



Buenos Aires

Beijing

New York

TRANSPARENCY OF INFORMATION IN MINING

Within the framework of the implementation of policies to promote transparency, the Mining Secretariat introduced the Unified Mining Register online. The register can be accessed at the Mining Information Center of Argentina (CIMA) through www.sitecima.minem.gob and allows to consult data from the Argentine mining sector directly: information on mining properties, exploration permits, records and even the legal status of the procedures, among others.

The register is the result of the federal government working together with the provinces to streamline access to information, combines their incorporation process, transparent permits management and strengthens the State's transparency. Currently, you can consult the online mining registry of Jujuy, Salta, Catamarca, La Rioja, Mendoza, Neuquén, Río Negro and Santa Cruz; the state of records management in 2 provinces, Jujuy and Neuquén, and work is being done to incorporate the rest of the Argentine provinces.

This new mining management tool is added to the Participation in the Initiative for Transparency in Extractive Industries (EITI, according to its acronym in English) that formed the Argentine Multipartite Group, which formalizes its application and the Third National Plan of Open Government.

PROMOTION OF SMALL OPERATORS FOR THE DEVELOPMENT OF VACA MUERTA

The national government and the province of Neuquén agree in encouraging small and medium size companies to invest in Vaca Muerta. These companies can collaborate in the development of Vaca Muerta with a scheme of association with companies that are already there, or come to explore in the areas in the control of GyP.

The so-called "independent" companies were vital for the takeoff of unconventional production in the United States. The aim is to replicate this model in the Neuquén basin.

The provincial government company, Gas y Petróleo de Neuquén (GyP), offered 43 areas in their last roadshow in Houston, where they participated together with the National Energy Secretary.

In the United States there are about 9,000 independent producers, which account for 54 percent of oil production and 85 percent of natural gas.

So far, the large investments are being made by companies such as Chevron, YPF, Exxon Mobile, Petronas, among others, but at the national government they believe that independent companies could give another acceleration to shale developments. That is why both Nation and Province seek to underpin the process of small business investments and it is considered that the most viable schemes in Vaca Muerta would pass through partnerships between these companies and others of a larger size, with allocated areas.

YPF WILL INVEST NEXT YEAR MORE THAN IT DISBURSED IN 2018

YPF confirmed that they have the financing for their 2019 business plan regardless of the volatility of the Argentine Economy. The oil company plans to invest in 2019 more than in this year, and has the funding to do so. YPF says that

2018 was a good year" for the company, although the ups and downs of the price of crude oil and the variation of the exchange rate.

The entry of international players created a competition that had not been seen in the oil sector for some time, and the changes made at the regulatory level are attracting more companies to the business.

The focus of YPF has been precisely on competitiveness through lower costs and in the development of local suppliers to become competitive in the long term.

As to the electric power company, YPF Luz, it is steady growing and bordering the 2,000 MW of power generation. The aspiration of the company is to be in three or four years one of the three main energy companies in the Argentina.

The latest changes that YPF hopes to continue developing have to do with the modification of the corporate governance developed by the company since its presentation on the New York Stock Exchange.

CONSTRUCTION OF SANTA CRUZ DAMS WOULD INTENSIFY DURING FIRST QUARTER OF 2019

The Santa Cruz dams, now called Condor Cliff and La Barrancosa, will generate more than 5,000 GWh each year. There is a very strong commitment from Chinese companies to advance and move forward quickly.

Since last November the Gezhouba Group Company (CGGC), disengaged from the problems that have complicated its local joint venture partner Electroingenieria ("cuadernos gate" or note books gate affair).

Gezhouba is a company with great experience in this type of works so this change is a step in its favor while trusting that the financial closure for the mega work is also materializing and will come from China.

Currently, the board of the UTE (joint venture) awarded the mega-project is reorganizing itself and plans for the first quarter of next year to advance with greater impetus in the construction. By virtue of this, it is analyzing different development schedules and evaluating which one to apply. Among the plans are to start up one plant before the other.

As for the construction of the dams, which will total a power of 1,310 MW, so far only excavation work has been done. If processes begin to intensify, managers consider that the work may be completed in 5 or 6 years.

According to official data, once the dams are underway, Cónдор Cliff - which will be equipped with five Francis-type turbines, which will total 950 MW - and La Barrancosa - equipped with three Kaplan-type turbines, for 360 MW- will enable an average annual generation of 5,171 GWh.

China Gezhouba Group Company (CGGC) is a company with more than 100 highly qualified professionals and more than 36,000 employees, 17,000 technicians, 50,000 sets of construction equipment. Annually is able to excavate and fill 200 million cubic meters of earth and stone, place 18 million square meters of concrete, manufacture and install 210,000 tons of metal structures, complete 9 million kilowatts of installed capacity, production of 187,000 tons of industrial explosives and 20 million tons of cement

If you need further information you may contact Carlos Alfaro at cealfaro@alfarolaw.com



Mr. Alfaro has a long standing career representing national and multinational corporations, lending institutions and banks and in the financing of large infrastructure projects, from gas and oil pipelines, electric utilities, steel mill plants, ferroalloys, ferrous and steel furnaces, real estate developments, export finance, hydro electrical projects, mining projects and road toll projects. Of particular importance is the fact that this experience represents twenty five years of legal practice in different economic and legal environments (inflation, hyperinflation, deflation, major devaluations, currency boards, etc.) in which risk allocation and protection, require legal, economic and political expertise

Buenos Aires: Carlos E. Alfaro at cealfaro@alfarolaw.com

China Desk: Soledad Matteozzi at smatteozzi@alfarolaw.com

New York: Liliana Arauz at Larauz@alfarolaw.com

