

EMPRESA NACIONAL DEL PETROLEO AND SUBSIDIARIES

Consolidated condensed interim financial statements

As of September 30, 2011

CONTENT

Consolidated Interim statements of financial position
Consolidated Interim statements of comprehensive income
Consolidated Interim statements of changes in equity
Consolidated Interim statements of cash flows
Notes to the condensed consolidated Interim financial statements

ThCh\$ - Thousand Chilean Pesos

ThUS\$ - Thousand United States Dollars

UF The Unidad de Fomento is a Chilean inflation index-linked, peso-denominated monetary unit, set daily in advance on the basis of the previous month's inflation rate.

ENAP AND SUBSIDIARIES

UNAUDITED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2011 AND DECEMBER 31, 2010

(In thousands of US dollars - ThUS\$)

	Note N°	09.30.2011 ThUS\$ (Unaudited)	12.31.2010 ThUS\$ (Unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents		208,517	62,422
Other current financial assets		95,642	-
Other non-financial assets		22,782	10,993
Trade and other receivables	5	738,921	882,585
Due from related companies	6	110,062	53,658
Inventories	7	1,480,437	1,089,615
Current tax assets	8	<u>134,046</u>	<u>184,017</u>
Total current assets other than assets classified as held for sale		<u>2,790,407</u>	<u>2,283,290</u>
Non current assets or group of assets classified as held for sale	9	<u>50,771</u>	<u>23</u>
Total current assets		<u>2,841,178</u>	<u>2,283,313</u>
Non-current assets:			
Other financial assets		18,157	81,341
Other non-financial assets		12,343	12,779
Rights receivable	5	20,099	24,905
Due from related companies	6	11,942	11,942
Intangible assets other than goodwill		3,084	3,084
Investment in associates measured using the equity method		137,865	183,727
Property, plant and equipment		2,626,487	2,634,479
Investment property		2,056	2,061
Deferred tax assets	8	<u>508,904</u>	<u>495,757</u>
Total non-current assets		<u>3,340,937</u>	<u>3,450,075</u>
TOTAL ASSETS		<u>6,182,115</u>	<u>5,733,388</u>

The accompanying notes are an integral part of these consolidated interim financial statements

EQUITY AND LIABILITIES	Note N°	09.30.2011 ThUS\$ (Unaudited)	12.31.2010 ThUS\$ (Unaudited)
Current liabilities:			
Other current financial liabilities	10	912,376	647,877
Trade debtors and other accounts payable	10	1,507,646	1,126,828
Due to related companies	6	22,931	17,664
Other short-term accruals		29,460	13,346
Current tax liabilities	8	56,811	82,529
Current accruals for employee benefits		38,419	72,833
Other non-financial liabilities		<u>825</u>	<u>382</u>
Total current liabilities		<u>2,568,468</u>	<u>1,961,459</u>
Non-current liabilities:			
Other financial liabilities	10	2,611,852	2,818,588
Non-current liabilities		7,425	5,850
Other long-term accruals		98,281	79,444
Deferred tax liabilities	8	267,237	294,710
Non-current accruals for employee benefits		103,459	114,771
Other non-financial liabilities		<u>1,978</u>	<u>2,114</u>
Total non-current liabilities		3,090,232	3,315,477
Total liabilities		<u>5,658,700</u>	<u>5,276,936</u>
Equity:			
Paid-in capital	11	1,232,332	1,232,332
Accumulated earnings (losses)	11	(625,980)	(651,972)
Other reserves	11	(95,490)	(135,986)
Equity attributable to owners of the Parent Company		510,862	444,374
Non - controlling interest		<u>12,553</u>	<u>12,078</u>
Total equity		<u>523,415</u>	<u>456,452</u>
TOTAL EQUITY AND LIABILITIES		<u>6,182,115</u>	<u>5,733,388</u>
		=====	=====

ENAP AND SUBSIDIARIES

UNAUDITED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED SEPTEMBER 30, 2011 AND 2010 (In thousands of US dollars - ThUS\$)

	Note N°	09.30.2011 ThUS\$ (unaudited)	09.30.2010 ThUS\$ (unaudited)
Revenues from ordinary activities		8,281,912	6,001,133
Cost of sales		<u>(8,034,392)</u>	<u>(5,918,934)</u>
Gross margin		<u>247,520</u>	<u>82,199</u>
Other income, per function		25,371	27,687
Administrative expenses		(66,237)	(60,256)
Other expenses, per function		(56,393)	(29,850)
Other income		20,263	21,025
Financial income		3,243	3,319
Financial expense		(139,176)	(127,917)
Participation in the earnings of associates		28,040	16,272
Exchange differences		<u>(40,815)</u>	<u>51,609</u>
Income (loss) before taxes		<u>21,816</u>	<u>(15,912)</u>
Income tax expense	8	7,581	7,970
Income (loss) from continued operations		<u>29,397</u>	<u>(7,942)</u>
Net income (loss)		<u>29,397</u>	<u>(7,942)</u>
Attributable Net Income (Loss)			
Net Income (loss) attributable to equity holders of parent		28,103	(14,962)
Net Income (loss) attributable to non – controlling Interest		<u>1,294</u>	<u>7,020</u>
Net income (loss)		<u>29,397</u>	<u>(7,942)</u>
		=====	=====

The accompanying notes are an integral part of these consolidated interim financial statements.

ENAP AND SUBSIDIARIES

UNAUDITED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED SEPTEMBER 30, 2011 AND 2010 (In thousands of US dollars - ThUS\$)

	09.30.2011 ThUS\$ (unaudited)	09.30.2010 ThUS\$ (unaudited)
Net income (loss)	29,397	(7,942)
Components from other comprehensive income, before taxes		
Currency translation differences		
Currency translation differences, before taxes	(472)	5,532
Other comprehensive income, currency translation differences, before taxes	(472)	5,532
Financial Assets Available For Sale		
Income (loss) from new measurements of financial assets held for sale, before taxes	-	450
Other comprehensive income, before taxes, financial assets held for sale	-	450
Cash flow hedges		
Gain (loss) from cash flow hedges, before taxes	69,530	(59,765)
Other comprehensive income, before taxes, cash flow hedges	69,530	(59,765)
Share of the other comprehensive income of associates accounted for using the equity method	(15,765)	(20,758)
Other components from other comprehensive income, before taxes	53,293	(74,541)
Income taxes related to exchange differences from translation of other comprehensive income		
Income taxes related to currency translation differences of other comprehensive income	80	-
Income taxes related to cash flow hedges of other comprehensive income	(12,438)	22,587
Sum of income taxes for components of another comprehensive income	(12,358)	22,587
Other comprehensive income	<u>40,935</u>	<u>(51,954)</u>
Total comprehensive income	<u>70,332</u>	<u>(59,896)</u>
Comprehensive income attributable to		
Result of Income Attributable to owners of Parent Company	69,024	(55,829)
Result of Income Attributable to non - controlling interest	<u>1,308</u>	<u>(4,067)</u>
Total comprehensive income	<u>70,332</u> =====	<u>(59,896)</u> =====

The accompanying notes are an integral part of these consolidated interim financial statements

ENAP AND SUBSIDIARIES

UNAUDITED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED SEPTEMBER 30, 2011 AND 2010 (In thousands of US dollars - ThUS\$)

	Changes in other reserves										Total equity
	Issued capital	Revaluation surplus	Reserves for exchange differences for translation	Reserves for cash flow hedges	Reserves of income or losses in the measurement of financial asset held for sale	Other reserves	Subtotal Other reserves	Retained earnings and accumulated losses	Net equity attributable to the owners of the Parent Company	Non-controlling interest	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance at 01/01/2011	1,232,332	-	(70,765)	(77,152)	1,190	10,741	(135,986)	(651,972)	444,374	12,078	456,452
Increase (decrease) for reclassification	-	-	-	-	-	-	-	-	-	-	-
Restated initial balance	1,232,332	-	(70,765)	(77,152)	1,190	10,741	(135,986)	(651,972)	444,374	12,078	456,452
Comprehensive income											
Income (loss)-	-	-	-	28,103	-	28,103	-	1,294	-	29,397	-
Other comprehensive income	-	-	(392)	41,313	-	-	40,921	-	40,921	14	40,935
Comprehensive income	-	-	(392)	41,313	-	-	40,921	28,103	69,024	1,308	70,332
Decrease (increase) for other contributions by owners	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) due to transfers and other changes	-	-	-	(19,383)	-	18,958	(425)	(2,111)	(2,536)	(833)	(3,369)
Total changes in equity	-	-	(392)	21,930	-	18,958	40,496	25,992	66,488	475	66,963
Final balance at 09/30/2011	1,232,332	(71,157)	(55,222)	1,190	29,699	(95,490)	(625,980)	510,862	12,553	-	523,415
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) due to correction of errors	-	(195,770)	-	-	-	-	(195,770)	163,554	(32,216)	-	(32,216)
Restated initial balance	1,182,700	-	(70,683)	(45,514)	-	19,763	(96,434)	(712,260)	374,006	37,618	411,624
Comprehensive income											
Income (loss)	-	-	-	-	-	-	(14,962)	(14,962)	(14,962)	7,020	(7,942)
Other comprehensive income	-	-	5,532	(46,849)	450	-	(40,867)	-	(40,867)	(11,087)	(51,954)
Comprehensive Income	-	-	5,532	(46,849)	450	-	(40,867)	(14,962)	(55,829)	(4,067)	(59,896)
Increase (decrease) due to transfers and 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)
Final balance at 09/30/2010	1,182,700	-	(65,151)	(92,363)	450	23,817	(133,247)	(729,951)	319,502	32,513	352,015

The accompanying notes are an integral part of these consolidated interim financial statements.

ENAP AND SUBSIDIARIES

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS, DIRECT FOR THE PERIODS ENDED SEPTEMBER 30, 2011 AND 2010

(In thousands of US dollars - ThUS\$)

	09.30.2011	09.30.2010
	ThUS\$	ThUS\$
	(Unaudited)	(Unaudited)
Net cash flows provided by (used in) operating activities		
Proceeds from sales of goods and services	12,300,466	7,989,235
Receipts from premiums and benefits, annuities and other benefits from written policies	62,750	-
Other receipts (payments) from operating activities	150,811	7,539
Payments to suppliers for goods and services	(10,596,694)	(7,067,489)
Payments to and on behalf of employees	(263,714)	(166,480)
Other payments for operating activities	(1,279,104)	(713,340)
Dividends paid	(990)	-
Dividends received	4,433	5,864
Interest paid	(12,456)	(32,521)
Interest received	2,223	102
Income taxes refunded (paid)	10,682	24,237
Other inputs (outputs) in cash	<u>6,722</u>	<u>12,401</u>
Cash flows from operating activities	<u>385,129</u>	<u>59,548</u>
Cash flows from (used in) investing activities		
Cash flows used in the purchase of non-controlling interest	-	(22,549)
Loans to related entities	(5,600)	(6,000)
Proceeds from sale of property, plant and equipment	-	3,754
Purchases of property, plant and equipment	(298,171)	(298,098)
Purchase of long-term assets	12,000	-
Cash advances and loans to third	3,855	(2,070)
Collections to related entities	-	2,327
Interest received	<u>197</u>	<u>156</u>
Cash flows used in investing activities	<u>(287,719)</u>	<u>(322,480)</u>
Cash flows from (used in) financing activities		
Proceeds from long-term loans	102,364	496,325
Proceeds from short-term loans	405,689	1,205,717
Loans from related entities	13,315	-
Loan payments	(347,658)	(1,381,147)
Payments of finance lease liabilities	(913)	(2,710)
Dividends paid	-	(1,074)
Interest paid	(105,912)	(89,508)
Other inputs (outputs) in cash	<u>(12,909)</u>	<u>33,396</u>
Cash flows used in financing activities	<u>53,976</u>	<u>260,999</u>
Net decrease in cash and cash equivalents, before the effect of changes in the exchange rate	<u>151,386</u>	<u>(1,933)</u>
Effects of variation in the exchange rate on cash and cash equivalents		
Effects of variation in the exchange rate on cash and cash equivalents	<u>(5,291)</u>	<u>(2,186)</u>
Increase (decrease) in cash and cash equivalents	146,095	(4,119)
Cash and cash equivalents at the beginning of the period	<u>62,422</u>	<u>76,812</u>
Cash and cash equivalents at the end of the period	<u>208,517</u>	<u>72,693</u>

ENAP AND SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(In thousands of US dollars - ThUS\$)

1. GENERAL INFORMATION

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

On October 4, 2002, ENAP was registered in the Securities Register of the Superintendencia de Seguros y Valores (SVS, Superintendencia de Valores y Seguros), under number 783. As such, ENAP is subject to the regulations of the above Superintendencia.

ENAP was created through Law 9,618, dated June 19, 1950 and is owned by the Republic of Chile, and its corporate purpose is the exploration, production and marketing of hydrocarbons and its by-products, the of ENAP address are Avenida Vitacura 2736 Floor 10, Las Condes in Santiago, and José Nogueira 1101, in Punta Arenas.

2. DESCRIPTION OF THE BUSINESS

According to the abovementioned law and its subsequent amendments, its main activity is exploring, operating or monetizing ore deposits containing hydrocarbons, which is authorized to be performed both inside and outside the country.

Its main subsidiary Enap Refinerías S.A. (“ERSA”) is a closed corporation, which officially began operating in January 2004. It was created according to an agreement at the general meeting of shareholders of Petrox S.A. Refinería de Petróleo, on December 23, 2003, when the merger of this subsidiary of the Empresa Nacional del Petróleo (ENAP) with Refinería de Petróleo de Concón S.A. (RPC) was approved, through the incorporation of the latter to the former. Petrox S.A. Refinería de Petróleo (Petrox), now called ENAP Refinerías S.A. was organized as a closed corporation on July 16, 1981, before the notary Raúl Undurraga Laso, from Santiago, and its registered residence is Avenida Borgoño 25777, Concón. Its line of business is the importation, processing, storage and marketing of hydrocarbons and its derivatives and all other activities that are directly or indirectly related to those mentioned here and which are expressed in detail in the third article of the existing social statute. Additionally, the company participates in the areas of distribution and logistics, which it carries out through its international subsidiary holding Manu Perú Holding S.A., established in Peru to import fuel from Chile and sell it there and in Ecuador, through the network of service stations of the affiliate Primax.

The direct subsidiaries Petro Servicio Corp. S.A. and ENAP Sipetrol S.A. execute outside the country one or more of the activities related to the exploration, operation or monetization of the hydrocarbon-bearing deposits.

ENAP Sipetrol S.A. has branches in Ecuador and Venezuela (the latter without any economic activity) and associates in Argentina, United Kingdom (UK), Uruguay and its joint business. ENAP Sipetrol (UK) Limited (United Kingdom) is in the process of closing down its operations, which is expected to be completed in 2011. ENAP Sipetrol S.A. has a 100% ownership interest in the capital stock.

The subsidiaries ENAP Refinerías S.A. and ENAP Sipetrol S.A. are privately held corporations, voluntarily registered in the Securities Register of the Superintendence of Securities and Insurance under N° 833 and N° 1005, respectively. With the entering into force of Law No. 20.382 of October 2010, the Superintendence of Securities and Insurances proceeded to cancel such records and to register those in the Special Record of Informing Entities on May 9, 2010, under N° 95 and N° 187, respectively, with validity as of January 1, 2010.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting principles

These condensed consolidated interim financial statements are stated in thousands of US dollars and were prepared based on the accounting records kept by ENAP and its Subsidiaries and were approved by the Board of Directors in a meeting held on October 25, 2011.

These condensed consolidated interim financial statements are unaudited.

Preparation of these condensed consolidated interim financial statements under IAS 34 requires the use of estimates and assumptions by the Management of the ENAP Group. These estimates are based on the best knowledge of the management on the amounts reported, events or actions. The detail of the significant accounting estimates is shown in Note 4.

Bases of preparation and period – This condensed consolidated interim financial information for the nine months ended September 30, 2011 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2010, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The accounting policies adopted are consistent with those of the previous financial year, except as described below.

Non current assets or groups of assets held for sale – The non current assets that classify as assets held for sale are those whose book value will be recovered through sales operations instead of continued use. This condition is considered to be met only when the sale is highly probable, it is held for immediate sale in its present condition and it is foreseen that the sale will be completed within a year from the date of classification. The total of these assets are recorded in one line and valued as the lesser of the book value and the fair value less sales costs.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the group's annual financial statements as of December 31, 2010.

There have been no changes in the risk management department since year or in any risk management policies.

3.2 New accounting pronouncements

New standards and interpretations need to be adopted in the first interim financial statements issued after their effective date:

Amendments to IFRS:	Date of obligatory adoption:
IAS 24 Disclosure of related entities	Annual periods started on or after January 1, 2011
IAS 32 Financial Instruments- presentation- classification of rights issuance	Annual periods started on or after January 1, 2011
Improvements to IFRS May 2010-collection of amendments to 7 International Financial Reporting Standards	Annual periods started on or after January 1, 2011
New Interpretations:	
Chilean IFRS 19 extinction of financial liabilities with equity instruments	Annual periods started on or after July 1, 2010
Amendments to interpretations:	
Chilean IFRS 14- the limit for an asset for defined benefits, minimum requirements of funding and their interactions	Annual periods started on or after January 1, 2011

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Senior Management of the ENAP Group is responsible for the information contained in these condensed consolidated interim financial statements.

In these consolidated interim financial statements the Senior Management of the ENAP Group and its consolidated entities used estimates to quantify certain assets, liabilities, income, expenses and commitments recorded therein.

In applying the accounting policies of the ENAP Group, which are described in Note 3 of the annual financial statements for the year ended December 31, 2010, of the annual management makes future estimates and judgments regarding the book values of its assets and liabilities. The estimates and associated judgments are based on past experience and on other factors considered relevant. Actual results could differ from these estimates.

5 TRADE RECEIVABLES AND OTHER RECEIVABLES

As of September 30, 2011 and December 31, 2010 this item is composed as follows:

<u>Items</u>	Current		Non-current	
	<u>09.30.2011</u>	<u>12.31.2010</u>	<u>09.30.2011</u>	<u>12.31.2010</u>
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade debtors	656,567	775,901	-	-
Sundry debtors	41,243	98,120	-	4,721
Other receivables	42,393	9,846	20,099	20,184
Allowance for doubtful accounts	<u>(1,282)</u>	<u>(1,282)</u>	<u>-</u>	<u>-</u>
Total	738,921	882,585	20,099	24,905
	=====	=====	=====	=====

a) Age of account receivables past due but not impaired

Maturity of non impaired accounts receivable, is detailed below:

	<u>09.30.2011</u>	<u>12.31.2010</u>
	ThUS\$	ThUS\$
Up to 90 days	50,720	51,262
Over 90 days to 1 year	37,522	14,844
Over 1 year	<u>2,513</u>	<u>5,643</u>
Total	90,755	71,749
	=====	=====

The amounts included in this area bear interest, calculated using the maximum conventional rate published in the official newspaper for debts less than or equal to UF 5,000 and above UF 5,000 (Th US\$ 212).

The average collection period to customers at September 30, 2011, is 17 days, without considering sundry and other debtors.

b) Allowances for doubtful accounts

The amount of the allowances for doubtful accounts as of September 30, 2011 and December 31, 2010 is as follows:

	<u>09.30.2011</u>	<u>12.31.2010</u>
	ThUS\$	ThUS\$
Over 90 days to 1 year	-	-
Over 1 year	<u>(1,282)</u>	<u>(1,282)</u>
Total	(1,282)	(1,282)
	=====	=====

Considering the creditworthiness of borrowers and the historical performance of the collection, the Group has estimated that the provision of doubtful accounts at September 30, 2011 is sufficient.

The fair values of trade receivables, sundry debtors and other receivables correspond to the same book value.

6. BALANCES AND TRANSACTIONS WITH RELATED COMPANIES

The accounts receivable, accounts payable and transactions with related parties are the following:

a) Accounts receivable

Current:

<u>Tax number</u>	<u>Company</u>	<u>Country</u>	<u>Description of the transaction</u>	<u>Nature of the relationship</u>	<u>Currency</u>	<u>09.30.2011</u>	<u>12.31.2010</u>
						ThUS\$	ThUS\$
0-E	Primax S.A.	Perú	Sale of product	Affiliated	US\$	25,229	23,058
78,335,760-7	Petropower Energía Ltda.	Chile	Sale of service	Affiliated	US\$	15,751	6,000
78,889,940-8	Norgas S.A.	Chile	Sale of product	Affiliated	US\$	3,658	3,564
76,418,940-K	GNL Chile S.A.	Chile	Trade checking account	Affiliated	US\$	59,812	14,106
99,577,350-3	Empresa Nacional de Geotermia S.A.	Chile	Trade checking account	Affiliated	US\$	60	339
96,971,330-6	Geotérmica del Norte S.A.	Chile	Trade checking account	Affiliated	US\$	618	986
96,655,490-8	Oleoducto Trasandino Chile S.A.	Chile	Trade checking account	Affiliated	US\$	-	951
81,095,400-0	Sociedad Nacional de Oleoducto S.A.	Chile	Trade checking account	Affiliated	US\$	912	883
0-E	Gasoducto del Pacífico Argentina S.A.	Argentina	Trade checking account	Affiliated	US\$	3,578	3,578
0-E	Golfo de Guayaquil Petroenap	Ecuador	Trade checking account	Affiliated	US\$	197	143
76,069,258-1	Compañía de Economía Mixta Consorcio Tecnológico de Bioombustibles S.A.	Chile	Trade checking account	Affiliated	US\$	247	50
	Total					110,062	53,658
						=====	=====

Non current:

<u>Tax number</u>	<u>Company</u>	<u>Country</u>	<u>Description of the transaction</u>	<u>Nature of the relationship</u>	<u>Currency</u>	<u>09.30.2011</u>	<u>12.31.2010</u>
						ThUS\$	ThUS\$
96,856,650-4	Innergy S.A.	Chile	Trade checking account	Affiliated	US\$	11,550	11,550
76,418,940-K	GNL Chile S.A.	Chile	Trade checking account	Affiliated	US\$	392	392
	Total					11,942	11,942
						=====	=====

b) Accounts payable

Current:

<u>Tax number</u>	<u>Company</u>	<u>Country</u>	<u>Description of the transaction</u>	<u>Nature of the relationship</u>	<u>Currency</u>	<u>09.30.2011</u>	<u>12.31.2010</u>
						ThUS\$	ThUS\$
0-E	Primax S.A.	Perú	Trade checking account	Affiliated	US\$	19,048	14,029
76,384,550-8	Sociedad Nacional Marítima S.A.	Chile	Trade checking account	Affiliated	US\$	1,908	1,881
81,095,400-0	Sociedad Nacional de Oleoductos S.A.	Chile	Trade checking account	Affiliated	US\$	1,587	1,452
96,971,330-6	Geotérmica del Norte S.A.	Chile	Trade checking account	Affiliated	US\$	-	215
99,515,800-0	SK Inversiones Petroquímicas S.A.	Chile	Trade checking account	Affiliated	US\$	388	78
76,030,514-6	SK Converge S.A.	Chile	Trade checking account	Affiliated	US\$	-	2
78,528,120-9	Inmobiliaria Mamaco Ltda.	Chile	Trade checking account	Affiliated	US\$	-	1
99,598,300-1	Sigdo Koppers S.A.	Chile	Trade checking account	Affiliated	US\$	-	6
	Total					22,931	17,664
						=====	=====

The balances and transactions with related parties are adjusted to the established in Article 89 of Law No. 18.046, which establishes that the operations between investees, between the parent company and its subsidiaries, and those performed by a publicly traded company have to consider arm's length conditions, which means, performed under conditions of mutual independence between the parties.

c) Transactions with related parties

Tax ID number	Company	Country	Description of the transaction	Nature of the relationship	Currency	09.30.2011	12.31.2010
						ThUS\$	ThUS\$
96,971,330-6	Geotérmica del Norte S.A.	Chile	Interest	Affiliated	US\$	-	276
			Sale of services	Affiliated	US\$	-	145
			Decrease in capital	Affiliated	US\$	-	126
			Contribution of capital	Affiliated	US\$	-	15,469
			Contribution of capital	Affiliated	US\$	-	7,054
0-E	Primax S.A.	Perú	Sale of products	Affiliated	US\$	176,864	147,997
96,856,650-4	Innergy Holding S.A.	Chile	Purchase of the Gas Natural	Affiliated	US\$	10,903	22,201
96,655,490-8	Oleoducto Trasandino S.A.	Chile	Purchase of service	Affiliated	US\$	2,437	2,814
			Decrease in capital	Affiliated	US\$	-	15
78,889,940-8	Norgas S.A.	Chile	Sale of products	Affiliated	US\$	43,019	52,322
			Dividend	Affiliated	US\$	-	627
78,335,760-7	Petropower Energía Ltda.	Chile	Purchase of services	Affiliated	US\$	30,453	48,142
			Loans	Affiliated	US\$	5,600	6,000
			Dividend	Affiliated	US\$	-	202
81,095,400-0	Sociedad Nacional de Oleoductos S.A.	Chile	Sale of services	Affiliated	US\$	67	-
			Dividend	Affiliated	US\$	1,851	2,292
			Purchase of services	Affiliated	US\$	18,640	29,112
76,384,550-8	Sociedad Nacional Marítima S.A.	Chile	Purchase of services	Affiliated	US\$	10,667	21,081
76,418,940-K	GNL Chile S.A.	Chile	Purchase of the Gas Natural	Affiliated	US\$	345,110	166,592
			Interests	Affiliated	US\$	29	44
76,788,080-4	GNL Quintero S.A.	Chile	Purchase of services	Affiliated	US\$	-	1,856

d) Remunerations of the Board of Directors

Name	Tax ID number	Position	09.30.2011	09.30.2010
			ThUS\$	ThUS\$
Current members of Directory:				
Rodrigo Alvarez Zenteno	8,283,133-9	President	-	-
Hermán Cheyre Valenzuela	6,375,408-0	Vicepresident	-	-
Felipe Morandé Lavín	7,246,745-0	Director	10	-
Iván Pérez Pavez	6,902,930-2	Director	12	7
Rodolfo Krause Lubascher	4,643,327-0	Director	15	10
Ramón Jara Araya	5,899,198-8	Director	-	-
Subtotal			37	17
Former members of Directory:				
Fernando Echeverría Vial	6,065,433-6	President	-	-
Laurence Golborne Riveros	8,170,562-3	President	2	-
Ricardo Raineri Bernain	7,006,562-3	President	-	-
Santiago González Larraín	6,499,284-8	Director	-	-
Jorge Matute Matute (a)	5,334,581-6	Director	5	9
Francisco Gana Eguiguren	6,376,183-4	Director	7	-
Axel Christensen de la Cerda	7,478,702-9	Director	-	9
Eduardo González Yáñez	9,164,893-8	Director	-	-
Miguel Moreno García	5,433,767-1	Director	-	8
Carlos Alvarez Voulliene	8,970,274-7	Director	-	-
Subtotal			14	26
Total			51	43

The accrued compensation for key management personnel amounts to ThUS\$ 2,945 for the period-ended September 30, 2011 (ThUS\$ 3,029 for the period-ended September 30, 2010). This compensation includes the salaries and an estimate of the short-term benefits (annual bonus) and severance payments paid to the key executives that provided services during the informed periods.

The positions considered in the amounts informed correspond to the 10 senior executives of the ENAP Group, including the General Manager of ENAP and the executives that report directly to him during the reported years.

Incentive plans for key personnel

ENAP has a Variable Remunerations System (VRS) that is applicable to all its executives, with the sole exception of the Chief Executive Officer (CEO).

Its purpose is to encourage adding value to the company, improving team work and individual performance.

The factors considered for the determination of the incentives are the following:

- Financial results of the company (Annual).
- Division results considering level of completion of goals established at the beginning of the period.
- Personal performance.

7. INVENTORIES

As of September 30, 2011 and December 31, 2010 this item is composed as follows:

<u>Detail</u>	<u>09.30.2011</u>	<u>12.31.2010</u>
	ThUS\$	ThUS\$
Crude oil in inventories	401,352	311,577
Crude oil in transit	94,013	20,210
Finished products	880,837	631,621
Products in transit	-	31,305
Material in warehouse and in transit	<u>104,235</u>	<u>94,902</u>
Total	1,480,437	1,089,615
	=====	=====

<u>Additional inventory information</u>	<u>09.30.2011</u>	<u>09.30.2010</u>
	ThUS\$	ThUS\$
Reversal of discounts to inventories	(54)	-
Inventory costs recognized as expense during the period	(7,085,427)	(5,490,551)

8. ASSETS AND LIABILITIES FOR CURRENT AND DEFERRED TAX

a) Current tax assets and liabilities

The detail at September 30, 2011 and December 31, 2010, is as follows:

	<u>09.30.2011</u>	<u>12.31.2010</u>
	ThUS\$	ThUS\$
Current tax assets:		
VAT fiscal credit	94,115	122,891
Credit FEPP Law 20,493	48	-
Specific tax on fuel	3,354	348
Custom duties	1,396	2,726
Monthly provisional payments	-	9,786
Other foreign taxes	24,413	34,884
Recovery income tax	9,184	-
Other taxes	<u>1,536</u>	<u>13,382</u>
Total	134,046	184,017
	=====	=====
Current tax liabilities:		
VAT fiscal debit	3,986	804
Specific tax on fuel	40,907	67,684
Withholding taxes	1,526	2,648
Subsidy Eastern Island	372	121
Other foreign taxes	-	10,944
Income taxes	8,274	-
Other taxes	<u>1,746</u>	<u>328</u>
Total	56,811	82,529
	=====	=====

b) Deferred tax assets and liabilities

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The origin of the deferred taxes recorded at September 30, 2011 and 2010, is as follows:

	<u>09.30.2011</u>	<u>12.31.2010</u>
	ThUS\$	ThUS\$
Deferred tax assets, recognized:		
Assets for deferred taxes related to provisions	20,992	26,708
Assets for deferred taxes related to post-retirement benefit obligations	29,221	35,204
Assets for deferred taxes related to property, plant and equipment	27,160	26,387
Assets for deferred taxes related to amortizations	3,436	20,711
Assets for deferred taxes related to tax losses	232,156	182,591
Assets for deferred taxes related to foreign currency contracts	32,477	29,651
Assets for deferred taxes related to other	<u>163,462</u>	<u>174,505</u>
Total	<u>508,904</u>	<u>495,757</u>
	=====	=====
Deferred tax assets, unrecognized:		
Assets for deferred taxes, not recognized	-	-
Total	-	-
	=====	=====
Deferred tax liabilities, recognized:		
Liabilities for deferred taxes related to amortizations	164,625	189,761
Liabilities for deferred taxes related to reassessments of property, plant and equipment	48,457	49,281
Liabilities for deferred taxes related to depreciations	13,494	11,114
Liabilities for deferred taxes related to obligations for post-retirement benefits	39,935	42,552
Liabilities for deferred taxes related to other	<u>726</u>	<u>2,002</u>
Total	<u>267,237</u>	<u>294,710</u>
	=====	=====
Movements in liabilities for deferred taxes (presentation)		
Liabilities for deferred taxes, initial balance	294,710	286,175
Increase (decrease) in liabilities for deferred taxes	<u>(27,473)</u>	<u>8,535</u>
Changes in deferred tax liabilities, total	<u>(27,473)</u>	<u>8,535</u>
Deferred tax liabilities, final balance	<u>267,237</u>	<u>294,710</u>
	=====	=====

b) Current tax expense

All companies of the ENAP Group present individually their tax returns, in conformity with current tax standards in the operating country.

The tax and deferred income (expense) for the nine-month period ended September 30, 2011 and 2010, is the following:

	<u>09.30.2011</u>	<u>09.30.2010</u>
	ThUS\$	ThUS\$
(Expense) Income – current tax	(18,345)	(6,625)
Tax benefit from unrecognized tax assets, previously used to reduce the expense for current taxes	(23)	-
Adjustments to current tax from prior period	(4,769)	3,396
Other (expense) income for current taxes	<u>(18,683)</u>	<u>(21,490)</u>
(Expense) income for current taxes, net, total	<u>(41,820)</u>	<u>(24,719)</u>
Deferred (expense) income for taxes related to the creation and reversal of temporary differences	<u>49,401</u>	<u>32,689</u>
(Expense) income for deferred taxes, net, total	<u>49,401</u>	<u>32,689</u>
(Expense) income for income taxes	7,581	7,970
	=====	=====
(Expense) income for current taxes, net, foreign	(14,240)	(10,926)
(Expense) income for current taxes, net, national	<u>(27,580)</u>	<u>(13,793)</u>
(Expense) income for current taxes, net, total	<u>(41,820)</u>	<u>(24,719)</u>
	=====	=====
(Expense) income for deferred taxes, net foreign	1,545	(6,038)
(Expense) income for deferred taxes, net, national	<u>47,856</u>	<u>38,727</u>
(Expense) income for deferred taxes, net, total	49,401	32,689
	=====	=====

c) Reconciliation of the accounting result with the tax result

The reconciliation from the statutory tax rate in Chile to the effective tax rate applicable to the ENAP Group is as follows:

	<u>09.30.2011</u>	<u>09.30.2010</u>
	ThUS\$	ThUS\$
(Expense) income for taxes using the statutory tax rate	11,829	9,755
Tax effects of rates in other jurisdictions	(25,197)	(21,834)
Tax effect of ordinary income, not taxable	(62,237)	(51,405)
Tax effect of expenses, not deductible from taxes	50,060	58,261
Tax effect Law 2398	(17,569)	-
Tax effect prior periods	(4,769)	(1)
Tax effect of change in tax rates	-	-
Other increase (decrease) in charge for legal taxes	<u>55,464</u>	<u>13,194</u>
Adjustment to tax expenses using the statutory tax rate, total	<u>(4,248)</u>	<u>(1,785)</u>
(Expense) income for taxes using the effective tax rate	7,581	7,970
	=====	=====

The tax rates applicable to the ENAP Group are of 20% for 2011 and 17% for 2010 corporate tax, according to current legislation. Additionally, in the case of the Parent Company, ENAP, this is increased by an extra 40% tax, due to Law Decree 2.398.

In relation to other adjustments made to the statutory tax rate, these correspond to permanent differences in the year, mainly arising from the profits earned in subsidiaries and related companies and the tax of ENAP mentioned in the previous point.

The taxes for the foreign companies are calculated according to the tax rates in the corresponding jurisdictions.

d) Results and tax rates

	<u>09.30.2011</u>		<u>09.30.2010</u>	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
INCOME (LOSS) BEFORE TAXES		21,816		(15,912)
CURRENT TAXES		(10,828)		14,458
Income tax (17%)	(9,906)		(1,110)	
Deferred tax	13,396		26,494	
Foreign tax	(14,318)		(10,926)	
INCOME (LOSS) BEFORE ADDITIONAL TAX		10,828		(1,454)
TAX – DECREE LAW N°2398		<u>18,409</u>		<u>(6,488)</u>
Income tax (40%)	(17,590)		(12,683)	
Deferred tax	35,999		6,195	
INCOME (LOSS)		<u>29,397</u>		<u>(7,942)</u>
		=====		=====

The net (loss) income of ENAP as of September 30, 2011 and 2010, after taxes of 20% and 17%, amounts to ThUS\$10,988 and a loss to ThUS\$1,454, respectively.

On July 31 2010, the ministry of finance enforced law N° 20,455, whose objective is to “amend various laws to obtain resources for financing for the reconstruction of the country”, the most important points covered by this law, temporarily increases the rate established in article 20 of the law concerning income tax, in article 1° of the Legislative Decree 824 of 1974, in the following way:

- a) To 20% (twenty per cent) for incomes which are paid or accrued during the 2011 calendar year.
- b) To 18.5% (eighteen per cent) for incomes which are paid or accrued during the 2012 calendar year.

9. NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

In May 2011, the Group started a sales process for the 49% participation it holds in Empresa Nacional de Geotermia S.A. and the 48.6% participation it holds in Geotérmica del Norte S.A., which should be completed within twelve months. This sale is consistent with the long-term strategy of the Company.

As a result of this decision, as of September 30, 2011 the associated investments for a total of ThUS\$ 50,771 (ThUS\$ 23 in 2010) have been reclassified as “non current assets classified as held for sale” at their book value.

10. OTHER FINANCIAL LIABILITIES

Details of the Group’s financial liabilities at September 30, 2011 and December 31, 2010, are as follows:

September 30, 2011

	<u>Loans and accounts payable</u>	<u>Hedging derivatives</u>
	ThUS\$	ThUS\$
Other current financial liabilities	905,185	7,191
Trade debtors and other accounts payable	1,507,646	-
Due to related companies	<u>22,931</u>	<u>-</u>
Total current liabilities	2,435,762	7,191
	=====	=====
Other current financial liabilities	2,532,717	79,135
Trade debtors and other accounts payable	<u>7,425</u>	<u>-</u>
Total non-current liabilities	2,540,142	79,135
	=====	=====

December 31, 2010

Other current financial liabilities	606,826	41,051
Trade debtors and other accounts payable	1,126,828	-
Due to related companies	<u>17,664</u>	<u>-</u>
Total current liabilities	<u>1,751,318</u>	<u>41,051</u>
Other current financial liabilities	2,741,389	77,199
Trade debtors and other accounts payable	<u>5,850</u>	<u>-</u>
Total non-current liabilities	<u>2,747,239</u>	<u>77,199</u>

a) Hedging derivatives

i) Presentation of assets and liabilities

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

	<u>09.30.2011</u>		<u>12.31.2010</u>	
	<u>Current</u>	<u>Non-current</u>	<u>Current</u>	<u>Non-current</u>
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hedge assets				
Exchange rate hedging				
Cash flow hedge	-	4,360	-	67,504
Crude Oil hedging				
Cash flow hedge	<u>95,642</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>95,642</u>	<u>4,360</u>	<u>-</u>	<u>67,504</u>
Hedge liabilities				
Exchange rate hedging				
Cash flow hedge	-	-	3,928	-
Interest rate hedging				
Cash flow hedge	7,191	79,135	11,649	77,199
Crude Oil hedging				
Cash flow hedge	-	-	25,050	-
Product of hedge				
Cash flow hedge	<u>-</u>	<u>-</u>	<u>424</u>	<u>-</u>
Total	<u>7,191</u>	<u>79,135</u>	<u>41,051</u>	<u>77,199</u>

ii) Fair value of hedging derivatives

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

Detail of hedge <u>Instruments</u>	Description hedge <u>instrument</u>	Description of instruments <u>against which is hedged</u>	Fair value of instruments again which is hedged	
			<u>09.30.2011</u>	<u>12.31.2010</u>
			ThUS\$	ThUS\$
Cross-currency swap	Exchange rate and interest rate	Unguaranteed obligations (bonds)	56	61,330
Cross-currency swap	Exchange rate and interest rate	Leasing	2,737	4,626
SWAP	Interest rate	Bank loans	(78,358)	(79,836)
Zero cost collar	Interest rate	Bank loans	(6,401)	(7,463)
Zero cost collar	Crude oil	Inventories	32,320	(6,558)
3W Zero cost collar	Crude oil	Inventories	-	(18,492)
Swap FO N°6	Fuel Oil N°6	Inventories	-	(425)
Time spread Swap	Crude oil	Inventories	37,181	-
Forward	Exchange rate	Trade receivables and other receivables		
			<u>26,142</u>	<u>(3,928)</u>
Totals			<u>13,677</u>	<u>(50,746)</u>

iii) Effect in profit and loss of hedging derivatives

At September 30, 2011, ENAP has recognized in profits and losses the following amounts for ineffectiveness and for the value of money in time of the derivatives:

Detail of hedge <u>instruments</u>	Description hedge <u>instrument</u>	Income (loss)	
		<u>for ineffectiveness</u>	<u>in time value</u>
		ThUS\$	ThUS\$
Zero cost collar	Interest rate	-	(14)
Zero cost collar	Crude oil	-	1,884
SWAP	Interest rate	-	(14)
Forward	Exchange rate	<u>(299)</u>	<u>(14)</u>
Totals		<u>(299)</u>	<u>1,842</u>

The amounts recorded in the comprehensive income as of September 30, 2011 and 2010 that were transferred from net equity to the income statement during the period were as follows:

	<u>09.30.2011</u>	<u>12.31.2010</u>
	ThUS\$	ThUS\$
Changes to comprehensive income during the period	<u>41,327</u>	<u>(26,035)</u>
Changes to net income from the equity during the period	<u>(171,426)</u>	<u>28,887</u>

iv) Other data on financial instruments

The maturities of hedges are detailed below:

September 30, 2011

Financial derivatives	Fair value	Notional						After at 2017	Total
		2011	2012	2013	2014	2015	2016		
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Exchange rate hedging:									
Cash flow hedge	28,935	440,400	137,547	1,699	1,763	1,829	1,897	388,229	973,364
Interest rate hedging:									
Cash flow hedge	(84,759)	25,000	317,919	304,750	36,639	38,550	38,190	163,525	924,573
Total	(55,824)	465,400	455,466	306,449	38,402	40,379	40,087	551,754	1,897,937

	Fair value	Thousands of barrels
	ThUS\$	MBbl
WTI/BRENT hedging:		
Cash flow hedge	69,501	10,180

December 31, 2010

Financial derivatives	Fair value	Notional						After at 2017	Total
		2011	2012	2013	2014	2015	2016		
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Exchange rate hedging:									
Cash flow hedge	62,027	566,715	137,688	1,846	1,916	1,987	2,062	388,517	1,100,731
Interest rate hedging:									
Cash flow hedge	(87,299)	147,073	292,919	304,750	36,639	38,550	38,190	163,526	1,021,647
Total	(25,272)	713,788	430,607	306,596	38,555	40,537	40,252	552,043	2,122,378

	Fair value	Thousands of barrels
	ThUS\$	MBbl
Crude Oil hedging-cash flow hedge	(25,050)	9,635
Product hedging – Swap FO N°6: Cash flow hedge	(424)	190

The contractual notional amount of the contracts celebrated does not represent the risk taken on by ENAP, as this amount only responds to the basis on which the calculations of the derivative liquidation has been made.

v) Hierarchies of the Fair Value

<u>Financial instruments measured at fair value</u>	Total	<u>Financial instruments classification</u>		
	<u>09.30.2011</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hedge assets – cash flow hedge	100,002	-	100,002	-
Hedge liabilities – cash flow hedge	86,326	-	86,326	-

b) Loans accruing interests

i) The detail of the loans accruing interests as of September 30, 2011 and 2010 is the following:

	<u>Current</u>		<u>Non-current</u>	
	<u>09.30.2011</u>	<u>12.31.2010</u>	<u>09.30.2011</u>	<u>12.31.2010</u>
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Not guaranteed				
Borrowings from financial institutions	781,656	436,916	401,970	519,743
Bonds payable	20,378	35,175	1,778,242	1,824,116
Credit lines	-	22,292	-	-
Financial lease	<u>1,622</u>	<u>1,741</u>	<u>11,066</u>	<u>13,200</u>
Sub total	<u>803,656</u>	<u>496,124</u>	<u>2,191,278</u>	<u>2,357,059</u>
Guaranteed				
Borrowings from financial institutions	101,529	110,702	341,439	384,330
Sub total	<u>101,529</u>	<u>110,702</u>	<u>341,439</u>	<u>384,330</u>
Total	<u>905,185</u>	<u>606,826</u>	<u>2,532,717</u>	<u>2,741,389</u>

ii) Detail of loans accruing interests

The detail per currency and maturity of the loans from financial entities (guaranteed and not guaranteed) accruing interests as of September 30, 2011 and December 31, 2010 is the following

September 30, 2011

Name	Payment interests	Nominal rate	Effective rate	Nominal value	Current				Non-current			
					Up to 1 month	From 1 to 3 months	From 3 to 12 month	Total	From 1 to 5 years	5 years and more	Total	
									ThUS\$	ThUS\$	ThUS\$	ThUS\$
BNP – Paribas	Half-yearly	3.75%	3.95%	410,000	-	-	31,424	31,424	206,399	85,368	291,767	
Kreditanstalt für Wiederaufbau	Half-yearly	6.98%	6.98%	20,554	-	-	2,884	2,884	1,428	-	1,428	
BNP – Paribas	Half-yearly	6.04%	6.04%	13,917	-	-	3,509	3,509	13,387	-	13,387	
BNP – Paribas	Half-yearly	3.10%	3.10%	34,459	-	-	1,078	1,078	6,028	-	6,028	
BNP – Paribas (cesce)	Half-yearly	4.38%	4.38%	53,215	-	-	4,742	4,742	20,267	2,789	23,056	
Societe Generale	Half-yearly	6.43%	6.43%	21,981	-	-	2,352	2,352	5,771	-	5,771	
Banco Latinoamericano de Exportaciones S.A. (3)	Single time	4.48%	4.48%	65,000	-	55,539	-	55,539	-	-	-	
Societe Generale (5)	Half-yearly	1.48%	1.48%	100,000	-	45	8,363	8,408	65,856	24,571	90,427	
BNP Paribas (5)	Half-yearly	4.07%	4.07%	10,653	-	-	1,089	1,089	3,553	4,085	7,638	
Scotiabank	Single time	0.85%	0.85%	100,000	-	100,000	204	100,204	-	-	-	
BBVA	Single time	1.68%	1.68%	125,000	-	55,063	70,804	125,867	-	-	-	
Banco de Chile	Single time	1.18%	1.18%	130,000	-	-	130,386	130,386	-	-	-	
Bank of America	Single time	1.59%	1.59%	130,000	-	-	130,230	130,230	-	-	-	
JP Morgan Chase Bank (1)	Single time	1.39%	1.40%	220,000	-	-	134	134	227,630	-	227,630	
Calyon N.Y Branch (2)	Half-yearly	0.60%	1.25%	150,000	-	224	50,000	50,224	76,277	-	76,277	
Banco HSBC (4)	Quarterly	1.75%	1.25%	50,000	-	17,516	17,500	35,016	-	-	-	
BNP Paribas (4)	Half-yearly	1.50%	1.50%	100,000	-	25,022	25,000	50,022	-	-	-	
Banco Santander (4)	Single time	1.74%	1.74%	150,000	-	-	150,077	150,077	-	-	-	
Totals					-	253,409	629,776	883,185	626,596	116,813	743,409	

The nominal interest rates presented are annual.

Other information- Other information related to the financial entity loans as of September 30, 2011:

Name	Tax Number	Currency	Country	Company	Tax number	Country	Guarantee
BNP – Paribas	O-E	US dollars	United States	Enercon	99519820-7	Chile	Guarantee
Kreditanstalt für Wiederaufbau	O-E	US dollars	Germany	Petrosul	96969000-4	Chile	Guarantee
BNP – Paribas	O-E	US dollars	Spain	Prodisa	99548320-3	Chile	Guarantee
BNP – Paribas	O-E	US dollars	Spain	Prodisa	99548320-3	Chile	Guarantee
BNP – Paribas (cesce)	O-E	US dollars	Spain	Prodisa	99548320-3	Chile	Guarantee
Societe Generale	O-E	US dollars	France	CHBB	99519810-K	Chile	Guarantee
Banco Latinoamericano ENAP Sipetrol							
de Exportaciones S.A. (3)	O-E	US dollars	Panama	Argentina S.A.	O-E	Argentina	Guarantee
Societe Generale (5)	O-E	US dollars	France	ENAP	92604000-6	Chile	No Guarantee
BNP Paribas (5)	O-E	US dollars	United States	ENAP	92604000-6	Chile	No Guarantee
Scotiabank	O-E	US dollars	Canada	ENAP	92604000-6	Chile	No Guarantee
BBVA	97032000-8	US dollars	Chile	ENAP	92604000-6	Chile	No Guarantee
Banco de Chile	97004000-5	US dollars	Chile	ENAP	92604000-6	Chile	No Guarantee
Bank Of America	O-E	US dollars	United States	ENAP	92604000-6	Chile	No Guarantee
JP Morgan Chase Bank (1)	O-E	US dollars	United States	ENAP	92604000-6	Chile	No Guarantee
Calyon N.Y Branch (2)	O-E	US dollars	United States	ENAP	92604000-6	Chile	No Guarantee
Banco HSBC (4)	O-E	US dollars	United States	ENAP	92604000-6	Chile	No Guarantee
BNP Paribas (4)	O-E	US dollars	United States	ENAP	92604000-6	Chile	No Guarantee
Banco Santander (4)	O-E	US dollars	United States	ENAP	92604000-6	Chile	No Guarantee

December 31, 2010

BORRADOR
PARA SU ANALISIS CON
PRICEWATERHOUSECOOPERS

Name	Payment interests	Nominal rate	Effective rate	Nominal value	Current			Total	Non-current		Total
					Up to 1 month	From 1 to 3 months	From 3 to 12 month		From 1 to 5 years	5 years and more	
BNP – Paribas	Half-yearly	3.75%	3.75%	410,000	-	21,405	14,091	35,496	123,731	196,484	320,215
Kreditanstalt fur Wiederaufbau	Half-yearly	4.52%	4.52%	29,940	-	2,524	2,450	4,974	-	-	-
Kreditanstalt fur Wiederaufbau	Half-yearly	6.98%	6.98%	20,554	-	1,553	1,400	2,953	4,280	-	4,280
BNP – Paribas	Half-yearly	6.04%	6.04%	13,917	584	-	530	1,114	4,240	3,180	7,420
BNP – Paribas	Half-yearly	3.10%	3.10%	34,459	2,024	-	1,601	3,625	14,644	2,094	16,738
BNP – Paribas (cesce)	Half-yearly	4.38%	4.38%	53,215	2,732	-	2,198	4,930	19,408	8,189	27,597
Societe Generale	Half-yearly	6.43%	6.43%	21,981	-	2,532	-	2,532	8,080	-	8,080
Banco Latinoamericano de Exportaciones S.A. (3)	Single time	4.48%	4.48%	65,000	-	-	55,078	55,078	-	-	-
Banco de Chile	Single time	1.82%	1.82%	130,000	1,967	-	130,000	131,967	-	-	-
Scotiabank	Single time	1.20%	1.20%	100,000	597	-	100,000	100,597	-	-	-
BBVA	Single time	1.79%	1.79%	70,000	1,174	-	70,000	71,174	-	-	-
JP Morgan Chase Bank (1)	Single time	4.27%	4.30	220,000	506	-	-	506	227,086	-	227,086
Calyon N.Y Branch (2)	Half-yearly	5.84%	5.90	150,000	41	-	50,000	50,041	100,478	-	100,478
Banco HSBC (4)	Half-yearly	2.60%	2.40	50,000	25	-	32,500	32,525	17,144	-	17,144
BNP Paribas (5)	Half-yearly	2.10%	2.80	100,000	38	-	50,000	50,038	25,100	-	25,100
Banco Santander (4)	Single time	2.59%	2.10	150,000	68	-	-	68	149,935	-	149,935
Totals					9,756	28,014	509,848	547,618	694,126	209,947	904,073

The nominal interest rates presented are annual.

Other information- Other information related to the financial entity loans as of December 31, 2010:

Name	Tax Lumber	Currency	Country	Companies	Tax number	Country	Guarantee
BNP – Paribas	O-E	Dólares	United States	Enercon	99519820-7	Chile	Guarantee
Kreditanstalt fur Wiederaufbau	O-E	Dólares	Alemania	Etalsa	99519820-7	Chile	Guarantee
Kreditanstalt fur Wiederaufbau	O-E	Dólares	Alemania	Petrosul	96969000-4	Chile	Guarantee
BNP – Paribas	O-E	Dólares	Spain	Prodisa	99548320-3	Chile	Guarantee
BNP – Paribas	O-E	Dólares	Spain	Prodisa	99548320-3	Chile	Guarantee
BNP – Paribas (cesce)	O-E	Dólares	Spain	Prodisa	99548320-3	Chile	Guarantee
Societe Generale	O-E	Dólares	Francia	CHBB	99519810-K	Chile	Guarantee
Banco Latinoamericano de Exportaciones S.A. (3)	O-E	Dólares	Panamá	Enap Sipetrol Argentina S.A.	O-E	Argentina	Guarantee
Banco de Chile	97004000-5	Dólares	Chile	ENAP	92604000-6	Chile	No Guarantee
Scotiabank	O-E	Dólares	Canada	ENAP	92604000-6	Chile	No Guarantee
BBVA	97032000-8	Dólares	Chile	ENAP	92604000-6	Chile	No Guarantee
JP Morgan Chase Bank (1)	O-E	Dólares	United States	ENAP	92604000-6	Chile	No Guarantee
Calyon N.Y Branc (2)	O-E	Dólares	United States	ENAP	92604000-6	Chile	No Guarantee
Banco HSBC (4)	O-E	Dólares	United States	ENAP	92604000-6	Chile	No Guarantee
BNP Paribas (4)	O-E	Dólares	United States	ENAP	92604000-6	Chile	No Guarantee
Banco Santander (4)	O-E	Dólares	United States	ENAP	92604000-6	Chile	No Guarantee

(1) J.P. MORGAN CHASE BANK

On June 15, 2006, ENAP refinanced 220 million US dollars of the existing syndicated loan, with a September 5, 2006, effective date. Through this operation, ENAP signed a contract with fifteen international banks under the laws of New York called Second Amended and Restated Term Loan Agreement, which modifies the August 31, 2004 credit contract, which at the time modified a previous August 29, 2003, contract. The current modifications refer to: (i) the consolidation in a single loan of the principal due from 2007 to 2010 of the current credit's two existing tranches (Tranche 1 and Tranche 2) and (ii) the modification of principal maturity dates into a 7 year term single payment ("bullet"), with a September 2013 maturity date.

The interest rate applied to the operation was LIBOR+0.20% for the first four years, LIBOR+0.225% for years five and six and LIBOR+0.25% for year seven.

The change in the loan's term, which originally matured between 2006 and 2009, provided additional funds to finance ENAP's investments for the coming years. The interest rate spread remains practically unaltered regarding the original loan (LIBOR+0.20% between 2006 and 2008 and LIBOR+0.225% in 2009). Since it is a refinancing of liabilities, this transaction did not affect ENAP's liability level.

(2) CALYON NEW YORK BRANCH

In December 2006, the Company obtained a ThUS\$ 150,000 syndicated loan from a group of banks, with Calyon Bank New York Branch as the agent. Through this operation, ENAP signed a syndicated loan contract (called Term Loan Agreement) with 12 international banks under the laws of New York. The loan has a 7 year term and will be amortized in 6 equal semiannual installments, the first due on June 14, 2011.

The annual interest rate applied to the operation is LIBOR+0.175% for the first three years, LIBOR+0.20% for years four and five and LIBOR+0.225% for years six and seven.

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

On September 30, 2009, Enap Sipetrol Argentina S.A. obtained a loan of ThUS\$ 65,000 which matures on June 28, 2010, with payment of capital upon maturity and semiannual payments of interests. This loan is guaranteed by the ENAP Group. The interest rate is LIBOR+3.5%.

Later, its maturity was extended to December 27, 2010, agreeing a new rate of LIBOR+3.0%.

On September 15, 2010, a new rate of LIBOR+2.5% was agreed.

On December 27, 2010 a ThUS\$ 10,000 amortization was made, maturity was extended until December 15, 2011.

(4) Banco Santander, BNP and HSBC.

As of September 17, 2009, ENAP subscribed for 3 credits with a 3 year term with Banco Santander for ThUS\$ 150,000, BNP Paribas for ThUS\$ 100,000 and HSBC for ThUS\$ 50,000 respectively, with amortization starting from the second year and annual interest of LIBOR plus a spread with a range from 1.25% to 1.50%.

(5) Banco BNP Paribas and Société Générale

As of September 30, 2010, ENAP subscribed for two credit contracts with BNP Paribas and Société Générale for ThUS\$ 78,258 and ThUS\$ 100,000 where each hold 50% of the participation, in order to construct an alkylation plant for Refinería Aconcagua, both credits function as promised fund credit lines, from which they can make partial withdrawals when they comply with certain conditions.

iii) Detail of Bonds Payable

The detail and maturities of the bonds payable is indicated in the following table:

Company	Description	Name creditor	Country	Currency	Nominal value	Nominal rate	Effective rate	Period in year	Current	
									09.30.2011	12.31.2010
									ThUS\$	ThUS\$
ENAP	144A (b.1)	Bank of New York Mellon	EE.UU.	US\$	290,000,000	6.75	7.50	10	7,546	2,620
ENAP	144A (b.2)	Bank of New York Mellon	EE.UU.	US\$	150,000,000	4.88	5.77	10	325	2,169
ENAP	N°303 A1 y A2 (a.1)	Banco de Chile	EE.UU.	UF	3,250,000	4.25	5.08	10	76	1,606
ENAP	B-ENAP-B (a.2)	Banco de Chile	EE.UU.	UF	9,750,000	4.33	4.28	10	4,187	9,570
ENAP	144A (b.3)	Bank of New York Mellon	EE.UU.	US\$	300,000,000	6.25	6.58	10	4,452	9,018
ENAP	144A (b.4)	Bank of New York Mellon	EE.UU.	US\$	500,000,000	5.25	5.46	10	3,792	10,192
Total									20,378	35,175
									=====	=====

Company	Description	Name creditor	Country	Currency	Nominal value	Nominal rate	Effective rate	Period in year	Non-current	
									09.30.2011	12.31.2010
									ThUS\$	ThUS\$
ENAP	144A (b.1)	Bank of New York Mellon	EE.UU.	US\$	290,000,000	6.75	7.50	10	289,028	287,989
ENAP	144A (b.2)	Bank of New York Mellon	EE.UU.	US\$	150,000,000	4.88	5.77	10	149,538	148,838
ENAP	N°303 A1 yA2 (a,1)	Banco de Chile	EE.UU.	UF	3,250,000	4.25	5.08	10	134,389	147,640
ENAP	B-ENAP-B (a,2)	Banco de Chile	EE,UU.	UF	9,750,000	4.33	4.28	10	416,538	451,514
ENAP	144A (b,3)	Bank of New York Mellon	EE.UU.	US\$	300,000,000	6.25	6.58	10	295,992	295,726
ENAP	144A (b,4)	Bank of New York Mellon	EE.UU.	US\$	500,000,000	5.25	5.46	10	492,758	492,409
Total									1,778,243	1,824,116
									=====	=====

Other information related to public obligations as of September 30, 2011 and December 31, 2010:

Nominal value	Currency	Name creditor	Tax Number	Description	Company	Country	Tax Number	Payment interests	Amortization capital	Guarantee
290,000,000	US\$	Bank of New York Mellon	0-E	Foreign	ENAP	Chile	92,604,000-6	Half- yearly	Bullet	No guarantee
150,000,000	US\$	Bank of New York Mellon	0-E	Foreign	ENAP	Chile	92,604,000-6	Half- yearly	Bullet	No guarantee
3,250,000	UF	Banco de Chile	97,004,000-5	Local	ENAP	Chile	92,604,000-6	Half- yearly	Bullet	No guarantee
9,750,000	UF	Banco de Chile	97,004,000-5	Local	ENAP	Chile	92,604,000-6	Half- yearly	Bullet	No guarantee
300,000,000	US\$	Bank of New York Mellon	0-E	Foreign	ENAP	Chile	92,604,000-6	Half- yearly	Bullet	No guarantee
500,000,000	US\$	Bank of New York Mellon	0-E	Foreign	ENAP	Chile	92,604,000-6	Half- yearly	Bullet	No guarantee

a) Local Bonds:

1. On October 4, 2002, the Company registered at the Securities Record of the Superintendence of Securities and Insurance under No. 303, the issuance of adjustable bonds in Unidades de Fomento (UF) in the local market, which was executed on October 22, 2002. This placement was performed in two subseries A-1 and A-2, with the following characteristics:

The placement of bonds in the local market amounted to UF 3,250,000. The maturity period is of 10 years, the payments of interests are semiannual, the annual interest rate is of 4.25% and the amortization of the principal is at the end of the period (bullet),

2. On January 15, 2010, the Company registered at the Securities Register of the Superintendence of Securities and Insurance under No, 303, the issuance of adjustable bonds in UF in the local market.

The placement of bonds in the local market was performed in January and amounted to UF 9,750,000. The maturity period is of 10 years, the payments of interests are semiannual, the annual interest rate is of 4.33% and the amortization of principal is at the end of the period (bullet).

b) Foreign Bonds:

1. On November 5, 2002, the Company issued and placed 144A bonds in the US market, at an annual interest rate of 6.75%, in an amount of US\$ 290 million,

2. On March 16, 2004, the Company issued and placed 144 A bonds in the US market, at an annual interest rate of 4.875%, in an amount of US\$ 150 million.

The maturity period of both placements is 10 years, interest is paid on a semiannual basis and the amortization of capital will be performed upon maturity (bullet),

3. On June 30, 2009, the Company issued and placed 144 A bonds in the US market, at an annual interest rate of 6.25%, in an amount of US\$300 million.

The maturity period is of 10 years, Interests are paid on a semiannual basis and the amortization of capital will be performed upon maturity (bullet).

4. On August 5, 2010, the Company carried out the issuance and placement of a type 144 A bond in the US market, at a yearly interest rate of 5.25% for an amount of US\$ 500 million.

The maturity period is 10 years, Interest payments are paid on a semiannual basis and the amortization of capital will be performed upon maturity (bullet).

11. SHAREHOLDERS' EQUITY

B O R R A D O R
PARA SU ANALISIS CON
PRICEWATERHOUSECOOPERS

a) Changes in equity:

Article 2 of Law No. 20,278 authorized the Ministry of Finance to perform for a single time, an extraordinary contribution of capital to ENAP in the amount of ThUS\$ 250,000, which will be financed with available resources in financial assets of the National Treasury, Such contribution was carried out through Supreme Decree No. 1,389 of October 29, 2008 through which the Treasury Department proceeded to the modification of the current budget of the National Treasury which allowed the capital contribution that was made effective on November 10, 2008.

Through Order No. 64 of January 23, 2009 the Ministry of Finance authorized the following:

- a) Temporarily suspend for 2009, the transfer policy of 100% of the annual dividends of the subsidiaries to ENAP, corresponding to those for the year ended December 31, 2008.
- b) Temporarily suspend for 2009, the transfer policy of profits from ENAP to the Chilean Government (for the profits generated in 2008).

The dividend distribution policy that governs ENAP, established by Treasury Resolution No. 25 of August 11, 2005, which established that ENAP had to transfer a minimum amount of resources to the Chilean State, whether as income tax (40%) and/or as anticipated revenues, corresponding to 14% of profitability over equity, with retained earnings from prior periods.

On December 23, 2010, the Ministry of Finance, according to Ord. N° 1495, authorized the profits corresponding to 2007 to be capitalized, for ThUS\$ 49,632, whose transfer to tax was temporarily suspended by Ord. N° 1272 from 2007.

b) Paid-in capital

The detail of the paid in capital as of September 30, 2011 and December 31, 2010 is the following:

	<u>09.30.2011</u>	<u>12.31.2010</u>
	ThUS\$	ThUS\$
Paid-in capital	<u>1,232,332</u>	<u>1,232,332</u>
Total	<u>1,232,332</u>	<u>1,232,332</u>
	=====	=====

Capital management

The main purpose of the capital management, referred to the management of the equity of the Company, is the administration of the capital of the ENAP Group, as per the following detail:

- Ensure the normal functioning of its operations and the continuity of its Business in the long-term,

- Ensure the financing of new investments in order to maintain a continuous growth in the future,
- Maintain an adequate capital structure according to the economical cycles that impact the business and the corresponding nature of the industry,
- Maximize the value of the ENAP Group in the long and medium term,

According to the above, the capital requirements are incorporated based on the financing needs of the Group, trying to maintain an adequate liquidity level and complying with the financial requirements established in the current debt contracts and in the commitments agreed on with the owner, The ENAP Group manages its capital structure and performs adjustments based on the predominating economic conditions, in order to mitigate the risks associated to the adverse market conditions and to materialize the opportunities that could be generated to improve the liquidity position of the ENAP Group.

c) Other Reserves

As of September 30, 2011 and December 31, 2010 this item is composed as follows:

<u>Detail</u>	<u>09.30.2011</u>	<u>12.31.2010</u>
	ThUS\$	ThUS\$
Translation of foreign currency (ii)	(71,157)	(70,765)
Held to sale	1,190	1,190
Cash flow hedge (i)	(55,222)	(77,152)
Other sundry reserves (iii)	<u>29,699</u>	<u>10,741</u>
Total	<u>(95,490)</u>	<u>(135,986)</u>

i) Cash flow hedging

	<u>Total</u>			<u>Total</u>
	<u>12.31.2010</u>	<u>Reclassification</u>	<u>Movement</u>	<u>09.30.2011</u>
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Income / (loss) recognize in the cash flow hedges of:				
Cross currency Swap/ Bonds and financial lease	(12,244)	-	(13,948)	(26,192)
Option Crude Swap	(17,766)	-	85,370	67,604
SWAP y Option ZCC interest rate bank loans	(53,653)	(23,353)	(4,387)	(81,393)
Forward of foreign exchange	(3,848)	-	2,478	(1,370)
Swap investee GNL Quintero S.A.	(26,017)	-	(15,765)	(41,782)
Current and deferred income tax of derivatives	<u>(36,376)</u>	<u>3,970</u>	<u>(12,435)</u>	<u>27,911</u>
Total	<u>(77,152)</u>	<u>(19,383)</u>	<u>41,313</u>	<u>(55,222)</u>

ii) Translation reserves of foreign currencies

	<u>09.30.2011</u>	<u>12.31.2010</u>
	ThUS\$	ThUS\$
Balance at the beginning of the year	(70,765)	(70,683)
Result of changes in investees with accounting in local currency	<u>(392)</u>	<u>(82)</u>
Total	<u>(71,157)</u>	<u>(70,765)</u>

iii) Other sundry reserves

	<u>09.30.2011</u>	<u>12.31.2010</u>
	ThUS\$	ThUS\$
Initial balance	10,741	19,763
Equity adjustment in Petrower Energia Ltd.	-	(374)
Adjustment to reserves in Manu Peru Primax Holding	-	1,893
Adjustment to reserves in Gas de Chile S.A.	-	2,536
Adjustment to reserves in Oleoducto Trasandino Chile S.A.	-	3,443
Adjustment to reserves in Innergy Holdings S.A.	-	(753)
SPE's purchases	19,383	59
Other	<u>(425)</u>	<u>(15,826)</u>
Total	<u>29,699</u>	<u>10,741</u>

d) Accumulated earnings (losses)

	<u>09.30.2011</u>	<u>12.31.2010</u>
	ThUS\$	ThUS\$
Balance at the beginning of the year	(651,972)	(680,044)
Adjustment Sipetrol Argentina S.A. (a)	-	(31,931)
Income for the period	28,103	61,394
Net variation retained earnings (accumulated loss)	<u>(2,111)</u>	<u>(1,391)</u>
Total	<u>(625,980)</u>	<u>(651,972)</u>

a) The adjustment corresponds to the effects of calculations' revision of the deferred taxes associated with fixed assets, arising from the first adoption of IFRS carried out by the subsidiary Enap Sipetrol Argentina S.A.

12. OPERATING SEGMENTS

Segment criteria

The segment structure used by ENAP and defined by the Board of Directors of ENAP, is firstly related to its business lines and secondly, according to its geographical distribution.

The aforementioned lines of business are Exploration and Production; and Refining, Logistics and Distribution.

Main business segments of the consolidated group:

- Exploration and production, including the exploration operations of hydrocarbons (oil and natural gas) and of geothermal resources, as well as its development, production and marketing.
- Refining, logistics and distribution, including the activities destined to the acquisition of crude oil and other supplies for the production; development of the fuel production (gasoline, diesel, fuel oil, kerosene, liquid gas, among others) and other products derived from crude oil (solvents, bases for the production of asphalt, ethylene and other petro-chemical products); the storage, transportation and marketing of these products in the local and international markets, including the wholesale distribution business in Peru.
- Corporate, including the activities made by the Corporate to the other business areas.

The Board of Directors and the CEO of ENAP are in charge of the decision making process regarding the administration, allocation of resources and regarding the performance assessment of each of the above described operating segments.

Segment information of these businesses for the nine-month periods ended September 30, 2011 and 2010 is as follows.

September 30, 2011	Exploration and production (E&P)	Refining, logistics and marketing (RL&C)	Corporate	Adjustment(1)	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenues	317,770	7,964,142	-	-	8,281,912
Revenues, intercompanies	149,154	483,892	4,064	(637,110)	-
Cost of sales	(316,612)	(7,695,996)	(21,784)	-	(8,034,392)
Cost of sales, intercompanies	(16,031)	(620,702)	-	636,733	-
Gross margin	134,281	131,336	(17,720)	(377)	247,520
Other operating revenues	1,085	20,897	3,389	-	25,371
Administrative expenses	(22,372)	(25,975)	(17,890)	-	(66,237)
Other sundry operating expenses	(51,541)	(3,957)	(895)	-	(56,393)
Other income (loss)	13,612	33	6,618	-	20,263
Financial revenues	160	649	2,434	-	3,243
Financial costs	(5,559)	(76,235)	(57,382)	-	(139,176)
Equity in earnings (loss) of associates, recorded according to the equity method	4	15,685	12,351	-	28,040
Foreign currency exchange differences	(391)	(30,523)	(9,901)	-	(40,815)
Income (loss) before taxes	<u>(69,279)</u>	<u>31,910</u>	<u>(78,996)</u>	<u>(377)</u>	<u>21,816</u>
(Expense) benefit for income taxes	<u>(15,881)</u>	<u>(7,549)</u>	<u>31,011</u>	<u>-</u>	<u>7,581</u>
Net Income (loss)	<u>53,398</u>	<u>24,361</u>	<u>(47,985)</u>	<u>(377)</u>	<u>29,397</u>
	=====	=====	=====	=====	=====
Income (loss) attributable to:					
Net income (loss) attributable to owners of the Parent Company	53,381	23,084	(47,985)	(377)	28,103
Net income attributable to non-controlling interest	<u>17</u>	<u>1,277</u>	<u>-</u>	<u>-</u>	<u>1,294</u>
Net income (loss)	<u>53,398</u>	<u>24,361</u>	<u>(47,985)</u>	<u>(377)</u>	<u>29,397</u>
	=====	=====	=====	=====	=====

September 30, 2010

B O R R A D O R
PARA SU ANALISIS CON
PRICEWATERHOUSECOOPERS

	Exploration and production (E&P)	Refining, logistics and marketing (RL&C)	Corporate	Adjustment(1)	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenues	332,542	5,668,591	-	-	6,001,133
Revenues, intercompanies	91,672	573,270	-	(664,942)	-
Cost of sales	(147,152)	(5,753,518)	(18,264)	-	(5,918,934)
Cost of sales, intercompanies	(151,086)	(520,993)	-	672,079	-
Gross margin	125,976	(32,650)	(18,264)	7,137	82,199
Other operating revenues	4,789	15,172	7,726	-	27,687
Administrative expenses	(20,239)	(24,529)	(15,488)	-	(60,256)
Other sundry operating expenses	(18,899)	(4,222)	(6,729)	-	(29,850)
Other income (loss)	(1,935)	22,960	-	-	21,025
Financial revenues	301	2,374	644	-	3,319
Financial costs	(4,159)	(74,902)	(48,856)	-	(127,917)
Participation in earnings (loss) of associates, recorded according to the equity method	(12)	10,248	6,036	-	16,272
Foreign currency exchange differences	(589)	52,401	(203)	-	51,609
Net income (loss) before taxes	<u>85,233</u>	<u>(33,148)</u>	<u>(75,134)</u>	<u>7,137</u>	<u>(15,912)</u>
(Expense) benefit for income taxes	<u>(21,490)</u>	<u>18,365</u>	<u>11,095</u>	<u>-</u>	<u>7,970</u>
Net income (loss)	<u>63,743</u>	<u>(14,783)</u>	<u>(64,039)</u>	<u>7,137</u>	<u>(7,942)</u>
	=====	=====	=====	=====	=====
Net income (loss) attributable to Net income (loss) attributable to owners of the Parent Company	54,872	(14,823)	(55,011)	-	(14,962)
Net income (loss) attributable to non-controlling interest	<u>8,871</u>	<u>40</u>	<u>(1,891)</u>	<u>-</u>	<u>7,020</u>
Net income (loss)	<u>63,743</u>	<u>(14,783)</u>	<u>(56,902)</u>	<u>-</u>	<u>(7,942)</u>
	=====	=====	=====	=====	=====

(1) This line presents the elimination adjustments in consolidation, being the most relevant items: the transactions of revenues and costs for the purchase/sale of products and raw materials among the companies of the ENAP Group.

Detail of revenues for sale to third parties:

	09.30.2011			09.30.2010		
Geographical sales	Exploration and <u>production</u>	Refining, logistics and <u>marketing</u>	<u>Total</u>	Exploration and <u>production</u>	Refining, logistics and <u>marketing</u>	<u>Total</u>
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
National	61,279	7,623,369	7,684,648	98,743	5,484,676	5,583,419
Foreign	<u>256,491</u>	<u>340,773</u>	<u>597,264</u>	<u>233,799</u>	<u>183,915</u>	<u>417,714</u>
Total	<u>317,770</u>	<u>7,964,142</u>	<u>8,281,912</u>	<u>332,542</u>	<u>5,668,591</u>	<u>6,001,133</u>
	=====	=====	=====	=====	=====	=====

	09.30.2011			09.30.2010		
	Exploration and production	Refining, logistics and marketing	Total	Exploration and production	Refining, logistics and marketing	Total
Sale of products	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Crude	185,134	118,319	303,453	161,178	-	161,178
Gas	44,797	446,793	491,590	72,512	126,335	198,847
Liquefied Petroleum Gas	158	457,981	458,139	1,557	396,997	398,554
Gasoline	-	1,905,996	1,905,996	-	1,316,022	1,316,022
Kerosene	-	518,548	518,548	-	500,164	500,164
Diesel	-	3,461,750	3,461,750	-	2,523,058	2,523,058
Fuel Oil	-	735,146	735,146	-	620,679	620,679
Petrochemical	-	116,565	116,565	-	49,572	49,572
Other products	-	190,457	190,457	-	122,374	122,374
Sale of services, national	8,964	2,086	11,050	19,358	13,390	32,748
Sale of services, foreign	68,836	-	68,836	65,851	-	65,851
Other income local (services, transport)	7,468	7,760	15,228	6,873	-	6,873
Other income foreign (services, transport)	<u>2,363</u>	<u>2,791</u>	<u>5,154</u>	<u>5,213</u>	<u>-</u>	<u>5,213</u>
Total	<u>317,720</u>	<u>7,964,192</u>	<u>8,281,912</u>	<u>332,542</u>	<u>5,668,591</u>	<u>6,001,133</u>

The marketing of refined products by Enap Refinerías S.A., is channeled through wholesale distribution companies of fuels and other products. The subsidiary ERSA maintains supply contracts with its major clients, ensuring an adequate supply of fuel throughout the country.

Along with the abovementioned, in 2011 ERSA continued selling part of its production to regional markets, in particular Peru, Ecuador and Central America.

The ENAP Group's main clients at a national level are Copec, Petrobras, Terpel, Shell, Lipigas, Abastecedora de Combustibles and Methanex.

Assets and liabilities for Operating Segments

Currently the ENAP Group does not maintain a control and register of the assets for reportable segments in its internal reporting system; consequently such information is not used by the Board as part of the decision-making process and allocation of resources. The financial liabilities of ENAP are centralized and controlled at the corporate level and are not presented by reportable segments.

13. LAWSUITS AND COMMERCIAL COMMITMENTS

There are various lawsuits and legal actions that against ENAP, which are derived from its operations and the industry in which they operate. In general, these judgments are caused by civil, tax, labor actions.

At the time of preparation of these interim consolidated financial statements, no accounting provisions have been made because in the opinion of management and its legal counsel, these lawsuits do not represent a probable material loss and there is less probability of a present obligation than the probability of non-existence or this probability is remote, under the terms stated in IAS 37.

The details of the main trials and status as of the date of these interim consolidated financial statements are as follows:

In Chile:

There are 48 cases reported for an unspecified amount for compensation claims for damages for extra contractual responsibility during the oil spill incident occurred on May 25, 2007 in the Bay of San Vicente, the Bio Bio Region, during unloading of oil from the ship "New Constellation" at Terminal B of the Bio Bio Refinery, owned by the subsidiary Enap Refinerías S.A. (ERSA).

The demands are from fishers and gatherers of seaweed and shellfish, except that of the State Defense Council, in addition to two cases in the Courts of Letters of Talcahuano, one by the I, Talcahuano Municipality Docket 3020, the amount of which is indeterminate and another civil suit for damages filed by some owners of restaurants in Caleta Lengua, Docket 2099, amounting to ThUS\$ 782.

The Company has classified these judgments as non essential facts, because it has enough evidence and legal arguments to reasonably estimate enervating legal action deducted against them.

In connection with trials it is worth mentioning that the I. Court of Appeals Case Concepcion on November 14, 2007, confirmed by the E. Supreme Court on December 18, 2007 rejected all appeals for protection filed against ERSA related to the accident, Enap has liability insurance that has been activated and could cover this eventual contingency.

ENAP with Solo de Zaldivar Maria Isabel, No, 3,703-2008 Docket of the judge of Porvenir, claim for mining easements on wells, pipelines, facilities, etc, existing at Bahía Lomas Estancia in the process of viewing and resource failure of appeal filed by the defendant for ThUS\$ 4,967.

Pantaleon Perez Perez with ENAP, Docket No.,: 766-2010, 1 Court of Letters of Punta Arenas, Claim damages due to accident, Status: given transfer to replicate, Amounts to ThUS\$ 579.

Rodrigo Ojeda Osorio with ENAP, Docket No.,: 726-2010, Court or place: 1st Court of Letters of Punta Arenas, Demand damages in connection with an accident at work in 2009, Status: dilatory exception is welcomed by ENAP, Amended complaint, Pending notification, Amount of ThUS\$ 375.

Other domestic subsidiaries

Sued for labor cases: 16 cases, of which 6 of them correspond to subsidiary and /or joint liability for an amount of up to ThUS\$ 162 (one of them indeterminate) 2 for simulation up to ThUS\$ 879, one for compensation for accident work up to ThUS\$ 575 and seven employee entitlements amounting to ThUS\$ 852 (one of them undetermined).

Civil Lawsuit Defendant: two cases, one for fatality compensation amounting to ThUS\$ 920 and one in compensation for damages for ThUS\$ 148.

Overseas

For overseas operations, the Group Enap, has the following suits:

Argentina

Directorate General of Customs (DGA) in Rio Grande, Tierra del Fuego Province, Expte, DGA 13289-328 - 2010, adjustment process of export settlements for a committed amount of ThUS\$ 5,280. On January 7, 2010 Refutation was presented against the charges.

National Tax Tribunal, File No, 26204-A (General Directorate of Customs (DGA) in Rio Gallegos, 13289-32930-2006 File No.), process of determining supplementary assessments of taxes on exports for a committed amount of ThUS\$ 3,516. The court has asked the DGA for further information on calculation methodology in order to pass sentence.

National Tax Tribunal, File No, 26203-A (General Directorate of Customs in Rio Gallegos, 13289-31034-2006 File No.), Amount committed ThUS\$ 3,235, An appeal was filed before the Tax Court's Office against the resolution that decides to confirm the disputed charges, dated September 4, 2009, To date, the Court has not reached a resolution.

Santa Cruz Energy Institute 000,130/10 Expte Royalties on gasoline, Amount claimed ThUS\$ 1,423, The Institute of Energy of the Province of Santa Cruz (IESC), did not agree with the reply from the company and demanded payment of the same amount, Hierarchical recourse was filed before the President of IESC, The Institute cited YPF SA in its capacity as Dealer of the Magellan area to internalize the company's claim,

Revenue Department of Chubut, File DGR 779/08, Process of determination of trade under the terms of the Arrangement SSC No, 1 / 2008 regarding the payment of royalties amounting to ThUS\$ 1,266. ENAP filed a declaratory judgment to the original jurisdiction of the Supreme Court's Office to seek an injunction not to innovate which allows the continuance of the payment royalties under the law until the dispute is examined and has final decision, The Supreme Court granted the injunction not to innovate, At the date of these financial statements the injunction filed by ENAP action is in effect.

Court of First Instance in Civil and Commercial Federal No, 10 Secretariat No, 9, Docket No, 12,500/07, "Granson, Peter S / Succession with Enap Sipetrol Argentina SA S / Easements" trial of damages, claim amount ThUS\$ 1,210, The amplification of the claim was contested and new tests were offered, The court decided to keep in mind the evidence offered and case was opened to trial, As of the date of the financial statements there is a preventative foreclosure placed amounting to ThUS\$ 1,047, Directorate General of Customs in Rio Gallegos, File No, 13289-2302-2007 (Appeal 02/2007), adjustment process of the settlement of exports relating to customs charges No, 126 to 130, amount pledged ThUS\$ 812, The company demonstrates diligence of the Report Request made to the Energy Department's Office.

AFIP with Enap Sipetrol Argentina S.A. File No, 33486-I. Viewing and Determination of Debt for recognizing Income from Income Tax for Fiscal Years 2004 and 2005, the amount claimed is MUS \$ 571. On March 10, 2011 the Pass was reported to dictate Judgment on the case.

Trial Court Number 2 in Civil, Commercial, Labor and Mining of the city of Rio Gallegos, Omar Garcia Miguel File 13476/10 c / New Dragon Hill SA and others, firing and payment of wage differentials, The amount committed is ThUS\$ 460, Enap Sipetrol Argentina is sued as jointly liable. On March 10, 2011 an evidentiary hearing was held.

Central Bank of Argentina (BCRA), BCRA Exchange Summaries No, 3221 and No, 3582, File No, 40288/02 and 21427/04 respectively, "Sipetrol Argentina SA and Other, S / Law No. 19,359," Alleged violations of subparagraphs e) and f) of article No, 1 of the Penal System Exchange Act occurred in 2002, Enap Sipetrol Argentina SA did not integrate / liquidate 100% of foreign currency from oil sales in the local market on understanding the current Regime of Free Availability of Currency, with the consequent obligation to integrate / liquidate only 30% of them in the local market, The BCRA concluded the Instructional Stage (loading, unloading, testing stage, allegations) and the Records were passed to the Criminal Office, and are in the summary stage.

Ecuador

A number of tax cases, in different stages of objections to the investments, revenues and expenditures costs based on specific service contracts that Sipetrol S.A. have in the fields Mauro Davalos Cordero (MDC) and Paraiso Biguno Huachito (PBH) for the years 2003, 2004, 2005, 2006, 2007, for a maximum of ThUS\$ 10,000, in the event of losing all trials and in all instances.

Provincial Department of Water Resources (DPRH), Provincial Agrarian Council, Province of Santa Cruz, Note 16/DPRH/2010, Fees and fines for water consumption, amounting to ThUS\$ 886, the Department of Water Resources of the Province of Santa Cruz set a fine for failure to submit the monthly water consumption forms during the period between January 2006 and November 2009 and payment of the fee required by the m3 of water consumed in the same period. The Arrangement issued DPRH No, 20/DPRH/10, which rejects the motion for reconsideration, and rises to the presidency of the provincial agricultural advice hierarchical recourse subsidy, and timely legal and technical secretariat of the government to issue the appropriate opinion, the Company has made its releases to both instances, as the trial has not proceeded the charges.

There are 30 labor lawsuits against Enap Sipetrol S.A., presented in the Labor Courts of Pichincha, which demand compensation for 15% of profits earned by the subsidiary between the years 2003 to 2009, the amount is up to ThUS\$ 500 each, The lawsuits are in the testing process.

14. SUBSEQUENT EVENTS

As of October 3, 2011, the Group entered into a loan agreement through Enap Sipetrol S.A. (Ecuador branch) and Hydrocarbons Ministry of Ecuador, for the exploration and operations of hydrocarbons (crude oil) in the "Bloque 3 Jambelí", located in the Guayaquil Golf.

From October 1, 2011 up to the issue date of these condensed consolidated interim financial statements, there have been no others subsequent events that could significantly affect the reasonability of them.

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