for annual periods starting on or after July 1, 2009.
Amendment IAS 27 (revised) Consolidated & separate financial statements	Annual periods starting July 1, 2009
Improvements to IFRS	Annual periods starting on or after January 1, 2010
Amendment IAS 2 Share-based payments	Annual periods starting on or after January 1, 2010
IAS 32 Classification of issue rights	Annual periods starting on or after February 1, 2010
CFRS 17 Distributions to owners of non-monetary assets	Annual periods starting on or after July 1, 2009

The application of these accounting pronouncements has had no significant effects for the Group. The rest of the accounting criteria applied in 2010 has not changed with respect to those followed in 2009.

Accounting pronouncements with application effective from January 1, 2011 onwards:

Revised & modified standards	Date of application
IFRS 9 Financial instruments: Classification & measurement	Annual periods starting on or after January 1, 2013.
IAS 24 Disclosure of related parties	Annual periods starting on or after January 1, 2011.
CFRS 19 Settlement of financial debt with equity instruments	Annual periods starting on or after July 1, 2010.
Amendments CFRS 14 Advance payments against obligation to maintain a minimum level of financing.	Annual periods starting on or after January 1, 2011.

The Group's management believes that the adoption of the standards and interpretations described above will have no significant impact on the Group's consolidated financial statements.

4. FINANCIAL RISK MANAGEMENT AND DEFINITION OF HEDGES

In the normal course of its businesses and financing activities, ENAP is exposed to different risks of a financial nature that can affect more or less significantly the economic value of its cash flows and assets, and thus its results.

The company has an organization and information systems administered by the corporate finance management, to identify these risks, determine their size, propose mitigation measures to the board, carry out these measures and control their effectiveness.

The following defines the risks faced by the Company, and a characterization and quantification of them for ENAP, plus a description of the mitigation measures currently in use by the Company.

a.- Market risk

This is the possibility that the fluctuation of market variables such as interest rates, exchange rates, prices and indicators of crude and products, etc., produce economic losses following the devaluation of cash flows or assets or the valuation of liabilities, due to the denomination or indexation of these to such variables.

a.1.- Interest-rate risk – ENAPs financing structure consists of a mix of sources of funds at fixed rates (principally bonds) and floating rates (bilateral and syndicated loans, notes payable or forfaiting, short-term bank loans and supplier credit).

The portion of financing subject to floating interest rates, usually consisting of 3 or 6-month LIBOR plus a margin, exposes the Company to changes in its financial expenses in a scenario of LIBOR fluctuations.

The total financial debt of ENAP as of September 30, 2010 is summarized in the following table, divided by debt at fixed rates and at floating rates.

In millions of US\$	Fixed rate	Floating rate	Total
Short-term bank debt	-	365	365
Long-term bank debt	-	670	670
Project financing subsidiaries	51	380	431
Financial leases	15	-	15
International bonds	1.240	-	1.240
Domestic bonds	574	-	574
Total	1.880	1.415	3.295

Note: the figures in the table relate just to the debt principal but not accrued interest and other concepts. International and domestic bonds are shown at their nominal value (face value), not at amortized cost as in the statement of financial position. As the interest rate is applied to the nominal value of the bonds, this value permits quantifying ENAP's exposure to fixed and floating rates, the purpose of this section. The domestic bonds denominated in UF are shown at their face value equivalent in USD as of September 30, 2010.

Risk mitigation instruments:

In order to reduce the variability of its financial expenses, ENAP has contracted various hedging instruments applicable to some of the items of debt in the above table:

Interest-rate swaps have been contracted to pass ThUS\$ 570,000 of long-term bank debt to fixed rates.

Interest-rate collars have also been contracted to hold the interest rate within a defined range, which affects another ThUS\$ 150,000 of long-term bank debt.

The subsidiaries' projects have contracted interest-rate swap type instruments to pass all their floating-rate debt to fixed rates.

Residual exposure to the risk:

Taking into account the hedging instruments mentioned above, the net balance of ENAP's obligations whose financial cost remains fully subject to fluctuations in LIBOR amounts to ThUS\$ 315,000, i.e. 9.6% of the total. As a result of this position, an increase of 1% in the applicable LIBOR (90 or 180 days according to the type of debt) would generate an annual increase in the Company's financial expenses of approximately ThUS\$ 3,150.

a.2.- Exchange risk

The functional currency of ENAP is the US dollar. However, important items of the financial statements are denominated in local currency (pesos or UF), like sales invoices and financial obligations, which are exposed to changes in their value in dollars when there are fluctuations in the peso/US\$ or UF/US\$ parities.

Mitigation measures:

The exposure of sales cash flow to exchange-rate variations is basically minimized through the pricing policy of products based on the import parity, a mechanism by which the local sales price of the products is recalculated weekly according to the current exchange rate.

With respect to the balance-sheet items, the principal items exposed are the domestic bonds (denominated in UF) and accounts receivable corresponding to domestic sales

(denominated in pesos). ENAP carries out hedging operations to mitigate the exchange risk associated with both items.

The principal outstanding on ENAP's domestic bonds as of September 30, 2010 amounts to UF 13 million. Based on this amount and the CLP/US\$ and CLP/UF parities on that date (Ch\$ 483.65 and Ch\$21,339.99), a reduction of Ch\$10 in the CLP/US\$ exchange rate would produce the following effects on the value of the bonds measured in dollars:

Exchange Rate	Variation in the Bonds' Value (US\$M)
Increase in \$10 (\$493,65)	11,619
Decrease in \$10 (\$473,65)	-12,110

In order to mitigate this risk, ENAP has closed cross-currency swap derivative contracts by which the Company receives UF flows from its counterparties equal to the flows payable to the bond-holders, and pays to them fixed flows in dollars, thus remaining free of the exchange risk described.

Accounts receivable corresponding to domestic sales as of September 30, 2010 amounted to the equivalent of ThUS\$ 586,905. This implies that a Ch\$10 rise in the exchange rate would produce a reduction in the value of the accounts receivable in dollars of approximately ThUS\$ 11,889

In order to minimize this risk, ENAP maintains a hedging policy consisting of the weekly closing of forward exchange contracts, for a maximum amount equivalent to 70% of the estimated sales for that week and for terms corresponding to the estimate dates of collection of the respective invoicing.

a.3.- Commodity price risk

The business of ENAP's Refining and Logistics Division (R & L) consists mainly of the purchase of crude oil on the international market for its refining and the later sale of the products thus prepared on the domestic market, following its policy import parity prices.

The refining margin obtained by ENAP is affected by fluctuations in the prices of international crude oil, those of refined products and the differential between both (international margin or "crack"). Considering an average refining level of 72 million barrels per year, a variation of US\$ 1 per barrel of crack would have, *ceteris paribus*, an effect on results of ThUS\$ 72,000.

As a central strategy for facing the risk of variations in the refining margin, ENAP has directed its investments to increasing production flexibility and the quality of its products. Until now, financial derivatives have not been contracted for fixing the refining margin, but price levels offered in the market are constantly being monitored.

In addition, due to the time that passes between the time of purchase of the crudes and the sale of the refined products from these, ENAP is also affected by the time spread or

risk that on selling the products, their prices are at a lower level than those prevailing when the crude was purchased. The losses or gains so produced increase the volatility of ENAP's operating income.

ENAP imports on average approximately 6 million barrels of crude oil monthly. A fall of US\$ 1 per barrel in the price of the basket of products during the refining inventory cycle has an immediate effect of ThUS\$ 6,000 on ENAP's refining margin.

In order to mitigate this risk, ENAP follows a hedging strategy consisting of the closure of option collars to protect within a band the price of a percentage of its shipments of crude. This strategy is complemented by the use of swap-sale contracts of refined products.

For its part, the business of the Exploration and Production (E & P) Division mainly consists of the exploration and exploitation of reserves of hydrocarbons and their sale on the international market. Its results therefore are directly related to the international prices of oil and gas.

In order to mitigate this risk, ENAP directs its efforts to constant operational improvements in order to maintain an efficient costs structure. The Company does not systematically resort to the use of derivatives as a hedging mechanism of its sales of own production, although it has occasionally closed operations of this kind.

This risk is related to the Company's capacity to amortize or refinance the acquired financial commitments at reasonable market prices, and to its ability to carry out its business plans with stable sources of financing.

The following table shows the maturity profile of the financial debt of ENAP and subsidiaries as of September 30, 2010:

In millions of US\$	2010	2011	2012	2013	2014 onward	Total
Short-term bank debt	65	300	-	-	-	365
Long-term bank debt	25	133	242	270	-	670
Project financing subsidiaries		46	43	43	299	431
Financial leases	1	2	2	2	8	15
International bonds	-	-	290	-	950	1.240
Domestic bonds	-	-	144	-	430	574
Totales	91	481	721	315	1.687	3.295

In order to minimize the liquidity risk, ENAP maintains in its financing structure a mix of short and long-term debt, diversified by type of creditor and market, and by arranging the refinancing of its short-term obligations in advance.

c.- Credit risk

This risk refers to the capacity of third parties to meet their financial obligations with ENAP. There are 3 categories of items exposed to this risk:

c.1.- Financial assets – Relates to the balances of cash and cash equivalents, time deposits, repurchase agreements and negotiable instruments in general. ENAP's capacity to recover these funds on their maturity depends on the solvency of the bank in which they are placed.

To mitigate this risk, ENAP has a financial policy that specifies credit-quality parameters that financial institutions should meet to be considered eligible as depositories of the above-mentioned products, plus maximum limits on concentration by institution.

c.2.- Obligations of derivative counterparties – Relate to the market value in favor of ENAP of derivative contracts outstanding with banks.

As a mitigant of this risk, ENAP has a policy of administering derivative products that specify credit-quality parameters that financial institutions should meet to be considered eligible as counterparties.

c.3.- Trade debtors – The risk of non-payment by sales debtors of ENAP is significantly low as almost all domestic sales (>95%) relate to invoicing to the 4 principal fuel distributors or liquefied-gas distributors.

The incorporation of new customers is subject to the analysis of their financial solvency and their approval by ENAP's credit committee. This committee coordinates, with the credit and collection units of ENAP and Enap Refinerías S.A., the collection actions required in the event of a delay in payments.

As of September 30, 2010, ENAP's total exposure to trade debtors amounted to ThUS\$ 728,634 as shown in Note 15.

There are no guarantees of significant amounts to cover this exposure because, as already explained, almost all sales are to fuel or liquefied-gas distributors with which ENAP operates on the basis of unsecured credit terms. The estimate of doubtful accounts as of September 30, 2010 amounts to ThUS\$1,282, i.e. 0.15% of the total.

5. ESTIMATES AND CRITICAL ACCOUNTING JUDGMENTS

Responsibility for the information and estimates made

The information contained in these interim consolidated financial statements is the responsibility of the senior management of the ENAP Group.

Estimates made by the management of the ENAP Group and its consolidated entities in these interim consolidated financial statements have been used to quantify some of the assets, liabilities, revenues, expenses and commitments shown in them.

These estimates have been made based on the best information available on the items analyzed, but it is possible that events may occur in the future will force them to be modified (up or downward) in the following periods. This would be done prospectively in accordance with IAS 8, booking the effects of the change in estimate in the corresponding gains and losses accounts.

In applying the accounting policies of the ENAP Group, which are described in Note 3, the management makes estimates and judgments about the future book values of assets and liabilities. The associated estimates and judgments are based on historic experience and other factors considered as relevant. The actual results might differ from these estimates.

Management necessarily makes judgments and estimates that have a significant effect on the figures shown in the financial statements. Changes in assumptions and estimates might have a significant impact on the financial statements. The following details the critical estimates and judgments used by the management:

1. Asset impairment – At the close of each period, or on the date considered necessary, the value of the assets is analyzed to determine whether there is some indication that the assets have suffered a loss through impairment. Should such an indication exist, an estimate is made of the amount recoverable of such asset to determine any necessary corrective amount. If these are identifiable assets that do not generate independent cash, the recoverability is estimated of the cash-generating unit to which they belong.

In the case of the cash-generating units to which tangible or intangible assets with an indefinite useful life are assigned, the analysis of recoverability is made systematically at the close of each period or under circumstances considered necessary for making the analysis.

The amount recoverable is the greater of market value less costs necessary for its sale and the value in use, this being understood to be the present value of the estimated future cash flows. To calculate the recovery value of immobilized material, the value in use is the criterion used by the ENAP Group.

To estimate the value in use, the ENAP Group prepares the provisions of future cash flows before taxes from the most recent budgets approved by the management of the Group. These budgets incorporate the best available estimates of revenues and costs of the cash-generating units, using both the best estimates and past experience and future expectations.

These flows are discounted to calculate their present value at a rate before tax that considers the cost of capital of the business involved. The current cost of funds and the risk premiums generally used for the business are taken into account in the calculation.

Should the recoverable amount be less than the book value of the asset, the corresponding provision for the difference is made for impairment, as a charge to results.

Losses for impairment booked for an asset in previous years are reversed when there is a change in the estimates of its recoverable amount, increasing the value of the asset as a credit to results up to the limit of the book value that the asset would have had if the impairment had not been made.

2. Useful lives of Property, plant and equipment – The management of the ENAP Group determines the estimated useful lives and the corresponding charges for depreciation of its fixed assets. This estimate is based on the projected life cycles of the products for their high-technology segment. This might change significantly as a result of technical innovations in response to severe sector cycles. The management will increase the charge for depreciation when the useful lives are less than the lives estimated previously or will depreciate or eliminate technically-obsolete or non-strategic assets that have been abandoned or sold. The ENAP Group reviews the estimated useful lives of property, plant and equipment at the close of each financial year.
3. Reserves of crude oil and gas - The estimate of reserves of crude and gas is an integral part of ENAP Group's decision-taking process. The volume of reserves of crude and gas are used to calculate depreciation using the production-unit ratios and to evaluate the return on investments in exploration and production assets.
4. Fair value of derivative and other financial instruments – The fair value of financial instruments that are not traded on an active market are determined using valuation techniques. The ENAP Group uses its judgment in selecting a variety of methods and in making assumptions that are mainly based on market conditions at the end of the period. In the case of derivative financial instruments, assumptions are based on quoted market rates adjusted for the specific characteristics of the instrument. Other financial instruments are valued using an analysis of the discounted cash flows based on sustained assumptions, when possible, for the observed market prices or rates.
5. Provisions for litigation and other contingencies – The final cost of the settlement of claims and litigation can vary due to estimates based on different interpretations of the regulations, opinions and final evaluations concerning the amount of damages. Any change in circumstances related to this type of

contingency could therefore have a significant effect on the amount of the provision booked for contingencies.

The ENAP Group makes judgments and estimates in booking costs and makes provisions for environmental cleaning-up and remediation works, which are based on current information relating to the expected costs and remediation plans. In the case of environmental provisions, costs may differ from the estimates because of changes in the law and regulations, the discovery and analysis of the conditions of the site, and changes in clean-up technologies. Any modification of the factors or circumstances related to this type of provision, as well as standards and regulations, could therefore have a significant effect on the provisions booked for these costs.

6. Calculation of income tax and deferred tax assets - The correct valuation of the charge for income tax depends on various factors, including estimates about the rate and realization of deferred tax assets and the frequency of payments of income tax. Present charges and payments may differ materially from these estimates as a result of changes in tax regulations, as well as unforeseen future transactions that affect the balances of tax of the Group.

6. PROPERTY, PLANT AND EQUIPMENT

The following shows the movements in property, plant and equipment as of September 30, 2010 and December 31, 2009:

Current year	Buildings in progress	Land	Buildings, net	Plant & equipment, net	Computer equipment, net	Fixed installations & accessories, net	Motor vehicles, net	Other property, plant & equipment, net	Inv in exploration & production	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance at 01-01-2010	396.927	231.547	20.823	1.041.123	1.436	31.567	1.389	212.029	661.395	2.598.236
Additions	55.951	-	190	35.103	38	357	65	37.450	89.112	218.266
Transfers to non-current assets & groups for disposal	-	-	-	-	-	-	-	(1.959)	-	(1.959)
Retirements & write-offs	(7.233)	-	-	(37.278)	-	-	-	(27)	(10.301)	(54.839)
Charge for depreciation	-	-	(1.365)	(94.766)	(795)	(2.820)	(224)	(6.987)	(79.020)	(185.977)
Other increases (decreases)	(188.745)	-	74	171.525	1.095	3.666	54	5.457	6.874	-
Changes, total	(140.027)	-	(1.101)	74.584	338	1.203	(105)	33.934	6.665	(24.509)
Closing balance at 30-09-2010	256.900	231.547	19.722	1.115.707	1.774	32.770	1.284	245.963	668.060	2.573.727
Previous year	Buildings in progress	Land	Buildings, net	Plant & equipment, net	Computer equipment, net	Fixed installations & accessories, net	Motor vehicles, net	Other property, plant & equipment, net	Inv in exploration & production	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance at 01-01-2009	299.560	215.340	14.489	1.082.453	2.343	30.060	1.453	152.921	665.608	2.464.227
Additions	265.781	20.535	3.822	23.532	145	2.930	288	78.732	110.182	505.947
Transfers to non-current assets & groups for disposal	-	-	-	-	-	-	-	-	(6.202)	(6.202)
Retirements & write-offs	(64.660)	(4.328)	-	734	(17)	-	(81)	(13.461)	(57.227)	(139.040)
Charge for depreciation	-	-	(1.709)	(119.946)	(1.051)	(3.402)	(273)	(9.620)	(89.420)	(225.421)
Other increases (decreases)	(103.754)	-	4.221	54.350	16	1.979	2	3.457	38.454	(1.275)
Changes, total	97.367	16.207	6.334	(41.330)	(907)	1.507	(64)	59.108	(4.213)	134.009
Closing balance at 31-12-2009	396.927	231.547	20.823	1.041.123	1.436	31.567	1.389	212.029	661.395	2.598.236

The following shows the balances as of September 30, 2010 and December 31, 2009.

Property, plant & equipmet, accumulated depreciation	30-09-10	31-12-09
	ThUSS	ThUSS
Buildings in progress	256.900	396.927
Land	231.547	231.547
Buildings	69.567	69.303
Plant & equipment	2.119.551	2.010.621
Computer equipment	9.791	8.793
Fixed installations & accessories	70.100	66.032
Motor vehicles	4.726	4.643
Other property, plant & equipment	308.051	245.759
Investments in exploration & production	3.076.841	2.992.265
Total	<u>6.147.074</u>	<u>6.025.890</u>

Property, plant & equipmet, accumulated depreciation	30-09-10	31-12-09
	ThUSS	ThUSS
Buildings in progress	-	-
Land	-	-
Buildings	49.845	48.480
Plant & equipment	1.003.844	969.498
Computer equipment	8.017	7.357
Fixed installations & accessories	37.330	34.465
Motor vehicles	3.442	3.254
Other property, plant & equipment	62.088	33.730
Investments in exploration & production	2.408.781	2.330.870
Total	<u>3.573.347</u>	<u>3.427.654</u>

Property, plant & equipmet, net	30-09-10	31-12-09
	ThUSS	ThUSS
Buildings in progress	256.900	396.927
Land	231.547	231.547
Buildings	19.722	20.823
Plant & equipment	1.115.707	1.041.123
Computer equipment	1.774	1.436
Fixed installations & accessories	32.770	31.567
Motor vehicles	1.284	1.389
Other property, plant & equipment	245.963	212.029
Investments in exploration & production	668.060	661.395
Total	<u>2.573.727</u>	<u>2.598.236</u>

There are no fixed assets that have been charged, whether mortgaged or pledged.

Additional information

a) Constructions in progress

The amount of construction in progress as of September 30, 2010 was ThUS\$ 256,900, and ThUS\$ 396,927 as of December 31, 2009, both directly related to the Group's operating activities, including plant stoppages, acquisition of equipment and buildings.

b) Leased assets

Other property, plant and equipment includes the following assets acquired under financial leases:

- i. Corporate offices acquired under a financial lease with Banco Santander (Chile) whose net value as of September 30, 2010 is ThUS\$ 14,787, and ThUS\$ 15,208 as of December 31, 2009. The contract provides for monthly payments and ends in August 2018.

The present value of the future payments under these financial leases is as follows:

	30-09-10			31-12-09		
	Gross ThUS\$	Interest ThUS\$	Present value ThUS\$	Gross ThUS\$	Interest ThUS\$	Present value ThUS\$
Less than 1 year	1.635	(517)	1.118	2.268	(622)	1.646
1 to 5 years	9.146	(1.616)	7.530	11.161	(1.910)	9.251
More than 5 years	3.977	(148)	3.829	5.372	(263)	5.109
Total	<u>14.758</u>	<u>(2.281)</u>	<u>12.477</u>	<u>18.801</u>	<u>(2.795)</u>	<u>16.006</u>

The board, at its meeting No.253, approved the sale of the 4th and 5th floors, store-rooms and parking lots of the Malasia Building at Avenida Tajamar 183, Las Condes, Santiago. This asset was part of leasing contract with Metlife Chile Seguros de Vida S.A. The board also authorized the purchase option in advance, which was carried out on June 7, 2010.

The board meeting No.254, held on February 23, 2010, accepted the offer of Besalco Construcciones S.A. for the sale on June 7, 2010. This transaction generated a net gain of ThUS\$ 1,775, shown in the statement of comprehensive results under Other revenues by function.

c) Costs of dismantling, retirement or renovation

The Group, as part of its fixed asset costs, has capitalized the dismantling expenses of platforms for a net amount as of September 30, 2010 of nil, and ThUS\$ 11,664 as of December 31, 2009.

d) Capitalization of interest

Item	Proyect	Sociedad	30-09-10 ThUS\$	31-12-09 ThUS\$
Works under construction	Alkylation Plant	Enap Refinerias S.A.	-	1.216
Exploration and Production Investments	Pampa del Castillo	Enap Sipetrol Argentina S.A.	1.735	-
		Total	1.735	1.216
		Rate Applied	4,28%	4,97%

e) Insurance

The Group has insurance policies to cover possible risks affecting the various elements of property, plant and equipment, and possible claims that may be made in carrying out its business. These policies adequately cover the risks to which they are exposed.

f) Charge for depreciation

The charge to results for the depreciation of fixed assets, included in the cost of sales and administrative expenses, is as follows:

	30-09-10 ThUS\$	30-09-09 ThUS\$	01-07-10 30-09-10 ThUS\$	01-07-09 30-09-09 ThUS\$
In cost of sales	184.371	174.369	67.354	54.779
In administrative expenses	1.606	2.685	(247)	963
Total	185.977	177.054	67.107	55.742

g) Investment in exploration and production

The detail of investments in exploration and production as of September 30, 2010 and December 31, 2009 is as follows:

In subsidiary Enap Sipetrol S.A.:

Joint Ventures	Percentage of participation		Investment amount in joint ventures		Minus: losses for impairment		Net amount of investment in joint ventures	
	30-09-10	31-12-09	30-09-10	31-12-09	30-09-10	31-12-09	30-09-10	31-12-09
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
a. Exploitation								
Magallanes Area (*)	50,00	50,00	91.830	99.392	-	-	91.830	99.392
Campamento Central Cañadón Perdido (*)	50,00	50,00	43.741	41.051	-	-	43.741	41.051
Cam 2A Sur (*)	50,00	50,00	12.965	13.056	12.217	12.217	748	839
East Rast Qattara (*)	50,50	50,50	25.735	23.456	-	-	25.735	23.456
b. Exploration								
E2 (ex CAM3 y CAM1) (*)	33,33	33,33	19	155	-	-	19	155
La Invernada (*)	50,00	50,00	-	-	-	-	-	-
Bloque 2 - Rommana (*)	40,00	40,00	2.400	2.400	-	-	2.400	2.400
Bloque 8 - Sidi Abd El Rahman (*)	30,00	30,00	1.818	1.818	-	-	1.818	1.818
Bloque Mehr (*)	33,00	33,00	27.262	27.262	27.262	27.262	-	-
Total			205.770	208.590	39.479	39.479	166.291	169.111

Other businesses	Investment in other businesses		Less: Losses through impairment		Net amount of investment in other businesses	
	30-09-10	31-12-09	30-09-10	31-12-09	30-09-10	31-12-09
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Pampa el Castillo (*)	153.682	147.389	-	-	153.682	147.389
Paraíso, Biguno, Huachito (*)	26.468	26.039	-	-	26.468	26.039
Mauro Dávalos Cordero (*)	75.964	75.831	-	-	75.964	75.831
Total	256.114	249.259	-	-	256.114	249.259

(*) The explanation and position of each project are set out in Note 10

There is also ThUS\$ 245,655 as of September 30, 2010 and ThUS\$ 243,025 as of December 31, 2009, of investment in exploration and production in the region of Magallanes.

7. LOSSES FOR IMPAIRMENT

i) Loss for deterioration

As a result of the damage caused by the earthquake of February 27, 2010 in the center-south of Chile, the Company's results as of September 30, 2010 were negatively affected due to the need to book losses for impairment of fixed assets at the BioBío refinery installations at Hualpén and, to a lesser extent, at the Aconcagua refinery in Concón. This situation generated a loss booked in the statement of results (Other gains (losses)) of around ThUS\$ 22,744. As explained in Note 36, Effects of the Earthquake, the ENAP Group has insurance cover indicating the full recovery of the values affected less the respective deductibles established in the policies.

ii) Provisions

A decrease is shown in Investments in explorations, relating to the Mehr block.

OMV, as operator of the Mehr block, on behalf of the consortium comprising Repsol and Enap Sipetrol S.A. through its subsidiary Sipetrol International S.A., formally sent a letter dated January 24, 2009 to the director of exploration of the National Iranian Oil Company (NIOC), informing its unanimous decision not to continue with negotiations relating to the development of the Band-e-Karkheh field. This decision was due to not being able to reach an agreement with NIOC regarding the development plan necessary for the exploitation of this discovery made by the consortium.

As the consortium had complied with its contractual obligations, NIOC was notified of the activation of the clause giving it the right to recover the exploration expenses and the remuneration fee, as established in the exploration services contract signed between the consortium and NIOC.

However, following a conservative criterion and considering the elements held by the management, the ENAP Group has a provision for the value of the investment, which amounts to ThUS\$ 27,262.

iii) Retirements and write-offs

Investments in exploration and production show the retirements and write-offs made by the ENAP Group as of September 30, 2010 and December 31, 2009, as follows:

	30-06-10	30-06-09	01-04-10	01-04-09
	ThUS\$	ThUS\$	30-06-10	30-06-09
			ThUS\$	ThUS\$
Dry well E2 - Argentina	-	39.600	-	39.600
Dry well Sidi Abd El Rahman Offshore - Egypt	-	9.912	-	9.912
Retirements of CEOP	8.222	4.202	-	4.202
Dry exploratory wells (Lake Mercedes)	10.928	-	10.928	-
Result exploration campaign	2.608	-	2.608	-
Impairment of assets	33.473	-	33.473	-
Total	<u>55.231</u>	<u>53.714</u>	<u>47.009</u>	<u>53.714</u>

The write-offs stated are included in the comprehensive results under Other expenses by function.

8. INVESTMENT PROPERTIES

The movement in assets classified as investment properties as of September 30, 2010 and December 31, 2009, is as follows:

	30-09-10	31-12-09
	ThUS\$	ThUS\$
Opening balance	2.066	2.072
Additions		
Divestments		
Charge for depreciation	<u>(4)</u>	<u>(6)</u>
Closing balance	<u><u>2.062</u></u>	<u><u>2.066</u></u>

The investment properties relate mainly to land and real estate for exploitation under a lease.

The depreciation method used is the straight-line basis, and the period of useful life of these assets fluctuates between 10 and 20 years.

The amount of accumulated depreciation amounted to ThUS\$ 47 and ThUS\$ 43 as of September 30, 2010 and December 31, 2009 respectively.

Until December 31, 2009, the revenue received from investment properties by the subsidiary Enap Refinerías S.A. amounted to ThUS\$27, all of which were leased as operative leases. As of September 30, 2010, the contract was not renewed, therefore no revenue was booked.

9. INVESTMENTS BOOKED USING THE PARTICIPATION METHOD

a) Detail of the investments

Company	Country of origin	Functional currency	Percentage participation		Percentage with voting rights		Market value	Principal activity
			%	%	%	%		
			2010	2009	2010	2009		
A&C Pipeline Holding	I.Cayman	US\$	36,25	36,25	36,25	36,25	-	Investments & financing in general. Controls Oleoducto Trasandino (Argentina) S.A. & Oleoducto Trasandino (Chile) S.A.
Compañía Latinoamericana Petrolera S.A.	Chile	\$	40,00	40,00	40,00	40,00	-	Carries out abroad projects of exploration & exploitation of oil, gas & derivatives, plus the purchase, sale, import, export & commercialization of these products
Empresa Nacional de Geotermia S.A.	Chile	\$	49,00	49,00	49,00	49,00	-	Research, exploration, development & exploitation of geothermal energy & all complementary activities.
Energía Andina S.A.	Chile	US\$	40,00	40,00	40,00	40,00	-	Research or exploration in geothermal energy through studies, measurements & other research projects for determining the existence of sources of geothermal resources, their physical & chemical characteristics, geographical extension & their aptitudes & conditions for their exploitation.
Gasoducto del Pacífico Cayman Ltd.	I.Cayman	US\$	22,80	22,80	22,80	22,80	-	Investment & financing in general. Controls Gasoducto del Pacífico S.A. Argentina & Chile.
Gasoducto del Pacífico (Chile) S.A.	Chile	US\$	25,00	25,00	25,00	25,00	-	Construction, ownership, exploitation & technical & commercial operation of system of ducts for carrying natural gas from Argentina to Chile's 8th Region & the realization of all kinds of accessory activities that be carried out through this system of ducts.
Gasoducto del Pacífico Argentina S.A.	Argentina	US\$	22,80	22,80	22,80	22,80	-	Construction, ownership & operation of the gas pipeline system linking the Argentine district of Loma de la Lata (Neuquén province) to the Buta Mallin pass (Neuquén province) on the Argentine-Chilean border & of its extensions & expansions & accessory installations
Geotermica del Norte S.A.	Chile	\$	48,53	47,53	48,53	47,53	-	Research, exploration, development & exploitation of geothermal energy & all complementary activities.
GNL Chile S.A.	Chile	US\$	33,33	33,33	33,33	33,33	-	Contract the services of GNL Quintero S.A. and use all the liquefied natural gas storage, processing & re-gasification capacity of the re-gasification terminal owned by it, including any expansions and any other matter that the company subscribes to for using the re-gasification terminal.
GNL Quintero S.A.	Chile	US\$	20,00	20,00	20,00	20,00	-	Development, financing, design, engineering, supply, construction, start up, testing, conclusion, operation & maintenance of a liquefied natural gas re-gasification terminal & any of its expansions.
Innergy Holding S.A.	Chile	US\$	25,00	25,00	25,00	25,00	-	Participate in companies whose purpose is to purchase, sell, commercialize & supply natural gas and exploit & operate all kinds of natural-gas transportation networks. Provide to its subsidiaries or third parties management & administrative services and advice.
Norgas S.A.	Chile	\$	42,00	42,00	42,00	42,00	-	Import, export & purchase liquefied petroleum gas & its bulk sale to wholesale distributors in Chile's 1st & 2nd Regions and all technical & commercial services related to these activities.
Oleoducto Trasandino (Argentina) S.A.	Argentina	US\$	35,79	35,79	35,79	35,79	-	Construction & exploitation of a trans-Andean oil pipeline between Argentina & Chile, and its operation within Argentina.
Oleoducto Trasandino (Chile) S.A.	Chile	\$	35,83	35,83	35,83	35,83	-	Construction & exploitation of an oil pipeline between Chile & Argentina and its operation within Chile.
Petropower Energía LTDA (a)	Chile	US\$	15,00	15,00	15,00	15,00	-	Energy generation & fuel processing
Sociedad Nacional de Oleoducto S.A.(a)	Chile	\$	10,06		10,06		-	Transportation of fuels & their derivatives to centers of demanda specified by customers, with greatest efficiency & value added to the supply chain, in a way compatible with our shareholders' interests.
Sociedad Nacional Marítima S.A.(a)	Chile	\$	12,97		12,97		-	Transportation of fuels & their derivatives to centers of demanda specified by customers, greating the greatest efficiency and value added to the supply chain, in a way compatible with the shareholders' interests.
Golfo Guayaquil Petroenap Compañía de Economía Mixta	Ecuador	US\$	40,00	40,00	40,00	40,00	-	Development of activities in all or any of the phases of the oil industry, oriented to the optimum use of the hydrocarbons belonging to the inalienable & imprescriptible resources of Ecuador, including scientific research, the generation & transfer of technology, forwhich it may perform all acts & contracts permitted by law.
Primax Holding S.A.	Ecuador	US\$	49,00	49,00	49,00	49,00	-	Purchase of shares, participations & rights in other companies.
Forenergy S.A.	Chile	\$	49,00	40,00	40,00	40,00	-	Make general, technical, economic, legal & financial feasibility studies of a second-generation biodiesel production project using forest biomass or other raw materials of national origin
Primax S.A.	Peru	US\$	49,00	49,00	49,00	49,00	-	Develop operations, activities & services linked to the hydrocarbons sector, including natural gas, in accordance with the terms of the General Hydrocarbons law, its regulations and other amending provisions.
Biocomsa S.A.	Chile	US\$	32,00	32,00	32,00	32,00	-	Technology research & transfer for the production of biomasses, from ligno-cellulose materials, and their transformation in biofuels for their application with hydrocarbons & their derivatives.

(a) These investments include associates regardless of having more than a 20% participation, due to transactions of relative importance between the investors and the participation. The ENAP Group also participates in its commercial and financial decisions.

b) Movements in Investments

The following is a detail of the principal investments booked using the participation method, as of September 30, 2010 and December 31, 2009:

Company	Ref	Balance at	Additions	Participation in	Dividends	Translation	Increase	Balance at
		31-12-2009	ThUS\$	earnings /(loss)	received	difference	(Decrease)	30-09-2010
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
A&C Pipeline Holding		84	-	-	-	-	68	152
Compañía Latinoamericana Petrolera S.A.		388	-	(25)	-	18	(5)	376
Empresa Nacional de Geotermia S.A.		944	-	(501)	-	65	-	508
Energía Andina S.A.		5.418	-	(194)	-	-	(78)	5.146
Gasoducto del Pacífico (Chile) S.A.		5.203	-	(8)	(250)	-	1	4.946
Gasoducto del Pacífico Argentina S.A.		6.552	-	212	-	-	(985)	5.779
Geotermica del Norte S.A.	(c)	22.525	22.548	(1.948)	-	4.209	-	47.334
Norgas S.A.		3.853	-	524	(627)	118	-	3.868
Oleoducto Trasandino (Argentina) S.A.		4.086	-	(550)	-	-	-	3.536
Oleoducto Trasandino (Chile) S.A.		1.154	-	306	-	-	124	1.584
Petropower Energía LTDA		10.432	-	2.562	(202)	-	(376)	12.416
Sociedad Nacional de Oleoducto S.A.	(b)	-	-	6.989	(3.252)	797	12.705	17.239
Sociedad Nacional Marítima S.A.	(b)	-	-	2.298	-	-	1.544	3.842
Golfo Guayaquil Petroenap Compañía de Economía Mixta		10	-	-	-	-	-	10
Forenergy S.A.		278	-	-	-	-	1	279
Primax S.A.	(d)	47.011	-	8.540	-	-	2.793	58.344
Biocomsa S.A.		79	-	-	-	-	-	79
Total		108.017	22.548	18.205	(4.331)	5.207	15.792	165.438

Proportional value Discontinued

Primax Holding S.A.		64	-	302	-	-	(365)	1
Gasoducto del Pacífico Cayman Ltda.		216	-	-	-	-	(215)	1
GNL Quintero S.A.	(a) (h)	19.971	-	(3.378)	-	-	(16.592)	1
GNL Chile S.A.	(a)	1	-	428	-	-	(428)	1
Innergy Holding S.A.	(a)	1	-	715	-	-	(715)	1
Total		128.270	22.548	16.272	(4.331)	5.207	(2.523)	165.443

- a) The participation in the earnings and losses of associates includes a loss of ThUS\$ 3,378 corresponding to GNL Quintero S.A., and earnings of ThUS\$ 399 corresponding to GNL Chile S.A. and Innergy Holding S.A. The booking of the equity value of both companies was discontinued in previous years and therefore showed a negative equity, as indicated in Note 18.
- b) During June 2009, the ENAP Group increased its shareholdings in Gasoducto del Pacífico S.A. to 25%, Gasoducto del Pacífico Cayman Ltd. to 22.8%, and Gasoducto del Pacífico Argentina S.A. to 22.8%, thus gaining a significant influence, in order to unify the gas transportation business. The effects of these increased shareholdings, as indicated in the above table, have been booked at equity value as of December 31, 2009, and until the time of their acquisition, these investments were classified as part of Other non-current assets, for an amount of ThUS\$34,268.
- c) Effective 2010, the ENAP Group reclassified investments in Sonacol S.A. and Sonamar S.A. from Other non-financial assets, non-current, to Investments booked by the participation method, even though it does not have a percentage participation of 20% or more, the change of director in those companies and on revising the importance of ENAP to the operations of those companies, it was concluded to make this change. The effects of this change were booked in the company's equity within Other reserves.
- d) On July 5, 2010 the capital of Sociedad Geotérmica del Norte was increased by ThUS\$ 46,017, corresponding to 20,115,463,598 new shares. ENAP subscribed and paid for 10,052,577,163 shares through the capitalization of debts and a cash contribution of ThUS\$ 15.469 and ThUS\$7,054 respectively, increasing ENAP's shareholding to 48.53%.
- e) The book value of the investment in Primax S.A. is included in the goodwill determined by the Company, which amounted to ThUS\$8,896 as of September 30, 2010.

Company	Ref	Balance at 31-12-2008 MUS\$	Additions MUS\$	Participation in earnings /(loss) MUS\$	Dividends received MUS\$	Translation difference MUS\$	Increase (Decrease) MUS\$	Balance at 31-12-2009 MUS\$
A&C Pipeline Holding		85	-	-	-	-	(1)	84
Compañía Latinoamericana Petrolera S.A.	(e)	3.661	-	(312)	-	814	(3.775)	388
Empresa Nacional de Geotermia S.A.	(f)	610	2.685	(2.903)	-	-	552	944
Energía Andina S.A.		5.971	-	(486)	-	-	(67)	5.418
Gas de Chile S.A.	(c)	278	-	-	-	-	(277)	1
Gasoducto del Pacífico Cayman Ltda.	(b)	-	211	-	-	-	5	216
Gasoducto del Pacífico (Chile) S.A.	(b)	-	6.778	(21.792)	-	-	20.217	5.203
Gasoducto del Pacífico Argentina S.A.	(b)	-	2.458	(5.806)	(4.151)	-	14.051	6.552
Geotermica del Norte S.A.	(d)	8.241	12.292	(71)	-	-	2.063	22.525
GNL Quintero S.A.	(h)	38.537	-	(1.480)	-	-	(17.086)	19.971
Norgas S.A.		2.044	-	2.364	(1.504)	370	579	3.853
Oleoducto Trasandino (Argentina) S.A.		4.776	-	(670)	-	-	(20)	4.086
Oleoducto Trasandino (Chile) S.A.	(g)	5.901	-	(49)	-	752	(5.450)	1.154
Petropower Energía LTDA		10.311	-	3.909	(1.186)	(737)	(1.865)	10.432
Golfo Guayaquil Petroenap Compañía de Economía Mixta		40	-	-	-	-	(30)	10
Primax Holding S.A.		30	-	102	-	-	(69)	63
Forenergy S.A.		203	-	34	-	-	41	278
Primax S.A.	(i)	37.267	-	10.399	-	-	(655)	47.011
Biocomsa S.A.		-	79	-	-	-	-	79
Total		117.955	24.503	(16.761)	(6.841)	1.199	8.213	128.268

Proportional value Discontinued

GNL Chile S.A.	(a)	1	-	(312)	-	-	312	1
Innergy Holding S.A.	(a)	1	621	89.760	-	-	(90.381)	1
Total		117.957	25.124	72.687	(6.841)	1.199	(81.856)	128.270

- a) The participation in the earnings and losses of associates includes a loss of ThUS\$312 corresponding to GNL Chile S.A., and earnings of ThUS\$89,760 corresponding to Innergy Holding S.A. The booking of the equity value of both companies was discontinued in previous years and therefore showed a negative equity, as indicated in Note 18.
- b) During June 2009, the ENAP Group increased its shareholdings in Gasoducto del Pacífico S.A. to 25%, Gasoducto del Pacífico Cayman Ltd. to 22.8%, and Gasoducto del Pacífico Argentina S.A. to 22.8%, thus gaining a significant influence, in order to unify the gas transportation business. The effects of these increased shareholdings, as indicated in the above table, have been booked at equity value as of December 31, 2009, and until the time of their acquisition, these investments were classified as part of Other non-current assets, for an amount of ThUS\$34,268.
- c) On June 17, 2009, the remaining 50% of Gas de Chile S.A. was acquired through ENAP and Enap Refinerías S.A. (5%). ENAP has consolidated this company effective from June 2009, as indicated in the consolidation table in Note 3.1.b.
- d) The increased participation is due to the capitalization of accounts receivable for ThUS\$12,292 in December 2009.
- e) The change in investment of ThUS\$(3,775) relates to a capital reduction which was offset by accounts payable outstanding.
- f) A capital contribution of ThUS\$2.685 was made in February 2009.
- g) The variation of ThUS\$5,450 is explained by a capital reduction made in 2009, of which the payment of ThUS\$784 is still outstanding.
- h) The reduced investment of ThUS\$16,592 at September 2010, and ThUS\$17,086 at December 2009, is explained by the booking in equity of the cash-flow hedges, which effect in the case of ENAP was booked within the Reserve for cash-flow hedges.
- i) The book value of the investment in Primax S.A. is included in the goodwill determined by the Company, which amounted to ThUS\$8,045 as of December 31, 2009.

c) Detail of financial information

The following is a summary of the principal balances of the financial statements of associate companies with significant influence:

Detalle	30-09-10	31-12-09
	MUS\$	MUS\$
Total Activos Corrientes	506.879	397.574
Total Activos No Corrientes	1.630.587	1.522.647
Total Pasivos Corrientes	(381.222)	(362.959)
Total Pasivos No Corrientes	(1.425.231)	(1.189.408)
Patrimonio	331.013	367.854

	30-09-10	30-09-09
	MUS\$	MUS\$
Total Ingresos	2.195.826	103.985
Total Gastos	(2.177.571)	(91.794)
Resultado del Período	18.255	12.191

10. PARTICIPATIONS IN JOINT VENTURES

The following details the principal jointly-controlled exploitation and exploration operations through which revenues are obtained and expenses incurred.

a) Exploitation

(a) Magallanes Area

On January 4, 1991, Sociedad Internacional Petrolera Sociedad Anónima (following several transformations, Enap Sipetrol Argentina S.A.) and Yacimientos Petrolíferos Fiscales S.A. signed a corporate transitory union contract to carry out hydrocarbons development and exploitation works in the Magallanes Area, a block located at the eastern end of the Straits of Magellan, Argentina.

Enap Sipetrol Argentina S.A., as the operator of this contract, is responsible for carrying out all the operations and activities in this area.

(b) Campamento Central - Cañadón Perdido

In December 2000, Enap Sipetrol S.A. (then Enap Sipetrol Argentina S.A.) signed an agreement with YPF S.A. by which the latter assigned and transferred to Enap Sipetrol Argentina S.A. 50% of the concession held by YPF S.A. for the exploitation of hydrocarbons in the areas called Campamento Central - Cañadón Perdido, in the province of Chubut, Argentina, which is governed by Law 24,145 and its complementary rules and regulations. YPF S.A. carries on the work of operator.

(c) Cam 2A Sur

By administrative decision No.14 of January 29, 1999, YPF and Enap Sipetrol Argentina S.A. were adjudicated the exploration permit over the CAM 2A SUR Area. On October 7, 2002, Enap Sipetrol Argentina S.A. (operator) and YPF S.A. signed a corporate transitory union agreement, located in the provinces of Tierra del Fuego.

(d) East Rast Qattara

Within the tendering process for the year 2002 opened by the Egyptian Petroleum Company (EGPC), inviting bids for various blocks in the Western Desert, the subsidiary Sipetrol International S.A., together with the Australian company Oil Search Ltd., was adjudicated the East Rast Qattara Block on April 16, 2003.

The contract was signed on March 30, 2004 with the Egyptian Ministry of Petroleum, with a participation by Sipetrol International S.A., Egypt branch, of 50.5% (operator) and by Oil Search Ltd. of 49.5%.

The exploitation stage was begun in December 2007.

On August 28, 2008, Oil Search Ltda. sold the whole of its participation to Kuwait Energy Company.

b) Exploration

(a) E2 (Ex CAM 3 and CAM 1)

The CAM-1 (Cuenca Austral Marina 1) Area was adjudicated on September 4, 2003 to Enap Sipetrol Argentina S.A. and Repsol-YPF S.A. by the Secretariat of Energy of the Ministry of Federal Planning, Public Investment and Services, which accepted the bid made by the companies in an international public tender.

The area is located in the Atlantic Ocean in the southern zone of Argentina and adjoins other concessions where Enap Sipetrol Argentina S.A. is exploring for and producing hydrocarbons.

Enap Sipetrol Argentina S.A. and YPF arranged a corporate transitory union (UTE) to explore for hydrocarbons in this area and then exploit them commercially if the explorations were successful.

During October 2005, the Company received a communication from the Secretariat of Energy informing Enap Sipetrol Argentina S.A. that the CAM-1 exploitation area would be registered in the name of ENARSA (a state-owned company). This was justified by the fact that the area had been adjudicated to Enap Sipetrol Argentina S.A. and YPF S.A. during 2003 by the Secretariat of Energy, but the approval was still pending from the National Executive Administrative Power.

On September 26, 2006, an association agreement was signed between ENARSA, Enap Sipetrol Argentina S.A. and YPF S.A. by which the parties agreed to sign a UTE, each with a one-third participation. ENARSA, as owner of the CAM 1 Area (now E2), contributes this block and Enap Sipetrol Argentina S.A., jointly with YPF S.A., contribute the CAM 3 Block.

In formal terms, Enap Sipetrol and Repsol YPF returned the CAM 3 Block to the Secretariat of Energy for its later adjudication to the new consortium.

Within the agreement signed between ENARSA, YPF S.A. and Enap Sipetrol Argentina S.A. for the exploration, development and eventual joint exploitation of the new E2 Area, the Secretariat of Energy accepted to transfer to ENARSA the CAM-3 Area, which together with the ex CAM-1 Area completes the mentioned E2 Area subject to the contract. The Secretariat of Energy accepted compensating the pending investments committed in the CAM-3 Area with the commitment to drill a second exploration well within the new E2 Area.

The parties signed the UTE contract on March 31, 2008 for the exploration and exploitation of hydrocarbons in the E2 Area, in order to regulate the rights and obligations between Enap Sipetrol Argentina S.A., YPF S.A. and Energía Argentina S.A. (ENARSA) as partners and co-participants in the E2 Area concession. This UTE contract was registered on April 17, 2008 with the General Justice Inspectorate under No.63, Book 2 of companies' collaboration contracts.

(b) La Invernada

On August 14, 2009, the operator of the block, Wintershall Energía S.A. (WIAR), was notified by the Neuquén Province Sub-secretariat of Hydrocarbons and Energy of Decree 1338 of August 6, 2009 which approved the total reversion of the La Invernada Area. However, this decree only referred to WIAR, so Enap Sipetrol Argentina S.A. formally requested jointly with WIAR through a note dated September 9, 2009 that the scope of the decree be extended to Enap Sipetrol Argentina S.A.

On November 30, 2009 the Province of Neuquén notified Provincial Decree 2175/09 which amended article 2 of Provincial Decree 1338/09 in the following manner: "The contract signed with the company Wintershall Energía S.A. on November 11, 2003 is extinguished and the rights and obligations of the company Enap Sipetrol Argentina S.A., as co-owner, for the exploration permit over the La Invernada Area from November 11, 2008 by application of clause 19 inc. of the contract, in view of the arguments set out in the Whereas clauses of the present".

As a result of the above, the final minute was signed on March 4, 2010 in which the members of the La Invernada UTE approved the final liquidation balance sheet, the distribution project and the performance of the operator. On the same day, it was also agreed to cancel the UTE contract and request the registration of the cancellation of the UTE.

On May 6, the liquidation of the UTE was registered with the General Justice Inspectorate and later, on May 20, 2010 the cancellation of the registration was submitted to the Federal Administration of Public Revenues (AFIP). The existence of the UTE was thus finalized.

(c) Block 2 - Rommana

Enap Sipetrol S.A., through its subsidiary Sipetrol International S.A., was adjudicated an exploration contract in Egypt at the end of December 2006.

Block 2 is operated on land by Sipetrol International S.A., with a participation of 40% in the consortium together with PTT Exploration and Production Public Company Limited ("PTTEP") and Céntrica with 30% each. This area is located in the north of the Sinai and covers an area of 6,200 km².

On September 18, 2007 the block's concession agreement was signed, thus commencing the exploration stage.

(d) Block 8 - Sidi Abd El Rahman

Enap Sipetrol S.A., through its subsidiary Sipetrol International S.A., was adjudicated an exploration contract in Egypt at the end of December 2006.

Block 8 is operated offshore by Edison International SPA, with a participation of 40% in the consortium together with PTT Exploration and Production Public Company Limited ("PTTEP") and Sipetrol Internacional S.A., with 30% each. This area is located in the north-east of Egypt in the Mediterranean Sea covers an area of 4,294 km².

On September 18, 2007 the block's concession agreement was signed, thus commencing the exploration stage.

(e) Mehr Block

Enap Sipetrol S.A., through its subsidiary Sipetrol International S.A., has a 33% participation in the Mehr Block together with Repsol YPF and OMV, the latter being the operator. Since obtaining the concession in 2001, the block has been in an exploration stage and a discovery has been made.

On June 30, 2007, the NIOC (National Iranian Oil Company) declared the commercial feasibility of the block, which generated the start of negotiations for a development plan for the area and the respective development contract. In December 2008, a document was received from NIOC containing comments to the consortium's proposed development plan which, not being economically viable for the consortium, led to the unanimous decision to withdraw from the negotiations, reserving the right to seek the reimbursement of the expenses incurred in the exploration stage, as established in the exploration services contract.

OMV, as operator of the Mehr Block, and behalf of the consortium comprising Repsol and Enap Sipetrol S.A., through its subsidiary Sipetrol Internacional S.A., sent a letter on January 24, 2009, to NIOC's director of exploration informing him of the unanimous decision not to continue negotiations relating to the development of the Band-e-Karkheh field. This decision was taken because it was not possible to reach agreement with the NIOC with respect to the development plan necessary for the exploitation of the discoveries made by the consortium.

As the consortium had complied with its contractual obligations, the NIOC was notified of the activation of the clause giving the consortium the right to recover the costs of exploration and to the remuneration fee, in accordance with the terms of the exploration services contract signed between it and the NIOC.

However, following a conservative criterion and considering the elements the management is aware of, the subsidiary Sipetrol Internacional S.A. has made a provision for the value of the investment amounting to ThUS\$ 27.262 (Note 7 ii).

The following shows the assets and liabilities of each of the joint ventures:

Joint ventures	Current assets in joint ventures		Non-current assets in joint ventures		Current liabilities in joint ventures		Non-current liabilities in joint ventures	
	30-09-10	31-12-09	30-09-10	31-12-09	30-09-10	31-12-09	30-09-10	31-12-09
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
a. Exploitation								
Magallanes Area (a)	23.968	18.946	115.291	94.595	37.544	38.110	5.997	6.189
Campamento Central Cañadón Perdido (b)	20.103	15.890	96.696	79.338	31.488	31.963	5.029	5.191
Cam 2A Sur (c)	3.093	2.445	14.876	12.206	4.844	4.917	774	799
East Rast Qattara (d)	21.499	17.508	28.959	22.741	6.425	4.715	23.166	18.341
b. Exploration								
E2 (ex CAM3 y CAM1) (a)	773	611	2.946	3.051	1.211	1.229	193	200
Block 2 - Rommana (c)	129	219	2.431	284	428	59	7.379	229
Block 8 - Sidi Abd El Rahman (d)	865	1.532	2.644	1.990	34	413	22.889	1.605
Total	70.430	57.151	263.843	214.205	81.974	81.406	65.427	32.554

The following shows the ordinary revenues, cost of sales and results of each of the joint ventures:

Joint ventures	Ordinary revenues in joint ventures		Cost of sales in joint ventures		Result in joint ventures	
	30-09-10	31-12-09	30-09-10	31-12-09	30-09-10	31-12-09
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
a. Exploitation						
Magallanes Area (a)	42.806	66.584	32.447	54.831	4.975	2.764
Campamento Central Cañadón Perdido (b)	34.123	37.358	31.563	35.203	(290)	110
Cam 2A Sur (c)	3.482	4.328	4.494	4.993	(1.261)	(3.311)
East Rast Qattara (d)	33.300	26.517	15.557	16.815	16.807	8.457
b. Exploration						
E2 (ex CAM3 y CAM1) (a)	-	-	363	891	(680)	(28.146)
La Invernada (b)	-	-	-	2	(13)	(14)
Block 2 - Rommana (c)	167	144	-	232	(4.011)	(981)
Block 8 - Sidi Abd El Rahman (d)	-	-	-	1.257	(649)	(17.932)
Total	113.878	134.931	84.424	114.224	14.878	(39.053)

c) Joint operating agreements of ENAP in Chile:

Dorado Riquelme Block:

Of the 12 wells planned for 2010, 6 have been drilled as of September 30 and a start has been made on drilling the seventh well. According to the program, a second drilling team joined the block so it is believed that all the wells programmed for this year will be drilled.

Of the wells drilled so far this year, the Palenque Este 2 well is already producing, contributing some 70,000 m³/day currently. The other wells are at different stages of evaluation to determine their production potential.

Production between January and September 2010 amounted to 259 million cubic meters, with a daily production of around 600,000 cubic meters at the end of September 2010.

Lenga Block

The gas sampling was completed of wells on the mainland, Tierra del Fuego island and off shore, and the corresponding isotubes will be sent to a US laboratory for their geo-chemical analysis. The results will then be entered into the final study and report of the joint work of Apache and ENAP in the geo-chemical and oil-systems analysis of the Magallanes basin. It is estimated that this will be concluded during the first quarter of 2011.

A meeting was held on June 30 of the coordination committee at the offices of the Ministry of Energy, when the operator Apache reported on the works and investments already made in the Lenga block, which fully met the minimum requirements requested in the CEOP. Information was also provided on the works and investment for the third contractual year (July 2010-July 2011), which will be subject to the results of the tests on the Carmen A 1X well which should be ready during 2010.

As from September, all administrative and operational matters of the block are being coordinated by the Apache office in Buenos Aires, and Houston only has a consultancy role.

Negotiations continue for the lease of ENAP's T-20 services equipment to be used by Apache to lower a SRP pump in the Carmen A 1X well and carry out a long production test.

Bloque Coirón

Los Cerros 1 well discovered gas at stratigraphic levels of the base of the El Salto (Mioceno) formation in a reservoir similar to that discovered by ENAP in the Palenque

deposit of the Dorado-Riquelme block. Piston tests at two punched levels determined an adequate productive potential, although on carrying out a long build-up test the results were doubtful, so the information will be reinterpreted before deciding the well's future program.

The Dinamarqueros 1 well continues closed awaiting the definition of the intervention program, which is controlled by the result of the Los Cerros 1 well.

An operations workshop was held in PAE offices in Buenos Aires on September 6 and 7, in which professionals participated from the exploration, drilling and project engineering areas of both companies to discuss aspects of design, drilling and termination of wells, hydraulic fractioning and surface installations, and thus improve future operations and define the facilities necessary in the event of gas production from the Coirón block.

We received a copy of the final geo-chemical study report made of well gases of the area which will serve the exploration team for its integration and improve the generation-migration-entrapping model.

Caupolicán Block

As reported previously, the revision and approval of some of the works carried out during the first contractual year remained pending as the operator has not provided the relevant information. Conversations have taken place with the operator in order for it to correct those activities carried out by it and which are outside the terms of the CEOP.

Despite the expiry of the first contractual year and having held a new coordination committee meeting, agreement has not been reached with the operator of a work program and budget for the second contractual year.

With respect to the joint operating agreement (JOA), the negotiations reported as of December 31, 2009 have come to a standstill, being in a similar position as at that date.

11. OTHER BUSINESSES

The principal exploitation operations are as follows.

a) **Pampa del Castillo - La Guitarra**

On September 25, 2001, Pecom Energía S.A. assigned to Enap Sipetrol Argentina S.A. 100% of the concession rights for the exploitation of the hydrocabons area called Pampa del Castillo - La Guitarra, in the province of Chubut, Argentina.

a) **Paraíso, Biguno, Huachito and Mauro Dávalos Cordero**

On October 7, 2002, a services contract was signed with the Ecuadorian oil company, Petroecuador, and its subsidiary Empresa Estatal de Exploración y Producción de Petróleos del Ecuador, Petroproducción, for the exploitation and development of the Paraíso, Biguno, Huachito (PBH) and Mauro Dávalos Cordero (MDC) fields located in the eastern basin of Ecuador. Under this contract, the Company committed to invest for an estimated ThUS\$90,000 in the development of the fields, which considered the drilling of 16 wells (9 in PBH and 7 in MDC), the construction of a production station in MDC, adaptation of facilities and a campsite. It also acquired the right to explore and operate, assuming all the fields' operating and administrative costs.

On August 8, 2006, an amendment was signed to the MDC field contract signed with Petroecuador, whereby SIPEC committed to expanding the investment program which contemplates the drilling of 7 wells and the production facilities. With these new wells, additional reserves will be certified that will permit increasing present reserves from 31.6 to 57.0 million bbl of crude oil.

The summarized financial information of each of the projects in which the ENAP Group participates through Enap Sipetrol S.A., as of September 30, 2010 and December 31, 2009, is as follows:

Projects	Current assets in other businesses		Non-current assets in other businesses		Current liabilities in other businesses		Non-current liabilities in other businesses	
	30-09-10	31-12-09	30-09-10	31-12-09	30-09-10	31-12-09	30-09-10	31-12-09
	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$
Pampa el Castillo (a)	29.381	14.793	141.325	166.760	46.022	90.412	29.381	19.991
Paraíso, Biguno, Huachito (b)	7.964	11.903	21.737	18.780	4.505	5.831	354	187
Mauro Dávalos Cordero (b)	29.958	50.744	81.772	80.061	16.947	24.857	1.331	798
Total	67.303	77.440	244.834	265.601	67.474	121.100	31.066	20.976

Projects	Ordinary revenues in other businesses		Cost of sales in other businesses		Result in other businesses	
	30-09-10	31-12-09	30-09-10	31-12-09	30-09-10	31-12-09
	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$
Pampa el Castillo (a)	68.784	91.475	55.720	74.131	5.324	7.512
Paraíso, Biguno, Huachito (b)	49.142	14.221	21.937	9.809	18.151	2.827
Mauro Dávalos Cordero (b)	13.255	53.389	7.597	26.397	3.742	18.791
Total	131.181	159.085	85.254	110.337	27.217	29.130

12. FINANCIAL INSTRUMENTS

a) Classification of other financial assets and liabilities

The detail of other financial assets, classified by nature and category, as of September 30, 2010 and December 31, 2009, is as follows:

30-09-2010						
	Financial assets held for trading	Financial assets at fair value with change to results	Investments held to maturity	Loans & accounts receivable	Financial assets available for sale	Hedge derivatives
	ThUSS	ThUSS	ThUSS	ThUSS	ThUSS	ThUSS
Cash and cash equivalents				72.693		
Other financial assets (hedge derivatives)	-	-	-	-	-	-
Trade debtors & other accounts receivable	-	-	-	857.190	-	-
Accounts receivable from related entities	-	-	-	43.592	-	-
Total current	-	-	-	973.475	-	-
Other financial assets (investments in other companies)	-	-	-	-	13.022	-
Other financial assets (hedge derivatives)	-	-	-	-	-	35.304
Other financial assets (escrow account)	-	-	464	-	-	-
Trade debtors & other accounts receivable	-	-	-	25.088	-	-
Accounts receivable from related entities	-	-	-	11.942	-	-
Total non-current	-	-	464	37.030	13.022	35.304

31-12-2009						
	Financial assets held for trading	Financial assets at fair value with change to results	Investments held to maturity	Loans & accounts receivable	Financial assets available for sale	Hedge derivatives
	ThUSS	ThUSS	ThUSS	ThUSS	ThUSS	ThUSS
Cash and cash equivalents				76.812		
Other financial assets (hedge derivatives)	-	-	-	-	-	2.824
Trade debtors & other accounts receivable	-	-	-	837.276	-	-
Accounts receivable from related entities	-	-	-	57.009	-	-
Total current	-	-	-	971.097	-	2.824
Other financial assets (investments in other companies)	-	-	-	-	27.177	-
Other financial assets (hedge derivatives)	-	-	-	-	-	54.614
Other financial assets (escrow account)	-	-	475	-	-	-
Trade debtors & other accounts receivable	-	-	-	25.965	-	-
Accounts receivable from related entities	-	-	-	12.964	-	-
Total non-current	-	-	475	38.929	27.177	54.614

The detail of other financial liabilities, classified by nature and category, as of September 30, 2010 and December 31, 2009, is as follows:

30-09-2010				
Liabilities	Financial debt held for trading	Financial debt at fair value with change in results	Loans & accounts receivable	Hedge derivatives
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Other financial debt (interest-bearing loans)	-	-	530.523	-
Other financial debt (hedge derivatives)	-	-	-	18.947
Trade creditors & other accounts payable	-	-	1.288.573	-
Accounts payable to related entities	-	-	3.518	-
Total current liabilities	-	-	1.822.614	18.947
Other financial debt (interest-bearing loans)	-	-	2.787.263	-
Other financial debt (hedge derivatives)	-	-	-	100.528
Trade creditors & other accounts payable	-	-	5.687	-
Accounts payable to related entities	-	-	-	-
Total current liabilities	-	-	2.792.950	100.528
Total	-	-	4.615.564	119.475

31-12-2009				
Liabilities	Financial debt held for trading	Financial debt at fair value with change in results	Loans & accounts receivable	Hedge derivatives
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Other financial debt (interest-bearing loans)	-	-	602.509	-
Other financial debt (hedge derivatives)	-	-	-	8.890
Trade creditors & other accounts payable	-	-	1.378.646	-
Accounts payable to related entities	-	-	27.624	-
Total current liabilities	-	-	2.008.779	8.890
Other financial debt (interest-bearing loans)	-	-	2.365.088	-
Other financial debt (hedge derivatives)	-	-	-	68.484
Trade creditors & other accounts payable	-	-	3.744	-
Accounts payable to related entities	-	-	-	-
Total current liabilities	-	-	2.368.832	68.484
Total	-	-	4.377.611	77.374

13. OTHER FINANCIAL ASSETS AND LIABILITIES

The detail of financial assets and liabilities as of September 30, 2010 and December 31, 2009, is as follows:

Other financial assets	Current		Non-current	
	30-09-10 ThUS\$	31-12-09 ThUS\$	30-09-10 ThUS\$	31-12-09 ThUS\$
Hedging derivatives (a)	-	2.824	35.304	54.614
Investment in other copanies (b)	-	-	13.022	27.177
Others	-	-	464	475
Total	-	2.824	48.790	82.266

Other financial liabilities	Current		Non-current	
	30-09-10 ThUS\$	31-12-09 ThUS\$	30-09-10 ThUS\$	31-12-09 ThUS\$
Interest-bearing loans (c)	530.523	602.509	2.787.263	2.365.088
Hedging derivatives (a)	18.947	8.890	100.528	68.484
Total	549.470	611.399	2.887.791	2.433.572

a) Hedge Derivatives

The ENAP Group, following the financial-risk management policy described in Note 5, contracts financial derivatives to hedge its exposure to variations in interest rates, exchange rates and fuel prices.

Interest-rate derivatives are used to set or limit the floating interest rate on financial debt and relate to interest-rate swaps and zero-cost collars.

Currency derivatives are used to fix the exchange rate between the dollar and the peso (CLP), Unidad de Fomento (U.F.) and the euro (EUR), among others, resulting from investments or current obligations in currencies other than the dollar. These instruments relate mainly to forwards and cross-currency swaps.

WTI derivatives (zero-cost collars and 3W zero-cost collars) are used to protect within a band the price of a percentage of shipments of crude oil. This strategy is complemented by the use of swap sale contracts of refined products.

Swaps are used mainly to mitigate the exposure to variations in the prices of refined products that have been imported, from the moment of purchase to their sale.

In “normal” inventory cycles, this risk is mitigated by the setting of sales prices under the import parity, as the purchase price is set using the same methodology as the sale price. This instrument is therefore only used in cases in which a fall in demand is estimated or in situations in which stocks are higher than their objective level.

i) Presentation of assets and liabilities

The detail of hedging assets and liabilities, according to the nature of the operations, is as follows:

Hedge assets	30-09-10		31-12-09	
	Corriente MUS\$	No Corriente MUS\$	Corriente MUS\$	No Corriente MUS\$
Exchange rate hedge				
Cash-flow hedge	-	35.304	2.824	54.614
Interest-rate hedge				
Cash-flow hedge	-	-	-	-
WTI hedge				
Cash-flow hedge	-	-	-	-
Total	-	35.304	2.824	54.614

Hedge liabilities	30-09-10		31-12-09	
	Corriente MUS\$	No Corriente MUS\$	Corriente MUS\$	No Corriente MUS\$
Exchange rate hedge				
Cash-flow hedge	4.832	-	-	-
Cobertura de valor razonable	-	-	-	-
Interest-rate hedge				
Cash-flow hedge	5.829	100.528	5.340	68.484
WTI hedge				
Cash-flow hedge	6.318	-	3.550	-
Products hedge				
Cash-flow hedge	1.968	-	-	-
Total	18.947	100.528	8.890	68.484

ii) Fair value of hedging derivatives

The detail of the portfolio of hedging instruments of the ENAP Group is as follows:

Detail of the hedging instruments	Detail of hedging instruments	Description of instruments hedged	Fair value of instruments hedged	
			30-06-10 ThUS\$	31-12-09 ThUS\$
Cross-Currency Swap	Exchange & interest rates	Unsecured obligations (bonds)	(37.875)	51.049
Cross-Currency Swap	Exchange & interest rates	Financial leases	2.533	3.596
Swap	Interest rate	Bank loans	(91.545)	(67.259)
Zero Cost Collar	Interest rate	Bank loans	(8.559)	(6.596)
Zero Cost Collar	WTI	Inventories	88	(2.038)
3W Zero-Cost Collar	WTI	Inventories	(660)	(1.512)
Forward	Exchange rate	Trade debtors & other accounts receivable	4.713	2.824
Total			<u>(131.305)</u>	<u>(19.936)</u>

iii) Effect of hedging derivatives on results

At the close of September 30, 2010, the ENAP Group has booked the following amounts for ineffectiveness and by money value in the time of the derivatives:

		Gain (Loss) for ineffectiveness 30-09-10 ThUS\$	Gain (Loss) for value over time 30-09-10 ThUS\$
SWAP	Interest rate	(38)	-
Zero Cost Collar	Interest rate	-	(77)
Zero Cost Collar (*)	WTI	-	(2.521)
3W Zero Cost Collar (*)	WTI	-	(6.766)
Forward	Exchange rate	(28)	-
Totales		(66)	(9.364)

(*) These amounts are booked under Cost of sales.

iv) Other information on financial instruments

The following shows the maturities of the hedges:

Financial derivatives	Fair value ThUS\$	30-09-10							Total ThUS\$
		2010 ThUS\$	2011 ThUS\$	2012 ThUS\$	2013 ThUS\$	2014 ThUS\$	2015 ThUS\$	onward 2015 ThUS\$	
Exchange-rate hedge									
Cash-flow hedge	28.619	270.403	1.651	137.622	1.777	1.844	1.913	390.365	805.575
Interest-rate hedge									
Cash-flow hedge	(104.504)	75.000	147.073	292.919	304.750	36.639	38.550	201.716	1.096.647
Total	(75.885)	345.403	148.724	430.541	306.527	38.483	40.463	592.081	1.902.222
	Fair value ThUS\$	2010 Thousands of							
WTI hedge									
Cash-flow hedge	(6.318)	9.870	Barriles						
Products hedge - Swap ULSD									
Cash-flow hedge	(1.395)	11.900	Galones						
Products hedge - Swap FO N°6									
Cash-flow hedge	(573)	210	Barriles						

		31-12-09							
		Notional						08-07-05	
Financial derivatives	Fair value ThUS\$	2010 ThUS\$	2011 ThUS\$	2012 ThUS\$	2013 ThUS\$	2014 ThUS\$	2015 ThUS\$	onward ThUS\$	Total ThUS\$
Exchange-rate hedge									
Cash-flow hedge	57.469	685.230	1.545	137.512	1.663	1.726	1.790	5.110	834.576
Hedge of fair value									
Interest-rate hedge									
Cash-flow hedge	(73.855)	105.571	147.073	292.919	304.750	36.639	38.550	201.716	1.127.218
Total	(16.386)	790.801	148.618	430.431	306.413	38.365	40.340	206.826	1.961.794
	Fair value MUS\$	2010 Thousands of barrels							
WTI hedge									
Cash-flow hedge	(3.550)	5.950							

The notional amount of the contracts does not represent the risk assumed by ENAP and the SPEs, as the amount only responds to the basis on which the calculations are made of the settlement of the derivative.

v) Scales of fair value

The Group calculates the fair value of the financial derivatives using market parameters which are adjusted to the maturity profile of each operation.

Forward operations that hedge the exchange-rate exposure of accounts receivable arising from sales invoiced in Chilean pesos are valued by using the peso-dollar forward curves in the market as reference.

Cross-currency swap operations that hedge the exposure to dollar fluctuations of financial debt denominated in UF are valued at the present value of future cash flows in UF (asset) and USD (liability). In calculating these present values, the market UF and LIBOR rate curves are used which are adjusted to the relevant dates of the cash flows contemplated in each operation.

Interest-rate swap operations that hedge the exposure to fluctuations in LIBOR of the financial debt carrying LIBOR floating interest rates are valued at the present value of future cash flows. In calculating these present values, the market LIBOR curves are used which are adjusted to the relevant dates of the cash flows contemplated in each operation.

WTI options operations that hedge the exposure to variations in the international price of ENAP's crude oil imports are valued using calculation tools provided by financial information platforms. These tools gather the curves of WTI-price futures in the market, adjusting them to the maturity profile of each operation.

Financial instruments booked at fair value in the statement of financial position are classified according to the following scales:

(a) Level 1: Price quoted (not adjusted) in an active market for identical assets and liabilities.

(b) Level 2: Different inputs to the prices quoted that are included in Level 1 and which are observable for assets and liabilities, whether directly (i.e. as price) or indirectly (i.e. derivative of a price); and

(c) Level 3: Inputs for assets or liabilities that are not based on information observable in the market (non-observable inputs).

Financial instruments at fair value				
	30-09-10	Nivel 1	Nivel 2	Nivel 3
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hedge assets				
Cash-flow hedge	35.304	-	35.304	-
Total	35.304	-	35.304	-
Hedge liabilities				
Cash-flow hedge	119.475	-	119.475	-
Total	119.475	-	119.475	-

b) Investment in other companies

i) Detail of investments

The detail of investments in other companies as of September 30, 2010 and December 31, 2009 is as follows:

Other companies	30-09-10	31-12-09
	ThUS\$	ThUS\$
Electrogas S.A.	2	2
Inversiones Electrogas S.A.	5.348	5.130
Sociedad Nacional de Oleoductos S.A. (a)	-	12.705
Sociedad Nacional Marítima S.A. (a)	-	1.668
Asociación Gremial de Industriales Químicos A.G.	8	8
Terminales Marítimos Patagónicos S.A.	7.664	7.664
Total	13.022	27.177

(a) During 2010, investments in these companies were reclassified to Investments booked using the participation method. See Note 9.

ii) Balances receivable and payable

Balances receivable					
Tax No.	Company	Transaction	Currency	30-09-10	31-12-09
				ThUS\$	ThUS\$
76.384.550-8	Sociedad Nacional Marítima S.A.	Purchase of services	US\$	-	-
81.095.400-0	Sociedad Nacional de Oleoductos S.A.	Purchase of services	US\$	-	14
Balances payable					
Tax No.	Company	Transaction	Currency	30-09-10	31-12-09
				ThUS\$	ThUS\$
76.384.550-8	Sociedad Nacional Marítima S.A.	Purchase of services	US\$	-	205
81.095.400-0	Sociedad Nacional de Oleoductos S.A.	Purchase of services	US\$	-	888

c) Interest-bearing loans

The detail of interest-bearing loans as of September 30, 2010 and December 31, 2009, is as follows:

Unsecured	Current		Non-current	
	30-09-10	31-12-09	30-09-10	31-12-09
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Loans from financial entities	393.169	457.433	587.533	647.530
Bonds payable (*)	20.074	23.846	1.802.288	1.269.112
Líneas de crédito	39	-	-	-
Financial leases	1.659	1.766	13.128	17.458
SubTotal	414.941	483.045	2.402.949	1.934.100
Secured				
Loans from financial entities	115.582	119.464	384.314	430.988
SubTotal	115.582	119.464	384.314	430.988
Total	530.523	602.509	2.787.263	2.365.088

* At amortized cost

i) Detail of interest-bearing loans

The detail by currency and maturity of loans from financial entities (secured and unsecured) that accrue interest as of September 30, 2010 and December 31, 2009, is as follows:

Tax No.	Name	Country	Tax No.	Name	Country	Currency	Interest payments	Nominal rate	Effective rate	Security	Nominal value	Undetermined	Up to 1 month	1 to 3 months	3 to 12 months	Total at 30-09-10 ThUS\$	From 1 to 5 years & more							
																	ThUS\$	ThUS\$	Total at 30-09-10 ThUS\$					
99519820-7	Enercon	Chile	0-E	BNP - Paribas	EE.UU	Dólares	Semestral	3,75%	3,75%	Garantizada	410.000	-	-	-	30.868	30.868	123.731	196.483	320.214					
96913550-7	Etalsa	Chile	0-E	Kreditanstalt für Wiederaufbau	Alemania	Dólares	Semestral	4,52%	4,52%	Garantizada	29.940	-	-	-	4.865	4.865	-	-	-					
96969000-4	Petrosul	Chile	0-E	Kreditanstalt für Wiederaufbau	Alemania	Dólares	Semestral	6,98%	6,98%	Garantizada	20.554	-	-	-	2.848	2.848	4.264	-	4.264					
99548320-3	Prodisa	Chile	0-E	BNP - Paribas	España	Dólares	Semestral	6,04%	6,04%	Garantizada	34.459	-	-	-	1.081	1.081	4.240	3.180	7.420					
99548320-3	Prodisa	Chile	0-E	BNP - Paribas	España	Dólares	Semestral	3,10%	3,10%	Garantizada	13.917	-	-	-	3.342	3.342	14.644	2.094	16.738					
99548320-3	Prodisa	Chile	0-E	BNP - Paribas (Cesce)	España	Dólares	Semestral	4,38%	4,38%	Garantizada	53.215	-	-	-	4.581	4.581	14.236	13.361	27.597					
99519810-K	CHBB	Chile	0-E	Société Générale	Francia	Dólares	Semestral	6,43%	6,43%	Garantizada	21.981	-	55	-	2.309	2.364	8.080	-	8.080					
0-E	Enap Sipetrol Argentina	Argentina	0-E	Banco Latinoamericano de Exportaciones S.A. (Bladex) (3)	Panamá	Dólares	Vencimiento	4,28%	4,28%	Garantizada	65.000	-	633	-	65.000	65.633	-	-	-					
92604000-6	ENAP	Chile	97004000-5	Banco de Chile	Chile	Dólares	Vencimiento	1,82%	1,82%	No Garantizada	130.000	-	1.359	-	130.000	131.359	-	-	-					
92604000-6	ENAP	Chile	0-E	Scotiabank	Canada	Dólares	Vencimiento	1,20%	1,20%	No Garantizada	100.000	-	288	-	100.000	100.288	-	-	-					
92604000-6	ENAP	Chile	97032000-8	BBVA	Chile	Dólares	Vencimiento	1,79%	1,79%	No Garantizada	70.000	-	854	-	70.000	70.854	-	-	-					
92604000-6	ENAP	Chile	0-E	JP Morgan Chase Bank (1)	EE.UU	Dólares	Vencimiento	4,27%	2,46%	No Garantizada	220.000	-	115	-	-	115	230.866	-	230.866					
92604000-6	ENAP	Chile	0-E	Calyon N.Y Branch (2)	EE.UU	Dólares	Semestral	5,84%	2,80%	No Garantizada	150.000	-	420	-	25.000	25.420	125.073	-	125.073					
92604000-6	ENAP	Chile	0-E	Banco HSBC (4)	EE.UU	Dólares	Semestral	2,60%	0,75%	No Garantizada	50.000	-	25	-	15.000	15.025	34.528	-	34.528					
92604000-6	ENAP	Chile	0-E	BNP Paribas (4)	EE.UU	Dólares	Semestral	2,10%	0,85%	No Garantizada	100.000	-	40	-	50.000	50.040	47.772	-	47.772					
92604000-6	ENAP	Chile	0-E	Banco Santander London (4)	EE.UU	Dólares	Vencimiento	2,59%	0,71%	No Garantizada	150.000	-	68	-	-	68	149.295	-	149.295					
Totales																	-	3.857	-	504.894	508.751	756.729	215.118	971.847

December 31, 2009																								
Tax No.	Name	Country	Tax No.	Name	Country	Currency	Interest payments	Nominal rate	Effective rate	Security	Nominal value	Current					Non-current							
												Undetermined	Up to 1 month	1 to 3 months	3 to 12 months	Total at 31-12-09 ThUS\$	From 1 to 5 years ThUS\$	5 years & more ThUS\$	Total at 31-12-09 ThUS\$					
99519820-7	Enercon	Chile	0-E	BNP - Paribas	EE.UU	Dólares	Semestral	3,75%	3,75%	Garantizada	410.000	-	-	21.300	13.404	34.704	151.528	196.484	348.012					
96913550-7	Etalsa	Chile	0-E	Kreditanstalt für Wiederaufbau	Alemania	Dólares	Semestral	4,52%	4,52%	Garantizada	29.940	-	-	2.490	2.243	4.733	4.794	-	4.794					
96969000-4	Petrosul	Chile	0-E	Kreditanstalt für Wiederaufbau	Alemania	Dólares	Semestral	6,98%	6,98%	Garantizada	20.554	-	-	1.547	1.308	2.855	7.251	-	7.251					
99548320-3	Prodisa	Chile	0-E	BNP - Paribas	España	Dólares	Semestral	6,04%	6,04%	Garantizada	34.459	-	1.991	-	1.508	3.499	17.798	2.094	19.892					
99548320-3	Prodisa	Chile	0-E	BNP - Paribas	España	Dólares	Semestral	3,10%	3,10%	Garantizada	13.917	-	700	-	544	1.244	5.441	3.264	8.705					
99548320-3	Prodisa	Chile	0-E	BNP - Paribas (Cesce)	España	Dólares	Semestral	4,38%	4,38%	Garantizada	53.215	-	2.717	-	2.105	4.822	23.757	8.189	31.946					
99519810-K	CHBB	Chile	0-E	Société Générale	Francia	Dólares	Semestral	6,43%	6,43%	Garantizada	21.981	-	68	1.360	1.154	2.582	9.234	1.154	10.388					
0-E	Enap Sipetrol Argentina	Argentina	0-E	Banco Latinoamericano de Exportaciones S.A. (Bladex) (3)	Panamá	Dólares	Vencimiento	4,60%	4,60%	Garantizada	65.000	-	-	25	65.000	65.025	-	-	-					
92604000-6	ENAP	Chile	0-E	Export Dev Canada	Canada	Dólares	Vencimiento	1,62%	1,62%	No Garantizada	50.000	-	327	50.000	-	50.327	-	-	-					
92604000-6	ENAP	Chile	97004000-5	Banco de Chile	Chile	Dólares	Vencimiento	0,97%	0,97%	No Garantizada	100.000	-	63	100.000	-	100.063	-	-	-					
92604000-6	ENAP	Chile	97004000-5	Banco de Chile	Chile	Dólares	Vencimiento	1,65%	1,65%	No Garantizada	30.000	-	19	30.000	-	30.019	-	-	-					
92604000-6	ENAP	Chile	97004000-5	Banco de Chile	Chile	Dólares	Vencimiento	0,97%	0,97%	No Garantizada	26.000	-	14	26.266	-	26.280	-	-	-					
92604000-6	ENAP	Chile	97004000-5	Banco de Chile	Chile	Dólares	Vencimiento	0,97%	0,97%	No Garantizada	45.000	-	24	45.115	-	45.139	-	-	-					
92604000-6	ENAP	Chile	76645030-K	Banco Itau	Chile	Dólares	Vencimiento	1,20%	1,20%	No Garantizada	25.000	-	41	25.000	-	25.041	-	-	-					
92604000-6	ENAP	Chile	0-E	JP Morgan Chase Bank	EE.UU	Dólares	Vencimiento	1,25%	1,25%	No Garantizada	75.000	-	125	75.000	-	75.125	-	-	-					
92604000-6	ENAP	Chile	0-E	The Royal Bank	Holanda	Dólares	Vencimiento	1,28%	1,28%	No Garantizada	79.000	-	128	79.443	-	79.571	-	-	-					
92604000-6	ENAP	Chile	0-E	JP Morgan Chase Bank (1)	EE.UU	Dólares	Vencimiento	4,27%	2,46%	No Garantizada	220.000	-	675	-	675	226.226	-	226.226						
92604000-6	ENAP	Chile	0-E	Calyon N.Y Branch (2)	EE.UU	Dólares	Semestral	5,84%	2,80%	No Garantizada	150.000	-	23	-	23	149.051	-	149.051						
92604000-6	ENAP	Chile	0-E	Banco HSBC (4)	EE.UU	Dólares	Semestral	2,60%	0,75%	No Garantizada	50.000	-	39	-	39	49.495	-	49.495						
92604000-6	ENAP	Chile	0-E	BNP Paribas (4)	EE.UU	Dólares	Semestral	2,10%	0,85%	No Garantizada	100.000	-	25.045	-	25.045	73.510	-	73.510						
92604000-6	ENAP	Chile	0-E	Banco Santander London (4)	EE.UU	Dólares	Vencimiento	2,59%	0,71%	No Garantizada	150.000	-	86	-	86	149.248	-	149.248						
Totales																	-	32.085	457.546	87.266	576.897	867.333	211.185	1.078.518

The nominal interest rates reported for loans with semi-annual maturities are annual and are monthly in the case of the other loans.

1) J.P. MORGAN CHASE BANK

On June 15, 2006, the refinancing was completed by ENAP of an amount of ThUS\$220,000 of a syndicated loan with effect from September 5, 2006. By this transaction, ENAP signed with fifteen international banks a Second Amended and Restated Term Loan Agreement under New York law, amending the loan agreement of August 31, 2004 which in turn amended a previous loan agreement, dated August 29, 2003. The present amendment refers to (i) the consolidation in one loan of the maturities of principal of the years 2007 to 2009, of the two tranches of the outstanding loan (tranches 1 and 2), and (ii) the amendment of the term of the repayment of principal to just one bullet payment at 7 years, i.e. maturing in September 2013.

The applicable interest rate for this new operation was LIBOR + 0.20% for the first four years, LIBOR + 0.225% for the fifth and sixth years and LIBOR + 0.25% for the seventh year.

The change in the term of the loan, which originally had repayments in the years 2006 to 2009, meant freeing up funds for the financing of investments of the ENAP Group for the next few years. The spread over LIBOR remains practically unchanged (LIBOR+0.20% between 2006 and 2008 and LIBOR+0.225% in 2009). As this was a refinancing of liabilities, this transaction had no effect on the total liabilities of the ENAP Group.

(2) CALYON NEW YORK BRANCH

In December 2006, the Company obtained a syndicated for ThUS\$150,000 granted by a group of banks, with Banco Calyon New York Branch acting as agent. By this transaction, ENAP signed a term loan agreement under New York law with twelve international banks. The loan has a term of 7 years and is repayable in 6 equal semi-annual payments, the last being payable on June 14, 2011.

The applicable annual interest rate is LIBOR + 0.175% for the first three years, LIBOR + 0.20% for the fourth and fifth years, and LIBOR + 0.225% for the sixth and seventh years.

(3) Banco Latinoamericano de Exportaciones S.A. (Bladex)

On June 30, 2009, Enap Sipetrol Argentina S.A. signed a loan agreement for ThUS\$65,000, maturing in the first period on June 28, 2010, with repayment of principal on maturity and interest of LIBOR +3.5% payable semi-annually. The maturity was later extended to December 27, 2010 with an interest rate of LIBOR + 3%.

On September 15, 2010 a new rate was agreed of Libor+2.75%.

(4) Banco HSBC

On September 30, 2010, ENAP signed 2 loan agreements for up to ThUS\$ 100,000 each with banks BNP Paribas and Société Générale, to finance the building of the alquilation plant of Aconcagua refinery, both facilities function as committed funds lines under which partial drawings can be made subject to compliance with certain conditions.

ii) Obligations with the public

The detail and maturities of the obligations with the public are shown below:

Tax No.	Company	Country	Description	Placement	Tax No.	Creditor	Country	Currency	Nominal value	Interest payments	Principal repayment	Nominal rate	Effective rate	Security	Term years	Current	
																30-09-10	31-12-09
																ThUS\$	ThUS\$
92.604.000-6	ENAP	Chile	Tipo 144 A (b.1)	Extranjera	0-E	JP Morgan	EE.UU	US\$	290.000.000	Semestral	Al vencimiento	6,75%	3,80%	Sin Garantía	10	7.516	2.567
92.604.000-6	ENAP	Chile	Tipo 144 A (b.2)	Extranjera	0-E	Deutsche Bank	EE.UU	US\$	150.000.000	Semestral	Al vencimiento	4,88%	2,90%	Sin Garantía	10	321	2.170
92.604.000-6	ENAP	Chile	Nº 303 A1 y A2 (a.1)	Nacional	97004000-5	Banco de Chile	Chile	UF	3.250.000	Semestral	Al vencimiento	4,25%	2,50%	Sin Garantía	10	17	1.406
92.604.000-6	ENAP	Chile	B-ENAP - B (a.2)	Nacional	97004000-5	Banco de Chile	Chile	UF	9.750.000	Semestral	Al vencimiento	4,33%	2,20%	Sin Garantía	10	4.366	8.536
92.604.000-6	ENAP	Chile	Tipo 144 A (b.3)	Extranjera	0-E	Santander	EE.UU	US\$	300.000.000	Semestral	Al vencimiento	6,25%	3,30%	Sin Garantía	10	4.425	9.167
92.604.000-6	ENAP	Chile	Tipo 144 A (b.4)	Extranjera	0-E	Banc of America Securities LLC	EE.UU	US\$	500.000.000	Semestral	Al vencimiento	5,25%	2,70%	Sin Garantía	10	3.429	-
Totales																20.074	23.846

Tax No.	Company	Country	Description	Placement	Tax No.	Creditor	Country	Currency	Nominal value	Interest payments	Principal repayment	Nominal rate	Effective rate	Security	Term years	Current	
																30-09-10	31-12-09
																ThUS\$	ThUS\$
92.604.000-6	ENAP	Chile	Tipo 144 A (b.1)	Extranjera	0-E	JP Morgan	EE.UU	US\$	290.000.000	Semestral	Al vencimiento	6,75%	3,80%	Sin Garantía	10	287.331	285.773
92.604.000-6	ENAP	Chile	Tipo 144 A (b.2)	Extranjera	0-E	Deutsche Bank	EE.UU	US\$	150.000.000	Semestral	Al vencimiento	4,88%	2,90%	Sin Garantía	10	147.873	148.873
92.604.000-6	ENAP	Chile	Nº 303 A1 y A2 (a.1)	Nacional	97004000-5	Banco de Chile	Chile	UF	3.250.000	Semestral	Al vencimiento	4,25%	2,50%	Sin Garantía	10	141.198	138.647
92.604.000-6	ENAP	Chile	B-ENAP - B (a.2)	Nacional	97004000-5	Banco de Chile	Chile	UF	9.750.000	Semestral	Al vencimiento	4,33%	2,20%	Sin Garantía	10	434.956	400.307
92.604.000-6	ENAP	Chile	Tipo 144 A (b.3)	Extranjera	0-E	Santander	EE.UU	US\$	300.000.000	Semestral	Al vencimiento	6,25%	3,30%	Sin Garantía	10	295.071	295.512
92.604.000-6	ENAP	Chile	Tipo 144 A (b.4)	Extranjera	0-E	Banc of America Securities LLC	EE.UU	US\$	500.000.000	Semestral	Al vencimiento	5,25%	2,70%	Sin Garantía	10	495.859	-
Totales																1.802.288	1.269.112

a) Domestic bonds

1. On October 4, 2002, the Company registered in the Securities Register of the Superintendency of Securities and Insurance, with No.303, the issue of bonds indexed to the Unidad de Fomento (UF) on the domestic market, which was carried out on October 22, 2002. This placement was made in two sub-series A-1 and A-2, whose characteristics are as follows:

The placement of bonds on the domestic market was for UF 3,250,000. Their term is 10 years with semi-annual interest payments at a rate of 4.25% per annum and repayment of principal is at maturity.

2. On January 15, 2009, the Company registered in the Securities Register of the Superintendency of Securities and Insurance, with No.303, the issue of bonds indexed to the Unidad de Fomento (UF) on the domestic market

The placement of bonds on the domestic market was made in January for UF 9,750,000. Their term is 10 years with semi-annual interest payments at a rate of 4.33% per annum and repayment of principal is upon maturity.

b) International bonds:

1. On November 5, 2002, the Company issued and placed type 144 A bonds on the United States market at an annual interest rate of 6.75% and for an amount of ThUS\$290,000.
2. On March 16, 2004, the Company issued and placed type 144 A bonds on the United States market at an annual interest rate of 4.875% and for an amount of ThUS\$150,000.

The term of both placements was 10 years. Interest payments are semi-annual and the repayment of principal is at maturity.

3. On June 30, 2009, the Company issued and placed type 144 A bonds on the United States market at an annual interest rate of 6.25% and for an amount of ThUS\$300,000.

The term is of 10 years. Interest payments are semi-annual and the repayment of principal is at maturity.

4. On August 5, 2010, the Company issued and placed type 144 A bonds on the United States market at an annual interest rate of 5.25% and for an amount of ThUS\$ 500,000.

The term is of 10 years. Interest payments are semi-annual and the repayment of principal is at maturity.

14. INVENTORIES

The composition of inventories as of September 30, 2010 and December 31, 2009 is as follows:

Detail	30-09-10	31-12-09
	ThUS\$	ThUS\$
Crude oil in stock	290.419	283.635
Crude oil in transit	194.942	120.124
Finished products	642.934	536.773
Products in transit	58.047	30.175
Materials in warehouse & in transit	89.925	89.646
Total	<u>1.276.267</u>	<u>1.060.353</u>

Additional information	30-09-10	30-09-09	01-07-10	01-07-09
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cost of inventories booked as expense during the period	(5.490.551)	(4.233.742)	(1.376.139)	(1.130.047)

15. TRADE DEBTORS AND OTHER ACCOUNTS RECEIVABLE

The following is the composition of these as of September 30, 2010 and December 31, 2009:

	Total Current		Total Non-Current	
	30-09-10	31-12-09	30-09-10	31-12-09
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade debtors	728.634	747.109	-	-
Sundry debtors	127.088	88.424	4.568	18
Other debtors	2.750	3.025	20.520	25.947
Estimate doubtful accounts	<u>(1.282)</u>	<u>(1.282)</u>	<u>-</u>	<u>-</u>
Total	<u>857.190</u>	<u>837.276</u>	<u>25.088</u>	<u>25.965</u>

a) Accounts receivable overdue but not impaired

The following shows the periods overdue of accounts receivable, but not impaired:

	30-09-10	31-12-09
	ThUS\$	ThUS\$
Up to 90 days	77.725	102.173
90 days to 1 year	20.845	10.062
More than 1 year	<u>5.593</u>	<u>8.117</u>
Total	<u><u>104.163</u></u>	<u><u>120.352</u></u>

The balances under this heading accrue interest, calculated using the maximum conventional interest rate published in the Official Gazette for debts of no more than UF 5,000 and more than UF 5,000.

The average payment term of receivables as of September 30, 2010 is 20.7 days, excluding sundry and other debtors.

b) Allowances for doubtful accounts

The amount of the allowances for doubtful accounts as of September 30, 2010 and December 31, 2009 is as follows:

	30-09-10	31-12-09
	ThUS\$	ThUS\$
Up to 90 days	-	-
90 days to 1 year	-	-
More than 1 year	<u>1.282</u>	<u>1.282</u>
Total	<u><u>1.282</u></u>	<u><u>1.282</u></u>

In view of the solvency of the debtors and their historic payment record, the Group believes that the allowance for doubtful accounts is sufficient at September 30, 2010.

The fair values of trade debtors, sundry debtors and other accounts receivable are the same as their book values.

16. EQUITY

a) Changes in equity:

By Instruction No.1,272 of December 28, 2007, the Ministry of Finance temporarily suspended for the year 2007 the policy of transferring ENAP's earnings to the Treasury and of transferring earnings in any event for completing a 14% return on equity with retained earnings from previous years.

Article 2 of Law 20,278 authorized the Ministry of Finance to make a non-recurring extraordinary capital injection in Empresa Nacional del Petróleo of ThUS\$ 250,000, to be financed by available funds in financial assets of the Treasury. This contribution was made by Supreme Decree 1,389 of October 29, 2008, by which the Ministry of Finance modified the current budget of the Treasury to allow the capital contribution, which was completed on November 10, 2008.

By Instruction 64 of 23/01/2009, the Ministry of Finance authorized the following:

- a) The temporary suspension for the year 2009 of the policy of transferring all the annual dividends of ENAP's subsidiaries for the year ended December 31, 2008;
- b) The temporary suspension for the year 2009 of the policy of transferring the earnings of ENAP to the Treasury (of earnings generated in 2008).

The earnings distribution policy governing ENAP, established by Ministry of Finance Resolution 25 of August 11, 2005, is that ENAP must transfer a minimum of funds to the Treasury, whether as income tax (40%) and/or advances of earnings, corresponding to a 14% return on equity, with previous years' retained earnings.

On July 15, an extraordinary shareholders meeting of Enap Sipetrol S.A. approved the capitalization of earnings for the year 2009 which amounted to US\$ 13,838,322, resulting in a capital of US\$ 345,987,830.

b) Issued capital

The detail of paid capital as of September 30, 2010 and December 31, 2009 is as follows:

Issued capital	30-09-10 ThUS\$	31-12-09 ThUS\$
Paid capital	1.182.700	1.182.700
Total	1.182.700	1.182.700

Capital management

The principal objective of the management of capital, referring to the administration of the company's equity, is to manage the capital of the ENAP Group as follows:

- Ensure the normal functioning of its operations and the continuity of the business in the long term.
- Ensure the financing of new investments in order to maintain sustained growth over time.
- Maintain an adequate capital structure according to the economic cycles that impact the business and the very nature of the industry.
- Maximize the value of the ENAP Group in the medium and long term.

The capital requirements are therefore incorporated based on the Group's financing needs, taking care to maintain an adequate level of liquidity and complying with the financial covenants included in current loan agreements and the commitments contracted with the owner. The ENAP Group manages its capital structure and makes adjustments based on the predominant economic conditions in order to mitigate the risks associated with adverse market conditions and take advantage of opportunities for improving the liquidity position of the ENAP Group.

c) Other reserves

The composition of other reserves as of September 30, 2010 and December 31, 2009 is as follows:

Composition	30-09-10 ThUS\$	31-12-09 ThUS\$
Exchange difference on translation (ii)	(65.151)	(70.683)
Available for sale	450	-
Cash-flow hedges (i)	(92.363)	(45.514)
Other reserves (iii)	23.817	19.763
Total	(133.247)	(96.434)

i) Cash flow hedges

	Total 31-12-09 ThUS\$	Movement 2010 ThUS\$	Total 30-06-10 ThUS\$
Gain (loss) booked in cash-flow hedges of:			
Cross-currency swaps / bonds & financial leases	(10.835)	(3.272)	(14.107)
ZCC & 3WZCC options	542	(1.695)	(1.153)
Swap & ZCC option bank loan interest rate	(49.864)	(16.385)	(66.249)
Forward exchange contracts	2.803	1.910	4.713
Swaps of associates	(20.586)	(17.110)	(37.696)
Deferred income tax derivatives	32.426	10.517	42.943
Total	(45.514)	(26.035)	(71.549)

ii) Exchange differences for translation

	30-09-10 ThUS\$	31-12-09 ThUS\$
Opening balance	(70.683)	(75.396)
Result of changes in associate companies	5.532	4.713
Total	(65.151)	(70.683)

iii) Sundry reserves

	30-09-10 ThUS\$	31-12-09 ThUS\$
Opening balance of period	19.763	25.067
Equity adjustment in Petropower Energia Ltd.	(374)	(3.786)
Reserves adjustment in Manu Peru and Primax Holding	1.892	-
Reserves adjustment in Gas de Chile S.A	2.536	-
Reserves adjustment in Innergy Holding S.A.	-	(1.518)
Total	23.817	19.763

d) Accumulated earnings (losses)

	30-09-10	31-12-09
	ThUS\$	ThUS\$
Opening balance of period	(680.044)	(913.725)
Adjustment Sipetrol Argentina (a)	(32.216)	-
Result for period	(14.962)	195.923
Variation in accumulated results	<u>(2.729)</u>	<u>37.758</u>
Total	<u><u>(729.951)</u></u>	<u><u>(680.044)</u></u>

- a) The adjustment corresponds to the effects of the revision of the calculations of deferred taxes related to fixed assets, caused by the first adoption of IFRS made by the subsidiary Enap Sipetrol Argentina”

17. NON-CONTROLLER PARTICIPATIONS

The detail by company of the effects of the participation of third parties in the equity and results of subsidiaries as of September 30, 2010 and December 31, 2009 is as follows

Entity	Minority equity interest		Participation in result	
	30-09-10	31-12-09	30-09-10	30-09-09
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Other companies (special-purpose entities)	32.405	37.501	7.027	4.040
Enap Refinerías S.A.	<u>108</u>	<u>117</u>	<u>(7)</u>	<u>18</u>
Total	<u><u>32.513</u></u>	<u><u>37.618</u></u>	<u><u>7.020</u></u>	<u><u>4.058</u></u>

18. OTHER PROVISIONS

The following is a detail of this heading as of September 30, 2010 and December 31, 2009:

Concept	Current		Non-Current	
	30-09-10 ThUS\$	31-12-09 ThUS\$	30-09-10 ThUS\$	31-12-09 ThUS\$
Provision for contracts	-	8.099	-	-
Dismantling, restoration & renovation costs (a)	17.500	18.000	50.006	51.474
Provision income tax (DL)	-	-	17.773	8.565
Negative equity investments (b)	12.298	9.129	-	-
Demurrage	3.531	10.900	-	-
Onerous contracts (d)	-	-	13.299	18.115
Others (c)	14.727	11.475	349	350
Total	48.056	57.603	81.427	78.504

- a) This class of provision groups the estimated disbursements that the Group will have to meet in the future for environmental, platform and well remediation, which are based on a detailed plan of activity currently being applied.
- b) Relate to provisions for negative equity of investments in Innergy Holding S.A. and GNL Chile S.A.
- c) These provisions include disbursements to be made by the ENAP Group in the future for services received, goods acquired and adequately-founded estimates of expenses awaiting their formalization or realization.
- d) Relate to the booking of obligations with respect to onerous contracts with Innergy Holding S.A. and Gas Valpo. S.A.

	Provision for contracts ThUS	Dismantling, restructuring & renovation costs ThUS	Onerous contracts ThUS	Negative equity ThUS	Other Provisions ThUS	Total ThUS
Total provision, opening balance at 01-01-10	8.099	69.474	18.115	9.129	31.290	136.107
Additional provisions	777	546	-	4.874	22.938	29.135
Provision used	(8.876)	(2.514)	(4.816)	-	(14.303)	(30.509)
Reversals of provision	-	-	-	(1.705)	(3.549)	(5.254)
Other increases (decreases)	-	-	-	-	4	4
Total provision, closing balance at 30-09-10	-	67.506	13.299	12.298	36.380	129.483

	Provision for contracts ThUS	Dismantling, restructuring & renovation costs ThUS	Onerous contracts ThUS	Negative equity ThUS	Other Provisions ThUS	Total ThUS
Total provision, opening balance at 01-01-09	28.431	81.004	62.155	96.835	41.838	310.263
Additional provisions	12.598	-	-	1.991	21.718	36.307
Provision used	(15.230)	-	(44.040)	-	(23.793)	(83.063)
Reversals of provision	(17.700)	(708)	-	(89.697)	(12.018)	(120.123)
Increase (Decrease) in foreign currency exchange	-	-	-	-	5	5
Other increases (decreases)	-	(10.822)	-	-	3.540	(7.282)
Total provision, closing balance at 31-12-09	8.099	69.474	18.115	9.129	31.290	136.107

19. PROVISIONS FOR PERSONNEL BENEFITS

The following is a detail of the provisions for personnel benefits as of September 30, 2010 and December 31, 2009:

Concept	Current		Non-Current	
	30-09-10 ThUSS	31-12-09 ThUSS	30-09-10 ThUSS	31-12-09 ThUSS
Severance payments (a)	-	-	151.102	160.345
Profit sharing & personnel bonuses (b)	20.049	19.717	-	-
Other provisions (c)	25.595	22.406	173	119
Total	45.644	42.123	151.275	160.464

- Relate to obligations for several payments in any event that the ENAP Group has with its employees, as detailed in current collective agreements.
- Relate to benefits associated with bonuses and profit sharing that the ENAP Group should pay to employees and which are set out in current collective contracts or work contracts, as the case may be.
- These relate to other personnel benefits like vacations, gratifications, holiday payments, etc.

	Profit sharing & personnel bonuses ThUS	Severance payments ThUS	Other provisions ThUS	Total ThUS
Total provision, opening balance at 01-01-10	19.717	160.355	22.515	202.587
Additional provisions	22.213	3.959	18.994	45.166
Provision used	(22.537)	(3.894)	(18.785)	(45.216)
Increase (Decrease) in foreign currency exchange	656	11.418	3.044	15.118
Other increases (decreases)	-	(20.536)	-	(20.536)
Total provision, closing balance at 30-09-10	20.049	151.102	25.768	196.919

	Profit sharing & personnel bonuses	Severance payments	Other provisions	Total
	ThUS	ThUS	ThUS	ThUS
Total provision, opening balance at 01-01-09	27.376	123.850	18.287	169.513
Additional provisions	31.361	114.968	42.893	189.222
Provision used	(40.753)	(114.129)	(40.876)	(195.758)
Increase (Decrease) in foreign currency exchange	2	15.052	4	15.058
Other increases (decreases)	1.731	20.604	2.217	24.552
Total provision, closing balance at 31-12-09	<u>19.717</u>	<u>160.345</u>	<u>22.525</u>	<u>202.587</u>

20. ORDINARY BUSINESS REVENUES

The following is a detail of these as of September 30, 2010 and 2009:

Detail	30-09-10	30-09-09	01-07-10	01-07-09
	ThUS\$	ThUS\$	30-09-10	31-06-09
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sales of crude	161.178	123.020	59.068	43.273
Sales of gas	198.847	71.449	82.231	31.828
Sales of refined products	5.530.423	4.656.468	1.894.322	1.836.596
Sales of oil services	98.599	63.095	41.231	22.792
Other operating revenues	12.086	56.474	-7.949	3.209
Total	<u>6.001.133</u>	<u>4.970.506</u>	<u>2.068.903</u>	<u>1.937.698</u>

21. OPERATIVE SEGMENTS

Segmentation criteria

The segmentation structure used by the ENAP Group and defined by the board of ENAP, is firstly as a function of the different lines of business and secondly according to geographic distribution.

The above-mentioned lines of business are exploration and production, and refining, logistics and distribution.

Principal business segments of the consolidated group:

- Exploration and production, which includes the exploratory operations of hydrocarbons (oil and natural gas) and geothermal sources, as well as their development, production and commercialization.
- Refining, logistics and distribution, which includes activities for the acquisition of crude oil and other inputs for the production; the development of fuel production (gasoline, diesel, fuel oil, kerosene, liquefied gas, etc.) and other oil-derivative products (solvents, asphalt-production bases, ethylene and other petrochemicals);

and the storage, transport and commercialization of these in the Chilean and international markets, including the wholesale distribution business in Peru.

The board and chief executive officer of the ENAP Group are responsible for taking decisions with respect to the management and assignment of resources and the evaluation of the performance of each of the above-described operative segments.

The following is the information by segments of these activities as of September 30, 2010 and 2009.

	30-09-10			
	Exploration & Production	Refining, Logistics & Commercialization	Others	Total
	(E&P)	(RL&C)	(I)	
Ordinary revenues	424.213	6.241.862	(664.942)	6.001.133
Cost of sales	(298.237)	(6.274.512)	653.815	(5.918.934)
Gross margin	125.976	(32.650)	(11.127)	82.199
Other revenues, by function	4.789	15.172	7.726	27.687
Administrative expenses	(20.239)	(24.529)	(15.488)	(60.256)
Other expenses, by function	(18.899)	(4.222)	(6.729)	(29.850)
Other gains (losses)	(1.935)	22.960	-	21.025
Financial income	301	2.374	644	3.319
Financial costs	(4.159)	(74.902)	(48.856)	(127.917)
Participation in earnings (losses) of associates & joint ventures that are booked using the participation method	(12)	10.248	6.036	16.272
Exchange differences	(589)	52.401	(203)	51.609
Earnings (Loss) before tax	85.233	(33.148)	(67.997)	(15.912)
(Charge) Credit for income tax	(21.490)	18.365	11.095	7.970
Earnings (Loss) after tax	63.743	(14.783)	(56.902)	(7.942)
Earnings (Loss)	63.743	(14.783)	(56.902)	(7.942)
Earnings (Loss) attributable to owners of the controller	54.872	(14.823)	(55.011)	(14.962)
Earnings (Loss) attributable to non-controlling participations	8.871	40	(1.891)	7.020
Earnings (Loss)	63.743	(14.783)	(56.902)	(7.942)

	30-09-09			
	Exploration & Production	Refining, Logistics & Commercialization	Others	Total
	(E&P)	(RL&C)	(I)	
Ordinary revenues	380.643	5.380.244	(790.381)	4.970.506
Cost of sales	(264.638)	(5.192.822)	762.848	(4.694.612)
Gross margin	116.005	187.422	(27.533)	275.894
Other revenues, by function	3.013	28.353	1.780	33.146
Administrative expenses	(22.347)	(24.460)	(12.528)	(59.335)
Other expenses, by function	(81.505)	(17.770)	(494)	(99.769)
Other gains (losses)	3.014	142	4.155	7.311
Financial income	41	107	939	1.087
Financial costs	(8.959)	(81.705)	(40.733)	(131.397)
Participation in earnings (losses) of associates & joint ventures that are booked using the participation method	(24)	9.677	(954)	8.699
Exchange differences	(2.356)	28.260	(13.640)	12.264
Earnings (Loss) before tax	6.882	130.026	(89.008)	47.900
(Charge) Credit for income tax	(6.577)	(13.207)	(51.751)	(71.535)
Earnings (Loss) after tax	305	116.819	(140.759)	(23.635)
Ganancia (Pérdida) procedente de operaciones discontinuadas (2)	45.751	-	-	45.751
Earnings (Loss)	46.056	116.819	(140.759)	22.116
Earnings (Loss) attributable to owners of the controller	46.178	111.940	(140.060)	18.058
Earnings (Loss) attributable to non-controlling participations	(122)	4.879	(699)	4.058
Earnings (Loss)	46.056	116.819	(140.759)	22.116

(1) These show elimination adjustments on consolidation of the ENAP Group, the most significant items being: i) revenue and cost transactions for the purchase/sale of products and inputs between the companies of the ENAP Group for ThUS\$ (664,942) and ThUS\$ 653,815 respectively for 2010, and ThUS\$ (790,381) and ThUS\$ 762,848 for 2009, and ii) income taxes of ThUS\$ 6,332 for 2010 and ThUS\$ (71,535) for 2009, including the 40% additional tax to which the ENAP Group is subject, as established in Decree 2,398.

(2) Relate to revenues on the sale of the North Bahariya project on June 30, 2009, for ThUS\$ 45,751.

Sales to third parties:

Sales by geography	30-09-10			30-09-09		
	Exploration & Production	Refining, Logistics & Commercialization	Total	Exploration & Production	Refining, Logistics & Commercialization	Total
	(E&P)	(RL&C)		(E&P)	(RL&C)	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
National	98.743	5.484.676	5.583.419	118.047	4.378.355	4.496.402
Foreign	233.799	183.915	417.714	172.959	301.145	474.104
Total	332.542	5.668.591	6.001.133	291.006	4.679.500	4.970.506

Sales by product	30-09-10			30-09-09		
	Exploration & Production (E&P)	Refining, Logistics & Commercialization (RL&C)	Total	Exploration & Production (E&P)	Refining, Logistics & Commercialization (RL&C)	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Crude	161.178	-	161.178	123.020	-	123.020
Gas	72.512	126.335	198.847	61.989	9.460	71.449
Liquefied petroleum gas	1.557	396.997	398.554	1.204	273.921	275.125
Gasoline	-	1.316.022	1.316.022	-	1.249.227	1.249.227
Kerosene	-	500.164	500.164	-	341.164	341.164
Diesel	-	2.523.058	2.523.058	-	2.070.993	2.070.993
Fuel oil	-	620.679	620.679	-	542.111	542.111
Petrochemicals	-	49.572	49.572	-	70.269	70.269
Other products	-	122.374	122.374	-	107.579	107.579
Sales of services, national	19.358	13.390	32.748	1.786	14.776	16.562
Sales of services, foreign	65.851	-	65.851	46.533	-	46.533
Other revenues (services,transport), national	6.873	-	6.873	54.272	-	54.272
Other revenues (services,transport), foreign	5.213	-	5.213	2.202	-	2.202
Total	332.542	5.668.591	6.001.133	291.006	4.679.500	4.970.506

The commercialization of the refined products by Enap Refinerías S.A. is channeled through wholesale distributor companies of fuels and other derivatives. ERSA has supply contracts with its principal customers, thus ensuring the adequate supply of fuels throughout the country.

In addition, ERSA in 2010 continued selling part of its production on the regional markets, particularly Peru, Ecuador and Central America.

The principal customers of the ENAP Group in Chile are Copec, Petrobras, Terpel, Shell, Lipigas, Abastecedora de Combustibles and Methanex.

Assets and liabilities by operative segments

The ENAP Group does not currently control and record assets by reportable segments in its internal reporting systems. Neither is this information used by the board as part of its business decision-taking and the assignment of resources. The financial debt of the ENAP Group is centralized and controlled at the corporate level and is not shown by reportable segments.

22. FINANCIAL COSTS

The following is a detail of financial costs as of September 30, 2010 and 2009:

Concepts	30-09-10	30-09-09	01-07-10	01-07-09
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Interest on bank overdrafts & loans	38.327	46.699	12.857	14.417
Interest on bonds outstanding	57.197	41.951	22.032	16.938
Interest on leasing obligations	392	394	133	133
Other expenses	3.149	5.777	1.231	1.128
Interest on accounts payable	9.193	21.218	1.920	4.457
Total interest expense	<u>108.258</u>	<u>116.039</u>	<u>38.173</u>	<u>37.073</u>
Gain / Loss on settlements of derivatives (swaps)	23.802	15.036	11.674	6.375
Other effects of valuation of derivatives (time value & ineffectiveness)	(143)	-	635	-
Accrued interest on swaps	<u>(2.265)</u>	<u>322</u>	<u>-3.050</u>	<u>-361</u>
Less:				
Capitalized interest	(1.735)	-	-	-
Total financial costs	<u>127.917</u>	<u>131.397</u>	<u>47.432</u>	<u>43.087</u>

23. INCOME TAX

a) Tax situation

All the companies of the ENAP Group submit their tax declarations individually according to the applicable tax regulations in each country.

The tax and deferred (charge) credit for the periods to September 30, 2010 and 2009 are as follows:

	30-09-10	30-09-09	01-07-10	01-07-09
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Charge for current income taxes				
(Charge) credit for current taxes	(6.625)	(32.669)	(6.627)	(39.663)
Tax benefit arising from tax assets not previously booked used to reduce charge for current tax	-	-	-	-
Adjustments to previous year current tax	3.396	-	(256)	-
Other (charge) credit for current tax	(21.490)	(242)	(11.114)	38.275
(Charge) credit for current taxes, net, total	(24.719)	(32.911)	(17.997)	(1.388)
Deferred (charge) credit for taxes related to the creation & reversal of timing differences	32.689	(38.624)	39.057	(29.778)
(Charge) credit for deferred taxes, net, total	32.689	(38.624)	39.057	(29.778)
(Charge) credit for income taxes	7.970	(71.535)	21.060	(31.166)
(Charge) credit for current taxes, net, foreign	(10.926)	(4.080)	(4.014)	(1.557)
(Charge) credit for current taxes, net, national	(13.793)	(28.831)	(13.983)	169
(Charge) credit for current taxes, net, total	(24.719)	(32.911)	(17.997)	(1.388)
Charge for deferred income taxes by foreign & national parties, net				
(Charge) credit for deferred taxes, net, foreign	(6.038)	5.757	1.996	(2.684)
(Charge) credit for deferred taxes, net, national	38.727	(44.381)	37.061	(27.094)
(Charge) credit for deferred taxes, net, total	32.689	(38.624)	39.057	(29.778)

b) Reconciliation of the accounting result and the tax result

The reconciliation of the current legal tax rate in Chile and the effective tax rate applicable to the ENAP Group is as follows:

	30-09-10	30-09-09	01-07-10	01-07-09
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
(Charge) credit for taxes using the legal rate	9.755	(27.312)	52.428	(42.685)
Tax effect of rates in other jurisdictions	(21.834)	(964)	(4.106)	(2.078)
Tax effect of non-taxable ordinary revenues	(51.405)	(3.333)	(9.930)	70.743
Tax effect of non-deductible expenses for taxation purposes	58.261	(193)	2.441	(8.541)
Tax effect of the use of fiscal losses not previously booked	-	-	-	-
Tax effect of change in tax rates	(1)	(47.009)	(1)	(45.766)
Other increases (decreases) in charge for legal taxes	13.194	7.276	12.654	(52.064)
Adjustment to charge for taxes using the legal rate, total	(1.785)	(44.223)	1.058	(37.706)
(Charge) credit for taxes using the effective rate	7.970	(71.535)	53.486	(80.391)

	30-09-10	30-09-09	01-07-10	01-07-09
	%	%	%	%
Legal tax rate (%)	57,00%	57,00%	0,00%	0,00%
Effect on tax rate of rates in other jurisdictions (%)	4,00%	2,01%	-19,68%	-2,12%
Effect on tax rate of non-taxable ordinary revenues (%)	16,14%	6,96%	-39,26%	-26,04%
Effect on tax rate of non-deductible expenses (%)	-35,03%	0,40%	39,53%	-30,55%
Effect on tax rate of changes of rates in other jurisdictions (%)	0,00%	0,00%	0,00%	0,00%
Tax effect of use of fiscal loss not previously booked	0,01%	98,11%	0,01%	102,72%
Effect on tax rate of changes in rates in other jurisdictions (%)	-22,00%	0,00%	-21,28%	34,00%
Other increases (decreases) in legal tax rate (%)	41,27%	-15,19%	37,47%	8,97%
Adjustments to legal tax rate, total (%)	4,39%	92,29%	-16,30%	54,60%
Effective tax rate (%)	61,39%	149,29%	-19,75%	86,98%

The tax rates applied for the ENAP Group are 17% for the Chilean subsidiaries (ERSA, Sipetrol and the SPEs) and, in the case of the Parent, the applied rate is 57%, which comprises the 17% rate plus an additional 40% under Decree 2,398.

The other increases or decreases for legal taxes relate to the taxes on the accrued earnings of the subsidiaries.

Taxes for the foreign companies are calculated according to the tax rates in the respective jurisdictions.

c) Deferred tax assets and liabilities

The following shows the origin of the deferred taxes booked at September 30, 2010 and December 31, 2009:

Deferred taxes assets, booked		
	30-09-10	31-12-09
	ThUS\$	ThUS\$
Deferred tax assets relating to accumulations (or accruals)	9.113	13.432
Deferred tax assets relating to provisions	54.837	40.546
Deferred tax assets relating to foreign currency contracts	40.501	47.734
Deferred tax assets relating to post-employment benefits obligations	42.846	44.533
Deferred tax assets relating to property, plant & equipment	63.320	7.518
Deferred tax assets relating to fiscal losses	160.234	136.456
Deferred tax assets relating to others	167.040	192.479
Deferred tax assets	<u>537.891</u>	<u>482.698</u>
	30-09-10	31-12-09
	ThUS\$	ThUS\$
Deferred tax assets, fiscal credits, not booked	<u>(9.674)</u>	<u>(9.674)</u>
Deferred tax assets, fiscal credits, not booked, total	<u>(9.674)</u>	<u>(9.674)</u>

Deferred tax liabilities booked		
	30-09-10	31-12-09
	ThUS\$	ThUS\$
Deferred tax liabilities relating to depreciation	10.393	7.817
Deferred tax liabilities relating to amortization	167.859	9.624
Deferred tax liabilities relating to accumulations (or accruals)	-	187.664
Deferred tax liabilities relating to post-employment benefit obligations	55.432	52.168
Deferred tax liabilities relating to property, plant & equipment	88.924	11.422
Deferred tax liabilities relating to others	1.070	17.480
Deferred tax liabilities	<u>323.678</u>	<u>286.175</u>
	30-09-10	31-12-09
	ThUS\$	ThUS\$
Movement in deferred tax liabilities (Presentation)		
Deferred tax liabilities, opening balance	286.175	263.236
Increase (Decrease) in deferred tax liabilities	37.503	22.939
Changes in deferred tax liabilities, total	<u>37.503</u>	<u>22.939</u>
Deferred tax liabilities, closing balance	<u>323.678</u>	<u>286.175</u>

d) Tax assets

The detail of recoverable taxes as of September 30, 2010 and December 31, 2009 is as follows:

Detail	30-09-10	31-12-09
	ThUS	ThUS
VAT fiscal credit (remainder)	116.742	104.779
FEP taxes Law 19030 D.A	91	1.668
FEPP credit Law 20278	-	210
Customs duties	1.046	3.105
Monthly tax prepayments	6.027	11.160
Recovery income tax	27.421	40.915
Other foreign taxes	18.130	17.559
Other sundry taxes	49	4.114
Total	169.506	183.510

e) Tax liabilities

The following is a detail of taxes payable as of September 30, 2010 and December 31, 2009:

Detalle	30-09-10	31-12-09
	MUS\$	MUS\$
VAT fiscal debit	7.016	2.171
Specific tax fuels	46.814	24.025
Withheld taxes	1.722	3.359
Easter Island subsidy	255	-
Other foreign taxes	11.559	-
Other sundry taxes	1.346	2.945
Totales	68.712	32.500

f) Results and tax rates

	30-09-10	30-09-09	01-07-10	01-07-09
	<u>ThUS</u>	<u>ThUS</u>	<u>ThUS</u>	<u>ThUS</u>
EARNINGS BEFORE TAX	(15.912)	47.900	45.863	23.019
TAX CHARGE RATE 17%	<u>14.458</u>	<u>-6.715</u>	<u>16.093</u>	<u>-13.960</u>
17% tax	-1.110	10.528	-8.280	1.155
Deferred tax	26.494	(13.163)	28.387	-13.558
Foreign tax	(10.926)	(4.080)	(4.014)	(1.557)
EARNINGS AFTER 17% TAX	(1.454)	41.185	61.956	9.059
EARNINGS FROM DISCONTINUED OPERATIONS	-	45.751	-	-
EARNINGS BEFORE 40% TAX	(1.454)	86.936	61.956	9.059
LAW 2,398 TAX CHARGE 40%	<u>(6.488)</u>	<u>(64.820)</u>	<u>4.967</u>	<u>-17.206</u>
Income tax	(12.683)	(39.359)	(5.703)	-986
Deferred tax	6.195	(25.461)	10.670	-16.220
EARNINGS AFTER 40% TAX	(7.942)	22.116	66.923	-8.147
EARNINGS (LOSS)	(7.942)	22.116	66.923	-8.147
MINORITY INTEREST	<u>7.020</u>	<u>4.058</u>	<u>3.427</u>	<u>764</u>
FINAL RESULT	<u>(14.962)</u>	<u>18.058</u>	<u>63.496</u>	<u>-8.911</u>

ENAP's results to September 30, 2010 and 2009 after applying income tax of 17% is ThUS\$ (1,454) and ThUS\$ 41,185 respectively which, added to the earnings from discontinued operations in the same periods, of nil and ThUS\$ 45,751 respectively, result in a loss of ThUS\$ (1,454) for 2010, compared to earnings of ThUS\$ 86,936 for 2009.

On July 31, 2010, the Ministry of Finance promulgated Law 20,455, whose objective is "to amend various legal bodies to obtain resources for the financing of the reconstruction of the country". Among the most significant points covered by the law, it raises temporarily the rate established in article 20 of the Income Tax Law, contained in article 1 of Decree Law 824 of 1974 in the following manner:

- a) To 20% for incomes received or accrued during the calendar year 2011.
- b) To 18.5% for incomes received or accrued during the calendar year 2012.

24. BALANCES AND TRANSACTIONS WITH RELATED ENTITIES

Accounts receivable and payable, and transactions, with related parties are as follows:

a) Accounts receivable

Tax No.	Company	Country	Transaction	Relationship	Currency	Current		Non-Current	
						30-09-10 ThUS\$	31-12-09 ThUS\$	30-09-10 ThUS\$	31-12-09 ThUS\$
Foreign	Primax S.A.	Peru	Sale of products	Associate	US\$	19.618	20.714	-	-
78.335.760-7	Petropower Energia Ltda.	Chile	Sale of services	Associate	US\$	6.009	8.099	-	-
78.889.940-8	Norgas S.A.	Chile	Sale of products	Associate	US\$	2.498	1.992	-	-
76.418.940-K	GNL Chile S.A.	Chile	Trading current account	Associate	US\$	8.326	20.845	392	392
99.577.350-3	Empresa Nacional de Geotermia S.A.	Chile	Trading current account	Associate	US\$	219	116	-	-
96.856.650-4	Innergy Holding S.A.	Chile	Trading current account	Associate	US\$	-	-	11.550	12.572
96.971.330-6	Geotermica del Norte S.A.	Chile	Trading current account	Associate	US\$	854	436	-	-
96.655.490-8	Oleoducto Trasandino Chile S.A.	Chile	Trading current account	Associate	US\$	785	784	-	-
81.095.400-0	Sociedad Nacional de Oleoducto S.A.	Chile	Trading current account	Associate	US\$	1.042	-	-	-
Foreign	Terminales Maritimos Patagónicos S.A.	Argentina	Trading current account	Associate	US\$	539	-	-	-
Foreign	Gasoducto del Pacifico Argentina S.A.	Argentina	Trading current account	Associate	US\$	3.578	3.831	-	-
	Golfo de Guayaquil Petroenap Compañía de	Ecuador							
Foreign	Economia Mixta		Trading current account	Associate	US\$	124	67	-	-
99.515.800-0	SK Inversiones Petroquimicas	Chile	Trading current account	Related through EPE	US\$	-	76	-	-
55.100.000-K	Foster Wheeler Ibera	Chile	Trading current account	Related through EPE	US\$	-	49	-	-
Total						43.592	57.009	11.942	12.964

b) Accounts payable

Tax No.	Company	Country	Transaction	Relationship	Currency	Current		Non-Current	
						30-09-10 ThUS\$	31-12-09 ThUS\$	30-09-10 ThUS\$	31-12-09 ThUS\$
Foreign	Primax S.A.	Peru	Trading current account	Associate	US\$	8	13.000	-	-
78.335.760-7	Petropower Energia Ltda.	Chile	Purchase of services	Associate	US\$	-	40	-	-
76.384.550-8	Sociedad Nacional Maritima S.A.	Chile	Trading current account	Associate	US\$	2.119	-	-	-
81.095.400-0	Sociedad Nacional de Oleoductos S.A.	Chile	Trading current account	Associate	US\$	1.357	-	-	-
96.971.330-6	Geotermica del Norte S.A.	Chile	Trading current account	Associate	US\$	-	126	-	-
76.788.080-4	GNL Quintero S.A.	Chile	Trading current account	Associate	US\$	29	202	-	-
76.418.940-K	GNL Chile S.A.	Chile	Trading current account	Associate	US\$	-	14.253	-	-
78.528.120-9	Inmobiliaria Mamaco Ltda.	Chile	Trading current account	Related through EPE	US\$	1	-	-	-
99.598.300-1	Sigdo Koppers S.A.	Chile	Purchase of services	Related through EPE	US\$	3	3	-	-
Totales						3.518	27.624	-	-

The balances and transactions with related entities conform with that established in article 89 of Law 18,046, which states that operations between subsidiary companies, between the parent and subsidiaries and those made by an open corporation, should respect conditions of equity similar to those normally prevailing in the market, i.e. on conditions of mutual independence between the parties.

c) Transactions with related parties

Tax No.	Company	Country	Relationship	Transaction	30-09-10 MUS\$	30-09-09 MUS\$
99.577.350-3	Empresa Nacional del Geotermia S.A.	Chile	Associate	Sale of services	-	180
99.577.350-3				Expenses reimbursed	-	233
96.971.330-6	Geotérmica del Norte S.A.	Chile	Associate	Interest	276	180
				Sale of services	145	-
				Capital reduction	126	-
				Loan	-	11.907
				Capital contribution	15.469	-
				Expenses reimbursed	-	340
				Capital contribution	7.054	-
O-E	Primax S.A.	Peru	Associate	Sale of products	147.997	126.359
96.856.650-4	Innergy Holding S.A.	Chile	Associate	Purchase of natural gas	22.201	9.406
96.655.490-8	Oleoducto Trasandino Chile S.A.	Chile	Associate	Purchase of services	2.814	2.668
				Capital reduction	15	-
78.889.940-8	Norgas S.A.	Chile	Associate	Sale of products	52.322	30.411
				Dividend	627	-
78.335.760-7	Petropower Energia Ltda.	Chile	Associate	Purchase of services	48.142	79.485
				Dividend	202	-
				Loan	6.000	-
81.095.400-0	Sociedad Nacional de Oleoducto S.A.	Chile	Associate	Purchase of services	29.112	-
				Dividend receivable	2.292	-
76.384.550-8	Sociedad Nacional Marítima S.A.	Chile	Associate	Purchase of services	21.081	-
76.418.940-k	GNL Chile S.A.	Chile	Associate	Purchase of natural gas	166.592	15.812
				Interest	44	-
76.788.080-4	GNL Quintero S.A.	Chile	Associate	Purchase of services	1.856	-

d) Directors' remuneration

Name	Tax No.	Position	Period in position	30-09-10	30-09-09	01-07-10	01-07-09
				ThUS\$	ThUS\$	ThUS\$	ThUS\$
Ricardo Raineri Bernain (b)	7.006.275-5	Chairman		-	-	-	-
Laurence Golborne Riveros (a) (c)	8.170.562-3	Director		-	-	-	-
Hernán Cheyre Valenzuela (a)	6.375.408-0	Vice chairman		-	-	-	-
Santiago Gonzalez Larraín (a)	6.499.284-8	Chairman		-	-	-	-
Carlos Alvarez Voullieme (a)	8.970.274-7	Vice chairman		-	-	-	-
Rodolfo Krause Lubascher	4.643.327-0	Director		14	11	4	3
Miguel Moreno García (c)	5.433.767-1	Director		8	11	-	3
Iván Pérez Pavez	6.902.930-2	Director		10	10	3	2
Eduardo González Yáñez	9.164.893-8	Director		-	3	-	-
Jorge Matute Matute (d)	5.334.581-6	Director		13	11	4	3
Ramón Jara Araya	5.899.198-8	Director		-	-	-	-
Francisco Gana Eguiguren (c)	6.376.183-4	Director		4	-	-	-
Axel Juan Christensen de la Cerda (c)	7.478.702-9	Director		9	2	-	2
Totales				58	48	11	13

- a) On March 29, Laurence Golborne Riveros became the new chairman of the board of ENAP in replacement of Santiago González Larraín, and Hernán Cheyre Valenzuela became vice-chairman in replacement of Carlos Alvarez Voullieme.
- b) On May 4, 2010, the Minister of Energy, Ricardo Raineri Bernain, became the new chairman of the board of ENAP in replacement of the Minister of Mining, Laurence Golborne Riveros.
- c) On July 19, 2010, the Minister of Mining, Laurence Golborne Riveros and Francisco Manuel Gana Eguiguren became directors of ENAP in replacement of Axel Juan Christensen de la Cerda and Miguel Moreno García.
- d) As an employee of the subsidiary Enap Refinerías S.A., this director also received a remuneration equivalent to ThUS\$ 54.

The accrued remuneration of the key management personnel amounted to ThUS\$1,949 for the period ended September 30, 2010 (ThUS\$1,445 for the period to September 30, 2009). This remuneration includes salaries, estimates of short-term benefits (annual bonus) and indemnities paid to key executives who provided services during the periods reported.

The positions considered in the amounts reported correspond to 10 senior executives of the ENAP Group which include the chief executive officer and the executives who reported directly to him during the periods reported.

The positions considered in the amounts reported correspond to 10 senior executives of the ENAP Group which include the chief executive officer and the executives who reported directly to him during the periods reported.

Incentives plan for key personnel

ENAP has a variable income system that applies to all its executives, except the chief executive officer.

The purpose of the system is to motivate them to add value to the Company, improving team work and individual performance.

The factors that the model considers for determining the incentive are:

- The financial results for the year obtained by the Company;
- Results by area, which reflect the level of compliance with targets achieved by each of the Company's management areas, and
- Individual results, which reflect the percentage compliance with targets assigned to each executive.

25. GUARANTEES IN FAVOR OF THIRD PARTIES

a) Direct guarantees Empresa Nacional del Petróleo

Creditor	Debtor		Description	Type of guarantee	Release of guarantee	
	Name	Relationship			2010 ThUS\$	2011 onward ThUS\$
Highways authority, Region of Magallanes & Chilean Antarctic.	Empresa Nacional del Petróleo	Parent	Correct performance of works, crossing of Route 255, km 56.5, with San Gregorio 12 3/4 "tropical" collector, expiring December 2010, for UF 100	Bank performance bond	4	
Highways authority, Region of Magallanes & Chilean Antarctic.	Empresa Nacional del Petróleo	Parent	Correct performance of works, crossing of Route 255, km 56.5, with San Gregorio 12 3/4 "tropical" collector, expiring December 2010, for UF 50	Bank performance bond	2	
Highways authority, Region of Magallanes & Chilean Antarctic.	Empresa Nacional del Petróleo	Parent	Correct performance of works "Temporary access to tropical F exploration well, on Route 255-ch, expiring in December 2010, for UF 170	Bank performance bond	8	
Highways authority, Region of Magallanes & Chilean Antarctic.	Empresa Nacional del Petróleo	Parent	Correct performance of works "Temporary access to tropical F exploration well, on Route 255-ch, expiring in December 2010, for UF 40	Bank performance bond	2	
Highways authority, Region of Magallanes & Chilean Antarctic.	Empresa Nacional del Petróleo	Parent	Correct performance of crossing works called Route Crossing Y-466, expiring in February 2011, for UF 100	Bank performance bond		4
Highways authority, Region of Magallanes & Chilean Antarctic.	Empresa Nacional del Petróleo	Parent	Correct performance of crossing works called Route Crossing Y-466, expiring in February 2011, for UF 50	Bank performance bond		2
Civil aviation authority	Empresa Nacional del Petróleo	Parent	Mataverí airport concession in Esater Island, expiring December 2010, for UF 1,452.	Bank performance bond		0,3
BG LNG Trading LLC-GNL	Empresa Nacional del Petróleo	Parent	Letter of credit expiring in January 2011	BBVA Letter of credit		1.599
BG LNG Trading LLC-GNL	Empresa Nacional del Petróleo	Parent	Letter of credit expiring in October 2010	BBVA Letter of credit	11.824	
BG LNG Trading LLC-GNL	Empresa Nacional del Petróleo	Parent	Letter of credit expiring in October 2010	BBVA Letter of credit	236	
BG LNG Trading LLC-GNL	Empresa Nacional del Petróleo	Parent	Letter of credit expiring in November 2010	BBVA Letter of credit	12.727	
Maritime territory authority	Empresa Nacional del Petróleo	Parent	Compliance with the conditions mentioned in Supreme Decree 483	Bank performance bond		1
Highways authority, Region of Magallanes & Chilean Antarctic.	Empresa Nacional del Petróleo	Parent	Compliance with investments & works of the temporal access to route 255-CH	Bank performance bond		2
Dirección Regional de Vialidad, Región de Magallanes y Antártica Chilena.	Empresa Nacional del Petróleo	Parent	Compliance with investments & works of the temporal access to route 255-CH	Bank performance bond		8
Dirección Regional de Vialidad, Región de Magallanes y Antártica Chilena.	Empresa Nacional del Petróleo	Parent	Compliance with investments & works of the temporal access to exploratory well manantiales oeste B, ruta Y-65 km,4,89	Bank performance bond		8
Dirección Regional de Vialidad, Región de Magallanes y Antártica Chilena.	Empresa Nacional del Petróleo	Parent	Compliance with investments & works of the temporal access to exploratory well manantiales oeste B, ruta Y-65 km,4,89	Bank performance bond		2
Subsecretaría de Minería	Empresa Nacional del Petróleo	Parent	Compliance with investments & works of the Caupolicán CEOP Block, ThUS\$4,428, expiring April 2012	Bank performance bond		4.428
Fisco de Chile	Empresa Nacional del Petróleo	Parent	Given to the Customs Service, for goods entering from Bolivia, due in March 2011.	Bank performance bond		12
Mesa Ruben Co	Empresa Nacional del Petróleo	Parent	Bank performance bond expiring in October 2010	Bank performance bond	320	
Dirección Regional de Territorio Marítimo y Marina Mercante	Empresa Nacional del Petróleo	Parent	Bank performance bond expiring in May 2011	Bank performance bond		34
BG LNG Trading LLC-GNL	Empresa Nacional del Petróleo	Parent	Letter of credit expiring in December 2010	BBVA Letter of credit	10.000	
BG LNG Trading LLC-GNL	Empresa Nacional del Petróleo	Parent	Letter of credit expiring in December 2010	BBVA Letter of credit	12.302	
BG LNG Trading LLC-GNL	Empresa Nacional del Petróleo	Parent	Letter of credit expiring in November 2010	BBVA Letter of credit	15.567	

b) Direct guarantees subsidiaries Enap Refinerías S.A.

Creditor	Description	Type of guarantee	Release of guarantee	
			2010	2011 onward
Pacific Hydro Chile S.A.	Due compliance with ERSA's obligations under electricity sale contract, expiring in February 2013	Bank performance bond		MUS\$4.200

c) Indirect guarantees Empresa Nacional del Petróleo

Creditor	Debtor		Description	Type of guarantee	Assets affected		Release of guarantee	
	Name	Relationship			Type	Book Value	2010 onward	Assets
Methanex	Enap Sipetrol Argentina S.A.	Subsidiary	Compliance with the obligations of Sipetrol under gas sale contract between Sipetrol/YPF- Methanex (equivalent to 30% of contract). The remaining obligation amounts to 357,250,000 SCM (9,00 Kcal/m3), at a base price of US\$ 0.75 /MMBtu (scale with methanol price) & expiring no later than 08.08.2016.	Joint			(*)	
Petropower Energía Ltda.	Enap Refinerías S.A.	Subsidiary	Guarantee of obligations of Enap Refinerías S.A. under a processing agreement with Petropower, expiring in 2018. The obligation consists of the payment for processing services for an annual value of approximately ThUS\$18,000.	Joint			(*)	
Petropower Energía Ltda.	Enap Refinerías S.A.	Subsidiary	Guarantee of obligations of Enap Refinerías S.A. under various contracts signed in relation to the Petropower project (i) contract for capital contributions in the company (15% participation), (ii) usufruct contract over land for the project, and (iii) indemnity contract in event of fraudulent and negligent actions or omissions of Enap Refinerías S.A.). The obligation to make capital contributions is already met; the other obligations are not calculable in advance. Expiry is in 2018.	Joint			(*)	
YPF y Panamerican	Innergy Holding S.A.	Subsidiary	Guarantee (of 25%) of compliance of obligations by Innergy in gas purchase agreement with YPF-Bridas - Pluspetrol. The total obligation began in 2004 and ends in 2019. The 25% guarantee could reach the equivalent of ThUS\$6,000 in 2004, adjustable annually to ThUS\$12,750 in 2019; subject to the effective sending of gas by the creditors.	Joint			(*)	
Banco KfW	Eteres y Alcoholes S.A. (Etalsa)	Subsidiary	Pledge over Etalsa S.A shares held by ENAP in guarantee of project-financing loan, expiry in 2012.	Pledge over shares	2,087 shares of Etalsa		(*)	2,087 shares of Etalsa
Banco KfW	Petrosul S.A.	Subsidiary	Pledge over Petrosul shares held by ENAP in guarantee of project-financing loan, expiry in 2012.	Pledge over shares	1,579 shares of Petrosul S.A.		(*)	1,579 shares of Petrosul S.A.
Banco BNP Paribas	Productora de Diesel S.A. (Prodisa)	Subsidiary	Pledge over Productora de Diesel S.A. shares held by ENAP in guarantee of project-financing loan, expiry in 2016.	Pledge over shares	2,219,987 shares of Productora de Diesel S.A.		(*)	2,219,987 acciones de Productora de Diesel S.A.
Société Générale	Compañía de Hidrogeno del Bio Bio S.A.	Subsidiary	Pledge over Cia. de Hidrogeno del Bio Bio S.A. shares held by ENAP in guarantee of project-financing loan, expiry in 2015.	Pledge over shares	50,000 shares of Compañía de Hidrogeno del Bio Bio S.A.		(*)	50,000 shares of Compañía de Hidrogeno del Bio Bio S.A.
Citigroup	Energía Concón S.A. (ENERCON)	Subsidiary	Pledge over Energia Concon S.A. shares held by ENAP in guarantee of project-financing loan, expiry in 2020.	Pledge over shares	176,749 shares of Energía Concón S.A.		(*)	176,749 shares of Energía Concón S.A.

(*) The release of these guarantees is related to compliance with the contracts originating them

d) Indirect guarantees Enap Refinerías S.A.

Creditor	Debtor		Description	Type of guarantee	Assets affected		Release of guarantee	
	Name	Relationship			Type	Book Value	2010 onword	Assets
Banco KfW	Petrosul S.A.	Subsidiary	Pledge over Petrosul shares held by ENAP in guarantee of project-financing loan, expiry in 2012.	Pledge over shares	3,160 shares of Petrosul S.A.		(*)	3,160 shares of Petrosul S.A.
Banco KfW	Eteres y Alcoholes S.A. (Etalsa)	Subsidiary	Pledge over Etalsa S.A shares held by ENAP in guarantee of project-financing loan, expiry in 2012.	Pledge over shares	2,087 shares of Etalsa		(*)	2,087 shares of Etalsa
Banco BNP Paribas	Productora de Diesel S.A. (Prodisa)	Subsidiary	Pledge over Productora de Diesel S.A. shares held by ENAP in guarantee of project-financing loan, expiry in 2016.	Pledge over shares	7,769,953 shares of Productora de Diesel S.A.		(*)	7,769,953 shares of Productora de Diesel S.A.
Société Générale	Compañía de Hidrogeno del Bío Bío S.A.	Subsidiary	Pledge over Cia. de Hidrogeno del Bío Bío S.A. shares held by ENAP in guarantee of project-financing loan, expiry in 2015.	Pledge over shares	50,000 shares of Compañía de Hidrogeno del Bío Bío S.A.		(*)	50,000 shares of Compañía de Hidrogeno del Bío Bío S.A.
Citigroup	Energía Concón S.A. (ENERCON)	Subsidiary	Pledge over Energia Concon S.A. shares held by ENAP in guarantee of project-financing loan, expiry in 2020.	Pledge over shares	318,148 shares of Energía Concón S.A.		(*)	318.148 acciones de Energía Concón S.A.

(*) The release of these guarantees is related to compliance with the contracts originating them

a) Indirect guarantees Enap Sipetrol S.A.

Creditor	Description	Type of guarantee	Expiry date	Assets affected		Release of guarantees				
				Type	Book value ThUS\$	31-12-2010 ThUS\$	Assets ThUS\$	31-12-2011 ThUS\$	Assets ThUS\$	
EGAS	Minimum exploration commitment Block 2 - Rommana in Egypt.	Stand by	31-12-2010	Indirect		10.000	10.000			-
EGAS	Minimum exploration commitment of Block 8 - Sidi Abd El Rahaman in Egypt.	Stand by	31-12-2010	Indirect		3.278	3.278			-
Ecuador internal revenue service	Guarantee of 10% of objected tax claim 2005	Performance bond	Open	Direct	262	262	262	-	-	-
Ecuador internal revenue service	Guarantee of 10% of objected tax claim 2004	Performance bond	Open	Direct	283	283	283	-	-	-
Ecuador internal revenue service	Guarantee of 10% of objected tax claim 2003	Performance bond	Open	Direct	32	32	32	-	-	-
National electricity council	Compliance with contract	Performance bond	01-04-2011	Direct	26	-	-	26	26	26
National electricity council	Guarantee of obligations of Enap Sipetrol SA	Insurance policy	13-11-2010	Direct	17	17	17	-	-	-
Ministry of the environment	Compliance with contract	Performance bond	02-08-2010	Direct	20	-	-	20	20	20
Ministry of the environment	Compliance with contract	Insurance policy	28-02-2011	Direct				37	37	37
Ministry of the environment	Compliance with contract	Insurance policy	04-03-2011	Direct				1	1	1
Ministry of the environment	Compliance with contract	Insurance policy	04-03-2011	Direct				1	1	1

26. CASH AND CASH EQUIVALENTS

The following shows the composition of these as of September 30, 2010 and December 31, 2009:

	30-09-10	31-12-09
	<u>ThUS\$</u>	<u>ThUS\$</u>
Cash	92	42.006
Bank	57.137	32.929
Time & overnight deposits	15.464	1.560
Repurchase agreements	-	317
Total	<u>72.693</u>	<u>76.812</u>

	Currency	30-09-10	31-12-09
		<u>ThUS\$</u>	<u>ThUS\$</u>
Cash & cash equivalents	US\$	45.786	12.861
Cash & cash equivalents	AR\$	9.425	6.922
Cash & cash equivalents	GBP	82	50
Cash & cash equivalents	Ch\$	<u>17.400</u>	<u>56.979</u>
Total		<u>72.693</u>	<u>76.812</u>

27. LAWSUITS AND COMMERCIAL COMMITMENTS

Neither the Parent company or its subsidiaries have made provisions for contingent liabilities because, in the opinion of the management, in no event will the various lawsuits described below, either individually or in aggregate, result in a contingency of loss of significant value for the Company.

Lawsuits:

The Parent company (ENAP) has the following lawsuits:

ENAP v. Solo de Zaldívar María Isabel. Case No. 3,703 before the Porvenir civil court, demand for constitution of mining easements over wells, ducts, installations, etc. at Estancia Bahía Lomas, indicated in compliance with that resolved in case on declaration of acquisitive prescription of easements referred to in No.1 of this report; the case is in the evidence stage; amount ThUS\$5,358.

ENAP v. Ricardo Covacevich Cvitanich, Case No.3,533 before the Porvenir civil court, demand for constitution of transitory mining easements in property of the defendant for carrying out seismic exploration on Tierra del Fuego. State: provisional use of easements authorized. Pending notification of demand. Works carried out and filed.

María Isabel Solo de Zaldívar v. Empresa Nacional del Petróleo, Case No. 6486, 10th Civil Court of Santiago (Supreme Court case No.5528-2008). Demand for repair of environment together with action for environmental damages, both in accordance with Law 19,300. Alternatively, action for damages in accordance with general rules of extra-contractual civil liability. Sentence given in the first instance rejecting all the actions brought. Appeal made by the plaintiff which was rejected by the Santiago Appeals Court. The plaintiff appealed to the Supreme Court. This appeal is pending resolution. Amount: ThUS\$26,052.

Nicky Radonich Morrison v. Empresa Nacional del Petróleo, Case No. 1143-2009, 2nd Civil Court of Punta Arenas. Demand for damages for non-contractual liability caused in accident involving driver and vehicle of ENAP. Liability established based on the sentence of the local police court. Amount ThUS\$5. Present situation: Summons not carried out due to absence of the plaintiff. A new notification is awaited.

Juan Ernesto Subiabre Torres v. Empresa Nacional del Petróleo, Case No.1142-2009, 2nd Civil Court of Punta Arenas, demand declaration extinctive prescription of housing loan dating from 1982. Present situation: sentence accepted demand in first instance, without costs. Sentence has not been notified to ENAP.

Manuel Antonio Cárdenas Álvarez v. ENAP, Case No.1011-2005, 3rd Civil Court of Punta Arenas. Claim for damages. Demand for moral damage experienced by former worker who suffered working accident and for which ENAP did not grant him for 11 years the provisions of article 29 of Law 16,744. State: evidence stage expired.

Plaintiff requested calling the parties to hear sentence but ENAP opposed petition of declaration of abandonment of the process. Pending resolution of this incident. File is archived and without movement. Amount MUS\$ 72.

Jorge Alderete v. María Isabel Haro and ENAP, Case No.1,112/2006 of the 1st Civil Court of Punta Arenas. Demand for damages for infringement of Law 19,628. Court had ordered the separation of both actions. That brought against the social assistant (so that it can continue in accordance with ordinary proceedings) and that against ENAP (so that it can continue in accordance with summary proceedings). ENAP appealed against the resolution of the court and the court of appeal accepted the appeal, ordering both actions to be heard in just one case under ordinary proceedings. Pending transfer to the social assistant to answer the demand. Case filed.

Américo Almarza Gallardo v. ENAP, Case No. 470-2009, 1st Civil Court of Punta Arenas, for non-compliance with contract with damages and environmental damage with damages. ENAP constituted mining easement of occupation to meet the requirements of certain installations with this owner who alleges modifications to the placement of the installations and other damages. Called to hear sentence; amount ThUS\$1,162.

PIPESA S.A. v. ENAP Case No. 917-2007 Arbitration Tribunal of the Arbitration Center of the Santiago Chamber of Commerce, for damages. Contractor which ENAP contracted for the construction of a gas pipeline, demand against ENAP in arbitration proceedings for the equity effects and alleged damages caused by the delay in carrying out the work contracted, supposedly for a cause imputable to ENAP. Sentence in 1st instance accepted the demand, only in terms of ordering ENAP to pay for emerging damages, the sum of ThUS\$219. An appeal was brought before the arbitration tribunal. Pending resolution of the proceedings: amount ThUS\$ 2,755. On September 22, sentence in the 2nd instance was notified which accepted the demand only in terms of ordering ENAP to be paid as emerging damage the sum of ThUS\$ 694, for 15 days delay imputed to the responsibility of ENAP, rejecting the rest of the demand. A possible petition of annulment is being studied.

ENAP v. Pedro Antonio Mihovilovic Kuzmanic and others. Case No. 86/2007 of the 3rd Civil Court of Punta Arenas, demand of constitution of transitory mining easements on land of the defendants for carrying out seismic exploration project in the mainland area of Magallanes, authorized provisional use of the easements. Pending notification demand to one of the owners. Works carried out and case filed.

ENAP v. Sociedad Ganadera Canal Tortuoso Ltda., Case No. 46/2007 of the 2nd Civil Court of Punta Arenas., demand of constitution of transitory mining easements on land of the defendant for carrying out seismic exploration project in the mainland area of Magallanes, authorized provisional use of the easements. Pending notification demand to one of the legal representatives of the company. Works carried out and case filed.

Transporte Fuentes Ramos v. Empresa Nacional de Petróleo. Case No. C-608-2010.3rd Civil Court of Punta Arenas. Judicial notification of invoices. Transporter has taken

action to collect invoices allegedly unpaid by ENAP. The invoices were returned by ENAP within the term, rejecting them as they did not correspond to the provision of any service to ENAP, the company opposes rejection within the legal term. Incident blocked due to rejection by ENAP received in evidence, is replaced and the resolution appealed. Evidence stage expired. Pending exhibition documents and absolution positions of plaintiff; amount ThUS\$54.

Rodrigo Ojeda Osorio v. Empresa Nacional del Petróleo. Case No.726-2010. 1st Civil Court of Punta Arenas. Demand for moral damages suffered by a fixed-term employee of ENAP due to a work accident during 2009. Accident occurred during drilling work in which he took part, when trying to lift a structure, the hooks holding the structure gave way which caused a whip effect that resulted in the sling of steel hitting the worker's face. (Worker was off work and resting until 30/03/2010. On 20/03/2010 the fixed-term work contract linking him to ENAP expired). Demand notified on July 21. Dilatory exception presented by ENAP and pending resolution. Amount: ThUS\$372.

PANTALEÓN PÉREZ PÉREZ v. EMPRESA NACIONAL DEL PETRÓLEO. Case No. 766-2010. 1st Civil Court of Punta Arenas. Demand for emerging damage (ThUS\$8), lost earnings (ThUS\$ 203) and moral damage (ThUS\$ 414) that ex worker of ENAP suffered as a result of a work accident. Ex worker for indefinite term of ENAP who accepted voluntary retirement system by resignation as established in the workers' collective contract, selected by company due to working disability and agreeing to payment of additional indemnity of 700 UTM. Demand does not state date and origin of work accident giving rise to damages. Demand notified. ENAP opposes delaying exceptions within term; pending resolution. Amount ThUS\$625.

Bankruptcy: VHF Ingeniería y Derechos S.A. Case No. C- 22.342766-2009. 11th Civil Court of Santiago. Bankruptcy (verification of ENAP in extraordinary period of preferential creditors in bankruptcy of ex contractor of ENAP, resulting from legal subrogation produced by three remuneration payments and labor and social-security obligations of the contractor made by ENAP (total payments amounted to ThUS\$377, which were entered with ThUS\$237, corresponding to amounts withheld from the contractor, and ThUS\$140 with ENAP funds. Verified for the latter sum). Amount ThUS\$140 (amount verified by ENAP). Verification presented which is notified and opposed. Pending notification of opposition and transfer of ENAP.

Demands for non-payment of gas sale invoices: ENAP currently has in the courts of Porvenir and Punta Arenas 12 demands in its favor for the non-payment of invoices by customers. Amount ThUS\$ 51.

Demands for non-payment of debt: The company is currently plaintiff in the courts of Punta Arenas and Santiago in 15 causes for default by third parties and ex employees, for a sum of ThUS\$ 152.

Labor demands: There are 22 cases before the courts of Punta Arenas and Santiago in which ENPAP is demanded for subsidiary and/or joint liability for amount of ThUS\$76, in the appeal stage.

Civil demands in the courts of Punta Arenas and Santiago: 6 cases of which 2 are in favor of ENAP for ThUS\$24 and the other 4 against ENAP for an amount of ThUS\$4,517.

Demands relating to easements: 2 cases for an undetermined amount as the cases are in a preliminary stage. Sentence given favorable to ENAP in 1st instance. Defendants resorted to court of appeal, which confirmed sentence I 1st instance. Pending regulation of damages.

Demands regarding easements: 2 cases for undetermined amount.

Other lawsuits

Criminal case against Julio Enrique Rojas Peñaloza, Case No. 346-2008, Tax fraud occurring prior to July 16, 2005. Included in this case allegation made by the East public prosecutor for the same fraud mentioned above, occurring after June 16, 2005. First instance, summary stage. Amount ThUS\$ 4,017.

ENAP, as the user of the name “ENAP Magallanes”, on June 8, 2008, opposed the request to register the name “MAGALLANES” by Miguel Leighton Puga, case in first instance, discussion stage.

Subsidiaries Enap Refinerías S.A. (ERSA)

Demanded for labor proceedings: 24 cases of which 7 correspond to subsidiary and/or joint liability for amount of ThUS\$320 (3 of them undetermined); 2 for simulation amounting to ThUS\$948; 5 for work accidents indemnity amounting to ThUS\$416; 10 for labor benefits amounting to ThUS\$145 (6 undetermined).

Demanded for civil lawsuits: 5 cases; 1 for damages for death of ThUS\$993; 1 for civil damages for unjustified dismissal of ThUS\$414; 1 for appointment of arbitrator, undetermined; 1 for damages of ThUS\$160 and 1 for moral damages for professional illness of ThUS\$331.

Claim against taxation: Tax liability of Empresa Almacenadora de Combustibles S.A. (EMALCO), company merged with Enap Refinerías S.A., for differences subject to 35% tax as disallowed expenses amounting to ThUS\$206.

Enap Sipetrol S.A. and foreign subsidiaries

Enap Sipetrol Argentina S.A.

a) Customs duties

Enap Sipetrol Argentina S.A.

Río Gallegos Customs Office. File 14692-6-2009, made charge for export duty differences amounting to ThUS\$ 4. Objection recourse presented on September 24, 2009. In evidence stage since October 2, 2009. We presented request for revocation of the charges and the archiving of the actions in view of the Resolution 599/2010 of the Ministry of Economy and Public Finances which amended article 7 of Resolution 394/2007, on which the Customs based its charges, attending to recognizing that its literal application produced a mis-phasing in the customs valuation and generated operative problems in the “MARIA” customs-taxation system as the facts of this case are precisely the result of the mis-phase which the ministry is now seeking to correct.

National tax tribunal (TFN), file No.22.923-A, process of determination of supplementary export tax demands, recourse dated April 11, 2007, amount involved ThUS\$ 1,414. On September 24, 2009, the tribunal gave sentence, resolving unanimously to revoke Resolution 13/07 (AR RIGA) and thus charges 54 to 65 all of year 2004, with costs by its order. The company appealed against the tribunal’s pronouncement regarding the determination of the ordered costs. On September 7, 2010 the court revoked the sentence of the TFN with respect to the distribution of the costs and imposed it in both instances on the customs office. As soon as the actions return to the TFN, we will submit the settlement of costs (including the justice rate) so that the amount of the rate can be returned to the company by customs.

National tax tribunal, file No.26.204-A (Río Gallegos customs office file No.13289-32930-2006), process of determination of supplementary export tax demands amounting to ThUS\$ 3,516. Appeal made to the tribunal on June 4, 2009 against the resolution confirming the contested charges. On December 22, the DGA answered the running transfer. The TFN decided to send the process to Room F to evaluate its accumulation in File 26203-A in view of the identity of the matter. Following the rejection of the accumulation of the case, the opening of evidence was notified on June 10, 2010: in the evidence stage.

National tax tribunal, file No.26.203-A (Río Gallegos customs office file No.13289-31034-2006). In these files, the Official Bulletin published on September 22, 2006 and October 25, 2006 a list of pre-adjustments to the value applicable in accordance with article 748 inc. b) of the Customs Code, amount involved ThUS\$ 3,235. Appeal made to the tribunal on June 4, 2009 against the resolution confirming the contested charges. The TFN resolved on April 30, 2010 to reject the accumulation of files as, despite being between the same parties and subject, it considers that the reasons of process economy are not foreseen in the law of procedures to justify the accumulation.

Río Gallegos customs office file No.SIGEA 14692-1-2009 process of adjustment of export tax demands Nos.02 to 07 amounting to ThUS\$ 131. On May 15, 2009, an objection recourse was presented against the charges. The revocation of the charges and filing of the actions was requested in writing against Resolution 599/2010 of the Ministry of Economy and Public Finances, by which article 7 of Resolution 394/2007 was modified, on which the Customs based its charges, attending to recognizing that its literal application produced a mis-phasing in the customs valuation and generated

operative problems in the “MARIA” customs-taxation system as the facts of this case are precisely the result of the mis-phase which the ministry is now seeking to correct.

Río Gallegos customs office file No.13289-2302-2007 (Objection 02/2007), process of adjustment of export tax demands Nos.126 to 130 amounting to ThUS\$ 812. On June 3, 2009, an objection recourse was presented against the charges. The case was opened to evidence and the customs authority requested that the company withdraw a letter to the Secretariat of Energy to be able to conclude the evidence stage. The company accredits diligence of the reports request to the Secretariat of Energy.

Río Grande Customs Office, Tierra del Fuego Province. File DGA 494873/2009, process of adjustment of export tax demands Nos.13 to 15 amounting to ThUS\$ 9. On June 3, 2009, an objection recourse was presented against the charges.

On April 23, 2010 the diligence was accredited of a letter requesting reports of the National Refining and Commercialization Authority. An objection recourse was presented requesting revocation of the charges and filing of the actions against Resolution 599/2010 of the Ministry of Economy and Public Finances, by which article 7 of Resolution 394/2007 was modified, on which the Customs based its charges, attending to recognizing that its literal application produced a mis-phasing in the customs valuation and generated operative problems in the “MARIA” customs-taxation system as the facts of this case are precisely the result of the mis-phase which the ministry is now seeking to correct.

Río Grande Customs Office, Tierra del Fuego Province. File DGA 13289-328-2010, process of adjustment of export tax demands Nos.339/07 to 397/07 amounting to ThUS\$ 5,280. On January 7, 2010, an objection recourse was presented against the charges.

Río Gallegos Customs Office, Santa Cruz Province. File DGA 12782-68-2009, process of adjustment of export tax demands No.31/2009 amounting to ThUS\$ 9. Objection recourse presented.

Río Gallegos Customs Office, Santa Cruz Province. File DGA 14689-43-2009, process of adjustment of export tax demands Nos.61 and 62/2009 amounting to ThUS\$ 94. Objection recourse presented. An objection recourse was presented requesting revocation of the charges and filing of the actions against Resolution 599/2010 of the Ministry of Economy and Public Finances, by which article 7 of Resolution 394/2007 was modified, on which the Customs based its charges, attending to recognizing that its literal application produced a mis-phasing in the customs valuation and generated operative problems in the “MARIA” customs-taxation system as the facts of this case are precisely the result of the mis-phase which the ministry is now seeking to correct.

Río Gallegos Customs Office, Santa Cruz Province. File DGA 12782-69-2009, process of adjustment of export tax demands No.89/2009 amounting to ThUS\$ 43. Objection recourse presented.

Enap Sipetrol Argentina S.A. – YPF S.A. – UTE Magallanes.

Río Gallegos Customs Office, Santa Cruz Province. File SIGEA No.12-52279/06, (12235-29-2004, 125278/06, SICOEX 15396-37-03, File 411-205/04). In connection with File No.340-82-04 of the Ministry of Economy and Production (MEyP Res. No.101/207), process of determination of merchandise import tax to territorial sea in accordance with regulation stated in Decree 679/99.

On July 20, 2005 an appeal was lodged with the Ministry of the Economy against AFIP resolution in terms of art. 94 of Law 19,359.

The Ministry of the Economy on November 3, 2009, by Res. 246, rejected the appeal and the administrative way exhausted, resulting in the protection measure ceasing to have effect. The customs office is therefore again entitled to claim the VAT and apply the procedure of verification of the merchandise.

There is no further news in this respect at the date of this report.

Amount: While there are no tax demands payable to date, the company's internal calculations produce an amount to credit of ThUS\$448 (assumed nominal capital, interest and fine).

Hydric resources provincial authority, provincial agrarian council, Santa Cruz province. Note 16/DPRH/2010. Tariff and fine for water consumption.

Amount: ThUS\$ 22 (tariff) plus ThUS\$ 864 fine). Hydric resources authority set a fine for lack of presentation of monthly water consumption sheets during the period January 2006 and November 2009 and demanded the payment of the tariff for m3 of water consumed in that period. Sight of the actions was requested, pending being the term for bringing administrative recourse for the defense. A request for administrative reconsideration and alternatively appeal was submitted. The provincial hydric resources authority issued its resolution No.1 /DPRH/10 on March 16, 2010, without responding on the recourse submitted and intimating the payment of the tariff and fine. An appeal will be submitted to the provincial senior agrarian council. The provincial hydric resources authority suspended the term of ten days for issuing a new resolution. It issued Resolution No.20/DPRH/10 rejecting the alternative hierarchical recourse and requiring the government legal and technical secretariat to issue the corresponding resolution.

Note: Enap Sipetrol Argentina S.A. has to credit 50% of the above amounts in line with its percentage participation in UTE Magallanes. The other 50% would be assumed by its partner YPF S.A.

b) Other lawsuits

Enap Sipetrol Argentina S.A.

First instance Civil, Commercial, Labor and Mining Court No.2 of Río Gallegos, file No.2,278/04, Haberkorn, Luis Alberto v. Ultramar Argentina S.A. and Other re Dismissal", labor suit, the plaintiff claims differences in final settlement, amount ThUS\$ 10, Enap Sipetrol Argentina S.A. is sued for labor solidarity. In the evidence stage.

First instance Civil, Commercial, Labor and Mining Court No.2 of Río Gallegos, file N° 13,379/08, Cisneros María Cristina v. Enap Sipetrol Argentina S.A. re Labor", labor suit, difference in the settlement and labor mobbing, amount of demand ThUS\$ 274. Conciliation meeting carried out (art. 47 Law 1,444 Provincial Labor Procedure). Demand answered by Enap Sipetrol Argentina S.A. Evidence stage opened.

First instance Civil, Commercial, Labor and Mining Court No.2 of Río Gallegos, file No.12.492/08, Toledo, Fernando v. Enap Sipetrol Argentina S.A. re Labor, plaintiff claims settlement for dismissal, amount of demand ThUS\$ 37 against Enap Sipetrol Argentina S.A. and YPF S.A. The plaintiff desisted from actions against YPF S.A. Conciliation meeting carried out (art. 47 Law 1,444 Provincial Labor Procedure), Enap Sipetrol Argentina S.A. having answered the demand. Evidence stage opened.

First instance Labor Court of Comodoro Rivadavia, Sole Secretary, file No. 4540/07, Gómez, Rodrigo Sebastián v. NYC S.R.L. and Other ref labor demand (legal indemnities), plaintiff claims settlement for dismissal amount ThUS\$ 22. Demand brought against NYC S.R.L. as employer and against Enap Sipetrol Argentina S.A. as jointly liable. Still in initiation and integration of the process stage.

First instance Labor Court No.60 of Buenos Aires, file No. 16284/08, Ovando, Abel v. Servicios Petroleros S.A. and Others ref Law 22,250, plaintiff wage differences, amount ThUS\$ 6. Pending resolution by the Appeals Court or recourse brought by the plaintiff against the sentence in the first instance rejecting the demand against Enap Sipetrol Argentina S.A.. The appeals court confirmed the sentence appealed and ordered that costs be borne by each party in proportion to those incurred.

First instance South Labor Court of Comodoro Rivadavia, file No.5513/09 Cerda Florín del Carmen v. Key Energy Services S.A. and Others. The plaintiff claims wage differences and final settlement, amount ThUS\$ 115. Enap Sipetrol Argentina S.A. is demanded for joint liability. Currently in the integration of the process stage.

First instance Labor Court No.49 of Buenos Aires, file No.669/09 Villar, Carlos Alberto v. Enap Sipetrol Argentina S.A. re Dismissal, amount demanded ThUS\$ 238. On July 22, 2009 the labor demand was notified, ordering its transfer for the term of 10 business days. Currently in stage for answering demand. Demand answered and conciliation audience held without positive results. Evidence stage opened.

First instance Labor Court No.33 of Buenos Aires, file No.3507/10 Fuentes Alejandro v. Enap Sipetrol Argentina S.A. Amount demanded ThUS\$ 9. Plaintiff's claim notified for not handing certificates of work and social-security contributions. Demand answered on October 8, requesting rejection.

First instance Federal Civil and Commercial Court No.10, No.9 Secretary, file No. 12,500/07, Granson, Pedro and Succession v. Enap Sipetrol Argentina S.A. re Easements, damages lawsuit, amount ThUS\$ 1,210. There is a preventive embargo for ThUS\$476. Embargo increased by ThUS\$260, totaling ThUS\$736. This amount is not accumulative to the amount stated above. The plaintiff sought expansion of the demand and evidence for sum of ThUS\$242 for damages accrued from September 2008 to February 2010, extraction of gravel and new works. Expansion of the demand answered, new evidence offered. The plaintiff opposed the production of evidence offered. Opposition was answered. The court ordered taking into account the evidence offered at the right time. Evidence stage opened.

Chubut General Revenues Authority. File DGR 779/08. Process of determination of letter in accordance with the terms of Disposition SSC N°1/2008 regarding the payment of royalties for ThUS\$ 1,266. On July 2, 2009 a reconsideration recourse was submitted against this determination. Due to the precautionary measure not to innovate decreed by the Supreme Court (see next item), Chubut Province has for the moment prohibited trying to collect this claim.

Supreme Court, Secretary of Original Instance, file Enap Sipetrol Argentina S.A. v. Province of Chubut re Unconstitutionality Claim, file No. E 113-09. Enap Sipetrol Argentina S.A. Declarative Action of Certainty – Precautionary Measure for ThUS\$1,266. With respect to the attempt by the Province of Chubut to collect retroactively the hydrocarbons royalty differential credited at the time by the company on the sales prices effectively obtained by the firm, supported by Provision 1/2008 of 09/01/2008 (BO 21/01/2008) of the Sub-secretariat of Fuels, that appears contrary to the constitution. An Action of Declaration of Certainty brought before the Supreme Court (arts.116 and 117 of the Constitution) requesting a preventive measure of no innovation that permits continuing to pay royalties according to the law until the dispute is substantiated and there is a firm sentence. The Supreme Court declared itself competent and granted the company the preventive measure not to innovate. The representative of the Federal Ministry of Planning answered the demand. Term for answering demand by the government of the province of Chubut is pending. The company informed the court of that dictated by the Secretariat of Energy by Resolution No.813/10 ratifying as effective floor price for the settlement of royalties that set by Resolution 1/08 of the Sub-secretariat of Fuels. The representative of the province of Chubut alleges new fact. Request urgent lifting of the precautionary measure and requests that abstract be declared. On October 10, 2010 the transfer is answered and its rejection with costs requested.

Enap Sipetrol S.A. Ecuador Branch (SIPEC)

a) Tax lawsuits

Tax lawsuits financial years 2002, 2003 and 2004

National Hydrocarbons Audit for the years 2002, 2003 and 2004. In 2006 the NATIONAL HYDROCARBONS AUTHORITY (DNH) began a special audit of the investments, revenues, costs and expenses of SIPEC for the periods between October 30 and December 31, 2002, 2003 and 2004.

Resulting from this audit and despite SIPEC's arguments which were only partially accepted, the DNH established an adjustment of ThUS\$2,492 for costs incurred in the drilling of the horizontal section, initial tests and the remediation of well MDC-5 (sidetrack); an adjustment of a charge for fees for the provision of services for technical planning, assistance and evaluation between Sipec and Sipetrol de Colombia for a value of ThUS\$ 1,914; excess amortization of production investments ThUS\$ 397 (2003); and excess amortization of production investments ThUS\$ 1,502 (2004).

By letter presented to the Ministry of Energy and Mines on November 30, 2006, SIPEC proposed its objections to the comments of the National Director of Hydrocarbons to the Ministry of Energy and Mines. On December 28, 2009, the resolution by the Ministry of Non-Renewable Natural Resources (before Ministry of Mines and Petroleum and before Ministry of Energy and Mines) denied the objections presented. SIPEC presented respective objection demand.

The Ministry of Energy and Mines cannot impose corrective taxes so its reports and conclusions will be referential for any action brought by the Internal Revenue Service (IRS).

First Court of District Tax Tribunal. Lawsuit No.24645 brought by PERENCO against the IRS for income tax for the financial year 2002. In February 2002, SIPEC sold its rights in Blocks 7 and 21. The IRS began an audit of these blocks. In this case in particular, the IRS considers that starting that year the consortia should present a unified income tax declaration, which was not done by the partners which continued to submit individual declarations. There is no resolution of the tax tribunal to date. There is no amount involved for SIPEC as SIPEC had losses in the financial year 2002 SIPEC and would not be affected by the tax audits.

Fiscal lawsuits financial year 2003

Second Court of District Tax Tribunal, lawsuit No. 26241 versus the IRS for income tax financial year 2003 filed through act of determination of the IRS No. RNO-ATRADPU2008-0003. In response to this administrative act, SIPEC filed objection with the District Tax Tribunal on October 28, 2008. With judgment on November 27, 2008, the court qualified the demand, granting the IRS 20 days to answer. The demand was answered.

The magistrates of the Second Court of District Tax Tribunal ordered an accounting inspection and appointed experts who submitted their reports which were commented on by SIPEC. The case was submitted to a new choice of tribunal, resulting in being reassigned to the Fourth Court of District Tax Tribunal. This court is revising the evidence presented while SIPEC is preparing its written arguments.

On September 10, 2010 there was an audience in which SIPEC and the IRS presented their arguments verbally. On October 15, SIPEC submitted a reply in writing to that of the IRS in its exposition in the audience.

Amount affected with interest to date is approximately ThUS\$510.

Fiscal lawsuits financial year 2004

Administrative claim to the IRS for financial year 2004. Audit and Lawsuit before Fiscal Tribunal for financial year 2004. By Act of Determination No.1720080100202 of November 27, 2008, the IRS determined that SIPEC was liable for income tax and its corresponding advances for the financial year 2004, raising audits for a total amount of ThUS\$9,896. This administrative act was objected to on December 29, 2008 before the North Regional Director of the IRS. By administrative resolution No.117012009RREC008428 of June 15, 2009, notified to SIPEC on the same date, the IRS partially accepted the administrative claim proposed by SIPEC, accepting a part of the audit related to fuels, reducing it from ThUS\$52 to ThUS\$20; ratifying the content of the rest of audits that were objected and ordering the payment of tax allegedly due of ThUS\$2,357, plus interest from April 17, 2005 to the date of payment, plus the value of ThUS\$471 corresponding to the fine for surcharge of the tax obligation determined, producing a total of ThUS\$2,828. Amount involved with interest to date is approximately ThUS\$3,787. Interest accrual does not stop with the presentation of the objection demands. On July 13, 2009, SIPEC presented to the fiscal tribunal objection proceedings of the audits referred to, for which it provided a bank guarantee for 10% of the amount objected. The case was already sorted in the Second Court of the District Fiscal Tribunal. The respective evidence was presented on November 11, 2009. On March 2, 2010, an accounting and financial inspection was made plus an exhibition of administrative files, which were gathered in just one minute. The expert reports were already presented.

Third Court of the District Fiscal Tribunal, action of exceptions No.24626-A, proposed objection against the Metropolitan District Municipality of Quito for the tax of 1.5 per mil of the total assets of 2004. Amount ThUS\$4. By Resolution No. 02305 of October 22, 2008, Tax Financial Metropolitan Director of Quito, annulled the tax determination of the tax of 1.5 per mil of the total assets of 2004. The case was submitted to a new tribunal and as a result was reassigned to the Fourth Court of the District Fiscal Tribunal. This court has issued judgment requesting the Municipality of Quito to confirm whether Resolution 02305 annulled the coactive discussed in the action. To date, the fourth court has not pronounced on the request of SIPEC to file the proceedings in view of the resolution mentioned above.

Fiscal lawsuits financial year 2005

National Hydrocarbons Audit for the financial year 2005. In 2007 the NATIONAL HYDROCARBOND AUTHORITY (DNH) began a special audit of the investments, costs and expenses of SIPEC for the years mentioned above.

Resulting from this audit and despite SIPEC's arguments which were only partially accepted, the DNH concluded that there were interest expenses not allowable for an amount of ThUS\$1,744 for excess of booking of income tax of ThUS\$192, excess of calculation of amortizations of production ThUS\$959, and purchase of PETREL software license ThUS\$61.

By letter presented to the Ministry of Mines and Petroleum on December 20, 2007, SIPEC proposed its objections to the comments of the National Director of Hydrocarbons to the Ministry of Energy and Mines. On December 31, 2009, the resolution by the Ministry of Non-Renewable Natural Resources (before Ministry of Mines and Petroleum) denied the objections presented. SIPEC presented the respective objection demand.

The Ministry of Energy and Mines cannot impose corrective taxes so its reports and conclusions will be referential for any action brought by the Internal Revenue Service (IRS). The IRS has not to date begun any process of determination of the concepts mentioned. Should the IRS accept the present report of the DNH, it could generate a contingency to date, including interest, of ThUS\$3,626.

Administrative claim to the IRS for financial year 2005, and action before Fiscal Tribunal for financial year 2005. By Resolution No.117012009RREC015262 of September 2, 2009, by which the North Regional Director of the IRS denied the administrative claim proposed by Enap Sipetrol S.A. on March 18, 2009, objecting the minute of termination of income tax for the financial year 2005. On September 30, 2009, Enap Sipetrol S.A. presented an objection to the resolution that rejected the administrative claim proposed against the minute of determination of income tax for the year 2005. The hearing of lawsuit No.17504-2009-0069 fell upon the Fourth Court of the District Tax Tribunal No.1. The respective evidence was presented on December 20, 2009. On April 6, 2010 an accounting and financial inspection was made. The term was extended by 30 days in order for the experts to present their respective reports. It is difficult to establish accurately the time the proceedings will take or their results.

Second Court of the District Fiscal Tribunal No.1, action of exceptions, proposed objection against the Metropolitan District Municipality of Quito for the tax of 1.5 per mil of the total assets of 2005. Tax determination ThUS\$57. By Resolution No. 02305 of October 22, 2008, Tax Financial Metropolitan Director of Quito, annulled the tax determination of the tax of 1.5 per mil of the total assets of 2005, before this action of exceptions. At this date, the Second Court is hearing case No.17502-2008-25902 and has not pronounced on the request of SIPEC to file the proceedings in accordance with above/mentioned resolution.

Fiscal lawsuits financial year 2006

By Certificate of Determination No.1720090100465 of December 23, 2009, the IRS determined for SIPEC the income tax and its corresponding advances for the financial year 2006, raising audits for a total of ThUS\$3,475. On January 22, 2010,

administrative claim was presented objecting to the total of audits raised in that certificate of determination. The IRS opened a period of evidence within this claim during which SIPEC presented written evidence on April 13, 2010. The IRS denied the administrative claim. SIPEC is evaluating the convenience of starting legal proceedings against the tax tribunal. Term for presenting the demand is August 9, 2010.

Approximate amount of ThUS\$600. The demand would have to be supported by a guarantee for 10% of the value and was submitted on August 9, 2010. We have still not received notification of the court to present the guarantee. The guarantee will be for ThUS\$ 59.

b) Labor lawsuits

Fourth Labor Court of Pichincha. Case No.2008-0390, Ricardo Vinicio García Linto v. the sub-contractors URAZUL, ARB, SAE, and SIPEC as contractor, claiming damages and earnings. Exhibition of documents, January 19, 2009. The definitive audience took place on February 12, 2009. Amount ThUS\$190. SIPEC considers that it has no contractual obligation with the plaintiff. Sentence is awaited. Judge declares the nullity of the action for lack of due notification of one of the defendants (CONAZUL). The process restarted from the preliminary audience which took place on July 23, 2010. The plaintiff did not appear and we requested the filing of the case which was resolved by the judge without yet having been appealed against by the plaintiff.

Second Labor Court of Pichincha. Case No. 2008-0801, Tapia Cuji Marco Antonio v. SIPEC, damages for ThUS\$120 being 15% of earnings of year 2007, from January 1 to November 2, 2007. The preliminary hearing took place on November 30, 2009. The final audience is set for September 30, 2010, which was postponed until a new date to be defined.

Labor Inspector of Orellana. Claim presented by ex-employees of ECUAMBIENTE. Proposed by ex-employees of the contractor of environmental services ECUAMBIENTE. Audience took place on June 11, 2009. SIPEC argued that this concerned specialized technical services. Impossible to estimate up to where this matter reaches or if it concerns political nuances considering the people of the community. We do not feel that this case will prosper but it is undeniable that neighboring communities regularly attempt measures of fact or of law to increase the benefits they receive from oil companies operating in the area. A general consensus with the communities was arrived at. There are no new claims.

c) Environmental lawsuits

A spillage occurred on March 18, 2010 of approximately 32 barrels of oil in the VRF system of the well BIGUNO 1 of the PBH field. This incident led to the following legal matters:

The Orellana prosecutor began a prior investigation to determine whether there had been negligence and, if so, to continue with the penal action. On March 22, the engineer Pablo Moreno, field superintendent on the day of the incident gave his version to the prosecutor which should continue in a new appointment.

On March 23, the police expert submitted his report on the inspection of the location of the incident. The prior investigation could take up to a year, during which period the prosecutor can dismiss the case, issuing a note of dismissal that has to be ratified by the judge, or begin a fiscal instruction against the legal representatives and/or personnel responsible for the operations if considering that there is sufficient evidence of commitment of a crime. In this case, the case is heard by the criminal court judge. The final pronouncement is awaited of the Ministry of the Environment on the total and satisfactory repairs carried out by SIPEC.

Benigno Palacios and his family, as a result of the spillage denounced above, claims indemnity for damages caused to his African Palm plantation affected by the spillage. On April 13, an agreement was signed by which SIPEC indemnified Mr Palacios and his family with an amount of approximately ThUS\$ 34. The process before the Peoples' Defense is detained, so an official file has been insisted on.

d) Others

Ordinary case No.623-2010. ECS v. Enap Sipetrol S.A. of June 24, 2010, by María Germania Zambrano Ortiz, who was employed by Mishan Services S.A., a company of complementary services with which we have a trading contract for the provision of catering services. The plaintiff claims damages amounting to ThUS\$300. The answer to the demand was submitted on July 15, 2010. On October 7, 2010 there was a conciliation audience requested by the plaintiff at which we appeared to ratify the answer and reconvention to the demand, without reaching any agreement. The opening of the evidence stage is awaited.

Egypt

Appeal for annulment of rental contract, return of offices and collection of rentals, before the Cairo Court of Appeals against sentence given in Case No.379/2006. The company is demanded to pay 90,000 Egyptian pounds, which amount to ThUS\$15.0. The appeals presented were made in November 2009 with results in favor of the plaintiff; another session took place with the technical expert in February 2010. Awaiting the result of the annulment appeal. While the company is not in a position to forecast the result of the case, it is most probable that sentence will be unfavorable and the loss has therefore been booked in the statement of results. The court postponed the hearing until October 2010.

d. Commercial commitments:

The Company has the following commercial commitments connected with the development of its operations:

1- Petropower Energía Ltda.

In signing the partners agreement between Enap Refinerías S.A. and Foster Wheeler with respect to the Petropower project in 1996, Enap Refinerías S.A. gave a declaration of responsibility with respect to the obligations arising under the contract.

The Company signed in 1994 a contract in which it commits to pay an annual processing tariff of approximately ThUS\$17,400 in exchange for the right to operate its coking and hydro-treatment plant, plus an annual tariff of approximately ThUS\$9,900 for the supply of certain energy products. This agreement was signed subject to annual escalation until the contract expires in 2018.

Other conditions of the agreements oblige Enap Refinerías S.A. and its parent ENAP, to contribute 50% and Foster Wheeler the other 50% of the balance of such reduction, which if occurring should not exceed ThUS\$1,400 annually, in the case of a reduction in the annual revenues defined in the processing contract and other business agreements and after the plant operator has contributed 10% of such deficit.

Enap Refinerías S.A. also acquired the obligation to buy or program the sale of the assets of Petropower Energía Ltda. for no less than ThUS\$43,000 on the planned expiry date of the respective contract (2018) or on any other date mutually agreed by the parties.

2.- Innergy Holding S.A.

Enap Refinerías S.A. has signed a contract with Innergy Soluciones Energéticas for the supply of 370,000 cubic meters of natural gas until 2018.

On June 18, 2009 Innergy Soluciones Energéticas and Enap Refinerías S.A. signed an addendum to the natural-gas purchase and transport contracts current in June 2009, which incorporates a series of modifications and eliminates some obligation. The following are the principal changes set out in that addendum:

- a) Enap Refinerías is obliged to pay the gas transport tariffs in both Chile and Argentina only for the volumes effectively supplied by Innergy.
- b) Pay export duties and the incremental amount only for gas effectively supplied by Innergy.
- c) The take-or-pay obligation is eliminated of any volume of natural gas established in the previous contracts.

3.- GNL Chile S.A.

On May 31, 2007, Enap Refinerías S.A. signed a natural-gas sales agreement with GNL Chile S.A. which ensures the safety of supply necessary for the operation of its Aconcagua refinery at Concón.

This agreement has a term of 21 years from the early commercial operation date (ECOD) and enables it to access a re-gasification capacity of 3.2 million cubic meters a day, and the same volume of natural gas to the extent that it has LNG supply contracts. On the same date, GNL Chile S.A. signed a contract with BG permitting Enap Refinerías S.A. to access a maximum annual contractual volume of LNG equivalent to 2.2 million cubic meters of natural gas per day. The start of the natural gas supply was in August 2009. The obligations of Enap Refinerías S.A. under the natural-gas supply agreement have been guaranteed by its parent, Empresa Nacional del Petróleo.

This supply agreement is part of a combination of commercial agreements of the LNG project, whose final closing took place on May 31, 2007. The purpose of this project is to purchase liquefied natural gas (LNG) from abroad, its storage and re-gasification at the re-gasification plant located in the towns of Quintero and Puchuncaví in Chile's Valparaiso Region, and the supply of natural gas to the country's center and south zones.

4.- Petróleos Marinos de Chile Ltda.

On May 1, 2006, Enap Refinerías S.A. signed a contract with Petróleos Marinos de Chile Ltda. for the latter to transport fuel oil, IFOS and cutter stock by pipeline connecting the Quintero terminal of Enap Refinerías to the fuels terminal located at Greda Alta owned by Puerto Ventanas S.A. Under this contract, Enap Refinerías is committed to move each year of the term of the contract, and in any event, a minimum volume of 550,000 MT. The term of the contract is 36 months from May 1, 2008, the date of the start of the pipeline's operations.

5.- Empresa de Gas de la V Región S.A.

On February 9, 2005, Empresa de Gas de la V Región S.A. (GasValpo.) and Enap Refinerías S.A. (ERSA) signed a natural-gas supply agreement by which GasValpo would supply firm natural gas to ERSA for its production processes in the 5th Region. The term of the agreement extends to April 25, 2018.

In April 2009, following the start-up of the storage and re-gasification terminal of GNL Quintero S.A., which enables ERSA to acquire natural gas on better commercial conditions, GasValpo adjusted the terms and conditions of the agreement, eliminating the obligation to take and pay such gas from the reception of gas, incorporating the payment of a commercialization fee which will give the right to access natural gas from Argentina at the same price that GasValpo pays its supplier. However, ERSA should continue to pay the corresponding transport tariff, but GasValpo is currently

negotiating a modification to the transport contract with GasAndes in order to reduce the tariff while maintaining the same transport capacity available to ERSA. During 2009, the transport tariff was reduced by 55.05%.

6.- New commercial contracts

During the last quarter of 2009, the ENAP Group, as part of its new commercial policy, began negotiations with distribution companies, including Copec, Terpel, Petrobras and Shell. The main objective of this policy and the signing of these agreements is to sell products under one-year contracts in order to plan and ensure fuel supplies in the volumes and on the schedules programmed by our customers. This will permit the offering of discounts for programming as a function of the agreements reached. The negotiation process ended in early January 2010, achieving benefits for both parties that will permit operations on the best and most reliable conditions.

c) Restrictions:

ENAP

As of September 30, 2010, the Company has no restrictions or covenants with its creditor banks and with respect to its bonds issued.

Enap Sipetrol Argentina S.A.

This company's applicable legislation requires 5% of earnings for the year to be used for the constitution of a legal reserve, as part of equity, until such reserve accumulates 20% of the adjusted capital.

d. Other contingencies:

ENAP

The Company has to date been notified of 18 cases brought by entities such as INP, Mutual de Seguridad, Compin, Conace, Seremi de Salud, SEC and the labor authority for the payment of indemnities, which are in a preliminary stage and whose amount cannot yet be determined.

San Vicente spillage: there are 23 cases amounting to ThUS\$ 205,092 corresponding to damages for non-contractual liability resulting from the oil spillage incident that occurred on May 25, 2007.

Enap Refinerías S.A. (ERSA).

On May 25, 2007, a spillage of crude occurred in the bay of San Vicente, Bío-Bío Region, during unloading from the ship "New Constellation" at Terminal B of the Bío-Bío refinery belonging to Enap Refinerías S.A. (ERSA).

As of December 31, 2007, 11 demands for damages had been notified against Enap Refinerías whose amount is equivalent to ThUS\$ 98,667. The demands, except that of the State Defense Council, are made by independent fishermen and collectors of algae and shellfish. The respective cases 4, 6, 7, 25, 26, 28, 33, 34, 37, 38 and 39, all of 2007, are considered in accordance with the procedure established in Decree Law 2,222 by the Concepción Court of Appeal. There are two cases before the Civil Court of Talcahuano, one brought by the Municipality of Talcahuano, case No.3020, whose amount is not determined, and the other for damages brought by some owners of restaurants at Caleta Lengua, case no. 2099, amounting to ThUS\$ 775.

The amount of ThUS\$ 98,667 consists of approximately 17% for moral damage, 14% for emerging damage, 40% for lost earnings or profit losses, and 28% for ecological damage.

During 2008, the company was notified of 11 demands, 10 before the Concepción Appeal Court, Cases Nos. 40, 42, 44, 45, 46, 47,1, 9, 10 and 13, for an amount of ThUS\$ 184,939 and one before the Civil Court of Talcahuano, Case No.108, for a total of ThUS\$ 81.

In the course of 2009, the company was notified of 4 demands, Cases Nos. 5, 6, 10 and 17, amounting to ThUS\$ 69,607.

During 2010, the company was notified of 13 demands, Cases Nos. 9, 10, 13, 15, 16, 17, 18, 19, 20, 21 and 22, amounting to ThUS\$ 154,996, one of them of undetermined amount.

The company has considered that these cases are non-essential events as it has legal argument and sufficient information to believe reasonably that the legal actions against it will be enervated, by demonstrating the existence of the following facts: a) lack of active legitimation by most of the plaintiffs; b) attribution of non-existent ecological effects to the incident by the plaintiffs; c) inaccuracy with respect to the cause of the incident invoked by the plaintiffs; d) lack of causality between the damages invoked and the incident: as shown by various studies, the contamination denounced by the plaintiffs existed prior to the incident; e) legal exclusion of a large part of the damages invoked by the plaintiffs: the applicable law (Navigation Law) only contemplates as possible objects of indemnity lost earnings and reasonable measures for restoring the environment, and f) lack of consistency between the size of the amounts demanded and the economic significance or size of the activities allegedly affected, as it is argued that total damages amount to the equivalent of approximately ThUS\$195,000, compared to an industry whose annual revenues do not exceed ThUS\$500.

Regarding the cases heard by the Concepción Appeals Court, by sentence of 14.11.07, confirmed by the Supreme Court on 18.12.07, all the protection recourses brought against Enap Refinerías relating to incident were rejected, stating that “the commission of an arbitrary act or omission cannot be imputed to the defendant, that is the result of its sole wish or mere capriciousness, because as has been explained, it is clear that the

underwater lines or ducts were supervised and controlled prior to operation in transfer work...” and “... that the alleged scenario of absence of concrete measures for facing the environmental emergency that the appellants stated is not so as the fractured line or duct was replaced and thus its operation authorized ...”, considering that this should be related with the eleventh, in which the court considered that the company has complied with the contingency plan for the control of hydrocarbons, LPG and chemical product spillages.

Enap Refinerías has civil liability insurance cover which has been activated and would cover this possible contingency.

To the best of the management’s understanding, the possible contingency could result in a possible fine or monetary sanction imposed by the competent authority which, due to its sanctionable nature, is not covered by any insurance, but even so its amount would not modify significantly the equity position of the Company shown in its financial statements.

Enap Sipetrol Argentina S.A.

a) Foreign exchange penal summons – Argentine Central Bank (BCRA)

The Argentine Central Bank, foreign exchange summons BCRA No.3221, file No.40288/02, Sipetrol Argentina S.A. and Other, re Law 19,359. Alleged infringements of paragraphs e) and f) of article 1 of the Foreign Exchange Penal Regimen Law in the year 2002. Enap Sipetrol Argentina S.A. did not pay/liquidate all the currency proceeds of its sales of hydrocarbons on the local market as it was understood that the Free Exchange Availability Regimen was and still is in effect, with the consequent obligation to pay/liquidate only 30% of this on the local market.

Present position: The BCRA concluded the instructive stage (charge, discharge, evidence stage, allegations) and the file is ready to be passed to the penal office.

Enap Sipetrol Argentina S.A. - YPF S.A. UTE Magallanes

The Argentine Central Bank, foreign exchange summons BCRA No. 3582, file No. 21,427/04, Sipetrol Argentina S.A. and Other, re Law 19,359. Alleged infringements of paragraphs e) and f) of article 1 of the Foreign Exchange Penal Regimen Law in the year 2002. Enap Sipetrol Argentina S.A. did not pay/liquidate all the currency proceeds of its sales of hydrocarbons on the local market as it was understood that the Free Exchange Availability Regimen was and still is in effect, with the consequent obligation to pay/liquidate only 30% of this on the local market.

Royalties authority, Sub-secretariat of Energy, Ministry of Production, Province of Santa Cruz. File No.400300/07. Enap Sipetrol Argentina S.A. – YPF S.A. UTE (Magallanes). Royalties on gasolines. Amount claimed ThUS\$ 1,423.3. The actions were noted. Note presented answering the complaint and ignoring the supposed debt for royalties.

AFIP vs. Enap Sipetrol Argentina S.A. File No.33.486-I. Sight and determination of Debt Office for non-payment of income tax for the fiscal years 2004 and 2005, Consideration of accounting precautions for capping and abandonment of wells – adjustments of sworn declarations.

Due to compensations between the fiscal period 2004/2005, the amount claimed is ThUS\$ 495 plus ThUS\$ 76 in fines. On December 22, 2009, the company appealed against the AFIP Office's determination before the National Fiscal Tribunal.

The National Fiscal Tribunal named Room D for hearing the matter. The actuation tax was paid. On August 3, 2010 the resolution of July 13, 2010 was notified in which the Room considered it unnecessary, recognized by the Treasury, for the accounting evidence offered alternatively by the company and had to pay the actuation tax.

Argentine Naval Authority (PNA) v. Enap Sipetrol Argentina S.A. Administrative Summons 08/09 – RGAL, for investigation of REGINAVE (Navigation Regimen) infringement.

No amount is claimed because this summons is in the instruction stage. If the PNA then determines that there was an infringement, the corresponding fine will then be notified.

Note. According to article 801.9907 of the REGINAVE, infringements of the regimen for unloading hydrocarbons at sea will be sanctioned with fines of up to ThUS\$ 19 plus warning, suspension of habilitation for 2 months to 2 years or inhabilitation for platform operators responsible.

Brief summary of the facts. Resulting from a spillage of hydrocarbons close to the offshore platform AM-3, the PNA began an administrative summons to evaluate possible infringements of REGINAVE regulations. Various testimonial declarations were taken from the manager of the Austral Basin asset, the platform operators and the company's contractors. As the result of the PNA's analysis, that institution considered it pertinent not to file the actions and call the chairman of the company as investigatory declaration or alternatively an attorney with sufficient powers to make such a declaration.

Present situation: the manager of the Austral Basin assets was authorized to provide the investigatory declaration. The PNA notified the imputation to ENAP SIPETROL ARGENTINA SA for infringement of the regimen on unloading hydrocarbons at sea, contained in the REGINAVE. A discharge was submitted requesting absolution.

PNA v. Enap Sipetrol Argentina S.A. Administrative Summons 17/2010 – RGAL, for investigation of REGINAVE (Navigation Regimen) infringement.

No amount is claimed because this summons is in the instruction stage. If the PNA then determines that there was an infringement, the corresponding fine will then be notified.

Note. According to article 801.9907 of the REGINAVE, infringements of the regimen for unloading hydrocarbons at sea will be sanctioned with fines of up to ThUS\$ 19 plus warning, suspension of habilitation for 2 months to 2 years or inhabilitation for platform operators responsible.

Brief summary of the facts. Enap Sipetrol Argentina S.A. is accused of infringement of article 807.0107 in concordance with article 807-9902 of REGINAVE due to an accident that occurred on June 22, 2009 in the Magallanes Area, observing close to the AM 3 platform the presence of hydrocarbons in the sea of some 200 by 1 meters approximately.

Present situation: Discharge made in writing, requesting absolution.

e) Guarantees received from third parties

ENAP

As of September 30, 2010, ENAP has received performance bonds from suppliers or contractors to cover compliance with service and construction contracts, for a total amount of ThUS\$ 8,509.

Enap Sipetrol S.A.

As of September 30, 2010, Enap Sipetrol S.A. has received the following guarantees from suppliers or contractors:

Supplier	Contract guarantee	ARS	US\$
DAP Helicopteros Argentina S.A.	HELICOPTEROS CAM 2		300.000
DAP Helicopteros Argentina S.A.	HELICOPTEROS CAM 2		300.000
CINTRA (Jorge Luis Rebagialti SRL)	Respuesta frente a Derrames	4.928	1.232
GEOSERVICES S.A.	SlickLine Magallanes	20.000	5.000
GEOSERVICES S.A.	SlickLine Magallanes	20.000	5.000
RISK CONTROL GROUP SRL	Servicios de END en Plataformas y BRM	150.000	37.500
TRANS PATAGONIA SERVICIOS S.A.	Serv. Transporte Pasajeros Minibuses AM	30.000	7.500
RONTGEN TECHNISCHE DIENST BV (RTD)	INSPECCIÓN DE RISERS DE PLATAFORMAS OFFS	18.000	4.500
DAP Helicopteros Argentina S.A.	HELICOPTEROS AREA MAGALLANES		300.000
MARIA ESTER GARCIA	Serv. Provisión Instalación Almacén RGL	73.226	18.307
DAP Helicopteros Argentina S.A.	HELICOPTEROS AREA MAGALLANES		300.000
SMITH INTERNATIONAL INC. S.A.	PC/CRV/023/2008 SERV.IND TBG Y VARILLAS	172.623	43.156
ARAQUE DANIEL OSVALDO	PC/CRV/046/2008 SER.MANTENIMIENTO UPS	10.000	2.500
MARIA DE LOS ANGELES LORENTE	Servicio de Control Documentario	25.400	6.350
GEOPATAGONIA S.R.L.	PP PC 37-2007 SERV.INSPECCION TEC.OBRA	173.360	43.340
KEY ENERGY	Perforación Campaña 2010	290.823	72.706
Baker Hughes Argentina S.R.L.	Provisión de Trepanos	20.200	5.050
KEY ENERGY	Perforación Campaña 2010	290.823	72.706
DLS ARGENTINA LIMITED	PC/CRV/052/2008 Serv.Lodo Si.SUPREHYD	607.557	151.889
TUBOSCOPE VETCO DE ARGENTINA S.A.	PC/CRV/050/2008 Perforador Automático	44.342	11.086
INDUSTRIAS JUAN F. SECCO S.A.	PC/CRV/025/2008 Provision Energia(ARS)	456.296	114.074
INDUSTRIAS JUAN F. SECCO S.A.	PC/CRV/025/2008 Provision ENERGIA(USD)	456.295	114.074
LUIS NELSON OLIVA	PC/CRV/015/2008 STENDIDO LIN.Y SERV.AUX.	629.205	157.301
LUIS NELSON OLIVA	SERVICIO TARIFADO DE CUADRILLAS	221.866	55.467
KINDRUK, TEODORO	PC/CRV/053/2008 SERVICIO TOPOGRAFICO	25.622	6.406
OMNITRONIC S.A.	PC/CRV/040/2008 SERV.PROTECCION CATODICA	28.321	7.080
GEOPATAGONIA S.R.L.	PC/CRV/021/2008 SERVICIO ASIST.PERSONAL	90.107	22.527
MAXICON SRL	PC/CRV/038/2009 Cargas liquidas Perfora.	330.432	82.608
SAN ANTONIO INTERNACIONAL S.R.L.	PC/CRV/006/2008 SERVICIO PULLING	2.336.785	584.196
SAN ANTONIO INTERNACIONAL S.R.L.	PC/CRV/006/2008 SERVICIO PULLING	2.336.786	584.197
BOLLAND & CIA S.A.	PC/CRV/043/2008S. MENS.PROV. P.QCO.PTA	388.939	97.235
TELEDRIFT ARGENTINA S.A.	PC/CRV/005/2008 SERV.MEDICION DE INCLIN.	74.400	18.600
COPGO WOOD GROUP ARGENTINA S.A.	SLICKLINE		390.000
TECSS S.R.L.	PP PC 43-2007 SERV.MANT.TELESUPERVISION	105.508	26.377

28. THE ENVIRONMENT

The following is a detail of expenses incurred with respect to the environment as of September 30, 2010 and 2009:

a. ENAP

Project	Classification	Description	30-09-10	30-09-09	01-07-10	01-07-09
			ThUS\$	ThUS\$	ThUS\$	ThUS\$
Industrial waste	Result	Transport of re-injection water Tierra del Fuego Island	27	12	13	5
Normalization of installations	Result	Waste-water management Bahía Laredo.	475	35	11	19
Environmental permits management	Result	Environmental permits management	329	326	149	10
Environmental liabilities project	Result	Dump remediation	1.475	8.060	60	795
Environmental remediation	Result	Environmental works carried out by Island & Continent management	388	885	66	179
Waste handling	Result	Waste removal & disposal contract	202	480	135	139
Total			2.896	9.798	434	1.147

The detail of disbursements due after September 30, 2010 is as follows:

Project	Classification	Description	Amount	Estimated date of disbursements
			ThUS\$	
Industrial waste	Result	Transport of re-injection water Tierra del Fuego Island	236	To December
Normalization of installations	Result	Waste-water management Bahía Laredo.	516	To December
Environmental permits management	Result	Environmental permits management	757	Against project
Environmental liabilities project	Result	Dump remediation	825	Against project
Environmental remediation	Result	Environmental works carried out by Island & Continent management	58	Monthly payments
Waste handling	Result	Waste removal & disposal contract	202	Monthly payments
Total			2.594	

b. Enap Refinerías S.A.

Project	Classification	Concept	30-09-10	30-09-09	01-07-10	01-07-09
			ThUS\$	ThUS\$	ThUS\$	ThUS\$
New alquilation unit	Asset	Contracts for construction, advice, materials & equipment	16.266	14.188	5.782	7.088
Expansion of low-sulfur diesel production capacity	Asset	Contracts for construction, advice, materials & equipment	8.768	16.959	2.252	16.167
Improvement in gasoline & kerosene tank drainage handling	Asset	Contracts for construction, advice, materials & equipment	127	-	120	-
Installation Quintero drainage & rainwater drainage handling system	Asset	Contracts for construction, advice, materials & equipment	56	314	-	252
Improvement to greasy-water treatment system	Asset	Contracts for construction, advice, materials & equipment	104	2.967	417	783
Installation double seals process pumps	Asset	Contracts for construction, advice, materials & equipment	179	700	71	43
Sub total projects			25.500	35.128	8.642	24.282

Environmental unit operative expenses	Classification	Concept	30-09-10	30-09-09	01-07-10	01-07-09
			ThUS\$	ThUS\$	ThUS\$	ThUS\$
Environmental Services	Expense	Advisory	139	206	61	72
Maintenance Services	Expense	Advisory	0	6	0	2
Depreciation	Expense	Depreciation	44	47	14	15
Waste disposal	Expense	Advisory	1.189	3.152	296	1.145
Sub total environmental unit expenses			1.372	3.411	371	1.234

Operative units' environmental expenses	Classification	Concept	30-09-10	30-09-09	01-07-10	01-07-09
			ThUS\$	ThUS\$	ThUS\$	ThUS\$
Acid plant	Expense	Plant operating costs	373	373	124	124
Sulfur plant	Expense	Plant operating costs	125	127	41	43
Gasoline de-sulfurization plant	Expense	Plant operating costs	3.495	3.450	1.181	1.158
Diesel de-sulfurization plant	Expense	Plant operating costs	69	36	29	13
Acid waters stripper (S.W.S.)	Expense	Plant operating costs	214	459	3	153
Effluent treatment	Expense	Plant operating costs	466	459	160	153
Sub total operative units' environmental expenses			4.742	4.904	1.538	1.644
Total			31.614	43.443	10.551	27.160

The detail of disbursements due after September 30, 2010 is as follows:

Proyecto	Classification	Concept	Disbursement Amount MUSS	Estimated Drawdown Date
New alquilation unit	Cost of an asset	Contracts for construction, advice, materials & equipment *	99,482	30-06-2011
Expansion of low-sulfur diesel production capacity	Cost of an asset	Contracts for construction, advice, materials & equipment *	374	30-06-2010
Installation Quintero drainage & rainwater drainage handling system	Cost of an asset	Contracts for construction, advice, materials & equipment *	1,818	31-12-2010
Installation double seals process pumps	Cost of an asset	Contracts for construction, advice, materials & equipment *	604	31-12-2010
Total			<u>102,278</u>	

(*) All future commitments represent works in the progress of construction & infrastructure.

c. Enap Sipetrol S.A.

Country	Classification (result or asset)	Description	30-09-10 ThUSS	30-09-09 ThUSS	01-07-10 30-09-10 ThUSS	01-07-09 30-09-09 ThUSS
Ecuador	Result	Operative units environmental expense	1,569	686	682	300
Argentina	Result	Operative units environmental expense	1,289	1,138	487	847
Egypt	Result	Operative units environmental expense	353	1	101	-
Total			<u>3,211</u>	<u>1,825</u>	<u>1,270</u>	<u>1,147</u>

The detail of disbursements due after September 30, 2010 is as follows:

Country	Project	Description	Classification	Amount ThUSS	Estimated date of disbursement
Ecuador	MDC	Ballast replacement on platform MDC-03	Investment	1	Against project
Ecuador	PBH - MDC	Prov. monitoring PAR 2 liabilities samples & Paraiso station	Investment	7	Against project
Ecuador	PBH - MDC	Floor construction in cellar	Investment	8	Against project

The rest of the Group consolidated companies have incurred no expenses for the concept of the environment during the periods reported.

29. TRADE CREDITORS AND OTHER ACCOUNTS PAYABLE

a) The detail is as follows:

	Total Current		Total Non-Current	
	30-09-10	31-12-09	30-09-10	31-12-09
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade creditors	1.224.770	1.320.756	5.329	3.403
Sundry creditors	942	1.166	-	-
Other accounts payable	62.861	56.724	358	341
Total	1.288.573	1.378.646	5.687	3.744

Detail of future maturities

	30-06-10	31-12-09
	ThUS\$	ThUS\$
Up to 30 days	949.811	367.769
31 to 60 days	370.184	-
61 to 90 days	28.884	606.763
91 to 180 days	-	354.481
Over 180 days	49.632	49.633
Total	1.398.511	1.378.646

30. PERSONNEL EXPENSES

The composition of these as of September 30, 2010 and 2009 is as follows:

	30-09-10	30-09-09	01-07-10	01-07-09
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Salaries & wages	118.220	106.533	43.599	32.223
Short-term personnel benefits	96.400	74.812	32.061	22.572
Other personnel expenses	4.381	3.687	1.544	1.238
Other long-term benefits	7.575	22.124	6.292	6.907
Total	226.576	207.156	83.496	62.940

31. DISCONTINUED OPERATIONS

North Bahariya

The board meeting No.214 of August 28, 2007 authorized the start of the project's sale process.

On April 14, 2008, the subsidiary Sipetrol International S.A. and the Egyptian company Sahara North Bahariya Limited signed a sale and purchase agreement by which Sipetrol International S.A. committed to assigning all its participation in the North Bahariya Block in Egypt's Western Desert.

The transaction was finalized on March 9, 2009, when the Ministry of Petroleum gave its approval, and control of North Bahariya was transferred to the buyer. The sale proceeds were ThUS\$ 65,000 plus interest, resulting in a gain of ThUS\$ 45,751.

The results of exploitations in final interruption that have been included in the consolidated results account are as follows:

Income Statement	30-09-10	30-09-09	01-07-10	01-07-09
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Ordinary revenues	-	1.266	-	-
Cost of sales	-	(1.531)	-	-
Earnings before taxes	-	(265)	-	-
Sub total	-	(265)	-	-
Gain (loss) on sale of operation	-	46.016	-	-
Sub total	-	46.016	-	-
Total result of discontinued operations	-	45.751	-	-

32. SCOPE OF CONSOLIDATION

Company	Country	Functional currency	Participation percentage		Percentage with voting rights		Relationship	Business
			30-06-10	31-12-09	30-06-10	31-12-09		
Enap Refinerías S.A.	Chile	Dollar	99,98%	99,98%	99,98%	99,98%	Direct subsidiary	Purchase & refining of crude & derivative products
Enap Sipetrol	Chile	Dollar	100%	100%	100%	100%	Direct subsidiary	Exploration, production & commercialization of hydrocarbons & provision of advisory services in Chile & abroad
Petro Servicios Corp. S.A. (Argentina)	Argentina	Dollar	100%	100%	100%	100%	Direct subsidiary	Oil services
Gas de Chile S.A.	Chile	Pesos	100%	100%	100%	100%	Direct subsidiary	Import, export & operation in general of all kinds of fuels & derivative sub-products, especially natural gas in any of its states.
Manu Perú Holding S.A.	Perú	Dollar	100%	100%	100%	100%	Direct subsidiary	Import & commercialization of fuels & lubricants through wholesalers
Éteres y Alcoholes S.A. (Etalsa)	Chile	Dollar	41,74%	41,74%	41,74%	41,74%	Special purpose entity	Manufacture of other N.C.P. chemical products
Petrosul S.A.	Chile	Dollar	47,39%	47,39%	47,39%	47,39%	Special purpose entity	Data processing & refinery services Concón S.A., de sus cuentas
Energía Concón S.A. (Enercon)	Chile	Dollar	49,00%	49,00%	49,00%	49,00%	Special purpose entity	Feasibility study
Productora de Diesel S.A. (Prodisa)	Chile	Dollar	45,00%	45,00%	45,00%	45,00%	Special purpose entity	Refinery processing & construction services, derivative products
Cía. de Hidrógeno del Bio - Bio S.A. (CHBB)	Chile	Dollar	10,00%	10,00%	10,00%	10,00%	Special purpose entity	Construction & operation of industrial plant on the premises of Enap Refinerías S.A. in Talcahuano, for the production of high-purity hydrogen
Enap Sipetrol Argentina S.A. (Filial de Enap Sipetrol S.A.)	Argentina	Dollar	100%	100%	100%	100%	Indirect subsidiary	Formation of Transitory Company Unions (UTES), collaboration groups, joint ventures, consortia or other form of association for exploration, exploitation & transport of hydrocarbons
Enap Sipetrol (UK) Limited (Filial de Enap Sipetrol S.A.)	United Kingdom	Dollar	100%	100%	100%	100%	Indirect subsidiary	Prospection, exploration, development, maintenance & land work of wells, mines & mine exploitation rights, drilling rights & concessions to contain the petroleum, gas, oil or other minerals.
Sipetrol Internacional S.A. (Uruguay) (Filial de Enap Sipetrol S.A.)	Uruguay	Dollar	100%	100%	100%	100%	Indirect subsidiary	Make & manage investments in one or more of the exploration, exploitation or earning activities of fields containing hydrocarbons.
Sociedad Internacional Petrolera Enap Ecuador (filial de Enap Sipetrol S.A.)	Ecuador	Dollar	100%	100%	100%	100%	Indirect subsidiary	Exploration, exploitation, processing, distribution, commercialization, transport & oil services

30-09-2010								
Compañía	Assets		Liabilities		Equity	Ordinary	Ordinary	Result
	Current	Non-Current	Current	Non-Current		Revenues	Expenses	period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Enap Refinerías S.A.	2.100.183	2.148.645	3.038.841	671.269	538.718	5.848.543	(5.900.839)	(33.665)
Enap Sipetrol S.A.	48.162	365.355	58.085	106.056	249.375	63.276	(31.290)	33.770
Petro Servicios Corp. S.A. (Argentina)	1.562	132	120	-	1.574	814	(660)	54
Gas de Chile S.A.	726	2.797	2	-	3.521	-	-	9
Manu Perú Holding S.A.	67.398	60.094	37.640	-	89.852	176.440	(171.496)	11.471
Éteres y Alcoholes S.A. (Etalsa)	3.719	17.191	4.869	2.008	14.033	2.970	(568)	1.451
Petrosul S.A.	2.849	21.032	2.849	6.436	14.596	1.955	(700)	864
Energía Concón S.A. (Enercon)	30.101	433.876	33.089	435.642	(4.754)	25.966	(5.150)	6.605
Productora de Diesel S.A. (Prodisa)	13.935	66.742	9.854	57.054	13.769	6.913	(2.601)	1.696
Cía. de Hidrógeno del Bío - Bío S.A. (CHBB)	2.740	25.310	2.951	12.431	12.668	2.621	(908)	1.585
Enap Sipetrol Argentina S.A. (Filial de Enap Sipetrol S.A.)	77.317	294.591	121.110	19.965	200.876	149.194	(124.629)	9.681
Enap Sipetrol (UK) Limited (Filial de Enap Sipetrol S.A.)	1.215	-	168	-	1.047	-	-	-
Sipetrol Internacional S.A. (Uruguay) (Filial de Enap Sipetrol S.A.)	28.020	34.878	10.554	19.086	33.258	33.467	(15.147)	11.766
Sociedad Internacional Petrolera Enap Ecuador (filial de Enap Sipetrol S.A.)	7	-	21	-	(14)	-	-	-

31-12-2009								
Compañía	Assets		Liabilities		Equity	Ordinary	Ordinary	Result
	Current	Non-Current	Current	Non-Current		Revenues	Expenses	period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Enap Refinerías S.A.	1.951.227	2.133.848	2.787.693	710.944	586.438	7.207.398	(7.131.227)	149.625
Enap Sipetrol S.A.	49.527	381.379	13.172	136.313	281.421	69.264	(39.736)	13.838
Petro Servicios Corp. S.A. (Argentina)	1.493	181	154	-	1.520	1.058	(909)	(78)
Gas de Chile S.A.	3.350	-	-	2.669	681	-	-	(15)
Manu Perú Holding S.A.	64.639	48.784	37.747	-	75.676	237.704	(226.657)	11.994
Éteres y Alcoholes S.A. (Etalsa)	3.820	22.122	4.742	8.618	12.582	4.092	(550)	1.947
Petrosul S.A.	2.756	25.567	2.864	11.727	13.732	2.501	(700)	866
Energía Concón S.A. (Enercon)	47.951	445.690	34.723	448.633	10.285	31.081	(2.633)	(123)
Productora de Diesel S.A. (Prodisa)	13.444	86.810	9.887	77.557	12.810	16.405	(10.159)	1.789
Cía. de Hidrógeno del Bío - Bío S.A. (CHBB)	2.070	27.827	3.166	14.892	11.839	4.822	(1.210)	2.132
Enap Sipetrol Argentina S.A. (Filial de Enap Sipetrol S.A.)	61.117	305.145	122.935	19.965	223.362	199.745	(170.016)	(21.793)
Enap Sipetrol (UK) Limited (Filial de Enap Sipetrol S.A.)	1.215	-	168	-	1.047	-	-	75
Sipetrol Internacional S.A. (Uruguay) (Filial de Enap Sipetrol S.A.)	21.886	31.841	5.895	26.341	21.491	28.064	(17.957)	32.963
Sociedad Internacional Petrolera Enap Ecuador (filial de Enap Sipetrol S.A.)	6	-	21	-	(15)	-	-	-

33. NON-CURRENT ASSETS OR GROUPS OF ASSETS FOR DISPOSAL

The following is a detail of non-current assets or groups of assets for disposal:

	30-09-10	31-12-09
	ThUS\$	ThUS\$
Opening balance of period	-	17.507
Transference from non current assets available for sale	-	6.202
Transference to non current assets available for sale	1.966	
Expropriation of assets available for sale (a)	(1.966)	(23.709)
Total	<u>-</u>	<u>-</u>

- a) Relates to the sale of the participation of Sipetrol International in the North Bahariya Block in Egypt (Note 31).

34. EXCHANGE DIFFERENCES

The following is a detail of assets and liabilities giving rise to exchange differences, as of September 30, 2010 and 2009.

Concept	30-09-10	30-09-09	01-07-10	01-07-09
	ThUS\$	ThUS\$	30-09-10	30-09-09
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash & cash equivalents	(495)	1.909	5.461	(1.687)
Financial assets	46.404	45.764	77.341	(20.294)
Other non-financial assets, current	42.410	35.062	30.864	8.927
Trade debtors & other accounts receivable	33.679	70.751	80.894	(20.174)
Accounts receivable from related entities	5.555	69	12.611	(139)
Recoverable taxes	(2.297)	(2.187)	(4.905)	235
Inventories	267		520	-
Other non-financial assets, non-current	-	37	1	-
Rights receivable	(448)	703	406	(182)
Other non-financial liabilities, current	(13.668)	(5.106)	(4.455)	178
Trade creditors & other accounts payable	(8.168)	(8.232)	(12.336)	3.482
Accounts payable to related entities	(3.622)	(2.796)	(7.683)	315
Provisions, current	(1.563)	(3.951)	(3.666)	1.125
Provisions, non-current	(6.280)	(19.196)	(17.233)	5.066
Other non-financial liabilities, non-current	(34.677)	(45.336)	(71.364)	20.005
Result forwards	(5.715)	(53.957)	(14.013)	(4.520)
Others	227	(1.270)	(524)	1.799
Total	<u>51.609</u>	<u>12.264</u>	<u>71.919</u>	<u>(5.864)</u>

35. FOREIGN CURRENCY

Assets	Currency	Functional currency	30-09-10 ThUS\$	31-12-09 ThUS\$
Cash & cash equivalents	Dollar	Dollar	45.915	13.024
	Non-indexed Ch\$	Dollar	17.271	56.816
	Argentine \$	Dollar	9.425	6.922
	Pounds sterling	Dollar	82	50
Other financial assets, current	Dollar	Dollar	-	2.824
Other non-financial assets, current	Non-indexed Ch\$	Dollar	997	13.625
	Dollar	Dollar	20.507	-
Trade debtors & other accounts receivable, current	Dollar	Dollar	214.158	189.467
	Non-indexed Ch\$	Dollar	629.218	636.874
	Indexed Ch\$	Dollar	1.037	1.275
	Argentine \$	Dollar	12.777	9.660
Accounts receivable from related entities, current	Non-indexed Ch\$	Dollar	2.579	57.009
	Dollar	Dollar	41.013	-
Inventories	Dollar	Dollar	1.276.267	1.060.353
Current tax assets	Dollar	Dollar	14.449	16.649
	Non-indexed Ch\$	Dollar	21.313	13.948
	Indexed Ch\$	Dollar	130.005	148.486
	Argentine \$	Dollar	3.739	4.427
Other financial assets, non-current	Dollar	Dollar	7.778	82.258
	Indexed Ch\$	Dollar	41.012	8
Other assets non financial, non current	Indexed Ch\$	Dollar	12.628	5.552
Rights receivable, non-current	Non-indexed Ch\$	Dollar	19	19
	Indexed Ch\$	Dollar	25.069	25.946
Accounts receivable from related entities, non-current	Dollar	Dollar	11.942	12.964
Investments booked using the participation method	Dollar	Dollar	164.910	127.878
	Indexed Ch\$	Dollar	533	392
Inrangible assets, diferent than added value	Dollar	Dollar	3	-
Property, plant & equipment	Dollar	Dollar	2.573.727	2.598.236
Investment properties	Dollar	Dollar	2.062	2.066
Deferred tax assets	Dollar	Dollar	528.011	461.792
	Non-indexed Ch\$	Dollar	206	11.232
Total			5.808.652	5.559.752

Pasivos	30-09-10						31-12-09			
	Currency	Funcional currency	Up to 90 days	91 days to 1 year	1 to 5 years	Over 5 years	Up to 90 days	91 days to 1 year	1 to 5 years	Over 5 years
Other current financial liabilities	Dollar	Dollar	3.857	523.880	-	-	448.242	151.449	-	-
	Indexed Ch\$	Dollar	21.733	-	-	-	8.971	2.737	-	-
Trade creditors & other accounts payable	Dollar	Dollar	1.141.613	-	-	-	70.945	1.189.825	-	-
	Non-indexed Ch\$	Dollar	146.863	-	-	-	105.580	1.566	-	-
	Argentine \$	Dollar	97	-	-	-	10.730	-	-	-
Accounts payable to related entities, current	Dollar	Dollar	3.518	-	-	-	27.296	328	-	-
Other provisions at short term	Dollar	Dollar	26.065	21.946	-	-	11.571	44.217	-	-
	\$ No reajutable	Dollar	45	-	-	-	877	938	-	-
Tax liabilities, current	Dollar	Dollar	8.837	-	-	-	318	-	-	-
	\$ No reajutable	Dollar	56.001	-	-	-	28.711	-	-	-
	Indexed Ch\$	Dollar	917	-	-	-	465	-	-	-
	Argentine \$	Dollar	2.957	-	-	-	3.006	-	-	-
Current provisions for personnel benefits	Dollar	Dollar	5.821	-	-	-	6.181	-	-	-
	Non-indexed Ch\$	Dollar	18.517	19.698	-	-	18.556	-	-	-
	Indexed Ch\$	Dollar	-	-	-	-	-	17.386	-	-
	Non-indexed Ch\$	Dollar	1.608	-	-	-	-	-	-	-
Other non-financial liabilities, current	Dollar	Dollar	505	-	-	-	1.266	72	-	-
Other financial liabilities, non current	Dollar	Dollar	-	-	1.243.405	1.055.104	-	-	1.654.770	223.502
	Indexed Ch\$	Dollar	-	-	150.788	438.494	-	-	550.191	5.109
Liabilities, non-current	Dollar	Dollar	-	-	390	-	-	-	3.403	-
	Non-indexed Ch\$	Dollar	-	-	5.297	-	-	-	341	-
Other long-term provisions	Dollar	Dollar	-	-	68.128	13.299	-	-	16.890	61.614
Deferred taxes liability	Dollar	Dollar	-	-	121.987	161.333	-	-	103.065	172.539
	Non-indexed Ch\$	Dollar	-	-	221	-	-	-	238	-
	Argentine \$	Dollar	-	-	9.559	30.578	-	-	10.333	-
Non-current provisions for personnel benefits	Dollar	Dollar	-	-	173	-	-	-	119	-
	Non-indexed Ch\$	Dollar	-	-	-	4.400	-	-	1.440	3.349
	Indexed Ch\$	Dollar	-	-	37.997	108.705	-	-	42.217	113.339
Other non-financial liabilities, non-current	Dollar	Dollar	-	-	2.229	72	-	-	2.007	213
Total			1.438.954	565.524	1.640.174	1.811.985	742.715	1.408.518	2.385.014	579.665

36. EFFECTS OF THE EARTHQUAKE

The earthquake that affected the country's center-south zone in the early hours of February 27 caused alterations to the operation of the Bío Bío and Aconcagua refineries, mainly due to electricity cuts and structural damage which, for safety reasons, forced the stoppage of production. Both refineries were submitted to a rigorous inspections to establish the extent of the damage and determine the measures necessary for resuming their functioning safely. The repairs carried out enabled the Aconcagua refinery to return to operations during March. Regarding the Bío Bío refinery, this showed greater damage, so its start-up could only be carried out on June 22.

The Group has claimed under its insurance cover for damages to property, stoppages and civil liability as a consequence of the earthquake. These claims are currently in the liquidation process and advances against the corresponding settlements have already been received.

The financial statements as of September 30, 2010 incorporate an effect for amounts claimed as a result of the earthquake, equivalent to US\$ 86.1 million (gain), which is shown as a deduction from the Cost of sales for US\$ 30.9 million (business interruptions) and US\$ 55.2 million in Other gains (losses) corresponding to insurance claims for physical damages, which are shown for presentational purposes net of impairment of fixed assets for US\$32.5 million, generating a final balance of US\$ 22.7 million.

37. SUBSEQUENT EVENTS

On November 15, 2010, ENAP put into affect the first phase of a focalized severance plan in order to face the Company's present demanding challenges, and whose goal is to provide ENAP with viability and sustainability in the long term.

This plan contemplates the severance of 530 personnel from all the Company's business units and includes the benefits established in the different collective and legal contracts plus an additional incentive.

The Company has shown in its financial statements a large part of the provisions necessary for carrying out this plan, which will be adjusted in line with the amounts booked and current regulations.

The Ministry of Non-Renewable Natural Resources of Ecuador and ENAP signed, on November 23, an contract renegotiation agreement for the Ecuadorian oil blocks Mauro Dávalos Cordero (MDC) and Paraíso, Biguno, Huachito (PBH), in which ENAP has been the operator since 2002.

Apart from the renegotiation of tariffs required by the new contract, ENAP will make new investments to increase the production of the Mauro Dávalos Cordero block, a

through improved recovery actions in that concession and obtaining a new block for carrying out exploration, called Intracampos, alongside the Paraíso, Biguno, Huachito block, located in the Eastern Basin of Ecuador.

The renegotiation of contracts decreed by the Ecuadorian government established the need for all oil companies operating in Ecuador to renegotiate their contracts by adapting them to the new scheme proposed by the Ecuadorian government