

## **Argentine Natural Gas Production Promotion Plan**

On November 13, 2020 Decree 892/2020 (the "Decree") was published in the Official Gazette. The Decree approved the Argentine Natural Gas Production-Supply and Demand Scheme Promotion Plan ("2020 - 2024 Gas Plan") and also declared the promotion of Argentine natural gas production as a matter of national public interest and a priority objective for the Argentine Republic

The 2020-2024 Gas Plan will be implemented through direct agreements between the producing and distributing companies, on the one hand, and between the producing companies and the Compañía Administradora del Mercado Mayorista Eléctrico Sociedad Anónima (CAMMESA - Wholesale Market Administration of Energy), on the other.

The National Government has decided to take charge of the payment of a portion of the price of natural gas at the Point of Entry to the Transportation System (PIST) in order to promote the full adherence of the actors from the natural gas industry

Among the main guidelines, criteria and conditions of the 2020-2024 Gas Plan are:

a. Amount: this will be for a total base amount of 70,000,000 m<sup>3</sup> per day for the 365 days of each year of duration of the scheme. This base amount may be modified by the Ministry of Energy.

b. Term: the Plan will be in place for an initial period of FOUR (4) years. This term may be extended by the Ministry of Energy based on its evaluation of the situation in the gas market. For offshore projects, a longer term may be contemplated: up to EIGHT (8) years in total, taking into account the particularities of this type of projects.

c. Exports: participating producing companies may be offered preferential export conditions in firm condition for up to a total amount of 11,000,000 m<sup>3</sup> per day, to be committed exclusively during the non-winter period.

d. Supply and demand procedure: the particular contracts resulting from the scheme will be negotiated through a mechanism of auction, bidding and / or similar procedure, to be designed by the Energy Secretariat of the Ministry of Economy.

e. Demand aggregation: a mechanism will be guaranteed to allow aggregation of the natural gas needs of priority demand and of power plants in non-winter periods.

F. In case there are rules limiting access to the free exchange market (FEM), for the repatriation of direct investments and income and / or the need to cover services income or principal of financial foreign indebtedness, the Central Bank of the Argentine Republic shall establish suitable mechanisms in order to enable access to said market for such purposes, when the funds have been entered by using the FEM and are related to genuine operations as of the entry into force of the Decree and destined to the financing of projects within the framework of the 2020-2024 Gas Plan.