



# Empresa Nacional del Petróleo

## Third Quarter Results

*December 2010*



Private and Confidential

# Disclaimer

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Forward-looking statements are based on the beliefs and assumptions of ENAP's management and on information currently available to the Company, They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future, Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of ENAP and could cause results to differ materially from those expressed in such forward-looking statements,

This presentation contains certain performance measures that do not represent Chilean GAAP and IFRS definitions, as "EBITDA" and "Net financial debt", These measures cannot be compared with the same previously used by ENAP and the same used by other companies.

Strictly private and confidential

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**Section 1. ENAP Overview**

Section 2. 3Q 2010 and Recent Highlights

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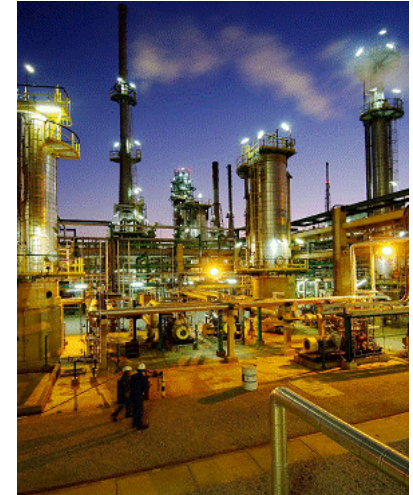
Section 4. Earthquake Effects



# The Only Oil Refiner in Chile



- Created in 1950
- Is the largest and most significant oil producer and the only refiner in Chile, and the Chilean market leader in the refined oil products market
- 100% Chilean State ownership, second largest Chilean state-owned company
- Among the five largest companies in Chile based on revenues
- Revenues of US\$6,001 millions and EBITDA of US\$220 millions as of September 30, 2010.
- 3 refineries with a total aggregated amount refining capacity of 229,000 bbl/day.
- Extensive network for transportation, storage and distribution of crude oil, natural gas and refined products in Chile
- Represents approximately 40% of the energy matrix for the country
- Satisfies approximately 72% of internal demand of refined oil products
- Strong access to local and international financial markets
- Stable and long-term relationships with suppliers and buyers
- The highest rated oil and gas credit in Latin America (A3 / BBB- / A by Moody's/ S&P/ Fitch Ratings respectively).



# Strong Support by The Republic of Chile



- Government ownership with strong support as evidenced by:
  - US\$250 million capital contribution in 2008
  - Capitalization of retained earnings at the ENAP subsidiary level
  - Temporary suspension of dividends to The Republic of Chile
  - Confirmation of ENAP's management after new presidential administration took office
- The Republic of Chile is the highest rated country in Latin America: A1 (Positive Outlook) / A+ (Positive Outlook) / A (Stable Outlook) by Moody's/ S&P / Fitch Ratings respectively.
- Relationship with the owner
  - Managed with an autonomous administration by professional managers
  - Chilean government and its agencies closely supervise and regulate ENAP's operations
  - The Chairman of the Board is the Minister of Energy
  - ENAP requires authorization from the Ministry of Finance for budget approval and debt issuance



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## 3Q 2010 and Recent Highlights

- In September ENAP started the works in “Plan C”, the third alternative put in place in Mina San José in order to rescue the 33 miners trapped in the mine. The drilling reached 509 meters in 23 days of work.
- ENAP closed a loan for up to US\$200MM to finance the construction of an alkylation plant in the Aconcagua Refinery.
- ENAP renewed its contracts with Ecuador, gaining a new block in the process.
- As part of a cost reduction and restructuring process, ENAP reduced its labor force in approximately 13% (478 employees).
- ENAP signed an agreement with Universidad de Chile to develop a Knowledge Administration Program together in order to develop technological support in innovation and sustainability in processes related to energy savings and renewable energies.
- ENAP bought the remaining participations in its subsidiaries Etalsa, Petrosul, Enercon and Prodisa.
- ENAP is beginning a process inviting international oil companies to associate with ENAP and request to the State of Chile a Special Operations Contract (CEOP) to explore for hydrocarbons in 5 offered areas in Tierra del Fuego.
- New commercial contracts were signed with Terpel and Santa Elena for 2011. The commercial contracts with the other clients for 2011 are being negotiated and are expected to be closed at the beginning of next year.
- S&P changed ENAP’s outlook from stable to positive and Fitch Ratings ratified the current rating.
- The insurance policies for ENAP and its related companies are in the process of being renewed.



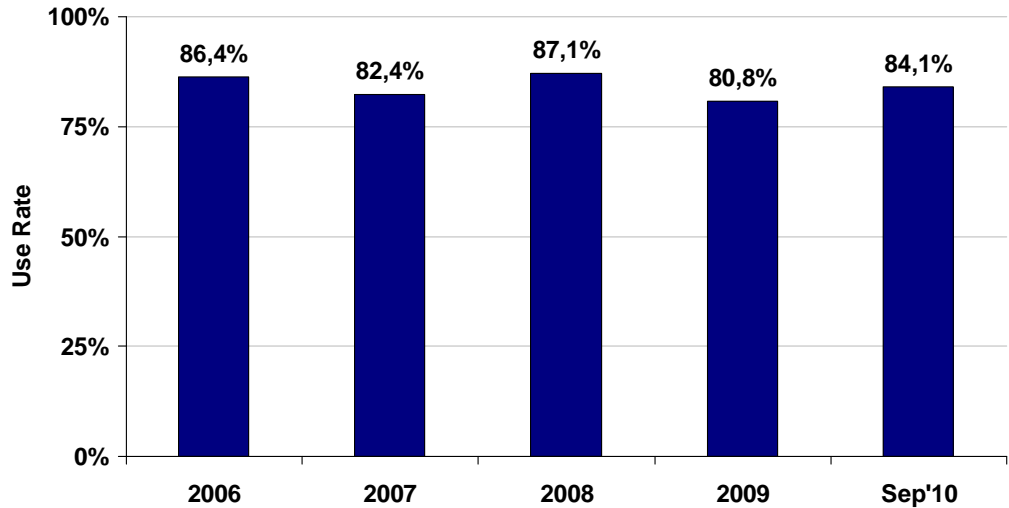
# Refining and Logistics (R&L)

## Downstream Highlights

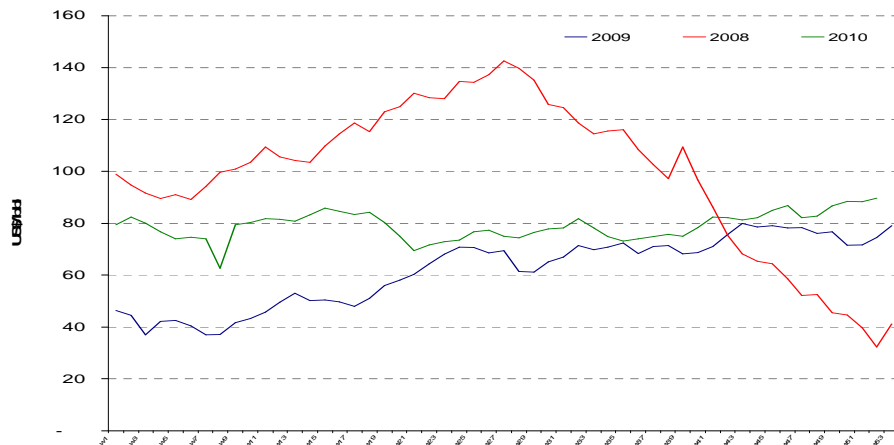
The average price of crude oil for the period January-September 2010 was US\$77,7/bbl, which increased a 35,6% from US\$57,3/bbl for the same period in 2009.

The international refining margin of ENAP's products mix as of September 30, 2010 reached an average of US\$ 6.8/bbl, which represents a 1,5% increase in comparison with the same period of the previous year, where the average refining margin reached US\$6.7/bbl.

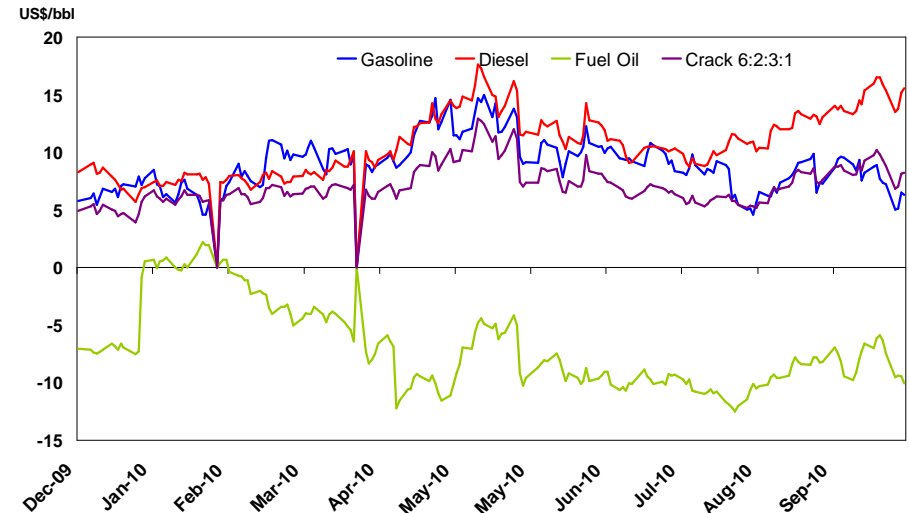
The utilization rate as of Sep'10 reached 84,1%, level which is in line with the average of the last 4 years and represents a full recovery from the 65% shown as of Jun'10 (which represented the diminished capacity at the moment of the Bio Bio Refinery as a consequence of the earthquake).



## WTI Prices



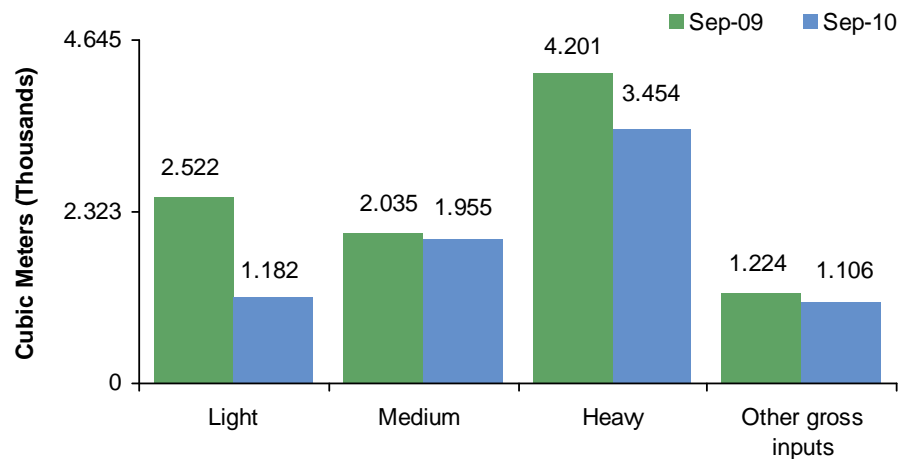
## International Refining Margins



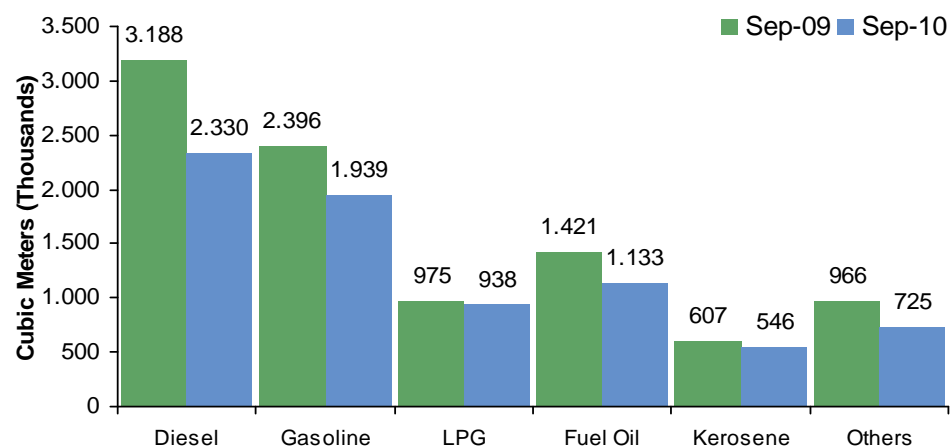
# Refining and Logistics Performance (R&L)



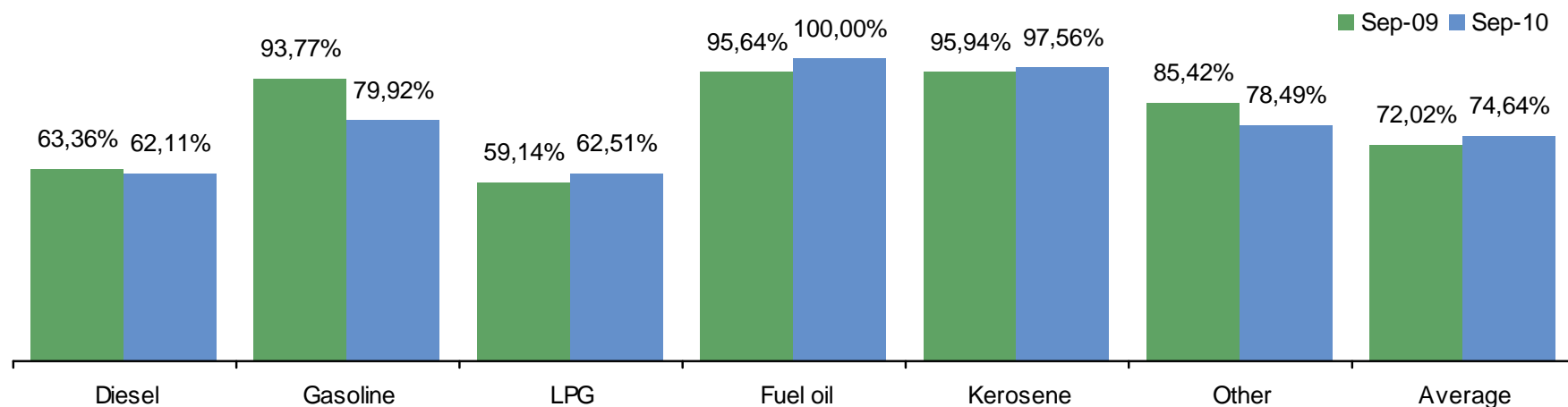
## Crude Oil Processed Volume



## Refined Products Production



## Market Share 2010 in Chile



# Exploration & Production Performance



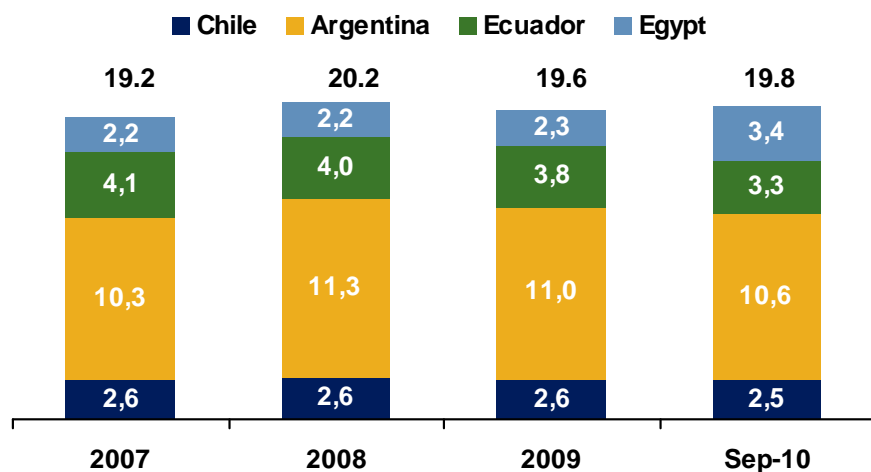
## Crude oil

- Production of crude oil occurs in Argentina (10,634 barrels per day), Ecuador (3,277 barrels of per day), Egypt (3,366 barrels per day) and Chile (2,520 barrels per day)

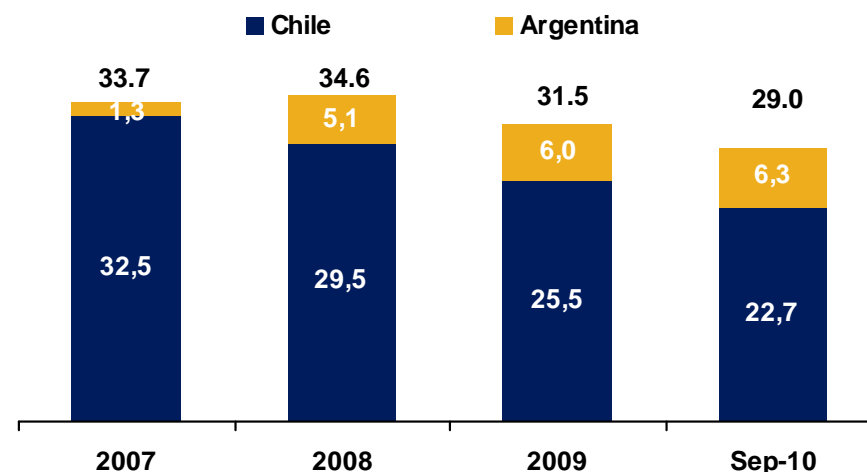
## Natural Gas

- Main natural gas reserves and production facilities are in the Magallanes region (Chile) and Cuenca Austral (Argentina)
- In 2009, ENAP produced 9.3 mm boe of natural gas in Magallanes and 2.2 mm boe of natural gas in Cuenca Austral

Oil Production (thousand barrels per day)



Gas Production (thousand boe per day)



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# Consolidated Financial Highlights 2007 – 2010



US\$ mm	Chilean GAAP	IFRS		IFRS	
	FY2007	FY2008	FY2009	Sep'09	Sep'10
Revenues	\$9,019	\$12,183	\$7,098	\$4,971	\$6,001
Cost of Sales	(8,729)	(12,927)	(6,819)	(4,695)	(5,919)
Gross Margin	291	(744)	278	276	82
EBITDA	430	(723)	546	425	220
EBITDA Margin	4.8%	(6.0%)	6.1%	8.5%	3.7%
Net Profit	51	(956)	200	22	(8)
Net Financial Debt / EBITDA (LTM)	2.0x	N/A	6.7x	N.A.	11.6x
EBITDA / Financial Expense	3.0x	N/A	2.5x	3.23x	1.72x
Net Financial Debt / Total Equity	0.9x	11.5x	6.5x	8.4x	11.2x

Source: ENAP. Data as of June 2009.

Chilean GAAP EBITDA is the sum of operating profit plus depreciation expenses.



# Consolidated Financial Highlights 2007 – 2010



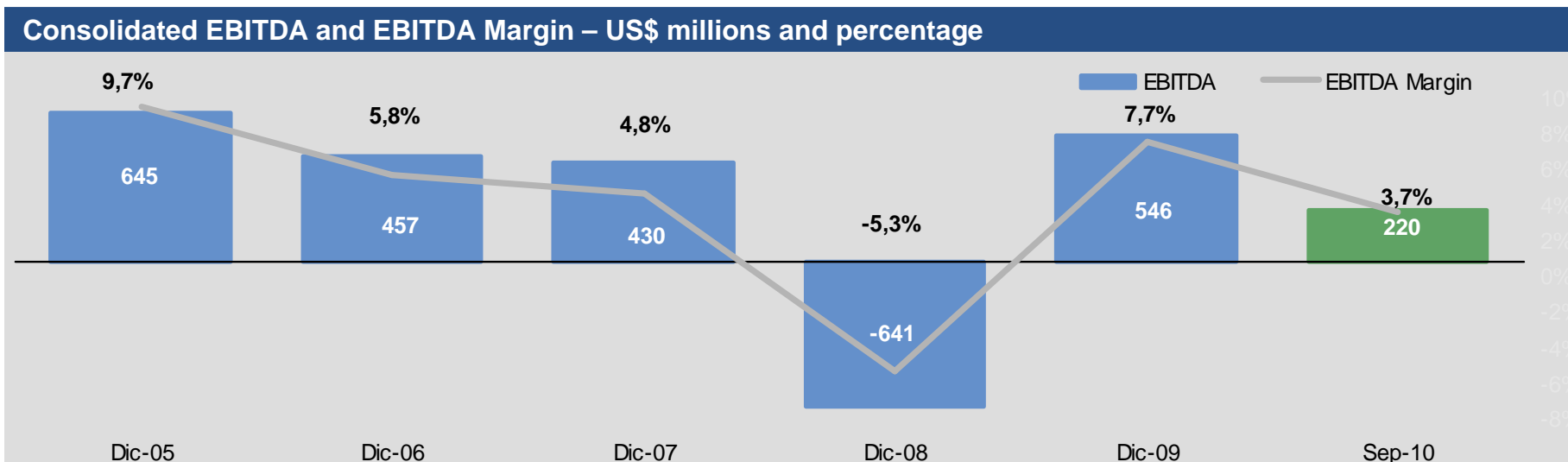
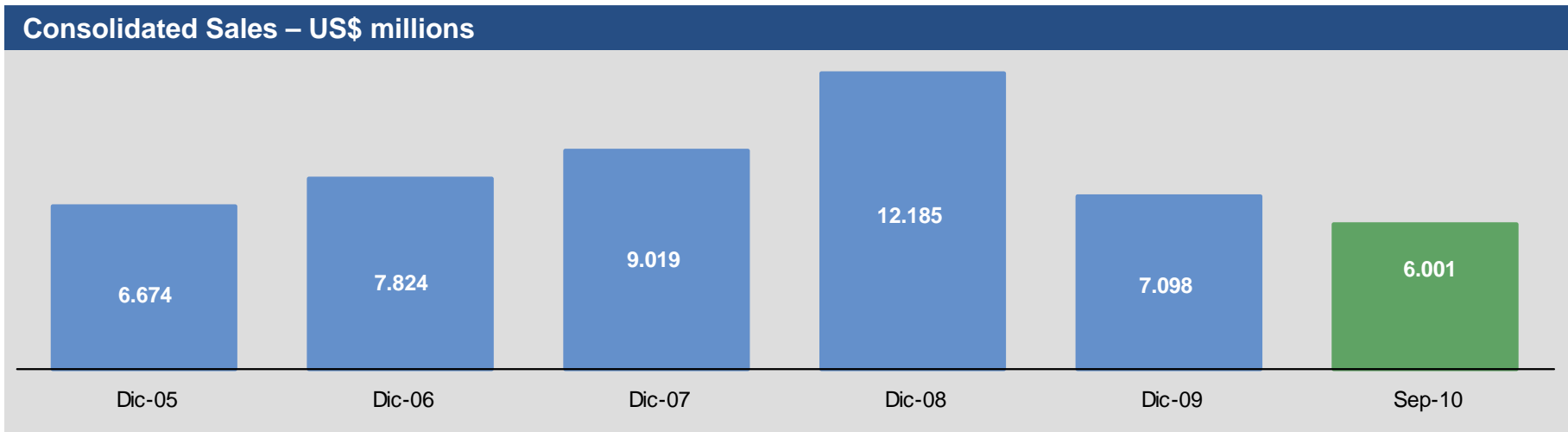
US\$ mm	Chilean GAAP	IFRS		IFRS	
	FY2007	FY2008	FY2009	Dec '09	Sep '10
Cash and Equivalents	133	150	77	77	73
Current Assets	3,321	2,203	2,231	2,231	2,441
Properties Plant & Equipment Net	1,794	2,463	2,597	2,598	2,574
Total Assets	5,441	5,318	5,560	5,560	5,808
Current Liabilities	2,853	2,875	2,151	2,151	2,004
Long-Term Liabilities	1,598	2,246	2,965	2,965	3,452
Net Financial Debt	879	2,271	2,890	3,939	3,959
Total Liabilities	4,451	5,121	5,116	5,116	5,457
Total Equity	990	197	444	444	352

Source: ENAP. Data as of June 2009.

Chilean GAAP EBITDA is the sum of operating profit plus depreciation expenses.

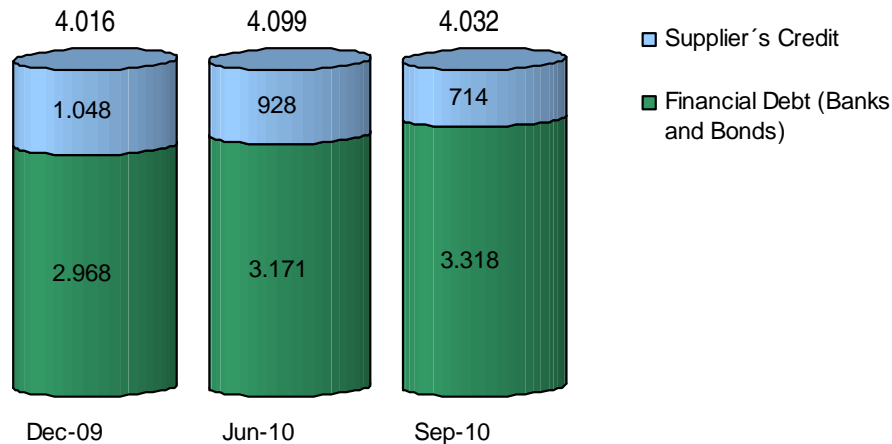


# Financial Summary



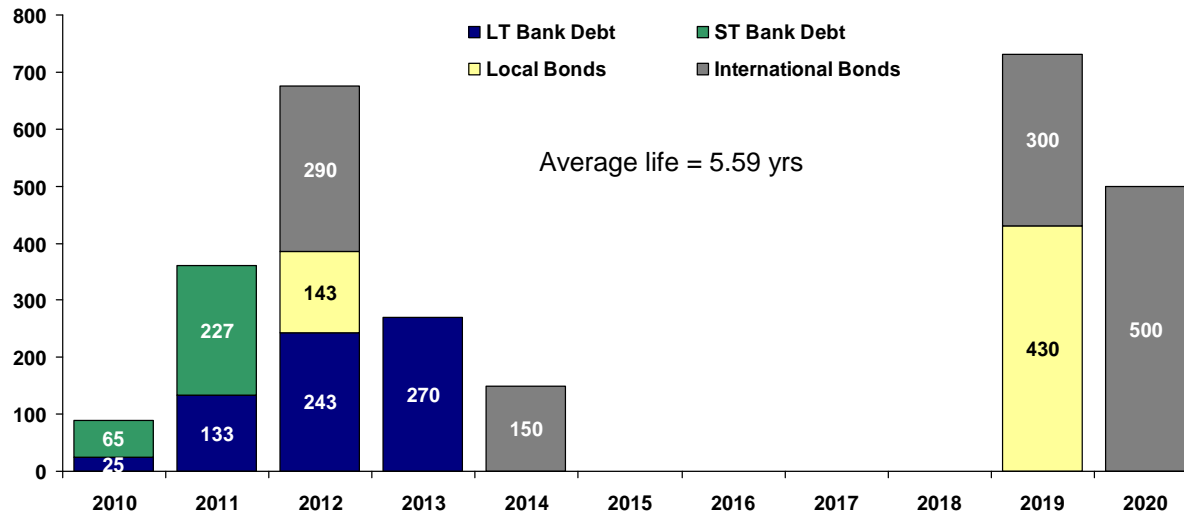
# Debt Profile as of September 2010

## Financial Debt and Supplier Credit – US\$ Millions



In spite the raise of a 2,28% in the international price of crude oil between the 4Q 2009 and 1-3Q of 2010, the company's financial debt plus the supplier's credit increased a 0,4%, maintaining the indebtedness level and showing an optimization of ENAP's working capital structure.

## Net Debt Maturity Profile as of Sep'10 – US\$ millions



With the 2020 Bond Issuance the he outstanding debt average life changed from 4,03 to 5,59 years.

Figures revealed correspond to ENAP's direct debt plus a US\$65MM Sipetrol credit that dues in December 2010.



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# Earthquake Effects

- The total estimation of loss due to the earthquake for ENAP is approximately US\$154MM, where US\$78MM correspond to Business Interruption and US\$76MM correspond to physical damage
- As of September 30, 2010 ENAP's Financial Statements have incorporated US\$86,1MM as claimed amounts resulted from the earthquake.
- Of the claimed amount, US\$30,9MM correspond to Business Interruption and US\$55,2 for physical damage.
- Currently ENAP is in the process of claiming the earthquake's insurance policies.



