ENAP

Second Quarter 2019 Results Presentation

August 2019

Disclaimer

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, such 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.

Q2’19 Highlights

Operational Highlights

- ENAP’s refining margin of US$12.2/bbl for Q2’19 YTD, up a 1% compared to US$12.1 of Q2’18.
- Refined products production of 205 kbbls/day in Q2’19.
- Aggregate market share of 66% in refined products.
- Average crude price of US$66.2/bbl for this first six-month period.
- E&P: Production of 61kboe/day for Q2’18 vs. 66kboe/day for Q2’19.

Financial Highlights

- Net debt to LTM EBITDA decreased from 8.3x in Q1’19 to 7.3x in Q2’19.
- US$331 million EBITDA for Q2’19 YTD vs. US$220 million for Q2’18 without exceptional items.
- Income before taxes for Q2’19 YTD of negative US$3.0 million compared with a loss of US$152.6 million for Q2’18 (without exceptional items).
- US$153 million CAPEX for Q2’19 YTD vs. US$213 million for Q2’18, in line with CAPEX reduction plans.

Financial information	Metric	Q2’18 YTD	Q2’19 YTD
Revenues	MMUS$	4,158	3,912
COGS	MMUS$	-3,959	-3,672
SG&A and Distribution cost	MMUS$	-185	-151
Adj. EBITDA	MMUS$	298	331
EBITDA margin	MMUS$	7.1%	8.5%
Operational Result	MMUS$	39	84
Financial expense	MMUS$	-116	-122
Income (losses) before taxes	MMUS$	-78	-3
Operational information		**Q2’18 YTD**	**Q2’19 YTD**
Refining capacity	kbbl/day	223	223
R&M production	kbbl/day	187	205
Valuable products production	kbbl/day	145	164
R&M sales	kbbl/day	247	247
ENAP's margin	US$/bbl	12,1	12,2
E&P's production	kboe/day	61	67

Solid & Stable Credit Ratings

Moody's	Standard & Poor's	FitchRatings	Japan Credit Rating Agency, Ltd.
Baa3 (Stable)	BBB- (Stable)	A (Stable)	A + (Stable)

Revenues & Adj. EBITDA

Revenues

- Revenues decreased in US$246 million mainly due to a lower ICE Brent price for this period compared to first half of 2018, US$66.2/bbl vs. US$71.2/bbl.

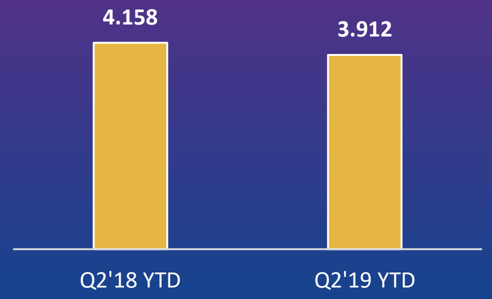
  (i) -US$63.9 million in lower own production sales despite higher production (ENAP's product prices 1H'19 US$77.4/bbl vs. 1H'18 US$82.5/bbl).

  (ii) -US$173.8 million mainly due to lower volume sold of imported products.

Adj. EBITDA(1)

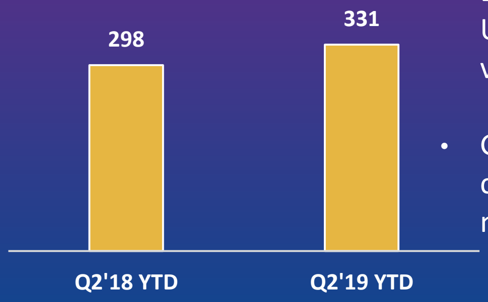
- EBITDA of US$331 million for Q2'19 YTD increased US$33 million compared to Q2'18 level of US$298 million.
- Without exceptional items such as the reversal of spare parts for US$51 million and US$28 million due to Mehr block, Q2'18 EBITDA is reduced to US$220 million (Q2'19 varies positively in US$111 million).
- Reduction in Personnel costs, Administrative expenses and Distribution cost translated into US$53 million in savings for Q2'19 YTD vs. Q2'18 YTD.

Revenues
(US$ million)



- US$4.6 million in lower E&P sales, mainly due to Pampa del Castillo sale effect (revenues of US$35.6 million during 1H'18). Without the aforementioned effect, revenues in E&P would have increased in US$31 million.
- Higher crude production increased revenues in US$32 million and higher gas production implied additional US$25.5 million.

Adj. EBITDA
(US$ million)



- EBITDA of US$117.5 million for R&M this six-month period, up a 13% compared to Q2'18.
- E&P's EBITDA for Q2'19 reached US$213.3 million, up US$10 million vs. Q2'18.
- G&E's EBITDA of $16.3 million compared to Q2'18 of US$13.5 million.

(1) Adjusted EBITDA is defined as the sum of: (i) gross margin, (ii) other income, per function, (iii) depreciation and depletion quota, (iv) abandonment of exploratory wells, (v) geological studies and non absorbed costs, (vi) deterioration and other non operational provisions and (vii) exploration costs, less (i) distribution costs, (ii) administrative expenses and (iii) other expenses, per function.

Cost of Goods Sold & Other Operational Expenses

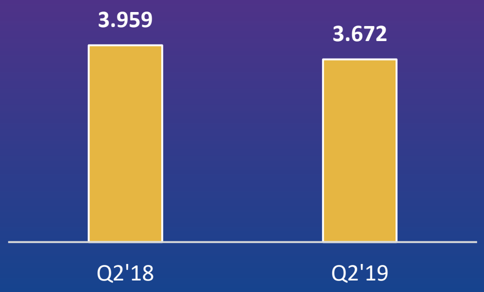
COGS

- Cost of goods sold reduced in US$286.3 million mainly due to:
  - 7.2% decrease in the average price of crude Q2’18 vs. Q2’19 YTD, US$71.2/bbl vs. US$66.2/bbl, resulting in US$81.8 million less.
  - US$172.4 million less in imported products cost due to lower volume and lower prices.

Other Operational Expenses

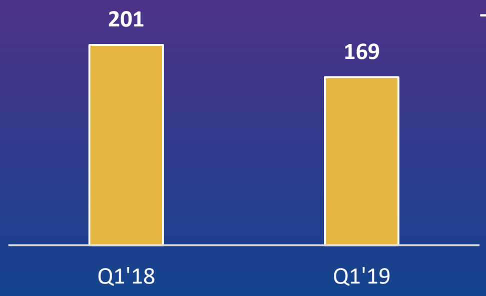
- Distribution cost reduced in US$15.5 million mainly due to lower indirect costs and personnel expenses, from US$123.9 million to US$108.4 million.
- Administrative expenses decreased in US$18.3 million due to the personnel reduction carried out in January 2019 and other initiatives contained in the cost reduction plan, from US$61.1 million to US$42.8 million.

COGS
(US$ million)



- E&P production costs decreased in US$30.8 million mainly due to Pampa del Castillo effect.
- Non-crude costs maintained relatively stable, from US$370 million in Q2’18 to US$372 million as of June’19, including a fixed costs reduction of US$36 million.

Other Operational Expenses
(US$ million)



- Other expenses, per function increased in US$1.3 million, from US$16.5 million as of June’18 to US$17.7 million in Q2’19 due to higher exploratory campaigns in El Turbio Este, Argentina.

(1) Other Operational Expenses: Distribution cost, Administrative expenses and Other expenses, per function

Refining & Marketing

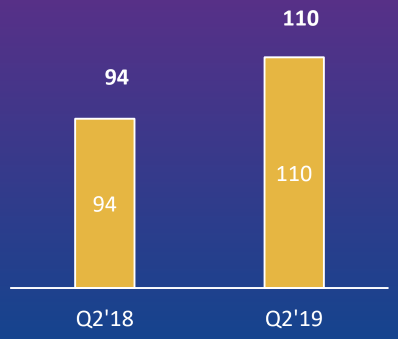
EBITDA

- R&M EBITDA increased US$16 million to US$110.3 million in Q2'19 YTD from US$93.5 million in Q2'18 (US$51 million without spare parts adjustment).
- Weighted average price of refined products for Q2'19 of US$77.4/bbl compared to US$82.5/bbl for Q2'18.
- Imported products volume sold decreased 15%.

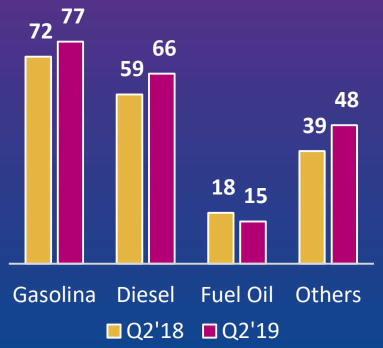
Additional information

- 10% increase in refined products production (5.4 vs. 5.9 million m^3)
- During May'19, ENAP reached a new high in gasoline production, with 398,000 cubic meters.
- 80% in valuable products production for Q2'19 vs. 78% for Q2'18.
- Total Crude Oil Purchases: 32 million barrels in H1'19 from 21 different suppliers.

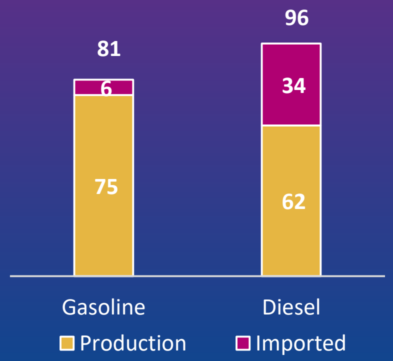
EBITDA
(US$ million)



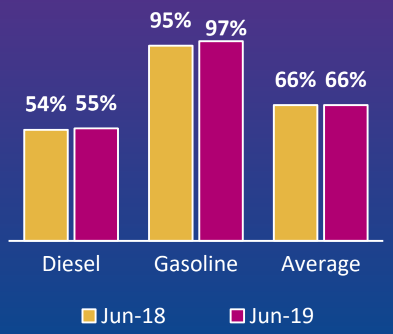
Production
(kbbl/day)



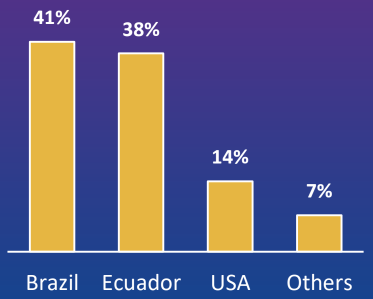
Sales – Q2'19
(kbbl/day)



Market share[(1)] – Q2'19



Crude imports – Q2'19



1: As of April 2019

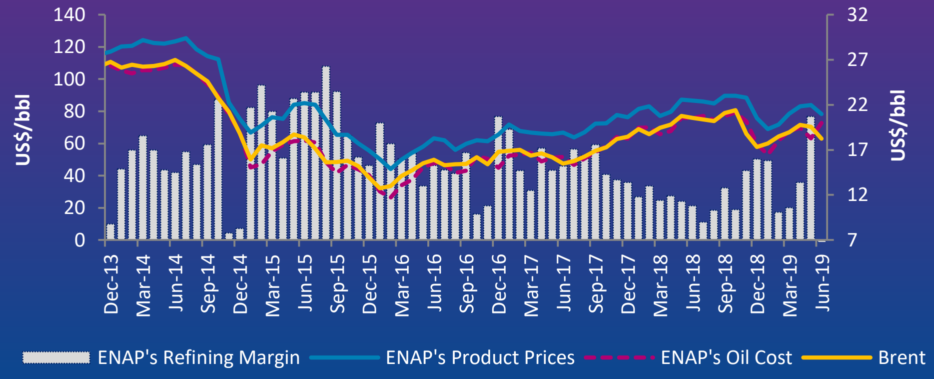
Refining & Marketing

- ENAP's margin ("Margen Primo")
  - 2015: 21.1 US$/bbl
  - 2016: 15.5 US$/bbl
  - 2017: 15.6 US$/bbl
  - 2018: 12.0 US$/bbl
  - **Q2'18 YTD: 12.1 US$/bbl**
  - **Q2'19 YTD: 12.2 US$/bbl**

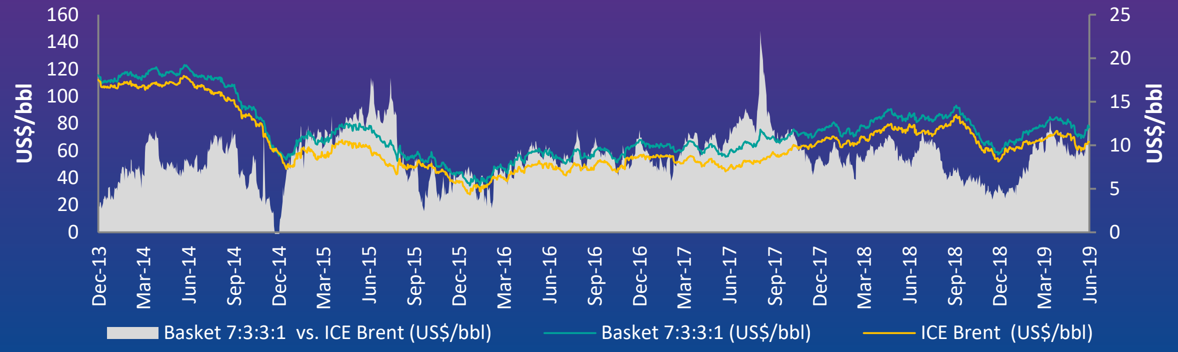
- Basket 7:3:3:1 vs ICE Brent
  - 2015: 9.7 US$/bbl
  - 2016: 8.0 US$/bbl
  - 2017: 10.6 US$/bbl
  - 2018: 8.1 US$/bbl
  - **Q2'18 YTD: 9.0 US$/bbl**
  - **Q2'19 YTD: 8.7 US$/bbl**

- Brent
  - **Q2'18 YTD** average: US$71.2
  - **Q2'19 YTD** average: US$66.2

ENAP's refining margin
(US$ per barrel)



7- 331 basket
(US$ per barrel)



Exploration & Production

EBITDA

I. E&P's EBITDA increased from US$203 million during first half of 2018 to US$213 million in the first six months of 2019.

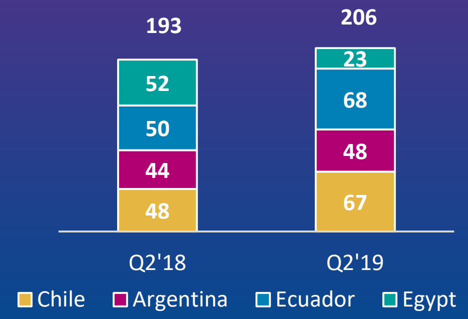
II. EBITDA from Magallanes (Chile) increased US$19 million, mainly due to an increase in volume and a decrease in depletion quota.

III. Argentina's contribution to E&P's EBITDA increased US$4 million mainly due to higher production in Area Magallanes, partially offset by the sale of Pampa del Castillo and a decrease in crude sale prices.

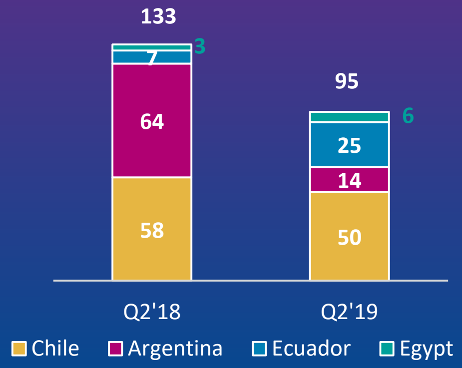
IV. In Ecuador, EBITDA increased US$18 million due to higher production, and in Egypt, EBITDA's contribution related to production did not change significantly.

V. During H1'18, there was a positive impact in EBTIDA related to a reimbursement from NIOC due to exploration activities carried out (by a consortium integrated by Sipetrol International S.A., Repsol S.A. and OMV) between 2001 and 2007. Finally in 2009, consortium decided not to continue operations in Iran.

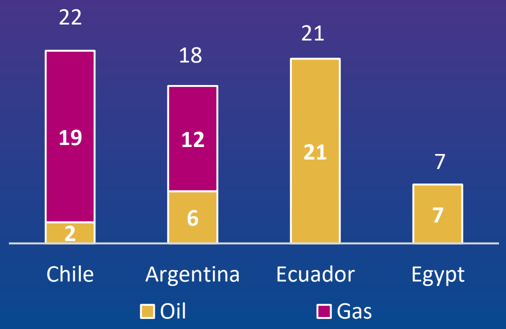
EBITDA
(US$ million)



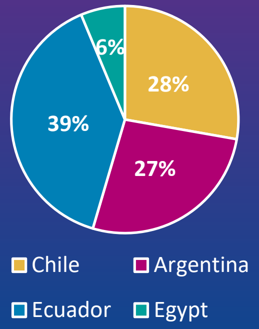
CAPEX
(US$ million)



Production – Q2'19
(Th. boed)



Reserves
(Th. boe)



Total reserves[1]:
137 MM boe

1: As of December 2018

CAPEX analysis

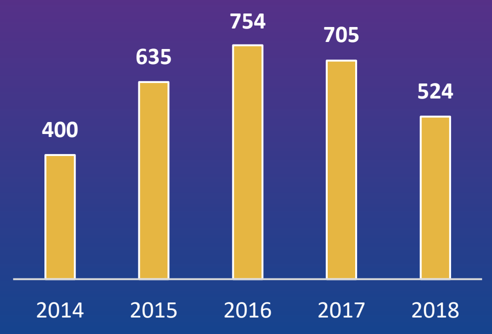
2014-2018 CAPEX

- Average CAPEX of US$604 million for this 5-year period.
- New projects includes PIAM Project, Cogeneradora Aconcagua and E&P investment in Magallanes (Chile).
- An average of US$100 million per year in maintenance for our refineries.
- Main increase in CAPEX due to the 2015-2025 strategic plan.

CAPEX Q2'18 – Q2'19 YTD

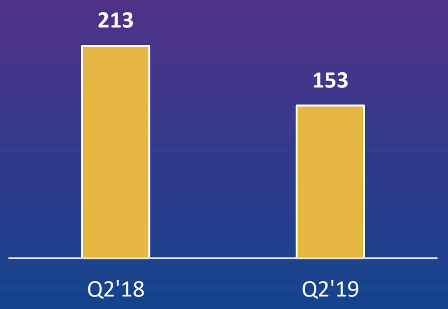
- 28% reduction in CAPEX for Q2'19 compared to Q2'18, with US$153 million vs. US$213 million.
- Q2'18's Capex by business unit: US$136 million for E&P; US$72 million for R&M; US$4 million for G&E.
- Q2'18 investments focused on E&P investment in Magallanes (Chile), Wet Gas Scrubber in Bío Bío Refinery and Cogeneradora Aconcagua.

5-year historical CAPEX
(US$ million, EOY)



- New administration and BoD revised the plan and considered several CAPEX reductions.
- 2018's CAPEX of US$524[1] million is a result of that revision: nearly US$150 million were cancelled/postponed due to high leverage.
- 2018's Capex by business unit: US$303 million for E&P; US$195 million for R&M; US$16 million for G&E.

Q2'18 – Q2'19 YTD CAPEX
(US$ million)

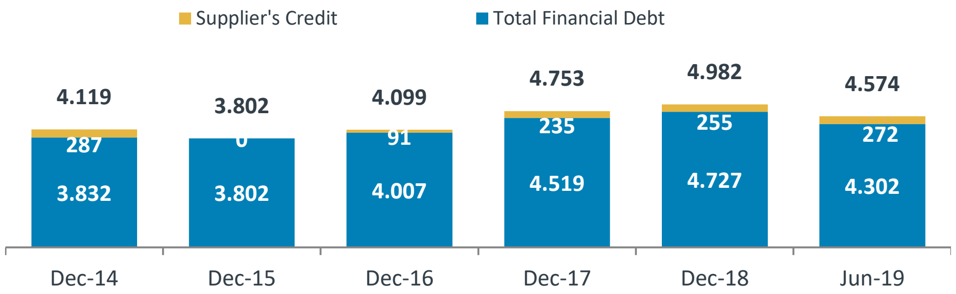


- E&P investments reached US$95 million for H1'19, focused in Arenal block in Chile, MDC and PBHI in Ecuador and El Turbio Este in Argentina.
- US$56 million in R&M for the first six months, focused in programmed shutdowns, initiatives and preventive maintenance in our refineries.
- G&E investments of US$1.7 million for H1'19, focused in Aconcagua Cogeneration facility.

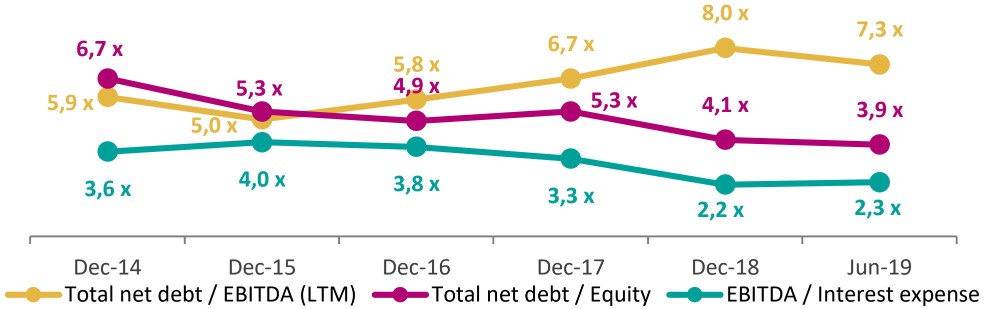
1: Includes US$10 million assigned in a corporate level

Debt Statistics & Maturity Profile

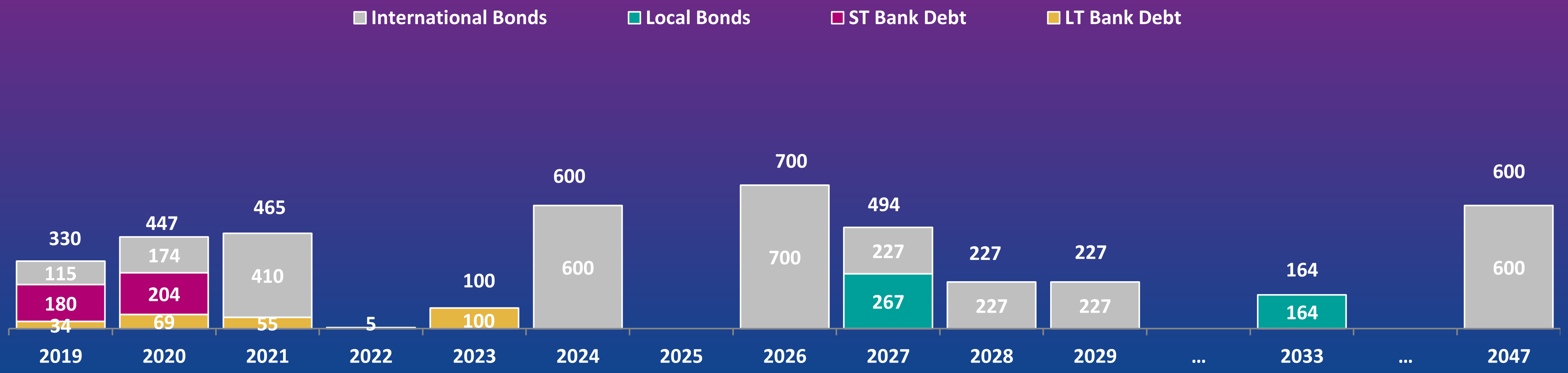
Financial Debt & Supplier's Credit
(US$ million)



Key Financial Ratios



Debt Maturity Profile – June 2019
(US$ million)



ENAP

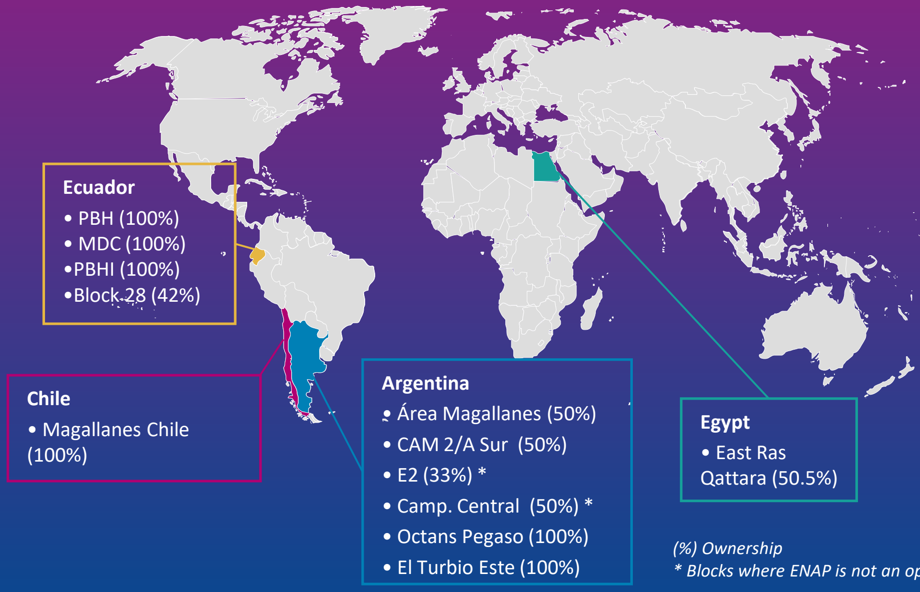
Geography

Downstream

- Leading position in refining capacity, with 230kbbl/day.
- Extensive oil & gas wholesale distribution network in Chile.
- Unmatched asset base of critical importance to Chile including country's only 3 refining facilities.
- ENAP reached a 205 kbbl/day production during Q2'19 of refined products, including gasoline, diesel, kerosene, LPG, among others.

Upstream

- Field expertise and relationships with E&P partners and crude oil suppliers worldwide.
- Fields in Chile, Argentina, Ecuador and Egypt.
- E&P's goal: to maintain oil and gas reserves in Chile and abroad.
- E&P's production: 35 kbbl/day and 31 kboe/day of crude and gas respectively.



(%) Ownership
** Blocks where ENAP is not an operator*

ENAP and the owner

Corporate Governance

- A new Corporate Governance Law: gives ENAP more stability in long-term plans, following best practices of private sector.
- Reduction in number of Board Members from eight to seven.
- Shareholders: Finance and Energy Ministers.
- Five-year Business Plan 2019-2023 under review. The yearly budget and long term debt issuance are also subject to their approval.

Support

- Capital injections: US$250 MM capital increase in 2008 and US$400 MM capital increase in 2018.
- Capitalization of Retained Earnings (Subsidiaries) approved on a yearly-basis. The Republic has waived its right to receive any dividends for the past nine years.
- Gas sales subsidy in Magallanes (Chile): Approved on a yearly basis as part of the Chilean General Budget Law. Up to CLP $58,521 million (~US$90 million) approved for 2019.

Board

- Seven Members:
  - Appointed directly by the President of the Republic
    - María Loreto Silva Rojas (Chairman) and Fernando Massú Taré
  - Elected from proposals from the High Public Management System (ADP)
    - Ana Holuigue Barros, Rodrigo Azócar Hidalgo, José Luis Mardones Santander and Claudio Skármeta Magri
  - Elected by the company's employees
    - Marcos Varas Alvarado

- Board Members will have four-year terms and will be eligible for reelection only once
- Members will be changed partially, not all at the same time

Financial Statements

Summary Income Statement (US$ million)	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Jun-18	Jun-19
Sales	**9,837**	**6,351**	**5,217**	**6,420**	**8,305**	**4.158**	**3.912**
COGS	(9,358)	(5,708)	(4,670)	(5,913)	(7,964)	(3.959)	(3.672)
Gross profit	**479**	**643**	**547**	**507**	**341**	**200**	**240**
% margin	5%	10%	10%	8%	4%	5%	6%
SG&A and Distribution cost	(247)	(292)	(307)	(341)	(373)	(185)	(151)
Other income (expense)	(3)	(77)	(39)	(67)	(216)	24	(5)
Operational Result	**228**	**274**	**201**	**99**	**(248)**	**39**	**84**
D&A	373	392	392	426	464	224	212
Others*	20	76	84	140	287	35	20
EBITDA	**621**	**742**	**678**	**665**	**526**	**298**	**331**
% margin	6%	12%	13%	10%	6%	7%	8%
EBITDA (LTM)	**621**	**742**	**678**	**665**	**526**	**640**	**560**
Net Interest expense (LTM)	(172)	(185)	(180)	(202)	(243)	(224)	(244)
Net income	**157**	**170**	**183**	**24**	**(231)**	**2**	**18**

Summary Balance Sheet (US$ million)	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Jun-18	Jun-19
Total current assets	1,924	1,525	1,664	2,270	2,573	2.567	2.189
Cash & equivalents	154	114	66	91	525	108	194
Accounts Receivables	702	632	644	822	781	814	802
Inventories	741	566	728	1,039	932	1.293	993
Total non-current assets	3,733	3,929	4,179	4,523	4,665	4.635	4.676
Net PP&E	2,753	2,798	3,138	3,241	3,167	3.332	3.146
Total assets	**5,657**	**5,454**	**5,843**	**6,793**	**7,238**	**7.202**	**6.865**
Total current liabilities	1,392	1,095	1,603	2,055	2,171	2.930	1.797
Short-term debt	459	492	868	960	1,037	1.624	631
Total non-current liabilities	3,719	3,658	3,432	3,899	4,036	3.414	4.016
Long-term debt	3,372	3,310	3,140	3,558	3,689	3.097	3.672
Total liabilities	**5,112**	**4,753**	**5,036**	**5,954**	**6,207**	**6.344**	**5.813**
Total equity	**546**	**701**	**807**	**839**	**1,031**	**858**	**1.051**
Total liabilities + SHE	**5,657**	**5,454**	**5,843**	**6,793**	**7,238**	**7.202**	**6.865**

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