INTEGRATED REPORT 2020

This Integrated Report was developed in accordance with the regulatory framework established by the Financial Markets Commission (CMF) and the standards of the International Integrated Reporting Council (IIRC) and the Global Reporting Initiative (GRI) in its essential version. The information published in this document refers to the company's performance between January 1 and December 31, 2020, and has been duly audited and verified by Deloitte.

Empresa Nacional de Petróleo (ENAP)
Unique Tax Number Register: 92.604.000-6
Public company created by Law 9.618 enacted 19th June 1950.

Securities Registry: Nº783 of the Superintendency of Securities and Insurance 4th October 2002.

Course of business: Exploration, production and commercialization of hydrocarbons and their derivatives; production, transport and commercialization of energy and electric power.

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CONTENIDO

Message from the Chairman of the Board

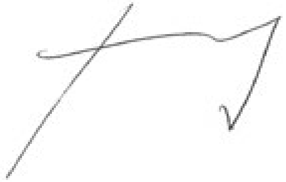
This document addresses ENAP's first integrated report, as an effort to systematize the company's economic, social and environmental performance during 2020. This was a particularly complex year, where the Covid-19 health emergency became the biggest crisis of recent times in our industry.

Nearly 40 % for oil demand was reduced worldwide, due to the confinement measures adopted by countries in order to reduce the virus proliferation. This led to an oversupply and a sharp drop in the price. In fact, the price of a crude oil barrel dropped to levels not seen in at least 20 years, and refining came to operate at a zero marginal or even negative cost. We were not unaffected by these figures at ENAP, due to the recorded 35% reduction in fuel consumption, between March and April, which reached 40% when quarantines were activated in the Metropolitan Region. Although from August onwards the scenario improved, it remained below the 2019 achieved performance.

Under these circumstances, a work plan was put together based on three priorities: (1) safeguarding our own workers and contractors' health and safety, (2) maintaining the country's necessary fuel supply, and (3) reducing financial loss as much as possible. These objectives were addressed by the Crisis Committee that was created for this purpose. Among its management main milestones there are over 60 updated and reinforced protocols and security controls, which activated remote work for 30% of the company, enabled accomodation facilities for employees working in the refineries, plants and maritime terminals, as well as ensuring the preventive fuel supply and signing agreements to ensure the gas availability.

Seeking to reverse ENAP's financial losses projections, the company focused its efforts on three main aspects: securing liquidity, reducing investment and meeting our self-imposed US$ 100 million savings target, which we surpassed. To make such a figure available in a company like this is only possible when we cohesively work with all our stakeholders. In this regard, I would like to restate my acknowledgement to ENAP's unions and each one of the workers who voluntarily agreed to reduce their salaries, by reviewing and/or waiving their bonuses, allowances and/or variables.

The experiences and lessons we learned throughout 2020 allow us to proudly state that an ethical imperative is what drives ENAP regarding its role in our country. Furthermore, it forces us—under these circumstances—to take a critical look at the energy industry by rethinking its operationalization—through a much modern, cleaner and resilient industry—in order to contribute to the wellbeing of Chile and each one of its citizens.



Fernando Massú Taré

Message from the General Manager

I am writing this letter, with the intention putting in perspective one of the hardest years—if not the hardest—for the energy industry and the world order in general. The pandemic, caused by the proliferation of the Covid-19 virus, altered our lifestyles, and reconfigured citizenship habits from strong restrictions on mobility and consequent contraction of fuel consumption.

This scenario created a greater challenge for us, so we defined a management strategy with three focuses: (1) ensuring our workers and contractors health and safety, (2) sustaining the country's fuel requirement (3) minimizing the financial loss originated from by the pandemic. Fortunately, we were able to fulfill them in a proper manner.

In order to put all this into action required the simultaneous coordination and execution a series of actions that were conditioned by sanitary measures to prevent the virus spread. Everything under a strong sense of uncertainty and fear of the unknown. In this sense, the adaptability and resilience capacity shown by our staff, along with their commitment to their contribution to the country's stability by guaranteeing fuel supply is something to be highlighted.

This effort was not in vain and had a direct correlation with our economic performance. While the fact is that the year did not end with any profits, we lost US $ 90 million which seemed really far from US $500 million that analysts and the market expected for ENAP. Fortunately, our performance improved during the second semester with US $ 39 million profits that led us to have a more optimistic view to face 2021.

All this as the result of what we have been doing since 2018, when this administration took over the challenge of leading ENAP. We have made the effort to improve our processes, control our expenses and postpone investments that were not urgent during these years.

I know 2020 was a difficult year for everyone, but we stayed afloat as we temporarily reduced bonuses and agreed allotments in the collective agreements with the trade unions of Magallanes, Aconcagua, Santiago, Sipetrol and DAO, and with the professional unions of Aconcagua, Bío Bío and the ENAP Refineries Shift Work Union. This effort was a complemented by our executives who resigned to 99% of the variable income. To everyone who saw their income decreased during this period: thank you very much for your loyalty to ENAP and Chile.

As for investment, we generated savings for US$ 170 million which were complemented with an active assets management of accounts receivable and structuring of long-term debt. Opportunities arose during

this exercise that we probably would not have perceived if the context were different: I mean the stoppage of the Bío Bío Refinery—in moments of greatest contraction in demand—anticipating the maintenance and covering the crude oil requirements with the available stock. This meant a significant saving.

Additionally, the contracts subscribed with our suppliers seeking to generate savings were revised, as there was a reduced performance due to the established sanitary recommendations. Thus, our costs were restrained in about US$100 million in expenditure main categories in our annual average.

The protection of the fueling supply strategy was based on the operations and inventories reinforcement to overcome—autonomously and without depending on third parties—any fuel requirements. This work was carried out in close coordination with the Ministry of Energy and the distribution companies, by reviewing stock levels and promoting distribution efficiency. Regarding the gas availability, we signed an agreement to acquire 4MMm3 daily from Argentina, regarding the gas availability, in case there was a need to paralyze operations in Magallanes. Fortunately, there was no need to activate this measure.

Each of the decisions taken to minimize loss and secure fuel stock were complex. However, they were developed in a work environment which was marked by our collaborators' flexibility and commitment, whom we seek to take care of the best possible way.

In this way, the creation of the Healthy ENAP Committee becomes an update to implement sanitary measures required by the authorities in all our facilities. Adopting a preventive approach, we reinforced more than 60 sanitary control measures, including preventive flu vaccination and the implementation of Covid-19 antigen tests in the Magallanes region. Together with this, we reorganized our teams, by setting apart those critical functions and positions in order to adjust the shift systems, and daily following-up the people exposed to contagion and enabling hospitality services within our facilities. One third of our team went on teleworking modality, which was mandatory for senior workers and those with risk factors.

I cannot help but to make a special mention and thank all collaborators in Magallanes, who despite the difficult moments they had lived as a result of the pandemic, they were able to comply with the supply task, allowing no lack of gas. I would also like to highlight the work and support of all our suppliers and contractor companies, that joined our sanitary demands, which were very necessary to maintain our strategic role.

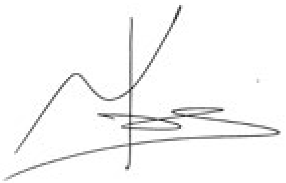
The work done responded not only to those who are an integral part of our value chain, but also to our communities, as we helped our most vulnerable neighbors in a major vulnerability condition with the intention of contributing to the economic and social recovery of the territories.

As part of our environment vocation and strategic commitment to contribute to the development and implementation of the energy matrix replacement in our country, we are very proud of having executed three milestones that will mark the future in this matter. In the first place, the Vientos Patagónicos Wind Farm inauguration and start of operations powered in alliance with Pecket Energy. It is located in the Cabo Negro industrial complex, 23 km north from Punta Arenas, and has a 10.35 MW capacity to boost the city's electrical system and meeting the 15% of its residential consumption. The second one is related to our participation in the Green Hydrogen HIF (Highly Innovative Fuels) production project promoted by the national company Andes Mining & Energy in which Siemens Energy, Enel Green Power and Porsche are also participating. We are very proud to participate in this initiative that will allow the creation of methanol and sustainable gasoline, as an opportunity to vindicate our strategic role by putting the experience of our teams and infrastructure at the service of the country.

The third one is a pilot plan for liquefied natural gas (LNG) trucks to substantially contribute towards a cleaner energy matrix.

I will end this message by inviting you to read our first Integrated Report, a document that shows the effort we have made in order to present our most relevant management areas in financial, social and environmental matters during 2020, fulfilling the United Nations Global Compact Communication on Progress commitment.

We are hopeful that this 2021 will be a good year for the company, and that we willingly participate in this New ENAP that we are creating. A much more faultless ENAP, more efficient, where we can all take care of the Chilean resources which we feel tremendously proud of.



Andrés Roccatagliata Orsini

Our acknowledgement to all employees

This has been a very complex and challenging year. We kept our operational continuity, we lowered our costs and we looked after all our workers and contractors' safety and health, by quickly and effectively responding to the Covid-19 pandemic.

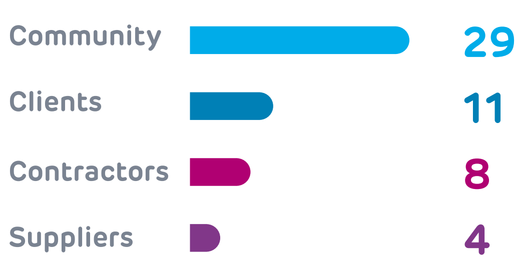
Although the industry's difficult global situation was one of the most affected by the health crisis, we were able to comply with our projects and the objectives that arose as a result of this scenario. The systematic and responsible work of our staff allowed us to close the year with a forfeiture well below initial projections.

Therefore, we would like to thank you all. For your effort, your dedication and the responsibility with which you responded to the strategic role that ENAP plays in the country. Thanks to each one of you for your loyalty to the company, to Chile and each one of its inhabitants.

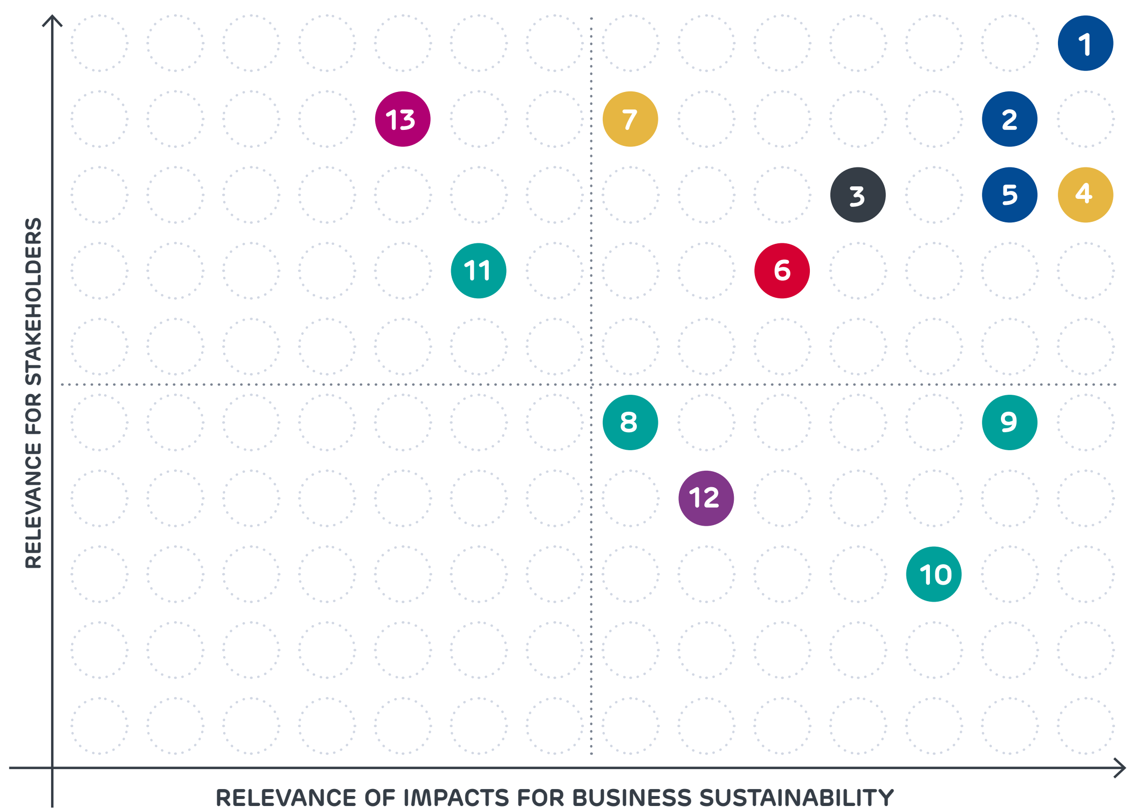
2020 Materiality

The company's material topics were updated through a consultation and prioritization process which considered ENAP subsidiaries and external stakeholders by meeting the methodological requirements, established by IIRC and GRI in the preparation of integrated reports. There was also a good practices benchmark, which was based on the review of related companies and specialized documents about the energy industry (Oil & Gas). The following materiality matrix is the result of it.

EXTERNAL STAKEHOLDERS:



2020 MATERIALITY MATRIX



1. Operational continuity
2. Risk management and incident prevention
3. Transparency, ethics and compliance
4. Occupational Health and Safety prevention
5. Value creation and financial sustainability
6. Supply chain management
7. Human rights approach on labor practices
8. Sustainable management of water resources
9. Energy efficiency and NCRE transition
10. Waste management
11. Biodiversity protection
12. Successful clients' management
13. Community relations and social investment

[2020 Materiality matrix]

The materiality analysis was updated for the 2019 Sustainability Report, where the number of material topics dropped from 30 to 13. This exercise was guided by the organizational structure criteria and ENAP's management capacity that sought to place issues that transcend conjunctural scenarios and/or have the ability to project the company's challenges over time. In this sense, it is important to note that the material issues decrease does not compromise the reported content from previous years.

1 Our company

Our company

PURPOSE

We aim to become an example of efficiency and modernity, that is economically, socially and environmentally sustainable.

VISION

To become an exemplary public company in terms of security, efficiency and relationship with the communities, and that plays a strategic role in the country's fuel supply, in a sustainable way.

REGULATION

The National Petroleum Company (ENAP) belongs to the State of Chile and was created by Law 9,618, the National Petroleum Company Organic Law, on 19 June 1950. Its new statutes were passed by the Joint Supreme Decree 24 that was dictated by the Ministries of Energy and Finance on 1 February 2018, and published in the Official Gazette, on 8 May 2019.

ENAP is regulated by rule of public law in matters related to its management control, budget and information, among others. In accordance with Article 19/21 of the Political Constitution of the Republic of Chile, business activities developed by ENAP are subject to common legislation applicable to privates, without prejudice of the justified exceptions established by law.

The organic standards applicable to ENAP are contained by Law 9,618, whose consolidated, coordinated, and systematized text was set by the Decree with Force of Law (DFL) 1 of the Ministry of Mining, published in the Official Gazette on 24 April 1987. This text has been modified by Law 18,888 (6 January 1990), by Law 19.031 (19 January 1991) and by Law 19.657 (7 January 2000).

ENAP has been registered in the Securities Registry of the Financial Market Commission since 4 October 2002. Therefore, it is subjected to its control and supervision, according to Stock Market regulations of Law 18,045 in the DL 3,538 that created the Superintendency and Law 21,000 that created the Financial Market Commission. Additionally, it is a local market bond issuer.

Through Law 20,897, ENAP expanded its business line which allowed its entry into the electricity generation market in 2016. On 7 August 2017, Law 21,025 was published, which established a new Corporate Governance for ENAP.

Finally, it should be noted that ENAP has direct and indirect participation in 24 companies, 14 of which have an associate company character (direct or indirect participation below 50%).

VALUES

Respect

We value diversity and accept differences among people. We promote communication with our employees and other stakeholders, within a tolerance framework.

Responsibility

We work rigorously as a quality team taking over the consequences of our work, and seeking sustainability in every challenge we take on, whether on an internal or external basis.

Honesty

We express ourselves with the truth in order to be consistent about what we say and what we do, which allows us to build trusting relationships inside our work teams.

Excellence

We seek to add value to the company, society and environment, through continuous improvement and innovation in each of our actions.

Transparency

We promote organizational practices that allow the delivery of information and a truthful communication with our stakeholders.

Loyalty

We act consistently, mobilized by the commitment to our organization's purposes and the meaning of our work.

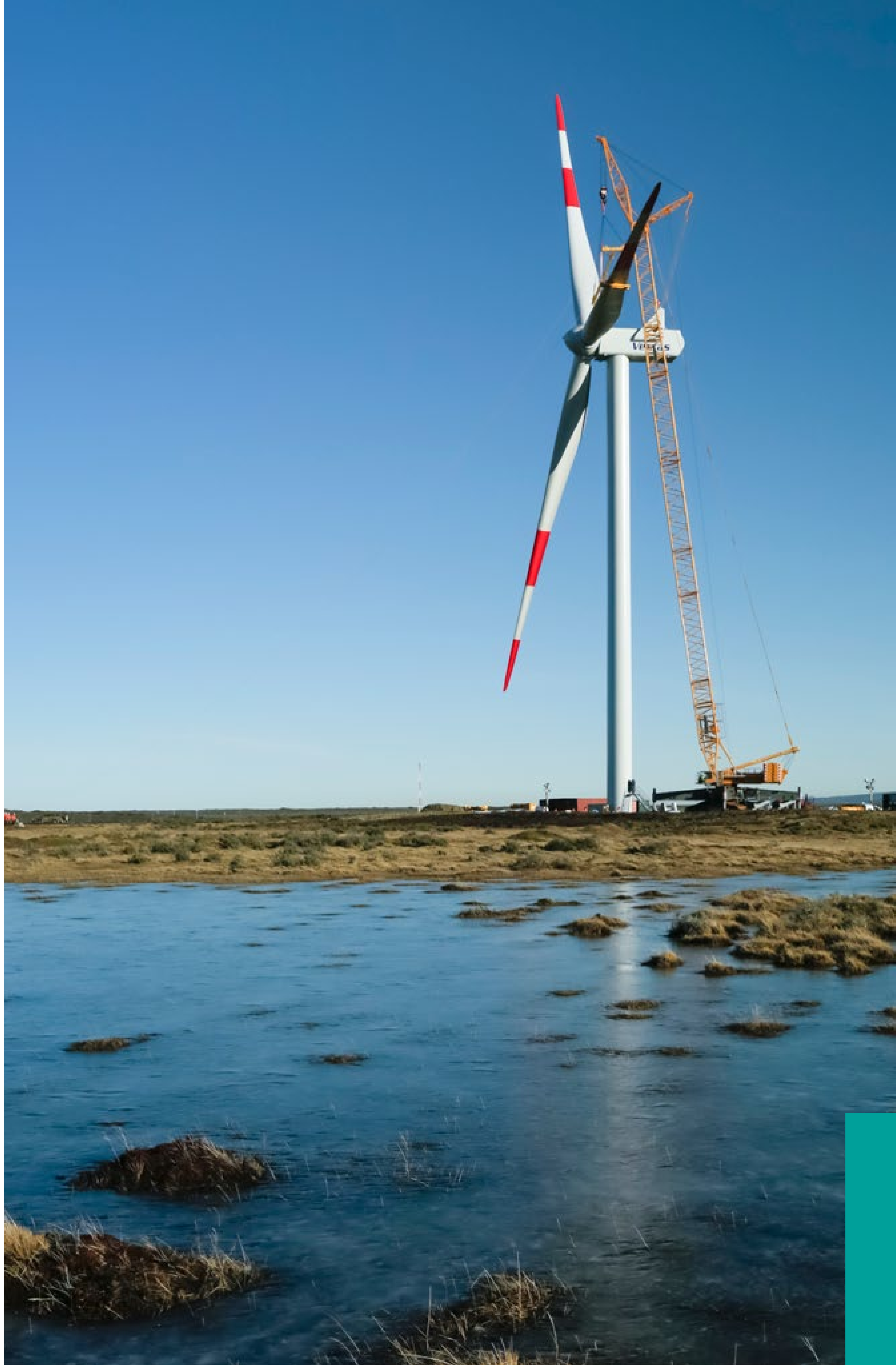
SUBSIDIARIES, ASSOCIATES AND LINE OF BUSINESS

ENAP's subsidiaries are: ENAP Sipetrol S.A., ENAP Refinerías S.A., ENAP Sipetrol Argentina S.A., Sipetrol International S.A. in Uruguay, and the Sipetrol Ecuador and Sipetrol Egypt branches (Sipetrol Internacional S.A. branch) participating in the Petroshad Consortium, in charge of the operation, but with no control over it.

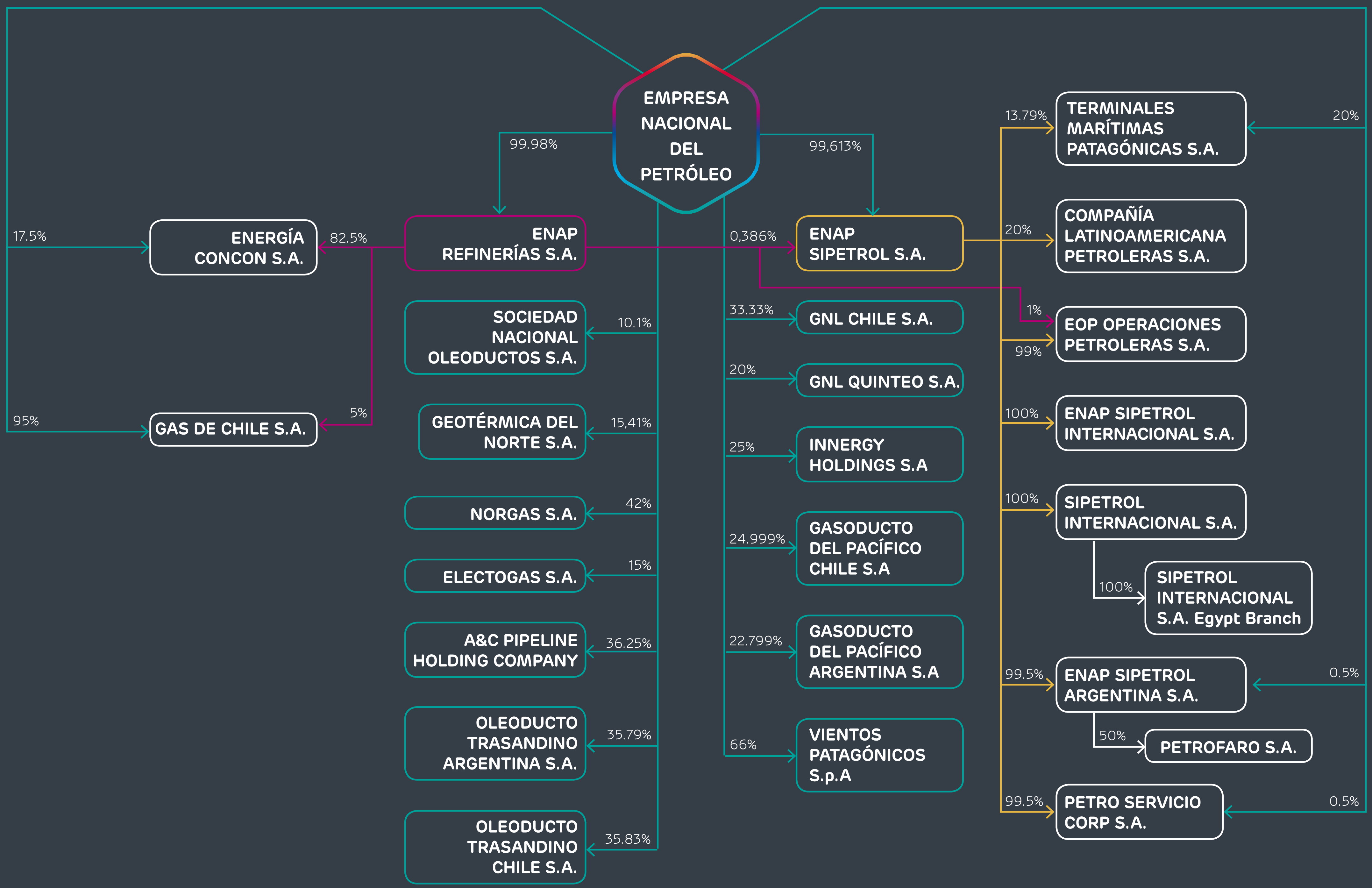
With an autonomous administration, ENAP's operating structure is made up by the following lines of business: Exploration and Production (E&P) and Refining and Commercialization (R&C).

Lines of business and subsidiaries

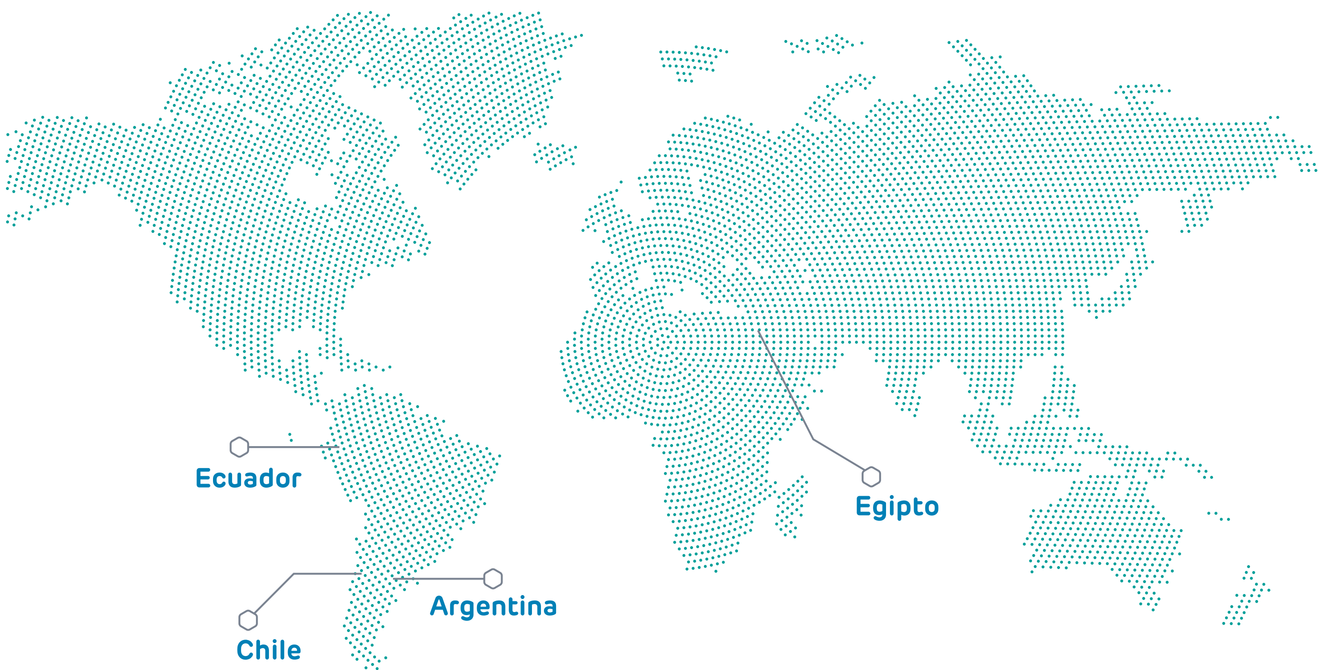
EXPLORATION AND PRODUCTION (E&P)	REFINING AND COMMERCIALIZATION (R&C)
ENAP Sipetrol S.A. Founded on 24/5/1990 Subsidiary 100% (99.6% ENAP and 0.4% ERSA)	**ENAP Refinerías S.A. (ERSA)** Founded on 16/7/1981 Subsidiary 99.98% ENAP
ENAP Sipetrol Argentina S.A. Founded on 17/6/1997 Subsidiary 100% (0.5% ENAP and 99.5% ENAP Sipetrol S.A.)	**Energía Concón S.A.** Founded on 25/11/2002 Subsidiary 100% (10% ENAP and 90% ERSA)
Petro Servicio Corp S.A. Founded on 17/6/1997 Subsidiary 100% (0,5% ENAP and 99.5% ENAP Sipetrol S.A.)	**Gas de Chile S.A.** Founded on 15/3/1994 Subsidiary 100% (95% ENAP and 5% ERSA)
	Vientos Patagónicos S.p.A. Founded on 17/8/2018 66% ENAP and 34% Pecket Energy S.A.



Subsidiaries and associates



Local and international operations



MAIN NATIONAL AND INTERNATIONAL PARTNERS

EXPLORACIÓN Y PRODUCCIÓN (E&P)	REFINACIÓN Y COMERCIALIZACIÓN (R&C)
• YPF (Argentina) • Kuwait Energy Company (Kuwait) • ConocoPhillips and Geopark (USA) • REPSOL (Spain) • Wintershall (Germany) • Methanex (Canada) • OMV (Austria)	• Foster Wheeler (USA) • Ferrostaal (Germany) • Técnicas Reunidas, Naturgy (GN Fenosa) and ENAGAS (Spain) • Gasco, Sigdo Koppers, Compañía Marítima Chilena, Naviera Ultragas Ltda., Copec, Enex, Esmax Distribución SpA, Abastible, Lipigas S.A., Colbún Inversiones Trigas Cuatro, Agesa, ENEL, Enel Green Power (Chile) • REN (Portugal) • YPF (Argentina) • OMERS (Canada)

CHILE

- ENAP Head Office in Santiag.
- ENAP Refinería Aconcagua (ERA) in Concón.
- ENAP Refinería Bío Bío (ERBB) in Hualpén.
- Dirección de Almacenamiento y Oleoducto-DAO (Storage and Pipeline Management) with facilities in Maipú, San Fernando, Linares and Pemuco; pump stations in Chillán and Molina, and Terminal Vinamapu in Easter Island.
- ENAP Magallanes.

ECUADOR

- Sipetrol Casa Matriz in Quito.
- Mauro Dávalos Cordero Block (MDC 46).
- Paraíso Biguno Huachito e Intracampos Block (PBHI 47).
- Block 28.

ARGENTINA

- Sipetrol Head Office in Buenos Aires..
- Sipetrol office in Río Gallegos and Punta Quilla.
- Presence in Cuenca Austral (Santa Cruz province) and Cuenca del Golfo de San Jorge (Chubut province).

EGIPTO

- Sipetrol International S.A., El Cairo branch.
- East Ras Qattara concession.

MEMBRESÍAS Y ADHESIONES

	INITIATIVE/ASSOCIATION	TYPE OF PARTICIPATION
ENAP	Red Pacto Global Chile - ONU.	ENAP holds the Vice Presidency of the Executive Committee of Red Pacto Global Chile. Participation in the "Target Gender Equality" Working Group.
	Oil Companies International Marine Forum (OCIMF).	Subscription to the maritime market information base, positioning, betting, technical and commercial detail of the existing tanker ships across the world.
	ACCIÓN Empresas.Representa al World Business Council for Sustainable Development.	Permanent participation in +Diversidad and +Probidad programs. Workshop, discussion panels and meeting attendance in Work and future, Business and territory, Ethics and government, Human Rights and company thematic lines.
	Fundación Generación Empresarial (FGE).	Technical advice on the implementation of ENAP's Ethics and Compliance program and the participation in the Best Practices course.
	Chile Transparente.	Provides strategic advice to improve reportability standards, to promote a transparency culture in conjunction with their main stakeholders and to train ENAP employees and managers in matters of transparency.
ENAP	Asociación Regional de Empresas del Sector Petróleo, Gas y Biocombustibles en Latinoamérica y el Caribe (ARPEL). *Oil, Gas and Biofuels Companies Regional Association in Latin America and the Caribbean.*	Member of the ARPEL Board of Directors. Participant in the following technical committees: • Environment, Health and Safety Committee (CASYSIA). • Social Responsibility Committee (CRS). • Human Talent and Knowledge Management Committee (CTHGC). • Exploration and Production Committee (CEPA). • Pipeline and Terminals Committee (CODYTE). • Refining Committee (COMREF). • Gas and Energy Committee (CGEA). • Work Group on Climate Change (GTCC). • Communications Group (COMM)
	Comité Oceanográfico Nacional (CONA) – *National Oceanographic Committee.*	Full member of CONA, member of the following work groups: • Aquatic biodiversity. • Pollution of the aquatic environment. • Harmful algae blooms • Ocean - atmosphere dynamics. • El Niño and climate variability. • Remote sensing and GIS.
ENAP Aconcagua Refinery	Asociación de Empresas de la Quinta Región (ASIVA) – *Fifth Region Companies Association.* Cámara Regional del Comercio de Valparaíso – *Regional Chamber of Commerce in Valparaíso.*	ASIVA partner, member of the following work groups: •Bahía Quintero and Puchuncaví Territorial Committee. • Concón Industrial District Territorial Committee. • Social Responsibility Committee. • Environmental Commission. • Energy Commission. • Labor and Human Capital Commission. Permanent member of Roundtable Shared Value.
	Cámara Regional del Comercio de Valparaíso (CRCP) - *Regional Chamber of Commerce in Valparaíso.*	Permanent member of Roundtable Shared Value.

	INITIATIVE/ASSOCIATION	TYPE OF PARTICIPATION
ENAP Bío Bío Refinery	CIDERE Bío Bío, RSE Group.	Member of CIDERE Bío Bío Board of Directors .
	Comité Regional Sur de la Asociación Gremial de Industriales Químicos de Chile (ASIQUIM A.G.) – *South Regional Committee of Industrial Chemists Trade Association.*	Member.
	Cámara de la Producción y Comercio de Concepción (CPCC) – *Chamber of Production and Trade in Concepción.*	Member.
	Instituto Regional de Administración de Empresas (IRADE) – *Regional Institute of Business Administration.*	• Member of the Board of directors. • Monthly participation in the Communications, CSR and People Committees. • Participation in the Regional Business Meeting, EREDE 2020.
ENAP Magallanes	INACAP.	Member of the Advisory Council.
	Universidad de Magallanes (UMAG).	Member of the Board of Directors.
	CORFO.	Member of the Integrated Territorial Program Technical Committee (PTI) "Competitive improvement of wool and sheep meat value chain in the Region of Magallanes and Chilean Antarctica "
	Fiscalía Regional de Magallanes – *Regional Prosecutors in Magallanes.*	Member of the Regional Board for the Prevention and Persecution of Cattle Crime.
SIPETROL Argentina	Cámara de Exploración y Producción de Hidrocarburos (CEPH-Argentina) – *Chamber of Hidrocarbons Exploration and Production.*	Permanent participation in chamber meetings, where technical issues that involve all companies in the hydrocarbons sector are addressed.
	Cámara de Comercio Argentino-Chilena (CCACH) – *Chile ans Argentina Chamber of Commerce.*	Institutional presence in the Chamber's activities.
	Instituto para el Desarrollo Empresarial de la Argentina (IDEA) – *Institute for the Business Development of Argentina.*	Permanent participation in IDEA's area events and meetings.
	Instituto Argentino del Petróleo y el Gas (IAPG) – *Argentine Oil and Gas Institute.*	• Member of the Board of Directors. • Permanent participation in different interdisciplinary committees. • National Committees, among others.
	Society of Petroleum Engineers - Argentina.	Member .
	Club de Petróleo – *Oil Club.*	Institutional presence and fortnightly meeting participation in the club which constitute a relationship and follow-up space of relevant topics for the industry.
Sipetrol Ecuador	Cámara de Comercio Ecuatoriano-Chilena – *Ecuadorian-Chilean Chamber of Commerce.*	Member.
	Cámara de Industrias y Producción Ecuatoriana – *Ecuador Chamber of Commerce and Industry.*	Member.

2

Corporate Management

Corporate Management

BOARD OF DIRECTORS

By virtue of article 3 in Law 9,618, ENAP's Organic Law statutes (especially article 21) confer the Board of Directors the highest governing power in the company, as stated in the Public Corporation Law and other legal bodies.

It is constituted by 7 members, two of them —a woman and a man in a mandatory basis— appointed directly by the President of the Republic of Chile; four of them should be postulated by the Senior Public Management System and one by all the company's workers. The configuration seeks to comply with international standards on best labor practices in the corporate management, while promoting the integration of different visions within the organization.

The board of directors meets at least once a month; however, a possible extraordinary session on explicit agreement may happen. Sessions will be held only in the presence of at least four of the directors, as required. An absolute majority of those present in the room will be needed for agreement.

Fernando Rodolfo
Massú Taré

President
Appointed by the President of the Republic
Business Engineer
ID Number: 6.783.826-2

María Consuelo
Raby Guarda

Director
Appointed by the President of the Republic
Lawyer
ID Number: 11.703.205-1

Rodrigo Cristóbal
Azócar Hidalgo

Director
Selected by Senior Public Management System (ADP)
Industrial Civil Engineer
ID Number: 6.444.699-1

Ana Beatriz
Holuigue Barros

Director
Selected by Senior Public Management System (ADP)
Economist
ID Number: 5.717.729-2

José Luis
Mardones Santander

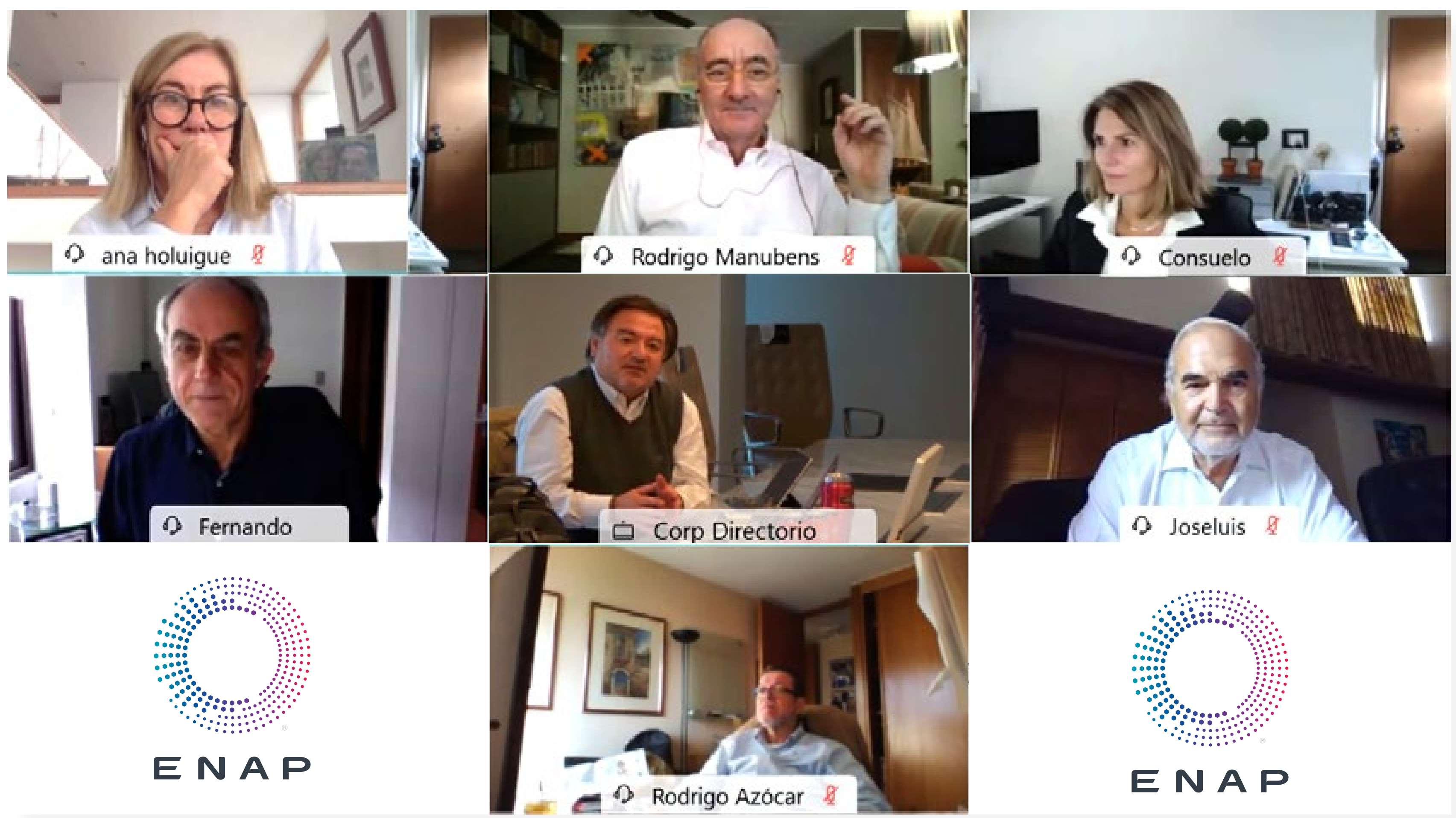
Director
Selected by Senior Public Management System (ADP)
Industrial Civil Engineer
ID Number: 5.201.915-K

Marcos Mauricio
Varas Alvarado

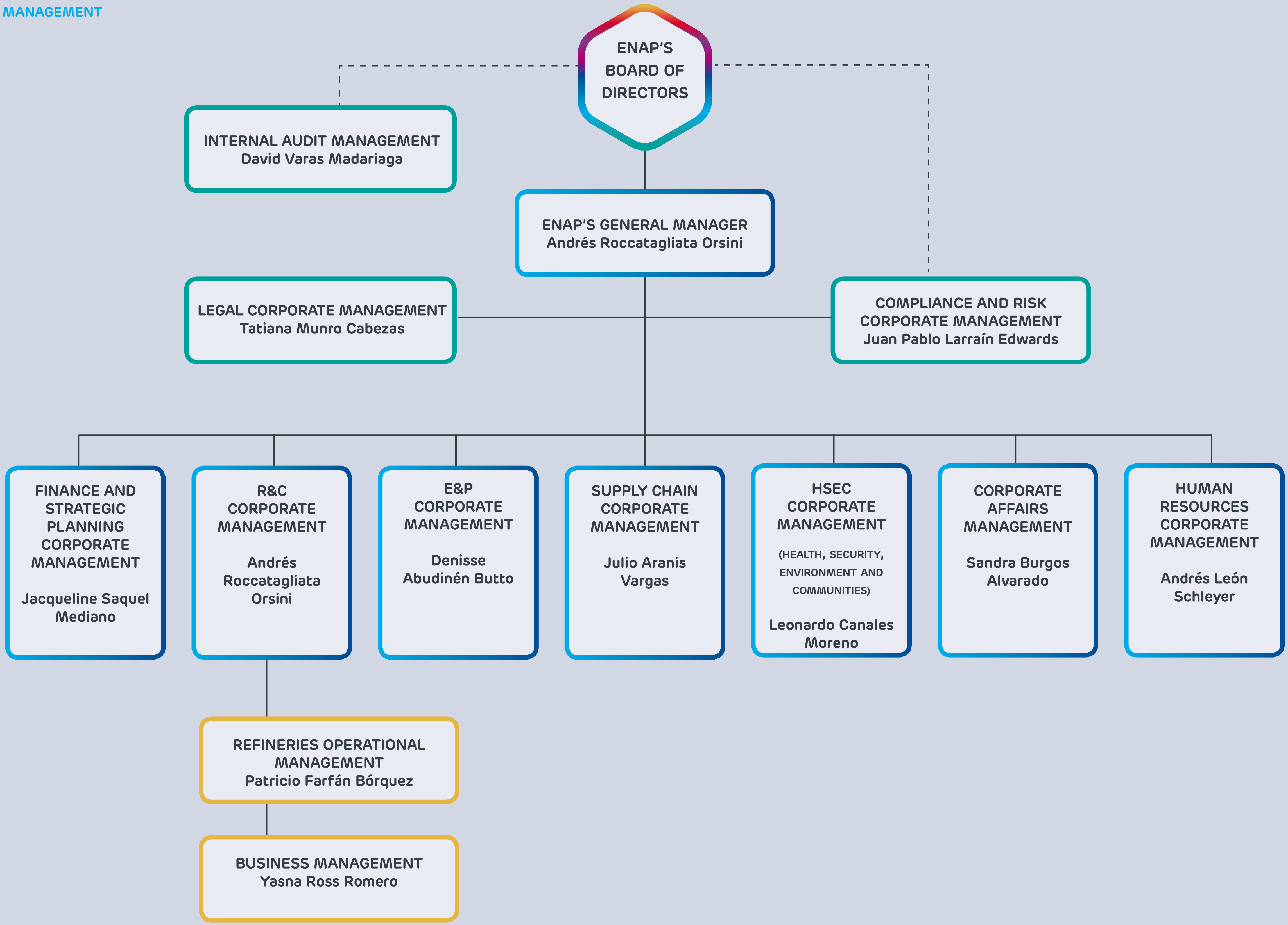
Director
Worker's representative
Technical Operator
ID Number: 10.409.044-3

Rodrigo Manubens
Moltedo

Director
Selected by Senior Public Management System (ADP)
Business Engineer
ID Number: 6.575.050-3



SENIOR MANAGEMENT



DIRECTORS, MANAGEMENT AND SPECIAL COMMITTEES FOR 2020

In accordance with ENAP's Organic Law in Article 8 and its statutes, the Board of Directors must constitute a Directors Committee. It is also empowered, in the fulfillment of its legal and statutory functions, to create other committees to advise the board. Committees meet at least once a month, before the Board of Directors' ordinary session. These sessions may be ordinary or extraordinary, face-to-face or virtual meetings. Its only requirement is a 2-director quorum.

Directors committees

COMMITTEE	DIRECTORS	TOPICS
Directors	José Luis Mardones (P) Ana Holuigue Rodrigo Azócar	Reports from external auditors, financial statements, balance sheets, remuneration systems, compensation plans, annual management report, conflicts of interest, verify legal and compliance work, annual report, among others.
Auditing	José Luis Mardones (P) Rodrigo Manubens María Consuelo Raby	Promote a strong internal control environment and a comprehensive management risk system; verify Auditing Management's work , supervise internal control and administrative-accounting system, financial-accounting policies, audit reports, comprehensive risk prevention management good practices, among others.
Corporate Management and Human Resources	Ana Holuigue (P) Fernando Massú Marcos Varas	Corporate management proper functioning, hiring policies for suppliers, anti-corruption policies and practices, consistency of policies, procedures, protocols, guidelines, unfettered competition policy, Community Relations Policy and its initiatives, labor relations and career plan, main labor contingencies, permanently verify the Corporate Affairs Management's work, Institutional Relations and Communities Management and Human Resources Management, among others.
Sustainability	José Luis Mardones (P) Rodrigo Azócar Marcos Varas	Control and reporting systems in matters of occupational safety, hygiene and environment, comprehensive management of risks, plans and activities in matters of occupational safety, plans and activities in matters environmental issues in conjunction with the Corporate Affairs Management, reviews carried out by external regulatory entities on matters of occupational safety, hygiene and environment, regulatory compliance in these issues, Occupational Health and Safety Management's work and Environment Management, among others.
Contracts, Projects and Financial Risk	Rodrigo Azócar (P) Fernando Massú Rodrigo Manubens	Meet and approve operations for amounts equal to or greater than USD 5 million and not exceeding USD 20 million, recommend the Board of Directors its proposal regarding contracts, projects and financial risks that exceed USD 20 million; general criteria guidelines applicable to operations, actions and contracts, the company's general terms of tenders, recommend financing contracts and proposals for investment and new businesses, investment plans, among others.
Risk	Fernando Massú (P) Rodrigo Manubens María Consuelo Raby	Identify, classify and report the company's different risks, review standards, matrix and risk appetite, gaps, plans and projects for risk mitigation, external studies on risks and supervising ENAP's Risk Management monthly management report.

Management Committees

COMMITTEE	MANAGEMENT	TOPICS
Credit	Finance Management	Single instance of approval and review of the sales terms and conditions, definition of the conditions for granting credit for local and international clients. Where the solvency of clients is evaluated and the collection and arrearage indicators are reviewed, in which all requests for registration are also evaluated in the Client Registry. It meets monthly. Extraordinary sessions may also be held if necessary, to speed up the required approvals.
Finance	Finance Management	The Finance Committee refers to the internal coordination entity in which the liquidity and cash flow situation is revised, the status of the hedging derivatives of crude oil and exchange rate, ENAP and its subsidiaries' short and long financing strategies are reviewed, among other issues, as well as the internal policy implementation on financial matters and the board's operational and regulatory control and financial approvals.
Ethics	Compliance Corporate Management and Risks	In charge of meeting, reviewing, authorizing or rejecting any relationship (worker, client, supplier, partner, investor, etc.) that ENAP or its subsidiaries may generate or maintain with those people who hold PEP, PEP-REL, EAP quality, negative news, these last two in the corresponding cases.

Special committees created by the administration as a response to the health crisis

COMMITTEE	TASK
ENAP Saludable – *Healthy ENAP*	It establishes protocols and instructions in order to avoid COVID-19 infections and ensure operations.
Action and Financial Alert	This committee is in charge of ensuring sufficient cash liquidity and reaching the set savings goal, managing prioritization and investment optimization and commitments voluntarily assumed, both by workers and company executives.
Reinvention	*Ad hoc* committee created to evaluate ENAP's opportunities in a post-pandemic scenario, in which there is a need to move forward with more modern, innovative, clean and resilient bets.

BOARD OF DIRECTORS AND SENIOR MANAGERS REMUNERATION

In accordance with article 3 in ENAP's Law, which was modified in 2017 by Law 21,025 on New Corporate Management, directors will be entitled to receive wages established by the Ministry of Finance. During 2019, the Commission in charge of reviewing remunerations recommended the Minister of Finance to maintain the remuneration scheme established in the fourth transitory article in Law 21.025, which states:

A A monthly gross income equivalent to 26 UTM, for participation in the board meetings. The president of the Board of Directors perceives a unique monthly gross compensation not compatible with the prior, which is equivalent to 52 UTM.

B Directors who are part of a Directors Committee receive an additional monthly gross income equivalent to 8 UTM.

C The president of the Directors Committee receives a monthly gross remuneration equivalent to 16 UTM, as established in article 50 bis in Law 18,046, which is incompatible with its other members.

This regime remains currently in force. On the other hand, regarding ENAP's main executives, the sum of their salaries reached a total value of $ 2,125 million pesos in the period January-December 2020.

Profession and entry dates of ENAP's main executives

ID NUMBER	NAME	PROFESSION	ENTRY DATE
8.521.864-9	ANDRÉS ROCCATAGLIATA ORSINI	BUSINESS ENGINEER	06.08.2018
8.820.053-5	JACQUELINE SAQUEL MEDIANO	BUSINESS ENGINEER	01.10.2018
14.168.642-9	DENISSE ABUDINÉN BUTTO	INDUSTRIAL CIVIL ENGINEER	01.10.2018
9.969.428-9	JULIO ARANIS VARGAS	MINING CIVIL ENGINEER	01.10.2018
8.288.863-2	YASNA ROSS ROMERO	INDUSTRIAL CIVIL ENGINEER	01.06.2018
8.190.120-1	ANDRÉS LEÓN SCHLEYER	LAWYER	01.10.2018
10.354.521-8	TATIANA MUNRO CABEZAS	LAWYER	01.10.2018
6.999.085-1	JUAN PABLO LARRAÍN EDWARDS	LAWYER	16.10.2018
11.476.504-K	LEONARDO CANALES MORENO	MINING ENGINEER	02.11.2016
11.595.320-6	SANDRA BURGOS ALVARADO	JOURNALIST	01.03.2020
12449447-8	PATRICIO GABRIEL FARFÁN BORQUEZ	CHEMICAL CIVIL ENGINEER	01.02.2018

TRANSPARENCY, WORK ETHIC AND COMPLIANCE

WHY IS IT A MATERIAL ISSUE?

It is essential to promote ethics-based control, transparency and regulatory compliance as a public company that performs a strategic role in our country, as an essential part of the value chains in any type of industry. Therefore, we are committed to a work culture development, based on integral performance values, promoted in our teams by exalting respect, honesty, excellence and loyalty, among others.

HOW TO MANAGE IT?

Through duly systematized procedures and protocols in the available documents for our employees and main stakeholders. These are subjected to constant updates, the most recent being on March 2020. The referenced documents are:

- Code of ethics.
- Crime Prevention Policy.
- Crime Prevention Model.
- Conflict of Interest Policy.
- Interaction with Public Officials and / or Authorities Procedure.
- Gifts, Invitations and Benefits Policy.

We run an annually implemented training program that seeks to promote a work culture, based on transparency and ethics. We carried out a 66-hour training during 2020, reaching more than 1,000 people, which included the union representatives.

TEAM IN CHARGE

The Ethics Committee, made up by the Compliance Manager (who presides), the Corporate Legal Manager, the Corporate Human Resources Manager, and the Business Lines or Transversal Manager(s) belonging to the areas affected by complaints.

A Consultation and Complaints Line can be accessed through our website.

38 complaints were registered in 2020. All of them have been addressed by our compliance team, following the established procedures for its investigation and consequent resolution.

The main Compliance Management action points were focused on conflicts of interest and the crime prevention model during 2020.

CONFLICTS OF INTEREST

The prevention approach seeks to avoid the occurrence of any situations in which a worker in ENAP may participate, decide or influence company matters where they might have compromised a personal interest, due to their responsibility, functions or position.

The following obligations are applicable to all personnel who may get into a situation of real, potential and/or apparent conflict of interest:

1. Refrain from participating in any decision, operation, management, action, contract and/or negotiation related to personal interest or related third parties.
2. Declare or update real, potential or apparent conflict of interest on the platform established for this purpose within 10 days at the latest, after becoming aware of any conflict-of-interest situation.
3. Annually update statements until the actual, potential or apparent conflict of interest situation is no longer present.
4. If there is any doubt, check with direct management or with the Compliance Management.

The Declaration of Interests reports: (i) people related by kinship up to a third degree of consanguinity and affinity, their spouse, civil mate, or partner; (ii) the partnership detail on ownership or management participation (as administrator, director, legal representative, etc.); and (iii) activities or positions carried out aside from ENAP.

The process took place between August and October 2020, involving 966 workers at ENAP. Finally, 10 sessions of the PEP Committee (Politically Exposed Persons) were held during the year, with a special emphasis on suppliers related issues and personnel and communities hiring.

CRIME PREVENTION MODEL

The new crimes associated risks included in Law 20,393 were surveyed during 2020. Action plans were implemented as gaps for certain activities, during the second semester. It should be fulfilled by March 2021.

We also executed all the necessary measures during 2020 for our Crime Prevention Model to be re-certified for a two-year period by January 2021.

3

Operation

ENERGY INDUSTRY SCENARIO

The Covid-19 health crisis as well as the confinement measures implemented to curb infections, resulted in an unprecedented crisis for the energy industry and we are part of it.

The 'Oil & Gas' industry recorded a significant loss during 2020, as oil consumption decreased by nearly 40%. Refineries were operating in a zero or negative margin; therefore, cutbacks were necessary, as well as suspending or paralyzing activities in countries like Italy, Portugal, India, Japan, South Korea, Thailand, Argentina, Ecuador and the Caribbean region.

Between March and April, there was a reduction of 35% in fuel consumption in Chile, which was accentuated as lockdown measures increased. Only towards the end of the year, it was possible to observe positive results.

OPERATIONAL CONTINUITY

WHY IS IT A MATERIAL ISSUE?	2020 was a particularly difficult year for our industry, since the pandemic caused by Covid 19 turned into a crisis in which the demand for oil decreased, causing an oversupply and the consequent price collapse. This scenario has emphasized the importance of guaranteeing our operational continuity, in terms of our employees and contractors' health and safety and economic-financial sustainability. Along with this, it has reinforced the need for excellence in operations that have been able to adapt to environmental demands, in order to nimbly respond to our commitments with our stakeholders.
HOW TO MANAGE IT?	Given the severity of the scenario that we face, we created a Crisis Committee to ensure the compliance of the strategy designed to face the requirements imposed by the health crisis and our industry. It was created based on three objectives: (1) to protect our own workers and contractors' health and safety, (2) maintain the country's fuel supply, and (3) minimize financial loss. Since its creation, the committee had weekly meetings for the first six months.
TEAM IN CHARGE	All corporate management units and those participating in the Crisis Committee. The committee focused in three work objectives during 2020 : a) direct staff and contractor's safety; b) ensure the fuel supply for the country; c) minimize financial loss..

Strategy facing the sanitary crisis in the industry during 2020

Action areas

1
Safeguarding our own workers and contractors' health and safety

- We created the Healthy ENAP Committee, as part of the Crisis Committee, for the protocol and health crisis updating and implementation in all business units.
- Over 60 sanitary control measures were reinforced, including preventive vaccination against influenza, temperature controls and sanitation, pre-infection outbreak drills, personnel training, safe return to operations plans and COVID-19 antigen test in the Magallanes Region.
- Daily monitoring of people exposed to infection, by the implementation of more demanding measures than those established by the Health Authorities.
- We define critical positions and functions, segregating teams and adjusting our shift systems, providing transportation and even enabling accommodation services within our plants.
- A third of our workers adopted the teleworking modality, which was formalized through contract annexes. It was a compulsory measure for our senior employees and for those with risk factors.

2
Maintain the country's necessary fuel supply

- We reinforce operations and inventories to avoid fuel requirements that depend on third parties. We carry out this work in close coordination with the Ministry of Energy and vendor companies, reviewing stock levels and efficient distribution.
- Regarding gas, we signed an agreement to daily acquire 4MMm3 from Argentina, just in case we needed to paralyze extraction in Magallanes.
- The refining program was adjusted according to new demand levels, with measures such as anticipating the Bío Bío refinery's maintenance when there was a lower demand, which also allowed us to reduce our maintenance costs and optimize our functioning.

Action areas

3
Reduce financial loss

- We created the Financial Action and Alert Committee to face projected pre-tax loss of US$500 million in March 2020.

- This committee main challenges were ensuring liquidity by reducing investment and an adjustment in fixed expenses. There was a decrease of more than US$300 million on expenditure.

- Our investment was reduced in almost 50%, which was equivalent to US$240 million. We also actively managed our accounts receivable, along with structuring our long-term debt profile. In addition, we implemented a series of cost reduction measures which allowed us to reach our savings goal.

Among the implemented savings measures, we can stand out fixed expenses adjustments and contract renegotiation that included the temporary reduction of bonuses and allowances settled on collective agreements with workers affiliated in trade unions in Magallanes, Aconcagua, Santiago, Sipetrol and DAO, as well as the professional unions in Aconcagua, Bío Bío and ENAP Refineries' Shift Union. Likewise, 99% of our executives waived their variable incomes. We would like to thank everyone who understood the urgency of the moment we were living. Thank you very much for your commitment and loyalty to ENAP.

CREATION OF VALUE AND FINANCIAL SUSTAINABILITY

WHY IS IT A MATERIAL ISSUE?

It is essential for our administration to promote responsible tax revenue management as a public company that operates the country's strategic resources. The importance of creating value in a company such as ENAP not only responds to efficient management, but it also addresses its commitment to contribute to development of Chile. All efforts must be sustained over time, being a reflection of a competitive company in tune with its main stakeholders.

HOW TO MANAGE IT?

A 2020-2023 business plan, that presents the objectives and performance that we hope to achieve in the short and medium term, was approved by plan our strategic managements and Board of Directors. The Covid-19 health crisis altered this schedule which meant a management rearrangement of the procedures originally established for 2020.

TEAM IN CHARGE

The Board of Directors leads these matters, along with our General Manager and each of the management teams that report to him.

We wanted to sustain management results promoted during 2019 which represented a turning point regarding ENAP's economic performance and its ability to create value for its main stakeholders. However, there was an obligation to respond to the global contingency, so we had to reconfigure our management in order to minimize loss. We ended 2020 with a US$90 million negative result (after tax).

2018-2020 FINANCIAL ITEMS

	2018 (MUS$)	2019 (MUS$)	2020 (MUS$)
Ordinary income	8,304,856	7,628,473	4,891,425
EBITDA	526,376	655,932	413,636
Gross margin	340,840	459,675	242,039
Utility / Loss	-230,978	-19,293	-90,106
Assets	7,238,040	6,487,725	6,315,775
Liabilities	6,207,226	5,471,416	5,388,455
Heritage	1,030,814	1,016,309	927,320

VALOR ECONÓMICO DISTRIBUIDO 2018-2020

	2018 (MUS$)	2019 (MUS$)	2020 (MUS$)
Total revenue	8,374,466	7,675,115	4,942,633
Operating cost	7,520,151	6,708,005	4,273,128
Staff costs	413,312	323,620	258,473
Finance expenses	243,476	245,227	230,896
Taxes	41,919	47,222	36,717
Environment	36,440	13,154	8,708
Other owners' profit	-33	-191	-120
Retained economic value	118,931	338,078	134,831

This result did not affect our risk rating in the Japan Credit Rating Agency nor in the national Feller rate and Fitch rating versions. However, they turned out into negative variations in Moody's, S&P and Fitch ratings.

Risk Classification

RISK CLASSIFICATION AGENCY	2019	2020
Feller Rate (National)	AAA (Stable)	AAA (Stable)
Fitch Ratings (National)	AAA (Stable)	AAA (Stable)
Moodys	Baa3 (Stable)	Baa3 (Negative)
S&P	BBB- (Stable)	BBB- (Negative)
Fitch Ratings	A (Stable)	A- (Stable)
Japan credit Rating Agency	A+ (Stable)	A+ (Stable)

During in 2020, we paid US $2,730,000 —less than the US $4,109,000 registered in 2019— regarding the resources transferred to the State in terms of monthly tax on gas and/or oil producer deposit exploitation anywhere in national territory.

RISK PREVENTION AND INCIDENT PREVENTION

WHY IS IT A MATERIAL ISSUE?	Our activities carry significant risks for our environment and stakeholders; hence, it is essential to rely upon a model that will allow us to manage and control them. Thus, we seek to anticipate and prevent irreversible alterations in our ecosystem and affect the life of who are directly and indirectly involved in our operations.
HOW TO MANAGE IT?	Since 2016, we have been working upon a risk management model based on standards and international recommendations (ISO 31,000 and COSO) in order to classify and define impact areas. In this way, we can measure its consequences to position them in our single matrix; that is, it applies to all of our operations, business units and subsidiaries. Risks are an integral part of any manager's liability—whatever process they are in charge of—, as they are managed directly in the line and business of the involved unit, with exceptions that are addressed at the corporate level to ensure optimal solutions, as stated in our management model.
TEAM IN CHARGE	Looking for adequate risk governance and visibility at the Board of Directors level, we activated a Risk Committee which met monthly during 2020. This Committee was made up by three regular Directors, the Compliance Manager and the Risk Manager, together with Business Line managers or Corporate Managers, depending on specific invitations.

RISK MANAGEMENT DURING 2020

We set out to review and update our risk management model standards and appetite during 2020. Thus, we adjusted the evaluation process, incorporating new levels of tolerance in the economic impact area, reputation, license to operate and operational continuity. Along with it, we added an information security section and reclassified the internal fraud control category.

In addition, we updated our probability of occurrence scale, from an asymmetric 4x6 matrix to a 6x6 symmetric one, which allows us to specify and increase very exceptional transactional risk exposure levels. In terms of risk appetite, the Board of Directors established a moderate/conservative level, through the application of a survey.

RISK CATEGORIES

- STRATEGIC
- FINANCIAL/MARKET
- OPERATIONAL
- ORGANIZATION
- POLITICAL/SOCIAL
- PROJECTS
- INTERNAL CONTROL

Risk of physical security in facilities and availability of information (cybersecurity)

The information security measures allowed us to keep the exposure to this risk under control. These were implemented by the Information and Technology Management, both in a technological and dissemination manner and the training of all our employees, in conjunction with the barriers designed by the Asset Security Management and coordination efforts with national, regional and communal authorities, plus a close relationship built with public institutions in each of the areas where we operate..

Liquidity, solvency and debt risks

The 2020 economic crisis directly affected our income. Seeking to minimize the impact, a savings and austerity plan was implemented which allowed us to ensure liquidity and solvency without affecting indebtedness. The details of this measure were specified on this chapter's beginning section.

Risks associated with climate change and a transition to low-carbon economy

In order to anticipate the associated risks with these matters, we have developed 6 strategic initiatives:

- Wet Gas Scrubber Project in Aconcagua Refinery
- Wind Farm Vientos Patogónicos (Magallanes) commissioning
- IMO 2020 marine fuels development and commercialization
- Petcoke Petropower's Project Conversion to natural gas in the generation central
- ENAP participation in the HIF green hydrogen project in Magallanes

Water supply

This year groundwater layers levels in the Aconcagua river basin decreased, although its hardness (mineral salts) increased, which affected operations at the Aconcagua Refinery. There was a registered supply gap in September, which made Hydrocraking unit (HCK) to stop momentarily in order to recover the stored treated water levels. Along with the production decrease, it was also necessary to adopt immediate mitigation:

- Hiring cistern trucks for fresh water replacement
- Contracting a reverse osmosis plant to reinforce and complement the work of the refinery's demineralization plants
- The re-planning maintenance stop of Topping 2 and HCK Plant equipment

Rainfall regime variation

Extreme precipitation is one of risks to arise with climate change: unusual volumes of water in short periods or in mountain range areas and heights. For the same reason, our pipeline is permanently under an inspection and surveillance program—both terrestrial and airborne—which was 100% fulfilled during the year, despite mobility restrictions enforced due to the pandemic.

Sea level rise and swells

We have arranged a monitoring and follow-up system that will allow us to foresee the closing of ports and generate ground safety inventories for crude oil, liquid fuels and gas, as an important risk factor for our refining and marketing operations.

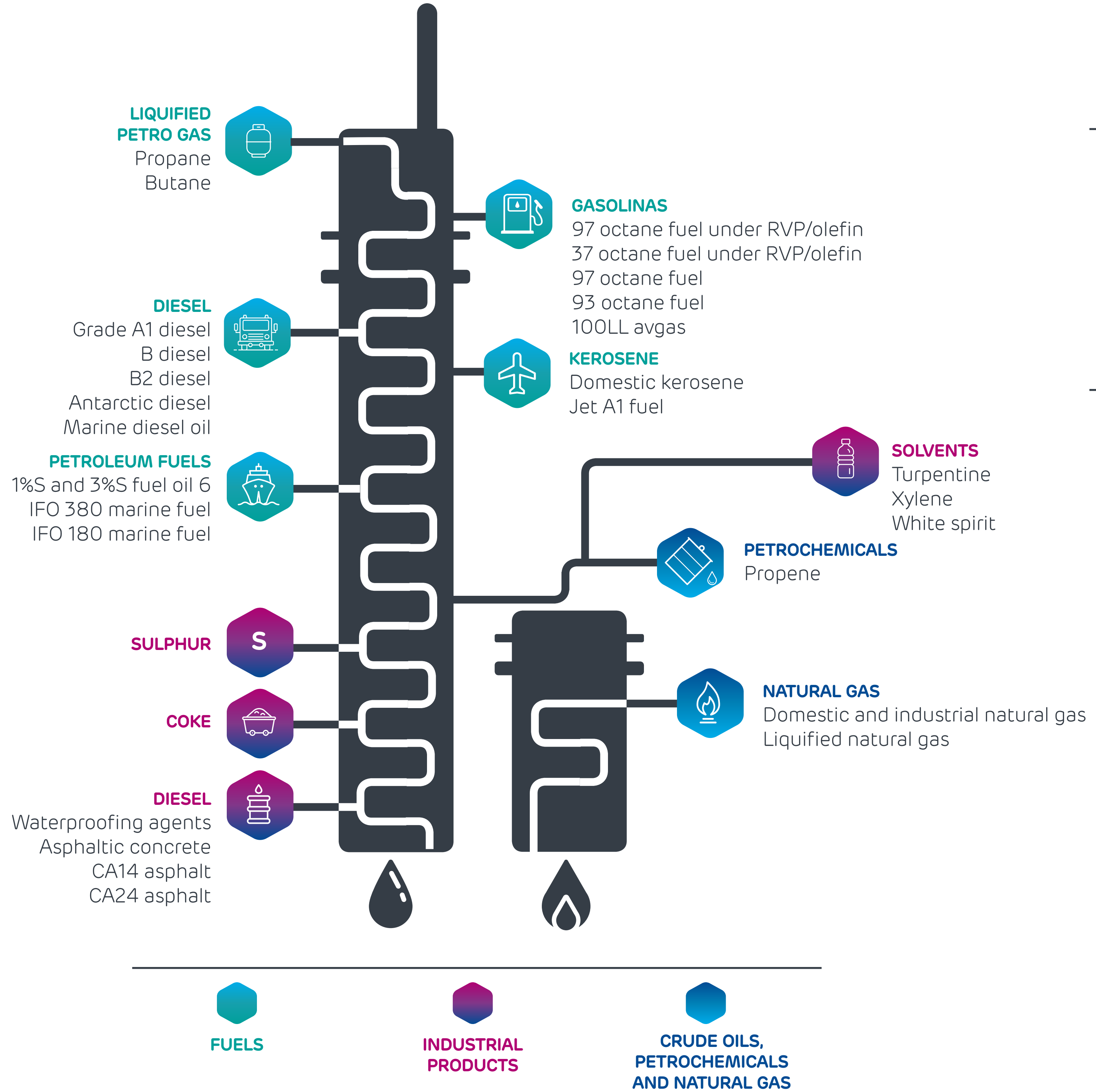
2020 Terminal availability

	QUINTERO	SAN VICENTE	TALCAHUANO
Closed days	123.4	113.9	73.1
Terminal unavailability	34%	31%	20%

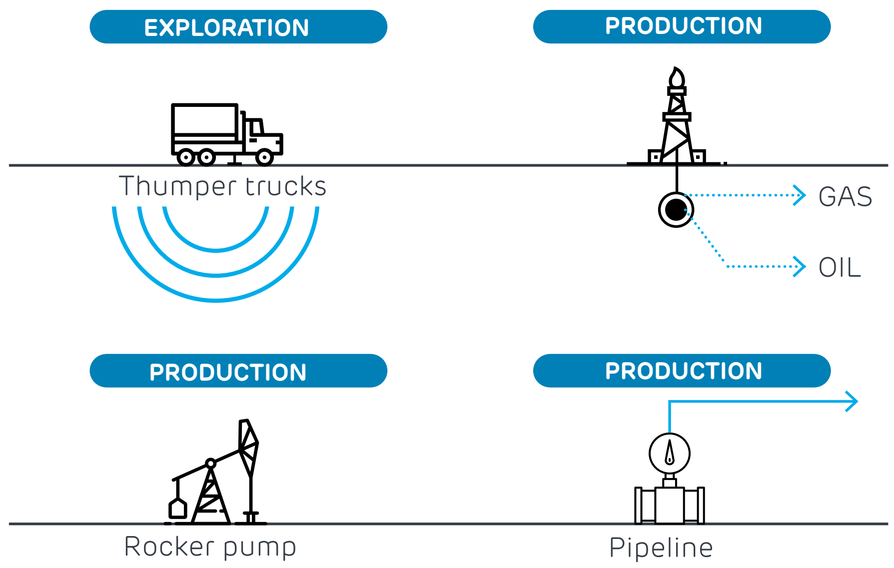
Trombas marinas y tornados

Según los registros de nuestros Jefes de Turnos de las Refinerías y Terminales Marítimos en Aconcagua y Bío Bío, no tuvimos exposición a este tipo de eventos durante el 2020.

ENAP PRODUCTS



EXPLORATION & PRODUCTION (E&P)



Our Exploration and Production line specializes in exploratory, development and hydrocarbon exploitation (petroleum and natural gas) procedures. These activities are carried out in Chile and abroad. In this last case, through our international subsidiary ENAP Sipetrol S.A.

During 2020 and due to the pandemic, different measures were taken to improve ENAP's financial capacity and exploration and production lines. This resulted in a decline in the budgeted drilling program plan in Ecuador and Egypt, which explains a decrease in the year's production.

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REGIÓN DE MAGALLANES

Despite the contingency, we managed to guarantee the region's gas supply and fulfill all deliveries to Methanex company, which supplies methanol to American, European and Asian markets. We also managed to successfully drill wells in the Magallanes region, Cahuil-6 and Cahuil-7, which increased the expected reserve potential, allowing to get a better price. We also drilled the Cahuil-8 well and confirmed its potential for gas reserves. The process finished on January 2021.

Thus, we invested a total of US $92 million, mainly allocated for the drilling of 19 wells in Arenal block, 3 wells in Dorado-Riquelme block and in Coirón block, apart from the remediation of environmental liabilities, and our pits recovery plan. We also invested in a series of resources, such as CA platforms secure closures, the gas measurement quality assurance for Methanex, transport adjustments for Planta Posesión, the purchase of new assets and turbine replacements.

Gregorio Refinery and Multibuoy Terminal

Type: Atmospheric distillation

Posesión Plant

Type: Natural gas processing (Turboexpander)

Vientos Patagónicos Eolic Park

Cabo Negro-Laredo Industrial Park

Type: LPG fractionation, LPG refrigeration Marine Terminal and Fuels Plant, Shipyard and Armorers.

Cullen Plant

Type: Compressor Unit and Dew point adjustment.

Gas Pipeline Network

Polyduct network (LPG)

Since the first oil findings in Springhill, Tierra del Fuego on 29 December 1945, the Magallanes region has played a fundamental role in ENAP's development.

The company built crude oil and materials ports of embarkation, roads, laid pipelines and gas pipelines in the region. They also built Sombrero and Cullen villages in Tierra del Fuego Island, and Posesión and Gregorio, in the mainland.

The first logistics facilities for the transportation, storage and fuels distribution and Gregorio maritime terminal were built just in front of the Strait of Magellan, during the 1960s. The Gregorio Refinery was built in 1980.

Posesión and Cabo Negro are also part of ENAP's production plants in Magallanes. The latter produces 853,000 cubic meters of propane, butane and natural gasoline.

In the 1980s, ENAP put the offshore fields into production and installed dozens of oil platforms in the Strait of Magellan.

ENAP's efforts today are focused on finding new hydrocarbon deposits in Magallanes, mainly in unconventional reservoirs through hydraulic fractioning technique (in Arenal and Dorado Riquelme blocks), adapting the mid-21st century pioneering dream of challenging unconventional energies.

ECUADOR

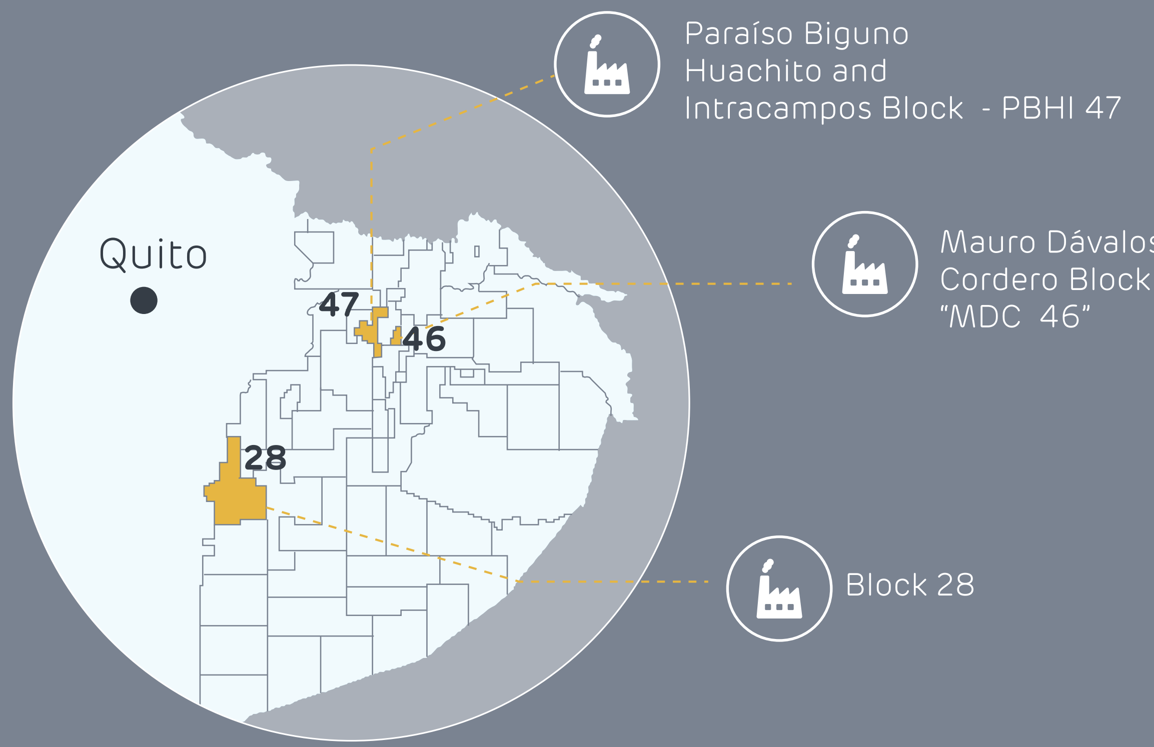
During 2020, we successfully drilled three wells: one at the INCHI field and the other two at the Mauro Dávalos Cordero Block (MDC). These perforations were made before the campaign's interruption, Covid-19 context and the subsequent fall in prices at international level.

A force majeure condition was approved specifically in Block 28—as a consortium made up by EOP Operations Petroleras S.A. (42%), Petroamazonas (51%) and Belorusneft (7%)—, as a mandatory requirement for drilling the well, given the impossibility of obtaining the Environmental License.

There was also a positive milestone during 2020: the signing of the Negotiation Act with the Ministry of Hydrocarbons of Ecuador (SHE), by Modifying Contract 5 in MDC, which allowed eliminating the T3 rate reservations stop, by substantially improving the profitability of the block.

The production of both fields (MDC and PBHI) reached 7.5 million barrels during the year, only 2.2% below the 2019 production, despite the change in context and SOTE event. Thus, the execution of the well intervention program (with pressure reactivation and improvement) and a good productive performance of reservoirs allowed surpassing the pre-tax income result (RAI) by US $ 21 million.

1. At the beginning of April, we reported a pipe cracking in the Trans-Ecuadorian Oil Pipeline System (SOTE), the Sushufindi-Quito Polyduct and Heavy Crude Oil Pipeline (OCP). These cracks occurred due to natural causes and affected the Quijos, Coca and Napo rivers. This had significant consequences for our operations, despite having no responsibility over the pipeline system, in charge of the Hydrocarbons Public Company (EP PetroEcuador) and there was no compromise with our subsidiary. We had a 40 day-stoppage in our operations.



Estimated investment since 2003:
MUS$ 580 (VAT included)

Estimated Total Production:
22.000 bbl/day

PARAÍSO BIGUNO HUACHITO AND INTRACAMPOS BLOCK – PBHI (47)
Production block under a service provision contract signed with the Ecuadorian state.

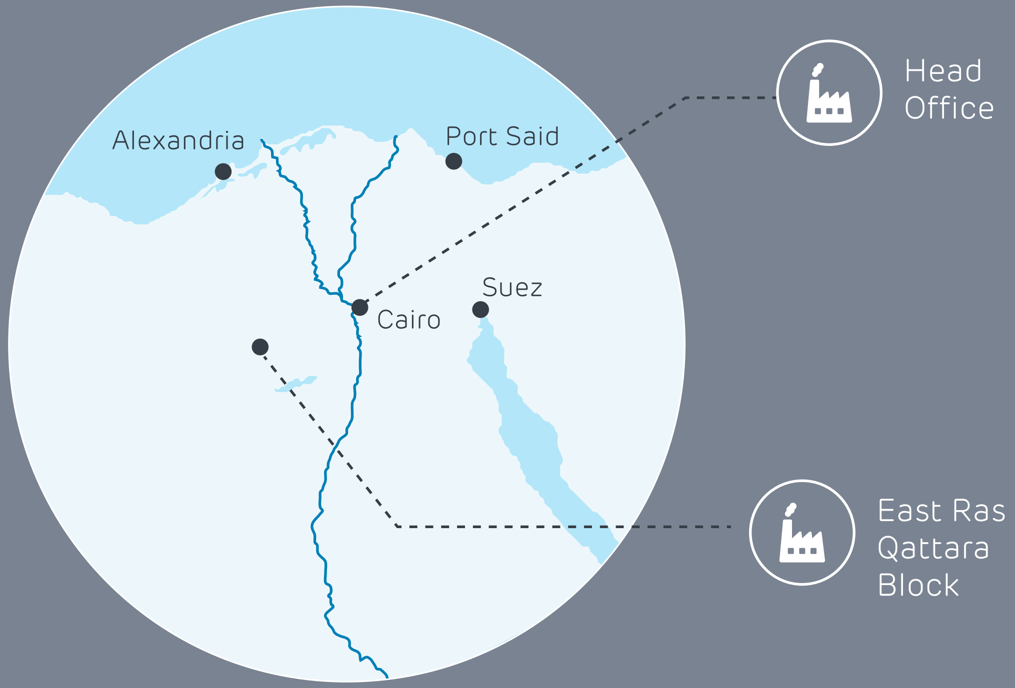
Intracampos area: The exploratory phase began in 2012, two new fields have been discovered since then: INCHI and COPAL, currently in production. There is greater exploration potential in this area.

MAURO DÁVALOS CORDERO – MDC 46
Production block under a service provision contract signed with the Ecuadorian state.

BLOCK 28
Production block under a service provision contract signed with the Ecuadorian state. ENAP operation partner of the Consortium (WI 42%) with EP Petroecuador (WI 51%) and Belorusneft (WI 7%).

EGYPT

We got very good results from drilling three wells in Egypt; one in the Diaa area and two in the Shahd area. Among these, the Shahd SE-21 was connected on 21 April with an initial flow of 1,860 bbl/d, four times the initially budgeted amount (437 bbl/d). In addition, we started the 3D seismic acquisition process on the East Ras Qattara block that would allow us to study and confirm the block's remaining potential. Despite the context, US$ 57.1 million (28% additional to income) payments were received being able to transfer US $ 23 million to our head office.



EAST RAS QATTARA BLOCK

Participation: Sipetrol International S.A., Egypt branch: 50.5% (Operator)
Socio: Kuwait Energy Company (49.5%).

HEAD OFFICE

ERQ 2020 GROSS:	
CAPEX	MUS$19.212
OPEX	MUS$28.193
TOTAL	**MUS$47.405**
Sipertrol Office	**MUS$190**

ARGENTINA

Oil production was restricted in the Magallanes Area field during April and May, due to the fall in the demand and saturation risk of storage capacity. This scenario and the natural deposit's decline may explain a lower oil (11.6%) and natural gas (6.6 %) production, if compared to 2019.

Two wells were drilled at the Campamento Central Cañadón Perdido field prior to this world level shift, in the Bella Vista Sur area. In production terms, there was a 11.4% decrease compared to 2019. This downfall is explained mainly by the field's natural decline of the basic curve and a lower performance in the drilled wells.

Activities were suspended and postponed at El Turbio Este exploration block, where it was necessary to invoke a force majeure condition before authorities. This allowed a nine-month postponement on the expiration of our first exploratory period.

After May, it was possible to place 100% of the crude production with better discounts over Brent, compared to pre-pandemic levels. Furthermore, better field performance and new optimization initiatives allowed the reserves increase and extend the economic cut in the Magallanes area until 2034. Its potential has been improved.

San Jorge basin, Chubut province

Campamento Central Cañadón Perdido area.

YPF partner / No operator.
50% participation

Net investment
MMUS$173.8

CCuenca Austral, Santa Cruz province

El Turbio Este

UTE with ConocoPhillips
50% Operator partner.

Net investment:
MMUS$8.08

Poseidón area block, Cam2 -A Sur

UTE with YPF
50% participation operator partner.

Net investment
MMUS$49

Magallanes Area

UTE with YPF
50% participation operator partner.

operator partner.
MMUS$842.5

Octans Pegaso

100% operator partner.

operator partner.
MMUS$25

ACTIVITIES SINCE 1990

APPROXIMATE INVESTMENT: MMUS$ 1,600
PRODUCTION: Crude 800 M3/ day
Gas 1,900 Mm3/ day
HEAD OFFICE : Buenos Aires

1. PUERTO PUNTA QUILLA OFFICEA
2. RÍO GALLEGOS OFFICE
3. MAGALLANES LOAD RECEPTORBATERÍA
4. TIERRA DEL FUEGO LOAD RECEPTOR

- EXPLORATION AREA
- EXPLOITATION AREA

HYDROCARBONS PRODUCTION

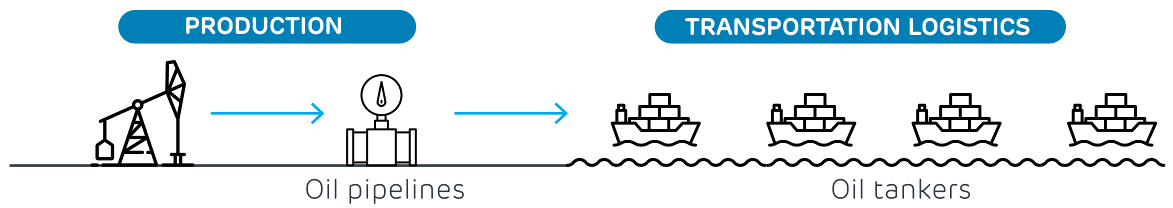
OPERATION	2017	2018	2019	2020	2020-2019 VARIATION
Crude production (MBbls)					
ENAP Sipetrol Argentina	2,501	2,407	2,119	1,871	-248
ENAP Sipetrol Ecuador	5,787	6,533	7,680	7,512	-168
ENAP Sipetrol Egipto	2,915	2,797	2,441	2,318	-123
E&P Magallanes	869	796	865	573	-292
Total crude	**12,072**	**12,532**	**13,104**	**12,273**	**-830**
Gas production (MBoe)					
E&P Magallanes	6,152	6,299	7,075	6,581	-494
ENAP Sipetrol Argentina	2,352	3,653	4,407	4,115	-293
Total gas	**8,503**	**9,952**	**11,482**	**10,696**	**-787**
Total hydrocarbons (Mboe)	**20,575**	**22,485**	**24,586**	**22,969**	**-1,617**

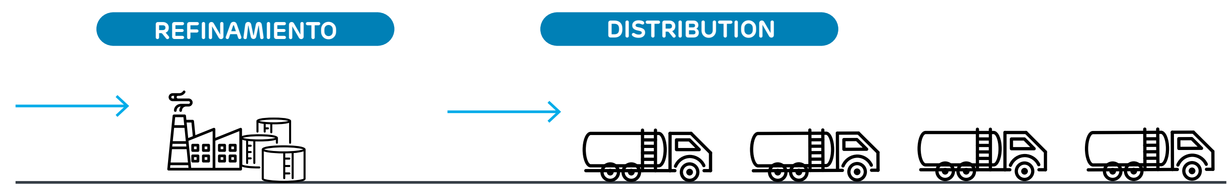
VOLUME AND PRODUCTION OF ESTIMATED TESTED RESERVATIONS

Reservation type	Country	2019	2020	% Variation
Oil (Mm3)	Argentina	1,902	1,746	-8%
	Ecuador	9,072	8,038	-11%
	Egypt	1,479	1,431	-3%
	Chile	479	485	1%
	TOTAL	12,933	11,700	-10%
Natural Gas (Mmm3)	Argentina	5,118	5,482	7%
	Ecuador	0		
	Egypt	0		
	Chile	6,266	6,711	7%
	TOTAL	11,384	12,193	7%

REFINING & COMMERCIALIZATION

Under this line of business, all activities related to fuel production and other petroleum derivative products have been performed (such as solvents, asphalt foundations, ethylene and other petrochemical products), as well as management of infrastructure logistics for transportation, storage and later commercialization in the national market. We also unfolded new markets and products, including natural gas.





Our Aconcagua, Bío Bío and Gregorio (Magallanes) refineries processed 8.8 million cubic meters of crude oil during 2020, imported mainly from South America. Fuel production available for sale and other products were 10.0 million m3.

The Aconcagua and Bío Bío refineries reached 64.9% average utilization rate and the availability of the plant reached 94.4%. These indicators were affected as a result of the pandemic which forced a decreased activity level and demand, and stopped process units. There were also programmed maintenance stoppages at refineries.

We decided to anticipate the Bío Bío Refinery maintenance facing the recorded fall in demand by the effects of the sanitary crisis, and to stop Topping and Vacuum 1 (TV-1), SWS3, MDEA2 and COKER units. This stoppage had a June-to-August extension: during this period the country's demand was covered with the available product stock.

CONSUMPTION, SALES AND MARKET PARTICIPATION

	NATIONAL CONSUMPTION		ENAP'S NATIONAL SALES		MARKET PARTICIPATION		ENAP EXPORTS (**)		ENAP'S IMPORT SALES		2020/2019 VARIATIONS	
MM3 FIGURES	2020 MM3	2019 MM3	2020 MM3	2019 MM3	2020 MM3	2019 MM3	2020 MM3	2019 MM3	2020 MM3	2019 MM3	NATIONAL CONSUMPTION	ERSA NATIONAL SALES
Liquified gas	2,467	2,440	437	654	17.7%	26.8%		259	-	-	-1.1%	33.2%
Vehicle gasoline	3,994	4,825	3,807	4,640	95.3%	96.2%		3	271	229	17.2%	18.0%
Kerosene	1,073	1,772	905	1,384	84.4%	78.1%			76	145	39.5%	34.6%
Diesel	9,463	10,202	4,766	5,450	50.4%	53.4%	17		1,723	1,719	7.2%	12.6%
Fuel oil	669	713	659	693	98.5%	97.2%	234	188	-	0.1	6.2%	4.9%
Industrial products, other (*)	384	466	240	293	62.4%	62.8%	-	77	-	-	17.7%	18.2%
Total	18,050	20,419	10,814	13,114	59.9%	64.2%	251	527	2,070	2,093	-11.6%	-17.5%

(*) Propylene, ethylene, naphtha, solvent and asphalt, among others are included. It excludes sulfur and coke domestic sale.

Sales by segment during 2020

2020 Sales by Logistics Zone

2020 Sales by Logistics Zone

Our national natural gas production is located in southern Chile, and it is in charge of meeting the cities' demands in the territory. The supply for central and northern Chile is guaranteed through the Liquefied Natural Gas (LNG) import, through the Quintero and Mejillones terminals and, to a lesser extent, through gas pipelines in Argentina.

During 2020, we received 39% of the natural gas total deliveries from the LNG Quintero Terminal and the 3% of the gas from the Mejillones LNG Terminal, having a 28% share of the national LNG market. The thermoelectric area sales represented a 22% share in LNG based electricity production, with an 3%-point-increase compared to 2019.

The electricity generation market is integrated by a large number of generating plants and companies, where the renewable energy segment has grown steadily in the last ten years. ERSA, our subsidiary, has two self-producer cogeneration plants, which supply electricity and steam to refining processes and transfers the surplus electricity to the National Electricity System (SEN, acronym in Spanish).

SURPLUS VOLUMES SOLD BY COGENERATORS

COGENERATORS SURPLUS VOLUME	UNIT	2019	2020
Aconcagua Cogenerator	GWh	-	36.80
Bío Bío Cogenerator	GWh	63.92	72.33
Total	GWh	63.92	109.13

COGENERATORS SURPLUS VALUE	UNIDAD	2019	2020
Aconcagua Cogenerator	US$	-	1,321,837
Bío Bío Cogenerator	US$	3,641,989	3,067,983
Total	US$	3,641,989	4,389,820

CHILE

Aconcagua Refinery ENAP (ERA)

Aconcagua Refinery (Concón, Region of Valparaíso) was the first refinery built in Chile, inaugurated on 12 November 1955. Its refining capacity adds up to more than 100 thousand crude oil barrels a day and processes an average 4.7 MMm3 raw materials a year and produces 4.6 MMm3 per year of valuable products.

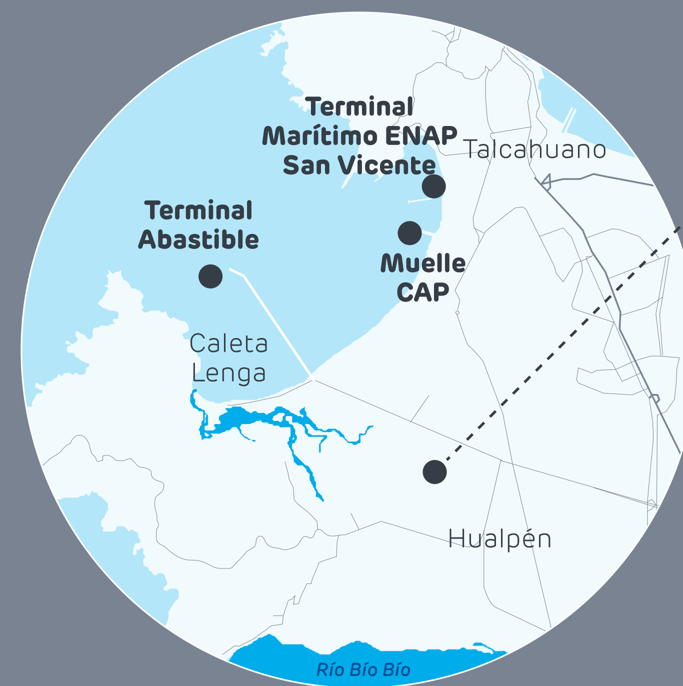
Aconcagua Refinery and the Quintero Maritime Terminal supply 100% of the gasoline demand in the Metropolitan Region, and 70% aviation kerosene.

The process begins with the arrival of crude oil, which is purchased in different markets in the world. Crude oil and complementary loads arrive in the Quintero Maritime Terminal on tankships. Raw material is transferred (crude oil and supplementary load) through a 20 km 5 oil-pipeline network that runs underground and links the Maritime Terminal to Aconcagua Refinery in Concón). Products received are later shipped and distributed on tankships throughout the country.

ERA has 11 business units, which include: Topping, Catalytic Cracking, Reformation, Coker and Alkylation plants. It also runs 27 environmental units, among which Sulfur Recovery Units, hydrogen desulfurization treatment plants, acid water treatment and liquid effluents .

Aconcagua Refinery played a key role in ensuring operational continuity and fuel supply for the whole country during 2020.

Bío Bío Refinery ENAP (ERBB)



In 1962, ENAP decided to build a new refinery due to the increase in the national demand for fuels.

ENAP Refinería Bío Bío started its operations on 29 July 1966, and considered the country's need of gasoline, kerosene and diesel oil, and its territorial characteristics: its proximity to a loading port and oil unloading and derived products, the region's importance as a consumption center and the existence of an abundant water source necessary for productive processes (Bío Bío River).

Currently, this refinery has a 18,500 cubic meters per day capacity and processes an average of 6.4 MMm3 of raw material and produces a total of 4.5 MMm3 valuable products per year.

There were originally six plants in ENAP Bío Bío Refinery. Nowadays, there are 27 process units in Hualpén and a modern oil and fuels loading and unloading terminal in Talcahuano. The facilities allow 22% of the average supply of the national demand with a safe and reliable source of world-class fuels.

CHILE | Storage and Oil Pipelines Management (DAO)

OIL PIPELINES

CONCÓN - MAIPÚ (SANACOL)

Clean products

Length (Km)	127
Diameter	16"
Flow	680 m³/h

Petroleum liquid gas

Length (Km)	139.4
Diameter	10 3/4"
Flow	370 m³/h

MAIPÚ - SAN FDO. (SANACOL)

Longitud (Km)	133.13
Diameter	6 5/8"
Flow	70 m³/h

SAN FDO. - CHILLÁN - BULNES (DAO)

Length (Km)	268
Diámetro	8 5/8"
Flow	140 m³/h

BULNES - COSMITO (DAO)

Length (Km)	69
Diameter	10 3/4"
Flow	240 m³/h

COSMITO - ERBB (DAO)

Length (Km)	13.3
Diameter	14"
Flow	240 m³/h

STORAGE AND DISTRIBUTION PLANT

PUMP STATION

SANACOL POLYDUCT

DAO POLYDUCT

1 MAIPÚ PLANT

Type	Storage and Distribution Plant
Región	Metropolitan region
Capacidad de Almacenamiento (m³)	23,529 (GPL) 178,529 (Clean)

2 SAN FERNANDO PLANT

Type	Storage and Distribution Plant
Area	Libertador General Bernardo O'higgins region
Storage capacity (m³)	34,022 (LPG) 55,500 (Clean)

3 MOLINA STATION

Type	Pump Station
Area	Maule region

4 LINARES PLANT

Type	Storage and distribution plant
Area	Maule region
Storage capacity (m³)	2,300 (LPG) 21,418 (Clean)

5 CHILLÁN STATION

Type	Pump Station
Area	Ñuble region

6 PEMUCO PLANT

Type	Regasification Plant
Area	Ñuble region

7 VINAMAPU TERMINAL

Type	Storage and Distribution Terminal
Area	Valparaíso region, Easter Island
Storage capacity (m³)	800 (93 Gas) 2,400 (Kerosene Aviación) 800 (Diesel Oil)

We also take part in the production of renewable energies through two companies: (1) Geotérmica del Norte SA, integrated by ENAP and Enel Green Power Chile, owns Cerro Pabellón Geothermal Plant and (2) Vientos Patagónicos SpA, comprised of ENAP and Pecket Energy, owns Vientos Patagónicos Wind Farm. In thermal generation, the installed power market share is 0.5%, while the wind generation reaches 15%.

SUPPLY CHAIN MANAGEMENT

WHY IS IT A MATERIAL ISSUE?	Supply management plays a fundamental role in our business strategy, as its main axes are ensuring the continuity of our operations and developing the purchasing process in an efficient, rigorous and transparent way, that seeks to permanently optimize costs and expenses, protecting the relationship with the supplier market.
HOW TO MANAGE IT?	ENAP Supplier Code of Conduct establishes a common value framework in which transparency, competitiveness and ethics are fundamental. Along with this, we work with a Single Record of Suppliers which establishes our compliance terms: such as commercial, financial, legal, security, and a corporate supply regulation that establishes purchase procedures.
M IN CHARGE	The Supply Corporate Management is responsible for sourcing operations and suppliers reporting to the Corporate Finance and Strategic Planning Managements.

EXPENSE CONTAINMENT

Our supply team focused on supporting the company's strategy by responding to the 2020 demands, through services and products acquisition in order to meet the sanitary requirements for our operations. A saving and expense containment plan was implemented and renegotiated all current contracts with our suppliers in our main expense categories: drilling services, maritime and land logistics, maintenance, construction and chemical products, among others.

CONTROL AND ACCOUNTABILITY

All our vendors are part of a Unique Registry of Suppliers (RUP), as for evaluating the risk presented by their services in terms of safety, occupational health and the environment. Likewise, we verify the supporting documentation that applies to the services contracted and the status of their compliance of labor obligations. In this way, we ensure that our suppliers support our standards and policies. We updated our internal regulatory framework, incorporating a comprehensive Due Diligence service in our RUP, during this year. This system keeps track of any legal person who is active or is new to our registry, identifying alerts on causatives related to Politically Exposed Persons (PEP), Public Administration Employees (EAP) and Anti Money Laundering (AML), together with crimes related to corruption and bribery that could affect the supplier, its shareholders, representatives and directors.

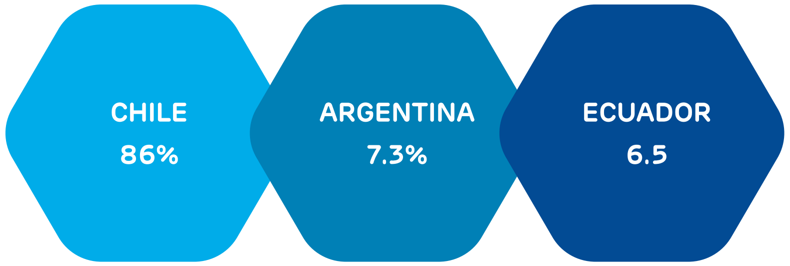
National and international suppliers' expenditure percentage*

SUBSIDIARY	AÑO	INTERNATIONAL SUPPLIERS**		NATIONAL SUPPLIERS**	
		NUMBER OF SUPPLIERS	% EXPENDITURE	NUMBER OF SUPPLIERS	% EXPENDITURE
TRANSACTIONS IN CHILE	2019	347	86.77%	2,239	13.23%
	2020	314	87.95%	2,267	12.05%
TRANSACTIONS ABROAD***	2019	5	5.26%	1,128	94.74%
	2020	57	4.45%	983	95.55%

*Figures include purchases of goods and contracting of services (includes crude oil and products).
** International companies or legal persons are defined as foreign in the subsidiaries' registry. National suppliers are defined as those identified as local in the same registry.
*** Data relating to operations in Argentina, Ecuador and Egypt are displayed in aggregate form.

Regarding the 2020 goods and services expenses in a consolidated way—and considering operations in Chile, Argentina and Ecuador—no supplier individually reached 10% of the purchases made. At the national level, there was a single supplier in Argentina that individually represented more than 10% of the goods and services purchases, Ecuador had two and there was none in Chile.

Expenditure distribution (non-crude) during 2020



Structure of expenditure according to company size*

Company size	Supplier %	Expenditure %
Large company	23%	73%
SME	35%	21%
Small business	41%	6%
Total	100%	100%

*The size of the company is provided by the information declared by the supplier and our Unique Registry of Suppliers accreditation.

CLIENTS' SUCCESSFUL MANAGEMENT

WHY IS IT A MATERIAL ISSUE?	Our Sustainability Policy places our clients as a fundamental stakeholder for our development and projections over time. It is a priority for our management team to satisfy our clients' expectations and requirements, both in terms of quality as well as quantity and opportunity. We have also challenged ourselves to actively incorporate them into our value chain, integrating their perspective into our operations.
HOW TO MANAGE IT?	Through our commercial policy that seeks to strengthen the client service quality culture and our Client Service Model. As well as providing quality policies for each of our business units.
TEAM IN CHARGE	The Commercial Management reports directly to the Management of Refining & Marketing

Direct Contact Channel: https://www.enap.cl/consultas/contacto_cliente_enap.html

We have established a direct contact channel for suggestions, inquiries, claims and compliments, in order to provide a closer and excellent service to each of our clients. This tool has allowed us to clear doubts and anticipate operational and business problems by providing quick and relevant answers.

In order to develop a Client Service culture, we have promoted our CONECTAS (TEPCAS in English) model from 2016 onwards.

TEPCAS Client Service Model

T	RUST	We deliver high quality products and services and we have a solid track record in the market.
E	MPOWERMENT	We are responsible for generating a satisfactory experience in our service towards clients, empathizing with their needs.
P	ROXIMITY	We take care of our clients through a friendly and respectful treatment.
C	LARITY	We deliver clear and accurate information through a simple message.
A	GILITY	We respond our clients in a timely manner, by being efficient and proactive with our actions.
S	ECURITY	We promote a safety culture for people, facilities and the environment through protection and care.

We have implemented "Connecting to the Service", an on-line transversal training program, since 2019. This seeks to strengthen our team's formation in order to position our clients at the center of their decisions and daily work. We enabled all course modules (8) and have trained more than 300 people in 7 of them, during 2020.

Our Client Annual Satisfaction Survey allows us to make sure that the service received during purchase process until liquid fuels delivery and petroleum derivative products was satisfactory. This instrument applies to our commercial and operational areas clients.

The results for the 2020 survey are slightly higher than those from 2019, both in terms of the poll's effectiveness, the number of polls fully answered compared to the total number of sent surveys, and Net Satisfaction level and the predisposition to recommend ENAP (Net Promoter Score, NPS).[1]

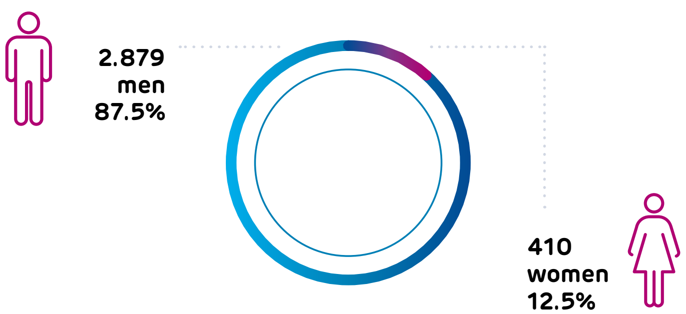
1. This figure reflects the percentage of people who felt quite satisfied as for to recommend an ENAP product or service, except those who declared not being very satisfied or felt dissatisfied.

4

Our Team

Our Team

2020 MAIN STAFF FIGURES



Total
3.289 employees

Only 2 out of 7 members in the Board of Directors are women.

5 out of 10 main management members directly reporting to the General Manager are women: Corporate Legal Management, Financing Corporate Management, Strategic Planning, E&P Corporate Management, Business Management and Corporate Affairs Management.

Nationality of our employees:

Argentina	187
Bolivia	1
Brazil	2
Noruega	1
Chile	2,923
China	1
Colombia	1
Ecuador	139
Egypt	20
Venezuela	14

ENAP

- **264** ENAP Headquarters
- **1,061** ENAP Magallanes
- **759** ERSA Aconcagua
- **102** ERSA DAO
- **720** ERSA Bío Bío
- **44** Sipetrol
- **179** Sipetrol Argentina
- **139** Sipetrol Ecuador
- **21** Sipetrol Egypt

Contractor Staff: → **4,263**

ENAP Casa Matriz	46
ENAP Magallanes	1.382
ERSA Aconcagua	1.496
ERSA DAO	155
ERSA Bío Bío	949
Logística Terrestre	235

Los desgloses de la dotación de ENAP y filiales se encuentran en el [Cap. 7](#) de este Reporte

HUMAN RIGHTS APPROACH ON LABOR PRACTICES

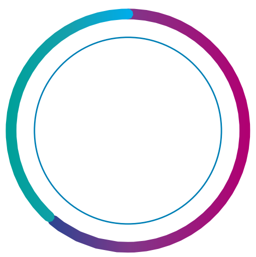
WHY IS IT A MATERIAL ISSUE?	Work development, diversity and inclusion, unions, health, safety and quality of life are structuring aspects in our sustainability management, as our people are our fundamental pillar to carry out our purpose. Hence, human rights are our fundamental values framework, based on international normative, as to guarantee the best safety and labor practices, as well as promoting commitment and responsibility to build up a suitable work environment for our employees' development.
HOW TO MANAGE IT?	Within the People Management framework (2019-2023), which is focused on four strategic areas: People Integral Management, Organizational Culture, Efficiency and Productivity, Occupational Health and Safety Management, plus the Labor Relations Model, and other policies and procedures published. Among these, it is necessary to mention the following: • Sustainability Policy • Gender Equity Policy • Corporate Policy and Diversity and Inclusion Manual • Quality of Life Policy • Corporate Labor Relations Policy • Corporate Occupational Health and Safety Policy • Psychosocial program • 2020/2021 Work Environment Action Plan Development Program • Strengthening Skills Program for Telecommuting
TEAM IN CHARGE	The People Corporate Management and the HSEC Corporate Management (Health, Safety, Environment and Communities) and their teams in the different business units and subsidiaries are in charge of these topics.

DIVERSITY AND INCLUSION

We have a Corporate Diversity and Inclusion Policy since 2016, which seeks to value the richness and plurality differences in our organization. Gender Policy also came into question since March 2018. All business units have committed to break down barriers for women's development, by taking the Chilean Standard 3262 on Gender Equality, Conciliation of the Work, Family and Personal Life certification.

Nowadays, our female staff reaches 12.5%, where the incorporation of women to the Board of Directors, the management team and other positions that have historically been performed by men, both in Chile and abroad has represented a change. Of the 46 processes related to development positions within the organization in 2020, 30 were covered by internal candidates (65%) and 16 by external candidates (35%). Of total number of hired people, 14% were female.

2020 Contract Employees number and percentages



Movilidad por unidad de negocio

ENAP promotes comprehensive equity and does not enforce any kind of discrimination, either in aspects related to work development conditions or wage-related issues. The following table shows the average gross salary of female executives and workers compared to men who hold the same type of position, responsibility or role.

GENDER SALARY GAP

Estate	GENDER DISTRIBUTION Female	GENDER DISTRIBUTION Male	FEMALE-MALE SALARY BENCHMARK Total compensation
Total	12%	88%	1.09
Managers	14%	86%	1.22
Directors	25%	75%	0.97
Heads	15%	85%	0.96
Professionals	29%	71%	0.91
Clerks and workers	5%	95%	0.85

Note: The total compensation includes base salary and other guaranteed assets fixed such as bonuses, base bonuses, and variable remuneration to target.

2020 TRAINING

Training and competencies and abilities continuous development are relevant aspects for our management, as there is a highly specialized crucial competitiveness factor in industries like our own. Our focus on these matters derives in fixed training plans within the guideline framework of 2019-2023 Staff Management and our Strategic Business Plan.

13 hours of training per person in average.

94% staff coverage.

42,927
Training hours in 2020

(Chile, Argentina and Ecuador).

BUSINESS UNIT	TRAINING HOURS (INTERNAL AND EXTERNAL ACTIVITIES)	2020 TRAINING HOURS ON AVERAGE (2020 TRAINING HOURS/ DECEMBER 2020 STAFF)	2020 TRAINING COVERAGE (2020 NUMBER OF STAFF MEMBERS IN TRAINING/DECEMBER 2020 STAFF)	2020 TRAINING INDEX (2020 STAFF TRAINING HOURS/2020 CONTRACTED HOURS)
ENAP Magallanes	11,230	11	84.5%	0.5%
ENAP Santiago	3,376	13	100%	0.6%
Sipetrol Santiago	367	8	98%	0.4%
Sipetrol Ecuador	6,495	47	100%	2.4%
Sipetrol Argentina	638	4	72%	0.2%
ERA + DAO	13,452	16	99.7%	0.7%
ERBB	7,369	10	98%	0.5%
TOTAL	42,927	13	94%	0.6%

There is a training by gender and position average on **Chapter 7.**

The e-learning training mode focused on specialist workers, during 2020. They were enrolled in learning platforms such as SPE for Chile and Argentina, and Petroskill for Ecuador. Along with this, all Ecuadorian employees were given 24/7access to the LinkedIn Learning virtual platform, allowing them to participate in more of 16,000 courses.

The Strengthening Competencies for Teleworking Program was developed and implemented as a response to the pandemic. Learning resources and experiences were given to people who held leadership positions and those who could carry out remote work. Among the tools that were provided, self-instructional files, virtual workshops for the management of collaborative tools, a protocol for teleworking and information on necessary actions in Health and Safety matters were available for our team.

We conducted two transversal surveys in Chile and its subsidiaries in order to elaborate a register on experience around the teleworking implementation and its needs. Our intention was to attend the process in order to learn from this experience and define future actions.

60

Collaboration Tools Courses

80%

of Internal training courses were performed by ENAP's employees

16,27%

ENAP's staff coverage

WORK ENVIRONMENT

The 2020/2021 Action Plan for Work Environment Development Program was implemented during the second half of 2020, for all employees and management areas in the Chilean operations. The aim of the program was to strengthen our leaders and their teams in a challenging and uncertain context, favoring a healthy work environment despite the demands of the context. Thus, this resulted in:

- **338 advisory sessions** for heads and teams in the plan scheme phase and backing until the process was complete.,

- **97% of the Chilean management teams drew action plans** 191 of them were in execution during the period with a technological application for registration and monitoring plans online..

- The plans were articulated according to the GPTW 2019 study results, which mostly focused in the **Credibility (54%) and Respect (31%) dimensions.**

In Ecuador, a Comprehensive Wellness program was developed, which included Business Continuity and Crisis Management, Crisis Intervention and COVID-19 Psychological First Aid activities, along with Environmental Care Conscience for employees' children (puppets on line). Communication initiatives were promoted from the first and second executive lines towards workers in Argentina, seeking to generate closeness and clarity. Similar activities were carried out in Egypt.

PSYCHOSOCIAL PROGRAM

The Psychosocial Program was implemented with the aim of promoting the well-being and self-care of our team, as a result of the pandemic context and the consequent stress situation associated with fear of contagion, social isolation and the general uncertainty context. The program featured:

- Workshops with a focus on operational areas for managers;

- Informative capsules regarding psychosocial support topics;

- Open talks for workers on contingent topics by specialists.

- Pandemic stories contest which intended to provide a space for people to share their experience in the current context.

- Professional-intern training to handle calls from different groups in the organization, focusing on operational areas.

QUALITY OF LIFE

Our Quality-of-Life policy aims to "recognize the interests of social and labor insertion of all those who are part of it, and promote Quality of Life, understood as the space that enhances integral development, facilitating balance between personal and work life, thus achieving physically and psychologica-lly healthy, safer, happier people, committed to the company and the country".

2020's main activities were related to the health crisis and Covid-19 effects:

- Medical talk about preventive measures and myths around Coronavirus (video for ENAP TV).
- Medical traffic light system to evaluate risk implemented by the Medical Service of each Business Unit: High Risk (red), Moderate Risk (orange) and Low Risk (green).
- As of mid-March and to date, teleworking modality for the majority of workers who perform administrative tasks.
- Influenza vaccination plan, prioritizing teams that work on site and medical risk groups.
- ENAP Medical Service at a distance (telemedicine).
- Talks and educational workshops on healthy eating, mental health care in times of pandemic, and how to live better and as a family (work-family conciliation), among others.
- Follow-up on our employees' social cases and their families, through social workers in each of our business units.

In 2020, Mutual de Seguridad awarded our Joint Hygiene and Safety Committees (CPHS) the Silver Category Certification for the improvements promoted around work meetings, the competencies of its members and the work programs that allowed to improve the control of the incident/accident causes and occupational diseases.

LABOR RELATIONS

We respect our employees right to associate freely and collectively bargain at ENAP. The principles behind this are formalized in our Corporate Labor Relations Policy which promotes the construction of collaborative and stable labor relations that contribute to significant links between the company and its employees, as to contribute to the fulfillment of our Business Development Plan.

11
trade unions

(10 grassroot unions and 1 intercompany employees union)

2
national federations

94%
of staff

benefits from existing collective instruments

Unionization level

UNIDAD DE NEGOCIO	2019	2020	UNIONIZED	NON-UNIONIZED	TOTAL
Enap Santiago	62.22%	62.12%	164	100	264
Enap Magallanes	98.71%	97.93%	1,039	22	1,061
Ersa Aconcagua	97.02%	96.71%	734	25	759
Ersa Dao	94.95%	93.14%	95	7	102
Ersa Bío Bío	98.37%	94.86%	683	37	720
Sipetrol	77.27%	81.82%	36	8	44
Sipetrol Argentina	67.91%	67.04%	120	59	179
Sipetrol Ecuador	0.00%	0.00%	0	139	139
Sipetrol Egypt	0.00%	0.00%	0	21	21
Consolidated	88.37%	87.29%	2,871	418	3,289

8 collective instruments were signed with the unions whose instruments were about to expire during 2020:

- Petroleum Workers Union, ENAP Refinerías Aconcagua S.A.
- Professional Business Union, ENAP Refinerías S.A. - Aconcagua.
- Workers Union, National Petroleum Company EMALCO S.A.
- Workers Union, ENAP Santiago.
- SIPETROL S.A. Company Union
- Workers Union, ENAP - Petrox.
- Professionals and Supervisors Union, ENAP Refineries S.A. - Biobío.
- Professional Workers Union, ENAP Magallanes.

Additionally, within the Law 20,940 framework that amended the Labor Code, at ENAP we signed minimum services qualification and emergency equipment agreements for ourselves and our national subsidiaries: ENAP Refineries S.A. and ENAP Sipetrol S.A.

The dialogue with the workers' representatives is structured according to the degree of union organizations and the administration's hierarchical levels and line of supervision. Two working groups with a focus on People Management and the Addiction Prevention Policy and Internal Hygiene and Safety Regulations stand out. In addition, two cross-sectional roundtables meet: The Bipartite Security Committee and the Gender Equity and Conciliation Roundtable.

Regarding the notice periods prior to operational changes, we have established periodic meetings between the local administration and their respective union organizations, in order to inform and agree on the changes that will occur in the work organization. This was particularly relevant during 2020, as we were obliged to modify the exceptional working hours agreements to individual contracts subjected to shift regime as a result of the social outbreak and the pandemic. Employees who had a normal work regime also perceived changes when they switched to teleworking. This measure was adopted prior to the enactment of Law 21,220 that regulates remote work and telework.

THIRD PARTY MANAGEMENT AND GENERAL SERVICES

Regarding the relationship we have with our contractors, 2020 was characterized by the following processes and advances:

- **Certification of labor obligations**

  In March 2020, we inaugurated the contractor and subcontractor companies' new certification service for labor obligations, through an improvement the in access to our online platform and associated reportability. This contract has allowed to reduce our costs by 54%.

- **Facility Service tender**

  During 2020, food, cleaning, minor maintenance and camp services were tendered across the board for all our business units. The work carried out was focused on the homologation of food and service standards for all ENAP workers, ensuring cost optimization and standardization of technical specifications in all business units.

- **Access and attendance control corporate project**

  Throughout 2020, we continued with the project that seeks to modernize and update the access in all our subsidiaries control system.

  The respective technological solutions were developed to address these new needs in accordance to the new labor regulations associated with teleworking and habitability. Phase 1 of the project was completed, with the platform configuration that will manage access (RightCrowd) and assistance (Applied Biometrics). We hope to activate the entry into system operations by 2021.

- **Gender equity program in contractor companies**

This program seeks to promote the dissemination of our commitments, in relation to equal opportunities, arbitrary non-discrimination, gender equality and the reconciliation of work, family and personal life, in our contracting companies. Based on this, action guidelines were developed in accordance with SERNAMEG (Valparaíso region) by the implementation of a work plan that considered the realization of 6 technical consultancies (videoconferences), in which 11 contractor companies participated and delivered their respective action plans.

- **Induction program for contractor companies**

This program was developed during 2020, and focused on contractor companies that initiate a permanent and exclusive contract with ENAP. Our intention is exposing objectives, areas and functions that developed from third-party and general services managements, mainly in relation to the context and labor framework that regulates the relationship, the certification processes and labor audits, as well as the management and development areas.

In this way, we seek to promote a good-practices transfer to strengthen the internal management in contractor companies' organizational structure.

On the other hand, general services were focused on the response and adaptation protocols to the Covid-19 pandemic. In accordance with the pandemic guidelines established by ENAP, various actions were carried out to comply with the regulations and protocols associated with this condition:

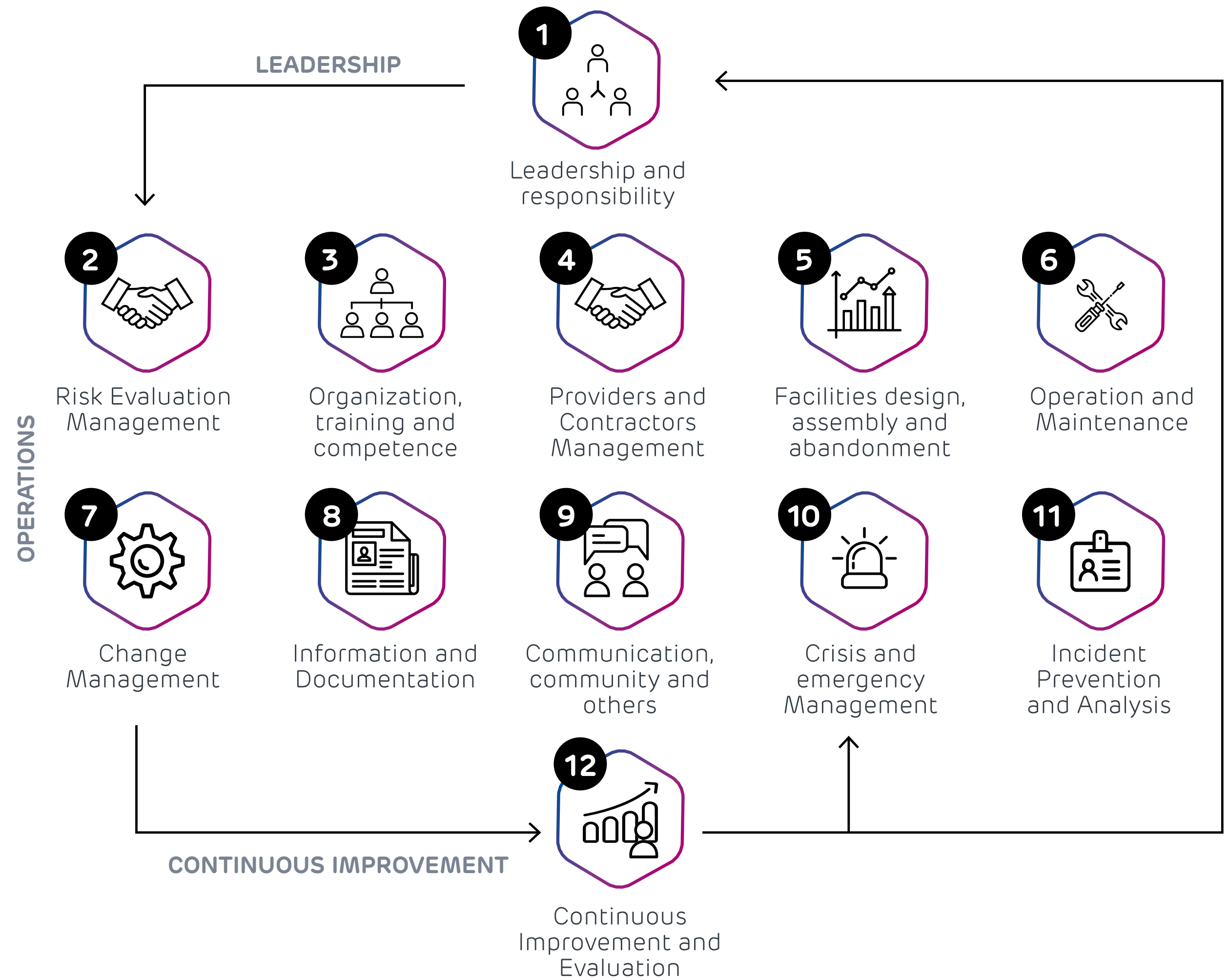
- Redesign and redistribution in all our business units and facilities, safeguarding hygiene conditions and social distancing.
- Signage implementation, hygiene stations, maximum capacity in common areas and similar.
- Design of feeding, showers, entry and deferred exit shifts for all workers.
- Observer program in all ENAP Magallanes camp-based canteens.
- Mitigation measures in both the light fleet (trucks) and transportation services for employees (buses) with protocols for use, cleaning and systematic sanitation.
- Daily sanitation and disinfection processes in changing rooms in all business units.
- The provision of a special capsule to manage Covid-19 air medical transfers was coordinated, especially for offshore platform personnel in Magallanes.
- Administration and delivery of hygiene and biosafety supplies.
- Accommodation implementation and accommodation services for 150 workers at the Bío Bío Refinery and 130 at the Aconcagua Refinery, with all associated additional services.
- Work tables in all business units and corporate center, with contractor companies and/or contractor federations to analyze ideas, suggestions and/or proposals for improvement in the habitability area as a result of COVID 19.

OCCUPATIONAL HEALTH AND SAFETY

WHY IS IT A MATERIAL ISSUE?	Our workers are our main focus, as a priority to ensure their occupational health and safety. We are committed to the implementation of best practices in industry as to prevent accidents and safeguard our employees' health.
HOW TO MANAGE IT?	It is managed through Operational Integrity Management System (SGIO) and the Health and Safety Management Occupational Strategy within the Corporate Security and Occupational Health Policy framework.
TEAM IN CHARGE	The topics included are part of the Corporate People Management, HSEC Corporate Management (Health, Safety, Environment and Communities) and their teams in the different business units and subsidiaries.

The Operational Integrity Management System (SGIO in Spanish) provides the framework and instruments for the management in Occupational Health and Safety, Environment, Facility Reliability and Relationship with the Communities areas. This system is made up by 12 interdependent elements, on which ENAP develops actions for its adequate fulfillment.

ENAP'S OPERATIONAL INTEGRITY MANAGEMENT SYSTEM (SGIO BY ACRONYM IN SPANISH)



Our management strategy in Security and Occupational Health had the following focuses during 2020:

- To position occupational health and safety as a key component for taking strategic decisions.
- To achieve excellence through learning and improvement in occupational health and safety performance.
- To develop the culture of excellence in our operations.
- To deepen controls and new measures for the management of the COVID-19 crisis.

OUTSTANDING PERFORMANCE RESULTS

ACCIDENT FREQUENCY RATE

- **E&P business line reached 47% in the reduction of this indicator compared to 2019.**
- **The Magallanes E&P sites got the lowest result recorded in its history (2,1).**
- **The Bio-Bio Refinery obtained the lowest result recorded in its history (0.6), which marks more than 2 years with no staff disabling occupational accidents.**

HIGH POTENTIAL INCIDENT RATE

- **E&P business line reached 39% in the reduction of this indicator compared to 2019, obtaining the lowest result in the record.**
- **There was 58% decrease in high potential operations incidents related to driving risk in E&P Magallanes.**
- **Storage areas and Terminals, like Fuel Ground Transportation, in the Logistics Management stand out and exceeded the goals set for 2020.**

MASTER PLAN TO FACE THE HEALTH CRISIS

In the health crisis framework, we defined a master plan, by elaborating protocols for reporting, managing and monitoring COVID-19 cases. We also established a preventive quarantine model, in order to monitor and control cases to avoid contagion in our facilities. Hence, we were able to sustain our operational continuity during the crisis. Its implementation consisted in:

- 8 management processes
- 69 transversal measures
- 335 actions carried out in the different business units and subsidiaries during 2020

Among the main adopted measures, the following stand out:

1. Preparation of a preventive action escalation matrix of three risk levels (February 2020).
2. Activation of the Corporate Crisis Committee and the Local Crisis Committees in each of ENAP's Business Units and Subsidiaries (February 2020).
3. Creation of a work committee dedicated to Healthy ENAP (March 2020).
4. Health protocols preparation and application in all facilities.
5. Teleworking implementation for medical risk groups and administrative staff.
6. Preventive vaccination plan against influenza.
7. Prevention and hygiene measures in industrial premises.
8. Coronavirus infection drills in all facilities.
9. Compliance verification with all prevention and hygiene measures adopted by the companies that provide services for ENAP.

In addition, we deepened the Occupational Health and Safety Strategy (SSO) processes and prioritized people's serious injuries risk management and incident learning and improvement, along with a Leadership and Safety culture.

The 15 Life Saving Standards update regulating activities most likely to provoke fatal accidents was stated by the Risk Management area: more than 1,240 field verification activities were performed, looking to confirm critical control compliance which were defined for each of these activities. This Leadership exercise also allowed us to delve into other dimensions in our model: employee alignment through SSO Management Model, a preventive approach and crisis and emergency management.

We also boosted our digital platforms supporting the Incident Management Standards, which is a methodology that establishes different research and treatment levels for reported incidents and findings. We carried out an exhaustive analysis of each incident in order to understand its causes and implement measures to avoid repetition. The most relevant events are systematized for their potentiality in the Lessons Learned report that is available to all employees.

The digital content of the SafeStart reinforcement program was developed, based on behavior and with the intention of minimizing and controlling occurrence of disabling accidents in the work environment and at home.

Indicators of Occupational Health and Safety

BUSINESS UNIT/ SUBSIDIARY	HHT	FATAL	CTP	DP*	IF (ACC/MMH)	IG* (DÍAS PERDIDOS + ARRASTRE + CARGO/MMH)	ACCIDENT RATE	SICK PROFESSIONALS
ERA	4,630,989	0	10	559	2.2	121	0.44	0
ERBB	3,207,917	0	2	25	0.6	8	0.10	0
DAO	589,742	0	3	21	5.1	36	1.10	0
DTT(2)	373,161	0	0	0	0.0	0	0.00	0
R&C Magallanes	515,024	0	2	4	3.9	8	0.81	1
Project Geren ERSA	59,776	0	0	0	0.0	0		0
R&C	9,376,609	0	17	609	1.8	65	0.35	1
Argentina	1,030,260	0	2	371	1.9	360	0.39	0
Ecuador	1,324,314	0	0	0	0.0	0	0.00	0
Magallanes E&P	4,297,436	0	9	373	2.1	87	0.38	2
E&P	6,652,010	0	11	744	1.7	112	0.31	2
Casa Matriz	737,068	0	0	0	0.0	0	0.00	0
ENAP	16,765,687	0	28	1,353	1.7	81	0.32	3
CoGeneradora(3)	48,736	0	0	0	0.0	0	0.00	0
G&E	48,736	0	0	0	0.0	0	0.00	0

The reported safety indicators reinforce our own workers and contractors' figures, but exclude our Egypt subsidiary, as it is outside the scope established for this report.
(2) DTT: Land Transportation Management.
(3) No disabling accidents are recorded in Cogeneratora.
HHT: Man Hours Worked.
CTP: Lost time accidents.
DP: Days lost. Included days lost, days drag and charge days.
IF: Frequency Index.
IG: Severity Index.
Ratios used are per 1,000,000 worked hours and formulas and indicators applied comply with the requirement of Chilean legislation, particularly the S.D. 40 of the Ministry of Labor. Regarding the main types of injuries and other analyzes statistics associated with the accident rate, during this period, ENAP's disabling accidents were mostly events associated with impacts (32%), same level falls (18%) and trapping (5%). Occupational diseases registered in the period were (1) ergonomic and (2) mental health illnesses.

Training Activities during 2020

- More than 2,280 workers were trained throughout our business units.
- More than 12,000 hours of training were delivered in 2020.
- Topics covered: risk prevention at work, Saving Lives standards, application of critical controls, emergency response, SSO model for contractors, SafeStart, risk prevention for teleworking, Covid-19 prevention and ministerial protocols associated with industrial hygiene and occupational health, among others.
- Specific training in HAZMAT techniques, emergency brigades' firefighting and attention for accident victims.

STAKEHOLDERS RELATIONS AND MANAGEMENT

ENAP relies upon an open-door policy with various instances for worker participation and communication regarding occupational health and safety issues. The Bi-Partite Security Committee summons the SSO and Environment Managements, and union leaders of all our facilities in Chile. They hold monthly meetings, where they review management progress and its results, as well as receiving and resolving concerns, queries and risk situations raised by workers. Other relevant entities are the Order, Hygiene and Safety Joint Committees (CPHS) made up in accordance with current regulations in Chile.

There are 13 CPHS in Chile, which are made up by administration and workers representatives. They meet once a month to analyze safety and health relevant issues of those who work in the areas they represent. They also watch over the SSO management for contract workers in their areas. ENAP's CPHS have obtained several certification degrees endorsing regulatory compliance and management.

5 Environmental Management

Environmental Management

Risk identification and environmental control, current legislation compliance, plan development and environmental surveillance and monitoring actions are the main focuses of our Environmental Management strategy. Additionally, it deals with our operations' compensation and impact mitigation on neighboring communities and the environment in general. Our guidelines are:

- ENAP will promote environmental, social and governance responsibility in all its business areas, complying with the applicable regulatory frameworks, as well as with principles and agreements voluntarily subscribed.
- The company will act consistently under a Social Responsibility framework, such as ENAP's Corporate Standard Environmental Management, UN Global Compact's principles, international standards and industry best practices.
- ENAP is constantly searching for innovations which are able to reduce the possibility of generated environmental impacts.
- ENAP will promote continuous energy efficiency improvement in all our productive activities.
- ENAP is part of multisectoral alliances that contribute to society, through knowledge management initiatives, innovation, social inclusion, environmental education and the protection of biodiversity.

We implemented the Atmospheric Prevention and Decontamination Plan (PPDA) for the Concón, Quintero and Puchuncaví areas (S.D. 105/2018) for the second year in a row, and for the area of Concepción Metropolitano (S.D. 6/2018) for the first time, in accordance with the Ministry of the Environment's decrees that set operations goals in order to adjust to new environmental standards that contribute to improve air quality.

ENERGY EFFICIENCY AND NCRE TRANSITION

WHY IS A MATERIAL ISSUE?	The way we generate energy has a direct impact in greenhouse gas levels on the planet, global warming and the consequent changes in the climate. For this reason, we are aware of the increasing need for efficient energy consumption in our processes, and to move towards clean energies generation.
HOW TO MANAGE IT?	Our Energy Strategy guidelines are managed in the processes through technological improvement implementation for a more efficient use of energy and by promoting the generation of non-conventional renewable energies initiatives.
TEAM IN CHARGE	Operation teams in each business unit.

LThe efficiency in the use and consumption of the energy is one of the axes of action of our strategic plan. This commitment has been materialized in ENAP's Energy Policy, as described in the following principles:

- Promoting the use of energy resources in an efficient manner in our facilities and activities throughout its life cycle, by seeking to optimize the processes and operations design, and technology.
- Promoting the search and acquisition of energy products and efficient services.
- Complying with current legislation and with the voluntary commitments made related to the efficient energy use and consumption.
- Establishing goals and objectives regarding energy efficiency, which promote a continuous improvement in energy performance and the implementation of best energy practices.
- Establishing and maintaining an Energy Management and Control System which will allow to evaluate and follow up the fulfillment of the goals proposed, under a continuous improvement framework.
- Ensuring the availability of necessary information and resources to achieve the proposed goals in energy management matters.
- Promoting the workers, suppliers and contractors' participation in the development of responsible management in the energy use and consumption.

Our Energy Policy is communicated through contracts and commercial agreements to all our employees and to third parties that provide services for us.

2020 Internal direct sources energy consumption (terajoules / year)

SOURCE	UNIT	R&C					E&P			
		ERA	ERBB	R&C MAG	DAO	TOTAL	ENAP SIPETROL ECUADOR	SIPETROL ARGENTINA	E&P MAG	TOTAL
Diesel oil	TJ/year	0.00	102.11	0.00	0.00	102.11	203.90	0.00	0.00	203.90
Propane and butane	TJ/year	0.00	88.22	0.00	0.00	88.22	0.00	0.00	0.00	0.00
Oil	TJ/year	0.00	0.00	0.00	0.00	0.00	2.70	0.00	0.00	2.70
Natural gas	TJ/year	3,013.86	1,606.26	843.80	0.00	5,463.92	1,755.30	2,542.00	10,512.80	14,810.10
Combustible gas	TJ/year	5,770.25	6,399.85	0.00	0.00	12,170.10	0.00	0.00	0.00	0.00
Electricity	TJ/year	2,954.53	2,198.32	0.00	24.5	5,179.95	1.90	0.00	0.00	1.90
Steam	TJ/year	2,277.16	1,013.68	0.00	0.00	3,290.84	0.00	0.00	0.00	0.00
Totales	TJ/year	14,015.80	1,408.44	843.80	24.5	26,295.14	1,963.80	2,542.00	10.512,80	15,018.60

2020 Energy intensity

	SUBSIDIARY	UNIT	IDE*	GOAL	UNIT	PRODUCTION
R&C	ERA	TJ/Mm3 Valuable production	3.16	3.18	Mm3/year Valuable production	4,437.7
R&C	ERBB	TJ/Mm3 Valuable production	3.77	3.83	Mm3/year Valuable production	3,022.7
R&C	R&C Mag	TJ/Mm3 Valuable production	1.433	1.425	Mm3 /año Producción Valiosa	588.5
R&C	DAO	TJ/Mm3 Product manufactured	0.005	-	Mm3/year Product manufactured	4,534.0
E&P	ENAP Sipetrol Ecuador	TJ/MBOE	0.26	-	MBOE/year	7,480.0
E&P	Sip Argentina	TJ/MBOE	0.44	-	MBOE/year	5,770.0
E&P	E&P Mag	TJ/MBOE	1.47	-	MBOE/year	7,168.0

*IDE is Energy Intensity. There is no defined goal for ENAP Sipetrol Ecuador, Sipetrol Argentina and E&P Magallanes.
NOTE: ERA and ERBB goals are the 2020 ENAP's Annual Management Plan goals. DAO Energy Index is declared according to the Energy Management System (SGE).

ENERGY EFFICIENCY SEAL

During 2020, 32 companies were awarded the Seal of Energetic Efficiency, delivered by the Energy Sustainability Agency in Chile in 2018. We are very proud of our gold category win in five of our facilities, which have been accomplished by the concrete-measures implementation of energy efficiency. This golden seal allowed ENAP to receive an international recognition as a Global Leader in Energy Management, which was delivered by the global Clean Energy Ministerial forum (CEM).

During 2020, the carbon footprint calculation methodology developed in 2020 was reapplied. This allowed the creation of a Greenhouse Gases (GHG) inventory for our operations in Chile, Argentina and Ecuador. The emission factors source corresponds to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, and its focus is the operational control. Regarding the 2 indirect emissions scope calculation, the total electric energy consumption in Chile is considered by the National Electric Service (SEN in Spanish). In Ecuador, the emission factor is obtained from CENACE (National Electricity Operator). Indirect emissions are related to the electricity consumption of the Buenos Aires and Río Gallegos office in SIPETROL Argentina, as all energy consumed in the operation is self-generated. For E&P Magallanes, the indirect emissions belong to the Punta Arenas' office consumption, as all energy consumed in the operation is self-generated.

2020 Greenhouse Gases Scope 1 and 2 Indirect Emissions

TYPE OF EMISSION	UNIT	R&C					E&P			
		ACONCAGUA REF (+COGENERADORA ERA)	BÍO BÍO REF (+ COGENERADORA ERBB)	R&C MAGALLANES	DAO	TOTAL	ENAP SIPETROL ECUADOR	SIPETROL ARGENTINA	E&P MAGALLANES	TOTAL
SCOPE 1	tCO2eq/year	762,154	1,315,422	42,953	2,336	1,572,894	78,051	176,055	214,920	254,106
SCOPE 2	tCO2eq/year	29,173	268,424	0	3,375	297,597	241	41	180	282
Total	tCO2eq/year	791,327	1,583,846	42,953	5,711	1,870,491	78,292	176,096	215,100	254,388

Note: For the gas emission calculation, CO2, CH4 and N2O are included.

Intensidad de emisiones

	SUBSIDIARY	UNIT	2020
R&C	Aconcagua Refinery	Ton CO2eq/ton processed crude	0.18
		Cogeneradora ERA [Ton CO2/MW]	0.38
	Bío Bío Refinery	Ton CO2eq/ton processed crude	0.23
		Cogeneradora ERBB [Ton CO2/MW]	1.13
	R&C Magallanes	tCO2eq/m3 valuable production	0.08
	DAO	tCO2eq/thousand m3 product manufactured	1.29
E&P	ENAP Sipetrol Ecuador	tCO2eq/BOE	0.0105
	Sipetrol Argentina	tCO2eq/BOE	0.034
	E&P Magallanes	tCO2eq/BOE	0.03

EMISSIONS COMPENSATION

ENAP Sipetrol Ecuador has sponsored 14,744.44 ha that correspond to 2019 compensation emissions. There is a calculating process to establish 2020 compensations. This is the only subsidiary that implemented emission reduction projects, during the year.

NCRE Transition

At ENAP we are committed to the **sustainable energy transition matrix in Chile.** The main milestones during 2020 was betting on wind power and green hydrogen.

VIENTOS PATAGÓNICOS EOLIC PARK

Despite the 2020 difficulties, we have persevered in materializing our commitment to green energy development that will allow us to move towards the national matrix decarbonization. This is reflected upon the setting the Vientos Patagónicos Eolic Park which was promoted together with the Pecket Energy company in the Cabo Negro, Punta Arenas.

The park is made up by 3 wind turbines (125 mt); there were 2 cranes (160 tons) which allowed bobbing parts up and down, plus another 600 tons crane that came into the region in 20 trucks in order to lift up the pieces.

Each wind turbine has a power of 3.45 MW, completing a total of 10.35 MW, which is injected into Punta Arenas' electrical network and benefits about 15 thousand homes. Its total investment exceeds US$ 22 million.

On 21 August, Sebastián Piñera visited the park, along with his ministers: Juan Carlos Jobet (Energy), and Andrés Couve (Science Technology, Knowledge and Innovation), together with José Fernández Dübrock (Magallanes and Antarctic Chilean Region mayor), and Claudio Radonich (Punta Arenas mayor). Operations started two months later, increasing the Non-Conventional Renewable Energies (NCRE) participation in Magallanes from 2% to 18%.

GREEN HYDROGEN

2020 was marked by improvements in new clean energies and we were not oblivious to this process, joining the HIF green hydrogen project (Highly Innovative Fuels for its acronym in English), promoted by the national Andes Mining & Energy (AME) company, with the Siemens Energy, Enel Green Power and Porsche teams' participation, as well. This initiative sought to produce green hydrogen in Cabo Negro, in order to stimulate the production of a new generation of synthetic fuels.

We are very proud to participate in the production of green hydrogen in order to create sustainable methanol and gasoline, as well as being aware that these energies are part of Chile's future. Our commitment and enthusiasm are set on the critical infrastructure development for the country, along with making our experience and knowledge available.

LIQUEFIED NATURAL GAS (LNG) TRUCK FLEET

In August 2020, the liquefied natural gas truck fleet started its operations. These are more efficient vehicles than conventional trucks, making less noise, emitting 15% less greenhouse effect gases and which have a 1,600 kilometers autonomy.

HYDRIC RESOURCE SUSTAINABLE MANAGEMENT

WHY IS A MATERIAL ISSUE?	Water is a vital element for all living beings. Many industries, including ours, depend on this resource for its operations. Water's correct management and its efficient use—especially in high-water stress territories—is key to business sustainability over time and the communities' socio-environmental sustainability and the environment.
HOW TO MANAGE IT?	ENAP manages water resources from the Sustainability Policy pillars and Environmental Management strategy approaches, constantly implementing technological and operational improvements that contribute to optimizing the efficient use of water in all operations.
TEAM IN CHARGE	Operation teams in each business unit.

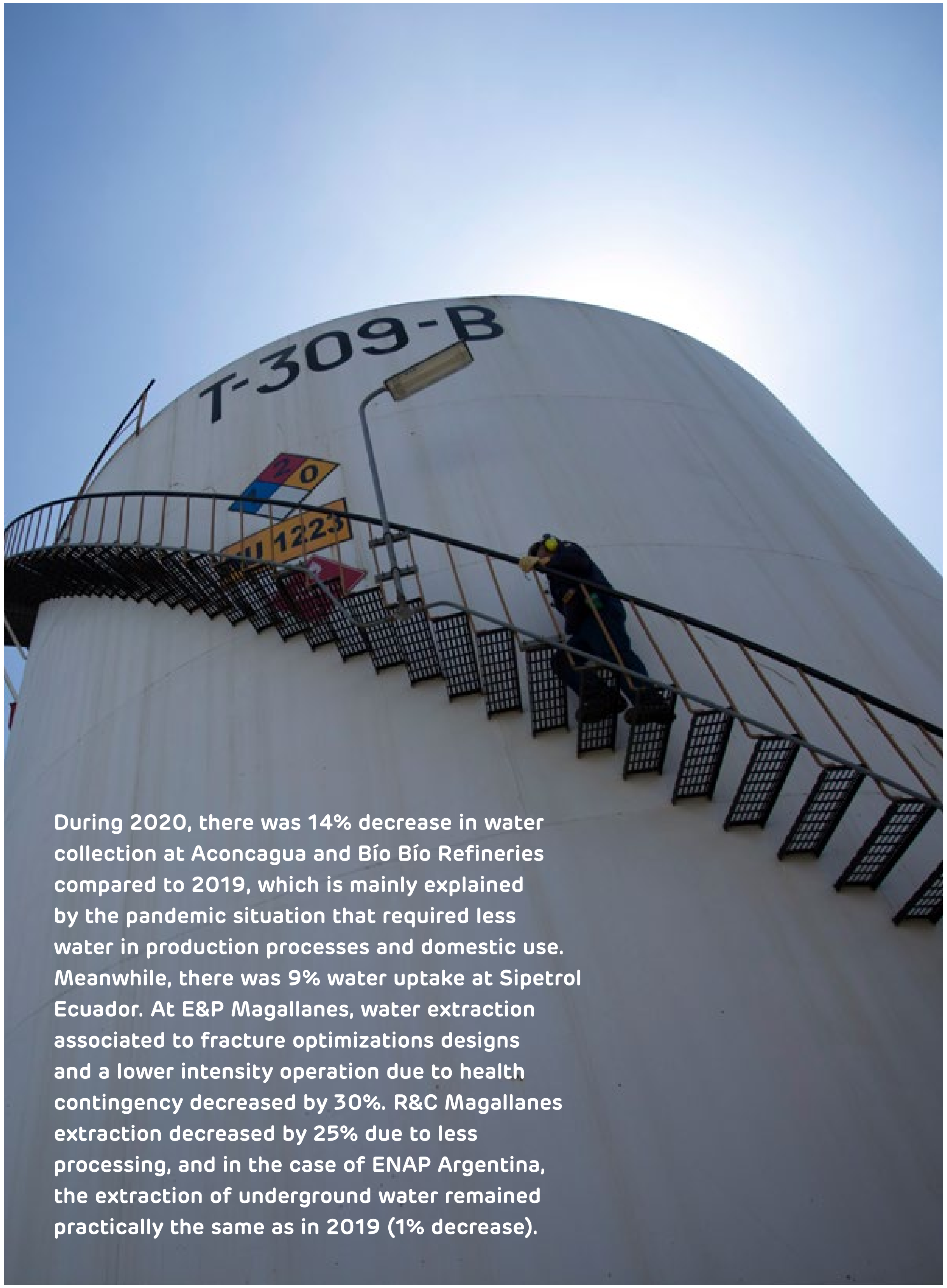
COLLECTION, UNLOADING AND CONSUMPTION

For operation of most our production processes, water is obtained through deep wells, which counts on the authorization and in compliance with the environmental legislation of Chile, Argentina and Ecuador.

- ERA captures water from 3 well sources: Tabolango and Lajarilla for process water, and Bocatoma for service water. Esval provides human-consumption water.

- Bio Bío Refinery obtains water from two intakes located in the Bio Bío river, a process that has an Environmental Surveillance Program where through four annual monitoring campaigns, the RILES different parameters are unloaded. In addition, ERBB participates in a EULA center agreement, in the Water Quality Monitoring Program in the Biobío River System. Its results are referred to the surface water quality secondary standard of the Bio Bío basin.

- Water is obtained mainly from surface sources, Chabunco, Rogers and Óscar rivers, at R&C and E&P Magallanes.



During 2020, there was 14% decrease in water collection at Aconcagua and Bío Bío Refineries compared to 2019, which is mainly explained by the pandemic situation that required less water in production processes and domestic use. Meanwhile, there was 9% water uptake at Sipetrol Ecuador. At E&P Magallanes, water extraction associated to fracture optimizations designs and a lower intensity operation due to health contingency decreased by 30%. R&C Magallanes extraction decreased by 25% due to less processing, and in the case of ENAP Argentina, the extraction of underground water remained practically the same as in 2019 (1% decrease).

2020 WATER EXTRACTION

EXTRACTION SOURCE	UNIT	R&C					E&P			
		ACONCAGUA REFINERY	BÍO BÍO REFINERY	R&C MAGALLANES	DAO	TOTAL	SIPETROL ECUADOR	SIPETROL ARGENTINA	E&P MAG	TOTAL
Superficial water	Mm3	0	64,547	62	0	64,547	8	0	56.5	8
Underground water	Mm3	5,021.8	0	0	942	5,963	23	23	23.2	46
Sea water	Mm3	0	0	0	0	0	0	0	0	0
Water Produced	Mm3	NA	NA	0	NA	NA	142	299	217.5	441
Third-parties water	Mm3	179.1	0	0.1	15	194	4	0	2.0	4
Total	Mm3	5,200.9	64,547	62.1	957	70,704	177	322	299.20	499

NA: No aplica.

2020 WATER CONSUMPTION AND UNLOADING

	SUBSIDIARY	UNIT	CAPTACIÓN	DESCARGA	CONSUMO
R&C	Aconcagua Refinery	Mm3	5,200	3,212	1,989
	Bío Bío Refinery	Mm3	64,547	60,233	4,506
	R&C Magallanes	Mm3	62.1	49,5	12.6
	DAO	Mm3	957	ND	957
	Sub total	Mm3	70,766	63,494.50	7,464.6
E&P	Sipetrol Ecuador	Mm3	177	1.5	176
	Sipetrol Argentina	Mm3	322	300	21
	E&P Magallanes	Mm3	299.2	239.9	59.3
	Sub total	Mm3	798.20	541.4	256
	Total	Mm3	71,564.30	64,035.90	7,720.40

WATER STRESS ZONES

Aconcagua Refinery

The Concón area has been classified as a water scarcity zone since 2019, according to the 2019 Decrees 33 and 91 of the Ministry of Public Works.

We have created the Water Committee in Aconcagua Refinery seeking to ensure and give continuity to cooling processes and steam generation mainly, through volume and quality uninterrupted water supply. Its purpose is developing action plans in order to mitigate and control the proper use of water in a timely and efficient manner, throughout the Concón and Terminal Quintero production and logistics processes. In addition, technological improvements should be implemented in order to contribute to environmental refining and energy indicators for the efficient use of water resources.

Optimization consumption initiatives were implemented during 2020, through the committee's consumption evaluation and implementation in order to optimize the use of water resources.

Address and Oil Pipelines Management

The water stress areas are located in Linares, San Fernando and the Molina Pumping Station in accordance with the issued decrees by the General Water Management (DGA), which were still in force by the end of this report. The specific impacts have not yet been evaluated due to the nature of this management's water supply.

2020 WATER EXTRACTION IN HYDRIC STRESS AREAS*

	EXTRACTION SOURCE	UNIT	R&C					E&P			
			ACONCAGUA REFINERY	BÍO BÍO REFINERY	R&C MAGALLANES	DAO	TOTAL	SIPETROL ECUADOR	SIPETROL ARGENTINA	E&P MAGALLANES	TOTAL
UNDERGROUND WATER	Fresh water (≤ 1.000 mg total dissolved solids/lt)	Mm3	4,483.9	0	0	264	4,747.9	0	0	0	0
	Other water (≤ 1.000 mg total dissolved solids/lt)	Mm3	537.7	0	0	0	537.7	0	0	0	0
	Total	Mm3	5,021.6	0	0	264	5,285.6	0	0	0	0

*In DAO, hydric stress area plants are located in Linares and Molina.

WASTE MANAGEMENT

WHY IS A MATERIAL TOPIC?

Waste generation has a direct impact on territories where our operations are developed and our facilities are located. The mismanagement of waste has negative effects, both on surrounding communities as well as in the efficiency and safety of our operations.

HOW TO MANAGE

Within our Environmental Management framework, we internally address the topic through the implementation of recycling and revaluation of waste systems in our operations, as well as through hazardous waste proper disposal. On the other side, community initiatives and public-private partnerships are externally encouraged in order to promote a correct and responsible territorial management of non-hazardous waste.

PROJECT TEAM

Waste management is in charge each of ENAP's environmental areas in Chile, Argentina and Ecuador.

HAZARDOUS WASTE

Aconcagua Refinery decreased 58% of the total waste generated compared to 2019, regarding the generation of hazardous waste. In turn, Bio Bío Refinery decreased by 8% and Sipetrol Argentina by 66%. Sipetrol Ecuador maintained the same amount of hazardous waste as the previous year.

R&C Magallanes increased generation of waste by 218%, while E&P increased its own by 276% due to housekeeping projects and final land disposal from the low ammunition sector.

DAO increased hazardous waste generation by 119% compared to 2019, due to maintenance execution.

Regarding the transported waste during 2020, a considerable decrease in transported waste is recorded: from 15,678 tons in 2019 to 11,173 in 2020.

INCIDENTS

During 2020, no significant spills were registered in ENAP's operations. However, an oil pipeline in the Trans-Ecuadorian System (SOTE) ruptured, causing a spill. This event meant stopping Sipetrol Ecuador operations for about 40 days.

NON-HAZARDOUS WASTE

Regarding the non-dangerous waste generation, Aconcagua Refinery decreased by 13% the total generated waste compared to 2019. Bío Bío Refinery by 1%. In the case of Sipetrol Argentina, non-hazardous waste decreased by 30%. In contrast, Sipetrol Ecuador increased its waste by 40%, compared to 2019.

During this year we launched the 4th Green Point in Concón, in the Neighborhood Recycling program framework, in order to contribute in the paper, cardboard, aluminum cans and plastic bottles recovery. Thus, we continue to promote the community's commitment and participation in the sustainable management of household waste.

2020 NON-HAZARDOUS WASTE MANAGEMENT

	SUBSIDIARY	UNIT	RECYCLING	INCINERATION	RECOVERY	FINAL DISPOSITION	OTHER	TOTAL
R&C	Aconcagua Refinery	Ton/year	0	0	0	1,520	0	1,520
R&C	Bío Bío Refinery	Ton/year	0	0	0	25,949	0	25,949
R&C	R&C Magallanes	Ton/year	0	0	0	324	0	324
R&C	DAO	Ton/year	ND	ND	ND	ND	ND	0
R&C	Sub total	Ton/year	0	0	0	27,793	0	27,793
E&P	Sipetrol Ecuador	Ton/year	4	39	0	50	0	93
E&P	Sipetrol Argentina	Ton/year	0	0	0	77	0	77
E&P	E&P Magallanes	Ton/year	0	0	0	1,056	0	1,056
E&P	Sub total	Ton/year	4	39	0	1,183	0	1,226
	Tota	Ton/year	4	39	0	28,976	0	29,019

BIODIVERSITY PROTECTION

WHY IS IT A MATERIAL ISSUE?	The ecosystems in which our operations are inserted represent the basis of the territories' sustainability in which we carry out our production and logistics activities. In this sense, the local biodiversity protection represents a fundamental pillar in our commitment to nature and present and future generations.
HOW TO MANAGE IT?	Based on our Sustainability Policy approach, we manage these matters based on existing legislation, regarding biodiversity and protected areas, and the multisectoral alliances developed to promote innovation, environmental education and biodiversity protection
TEAM IN CHARGE	This function is developed jointly by the Environment and community areas in each of our operations.

The Aconcagua River wetland sits next to the Aconcagua Refinery operation area. This site is a municipal Natural Reserve and priority site 1 for protection, according to the Strategy and Action Plan for the Conservation of Biological Diversity in the Valparaíso area. Its estuarine ecosystem with a habitat, flora and fauna diversity (dune, swamp, stream with arboreal and shrub strata, grassland) houses different species of crustaceans, fish, mammals and birds, especially the Humboldt penguin (Spheniscus humboldti), declared a vulnerable species, in accordance with DS 50/2008 on species classification and their status, from the Secretary General of the Presidency. The wildlife total wealth in the area represents 27.4% of the potential fauna on a regional scale and 34.7% of the potential fauna on a local scale.

The Vinapú Terminal is located in the Rapa Nui National Park, a protected area that was also declared a historical monument by Decree 4536 of 1935, regarding DAO subsidiary. The National Biodiversity Strategy in Chile will promote the creation of a Marine Protected Area.

Bio Bío Refinery is located approximately 1 km from the Hualpén Peninsula Nature Sanctuary (DS 556/1976) and the private Pedro del Río Zañartu Park Sanctuary (Fundo Hualpén). Within its wooded formations, the southeastern sector of the peninsula stands out, which includes scrublands and meadows together with Laguna Verde and the Lenga River. In the northeast area, there is an open scrub and grasslands where it is possible to find higher-degree-of-development tree species. The queule tree (Gomortega keule) is found here, an endemic and endangered species.

Activities are carried out within surface lands that are part of the Cabo Vírgenes Provincial Reserve, which has terrestrial and maritime ecosystems, in the case of Sipetrol Argentina. The biodiversity value, Category IV, has been determined by the International Union for Conservation of Nature (IUCN).

In the case of E&P Magallanes, specific operational areas are located inside the Bahía Lomas Nature Sanctuary, which are currently non-operating facilities.

6 Community relations and Social Investment

Community relations and Social Investment

COMMUNITY RELATIONS AND SOCIAL INVESTMENT

WHY IS A MATERIAL ISSUE?	It is essential for us to connect with the communities in our environment and to promote instances for dialogue and collaboration. This will allow us to guarantee our operations in sync with the interests and expectations of the communities, in our role as a company executing strategic operations for the country.
HOW TO MANAGE IT?	Through the Corporate Strategy for Community Relations that describes the company's commitment to the territories in all business units, within ENAP's Sustainability Policy framework.
TEAM IN CHARGE	The Institutional Relations and Communities Management, as part of Corporate HSEC (Health, Safety, Environment and Communities) Management and their teams in the different business units and subsidiaries.

OUR CORPORATE RELATIONSHIP STRATEGY WITH COMMUNITIES IS BASED IN FOUR PILLARS:

Open dialogue

Action that establishes relationships based in permanent dialogue and that will allow us to generate confidence links.

Mutual benefit relations

Social investment initiatives that bet on the communities' quality of life, considering their problems, interests and worries.

Transparency and environmental responsibility

Actions that promote timely information delivery about the environmental impacts in our operations and its mitigation measures.

Collective responsibility

Initiatives that promote the ENAP's workers commitment to the sustainable development and the respect for communities.

We defined three lines of work during 2020, and added a fourth one, as a result of the Covid-19 health and social crisis.

1. Make processes and environmental impacts transparent: in order to improve the understanding of our industrial activities by the communities and interest groups of the territories in which we are present.

2. Contribute to the recovery and environmental improvement of the territories: to remedy and/or reduce the cumulative environmental impacts derived or not from our operations.

3. Fulfill commitments and improve the quality of life of the communities: in order to build relationships of trust based on the creation of shared value between the company and the social environment.

4. Support communities to face the Covid-19 pandemic effects: to help the most vulnerable neighbors and promote the economic and social recovery of the territories.

ENAP Aconcagua Refinery (ERA)

- Project Micro-network for Citizen Air Quality Surveillance continuity in Concón, which shows particulate matter levels in real time (PM10 and PM2.5).

- Traditional anglers are trained in safety matters through the Sea Firefighters program that gives them tools to act before maritime contingencies. During 2020, the water sample collection and surveillance rounds increased as fishermen's unions were involved. In December, a general containment oil spill drill was performed at the Quintero bay.
- The Neighborhood Recycling program was expanded. This provides a large clean point and several green points which made synergy with the Sustainable Destination program. During 2020, the Neighborhood Council joined the program Villa Concón and completed 6 green points in the area.

- The Neighborhood Recycling program was expanded. This provides a large clean point and several green points which made synergy with the Sustainable Destination program. During 2020, the Neighborhood Council joined the program Villa Concón and completed 6 green points in the area.

- Competitive Funds program - ENAP Impulsa Quintero: 45 project awards that territorial organizations and functional areas Concón (22 projects) and Quintero (23) defined as a priority.
- The Psychosocial Network Support implementation for representatives in the area of Quintero; approximately 200 representatives participated of 3 workshops in online mode.
- Training program for teachers in Quintero schools which is oriented to the delivery of methodological tools to strengthen online learning mode (60 teachers from 4 schools).
- Execution of training courses to improve the employability and quality of life, together with social leaders of Concón, Quintero and Puchuncaví. 21 online courses were developed mainly focused on the employability and the implementation of new technologies to favor local entrepreneurship (355 people benefited).

Sea firemen training program.


Training courses for the community.

Storage and Oil Pipeline Management (DAO)

- Support for the Tapati Rapa Nui cultural festival.
- Collaborative work with 7 Fire Brigades from DAO nearby towns, for the development of practical exercises and conducting emergency containment drills.

- Covid-19 Prevention Supplies Contribution for the East Family Health Center in San Fernando area.
- Fuel contribution for fishermen boats mobilization, who participated in three fishing activities. The entire fish catch was donated to the Rapa Nui community.
- E-learning mode training courses to improve employability and quality of life, which benefited 40 people from San Fernando and Maipú areas.

Firefighters' drill in Longaví.

Fishermen support in Rapa Nui.

ENAP Bío Bío Refinery (ERBB)

- Safety and environmental talks addressed to the different territorial organizations and social areas in Hualpén area.

- Nueva and Villa El Triángulo villages relocation in Hualpén area, which is a process that is part of the action axes of the Sustainability and Environment Plan and belongs to the relocation commitment assumed between the company, the Regional Government, the Ministry of Housing and Urbanism, the Municipality of Hualpén and 290 families surrounding the Bío Bío Refinery. During 2020, 266 families joined the initiative, including 154 that already inhabit their new homes.
- 5 infrastructure facilities and community equipment development, which benefited the closest 8 neighborhood associations to the Bio Bío Refinery operations (6,300 neighbors).

- Execution of the competitive funds program - ENAP Impulsa Hualpén which benefits 9 neighborhood associations.
- Contribution of personal protection supplies and Covid-19 prevention for 18 neighborhood associations (5,000 residents benefited) from Hualpén area.
- E-learning mode training courses to improve employability and quality of life which benefited 469 residents in Hualpén and Talcahuano.

Contagion prevention supplies delivery.

Infrastructure facilities in Hualpén.

ENAP Magallanes

- Students talks from Santo Tomás Institute's Mining Operations course on ENAP's different production processes.
- Myths and truths about fracking talks for members of the Civil Society and Climate Action in Magallanes.

- For the fifth year in a row, the literary micro-stories contest Magallanes in 100 words was held, with 2,985 submitted stories from different areas in the Magallanes region.
- he restoration of Cerro Sombrero's cinema façade, which was promoted by the Procultura Foundation with the support of ENAP Magallanes and the Cultural Heritage Fund of the Ministry of Culture.

- Competitive Funds Program - ENAP Impulsa Magallanes second version, with 21 award projects for the improvement of community infrastructure and Covid-19 adaptation.
- University of Magallanes' Center for Teaching and Research Assistance received a 400-nitrile-glove-boxes contribution for the laboratory, which were used in regional Covid-19test analysis.
- Training courses to improve employability and quality of life, with the participation of 707 beneficiaries (81% women) from the Punta Arenas, Puerto Natales, Primavera, Puerto Williams and Porvenir areas. Livestock Affairs Unit (created in 2007) projects continuity to support strategic communication with farmers in our operations areas.
- Property plans preparation for the Pilot Extension for 20 venues in San Gregorio area.
- Second course on Satellite images use as property planning tools with the participation of 20 farmers in the region.
- Mobile app design for the Agricultural Sector, in order to estimate the fodder amount available in natural grasslands and standardize its handling.
- Technical contribution for the elaboration of the manual about Methodology for obtaining a farm management plan in sheep production systems in the Magallanes region and the Chilean Antarctic.
- Preparation and design of the book "El Chulenguito" for preschool children about the native species in the region.

Restoration of Cerro Sombrero's cinema façade.

Sanitation training for the community.

SIPETROL Argentina

- Agreement with the Secretary of the Environment in the Province of Santa Cruz for scientific research on the impacts of climate change in the Southern Patagonia.
- Agreement with Universidad Nacional de la Patagonia Austral with the objective of conducting preventive surveys and archaeological tasks in the "El Turbio Este" block exploratory project.
- Specialized assistance agreement by the Natural Resources of the Provincial Agrarian Council Management, for sustainable natural resources handling in the provincial reserve Cabo Vírgenes.
- Cooperation agreement with the Agrarian Council in the Province of Santa Cruz, based on the natural reserve management of Faro Vírgenes.

- Completion of renewable energy connection tasks for rural schools: solar panels delivery and installation, including batteries and equipment.

- Backing for the Ministry of Health in Santa Cruz due to the health emergency, by donating medical supplies and protection elements for the community.

Renewable energy support for rural communities.

SIPETROL Ecuador

- Renovation of the 880 hectares conservation project for forests located in communities of in the direct influence area.

- Health program: primary health care was provided in 24 communities and 14 educational centers, conducting 937 medical consultations and 555 dental consultations. As of April, support will be focused on the 6 health sub-centers medical provision and infrastructure improvement in our influence area, and which belong to the Ministry of Public Health.
- Scholarship program: it benefits 51 students with direct contributions, including a laptop computer.
- Educational Projects: for the fifth year in a row, a delivery of 3,102 school bags was made for students in educational institution units in the area of operational influence. In addition, students' mobilization to educational centers and arrangements, and adaptations in the infrastructure of educational centers were carried out.
- Productive development from the agricultural input delivery for the cocoa crops; livestock input for farmers; construction materials for the improvement and construction of sheds; poultry kit for members of the 8 communities, and permanent training.
- Social compensation agreements: education incentive project, through computer and printer provision for La Magdalena community (Inchi C13 well) partners.

- Consortium Block 28 supported the Mera Health Center to facilitate the health service provision in neighborhoods, enclosures and communities in the exploratory project's direct and indirect areas of influence.

Laptop delivery for Block MDC interns.

7

Supplementary Information

Supplementary Information

HISTORICAL REVIEW

It all started in December 1945, when a group of workers from the Production Development Corporation (Corfo), led by engineer Eduardo Simián, made the first crude discovery in Springhill, Tierra del Fuego. This was the first step towards the creation of an oil-well commercial exploitation company in the southern zone that would materialize five years later by gradually becoming one of the country's strategic companies.

On 12 November 1955, after the first strategic developments in the Magallanes region during Carlos Ibáñez del Campo's government, the Petroleum Refinery of Concón—today ENAP Aconcagua Refinery (ERA)—started its operations with the purpose of producing large-scale fuels and start competing in the commercial and industrial refining business. Four years later, the storage plant in Maipú was built (the current Storage and Oil Pipelines Management, DAO) which serves the entire Metropolitan region.

On 24 July 1961, from the Union of Oil Workers and the ENAP Employees' Association, the United Command of Oil Workers was born Petroleum Workers' Union, which was Fenatrapech's predecessor (Chilean National Federation of Oil Workers and others), which became one of the most important union organizations at a national level.

On 29 July 1966, five years later, the refinery in Hualpén (currently Bío Bío Refinery, ERBB) is set in motion and ENAP is consolidated as a company that projects significant growth in the years to come. In 1981, the Logistics business line is created and in 1990, the company began its expansion at international level creating the Oil International Society S.A. (currently ENAP Sipetrol) which has developed successful explorations in Argentina, Ecuador and Egypt.

In **2004**, the ERA and ERBB refineries, together with the in-charge storage subsidiary of fuels Emalco, merged in just one: ENAP Refineries S.A. The Natural Liquified Gas (LNG in Spanish) terminal in Quintero was inaugurated on March 2009, thanks to the alliance with British Gas (BG), Endesa and Metrogas, which marked a milestone in ENAP's development as an integrated energy sector company in Chile.

The company carried out deep exploration campaigns in the Magallanes region, in order to find new oil and gas reserves, **during the 2010s**. For example, unconventional gas (tight-gas) in the Arenal Block allowed the gas production by ensuring regional supply.

Since 2016, ENAP has been authorized to also participate in the electrical power production area, energy transport and commercialization with the aim of providing new solutions for the the country's development and the territories where it operates. The energy transition challenge and the changes that new legislation will promote are specially related to main information relative to the Corporate Management during the last 5 years.

The first South American geothermal plant, Cerro Pabellón (located in Ollagüe, Atacama Desert) started its operations on 31 March **2017**. This facility injected energy into the Great North Interconnected System (SING in Spanish). The initiative was developed by Enel Green Power (81.7%), and ENAP (18.3%).

In July of the same year, the Congress of the Republic enacted the modernization of ENAP's Corporate Management by establishing an independent and professional board of directors, and the need to have five-year plans business

ENAP's Wind Farm in Magallanes was approved by the Comptroller General of the Republic, as a social interest investment for the diversification of the regional energy matrix, on 5 January **2018**. During April, the Magallanes Area Incremental Project (PIAM in Spanish) activities took up—operated by ENAP and in partnership with YPF—to substantially increase the natural gas and oil production associated to the reservoir, located at the Strait of Magellan's eastern entrance, on the Argentinian side. ENAP sold a deposit which had been operating since 2001, the Block Pampa del Castillo, to the Argentinian company CAPEX S.A., and its affiliate Petrominera.

On 26 April, the first ordinary shareholders meeting was held, and the approval of the financial statements, the annual balance and the current 2018-2022 business plans were passed

Finally, Enel Green Power and ENAP started a 33 MW expansion construction at the Cerro Pabellón geothermal plant in **2019**, in accordance with the energy challenge. Besides, the company and Methanex signed an agreement to promote non-conventional gas development in Magallanes. The three wind turbines assembly was concluded in the Wind Farm in Magallanes

SUSTAINABILITY POLICY AND STAKEHOLDERS

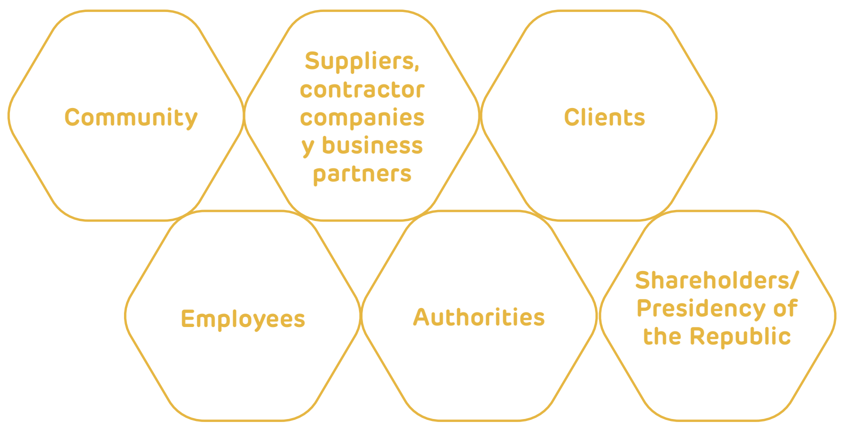
ENAP's 2014-2025 Sustainability Policy establishes the development management framework for sustainable and social responsibility business, based on international standards and certifications.

The 4 dimensions which make up this policy are:

- Stakeholders' consideration
- Environment
- Integrated Management
- Human Rights

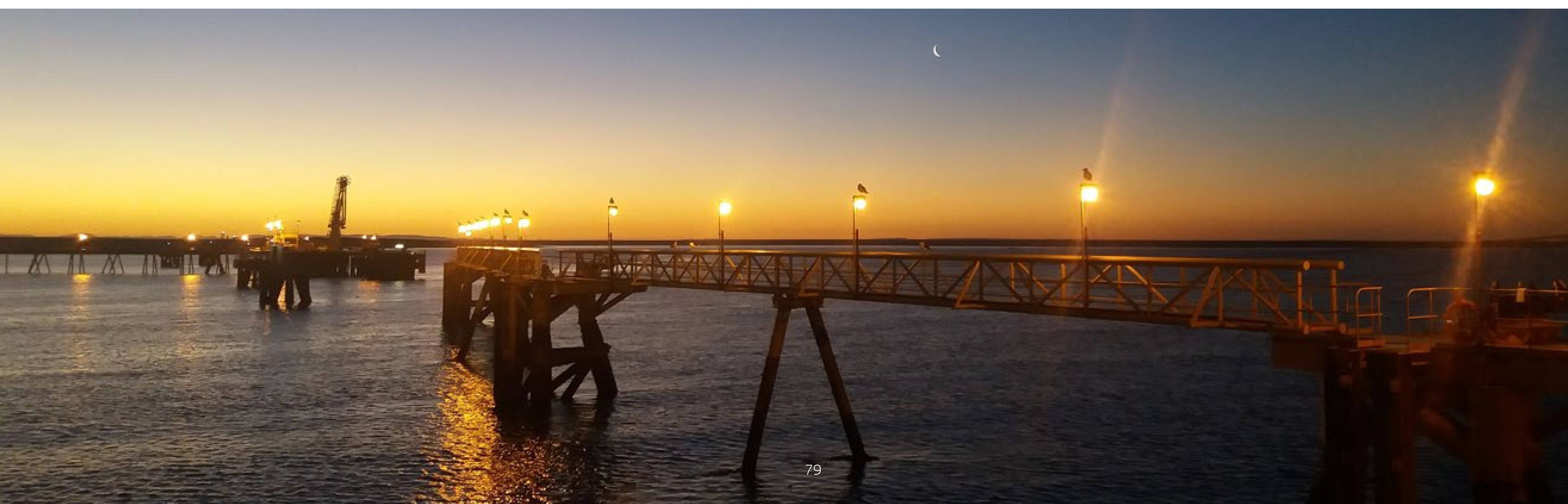
1) Stakeholders' Consideration

Its main focus is to establish and maintain trust and mutual benefit relationships with stakeholders, considering their interests and expectations, looking at set opportunities for generation of social, environmental and economic value.
The following stakeholders are on our Sustainability Policy:



During 2020, the importance of continuing to deepen understanding and relationships with all stakeholders has become even more evident as a result of the challenges caused by the pandemic. When a strategic alliance for decision making is met, suppliers, contractor companies, business partners and clients become vital allies for the value chain sustainability, beyond their commercial relationship, both from a health and safety point of view as well as considering all socio-environmental risks.

It is essential to maintain a harmonious coexistence with the communities in the territories, to promote fair labor practices for employees and a safe, healthy, inclusive environment, with no signs of discrimination. Additionally, our mission is to positively impact in the quality of life of people and neighbors, and to promote a truly sustainable local development. Finally, it is also essential for ENAP to continue building positive synergies and seamless relations with all local, regional and national authorities, in order to deepen its role as a state company.



2) Environment

ENAP promotes environmental, social and governance responsibility in all its business areas, complying with the applicable regulatory frameworks, the Corporate Standard for Environmental Management, the United Nations Global Compact principles, and other international standards and industry best practices.

The commitment becomes especially evident in the search and implementation of innovations that will allow us to reduce the possible environmental generated impacts, that will improve energy efficiency and the transition towards Non-Conventional Renewable Energies (NCRE), and allow a sustainable water resources management and protection of biodiversity, taking advantage of local and national multisectoral alliances.

3) Integrated Management

ENAP promotes continuous improvement through integrated management systems, that establish indicators on the evaluation, verification and reporting of goals, where all stakeholders are involved. In addition, it encourages the incorporation of sustainability criteria at a transversal level, in the different processes and lines of business.

4) Human Rights

ENAP promotes respect for human rights, both in its organizational culture and in the face of the risks associated with its operations. The company bases its actions on the UN Guiding Principles on Business and Human Rights, the principles of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.

Any discrimination situation, in particular of minorities and the most vulnerable groups are against the company's policy. Therefore, ENAP promotes a culture of integrity, probity and transparency, as a State company.

The link with different interest groups was actively managed during this year which was marked by the restrictions inherent to the pandemic and the powerful emergence of digital communication platforms, but with the clear intention of emphasizing the need to take care of people's health.

The formal relationship channels that allowed an Open Dialogue with the company's stakeholders are described below. These contributed to trust strengthening between the local communities surrounding our operations and the company, as well as with other actors, in accordance with our Community Relationship Corporate Model. The main topics addressed on each channel and their frequency are described in Annexes.

STAKEHOLDERS' RELATIONSHIP CHANNELS

STAKEHOLDERS: EMPLOYEES

RELATIONSHIP CHANNEL	FREQUENCY	MAIN TOPICS
Corporate intranet	Daily	Covid-19 prevention protocols and measures, financial results of the company and its business lines, business plan update, changes in Corporate Governance, safety issues, environment and communities; people and organization; operational efficiency, among others.
Daily information	Daily	ENAP mentions in the media (company's management, declarations of authorities, information on relevant investments and projects, among others). Industry topics that impact on ENAP's work, information on Oil & Gas and commodities sector.
Informative mailing	Regular	Corporate messages with interest topics for the whole company. Policiy dissemination, regulations, protocols and security measures, memos, organizational settings, internal training and other matters that the organization should know.
Step by step management presentation	Regular	Permanent communication from the General Manager and corporate managers to workers, financial results of the company, operational progress, business lines projects, investments and challenges.
Ask the General Manager box	Regular	Employees may send their comments or doubts to the General Manager, who regularly responds.
Corporate videos	Permanent	About institutional news, Business Lines news, corporate milestones, outstanding teams and people, as well as protocols and operational and self-care security measures.

STAKEHOLDERS: EMPLOYEES

RELATIONSHIP CHANNEL	FREQUENCY	MAIN TOPICS
Posters	Permanent	Relevant information for each business unit, policy dissemination, safety, operational plans and transversal strategies.
"Más cerca" newsletter (which translates into "Closer")	Monthly	Monthly newsletter that accounts for the main topics covered at ENAP. Includes an editorial on a relevance topic for the entire organization, presented by the person who is in charge of its execution.
Social Media	Permanent	Corporate information (company statements, operational and contingency information and significant milestones). Also, news related to community relations and relevant projects for the company.
Incident report	Weekly	Reportability of incident management in each Business Unit and the accidents registered within the organization.
ENAP Web	Permanent	Relevant company information: regulations framework, organizational structure, business lines, projects, investments, sustainability, ethics and compliance, among others.
Sustainability report	Annual	ENAP's economic, social and environmental performance.
Financial report	Annual	Main financial management and performance milestones.
ENAP Responds Ethical Line	Permanent	Complaints platform for ENAP's Code of Ethics breaches,
Meetings with workers' unions	On request	Labor aspects in general.

2020 ENAP STAFF DATA

Own and transitory business units' details

JOB TYPE	ENAP SANTIAGO		ENAP MAG		ERSA ACONCAGUA		ERSA DAO		ERSA BÍO BÍO		SIPETROL		SIPETROL ARGENTINA		SIPETROL ECUADOR		SIPETROL EGYPT		TOTAL	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
Own total	171	93	956	105	665	94	98	4	659	61	34	10	158	21	120	19	18	3	2,879	410
		264		1,061		759		102		720		44		179		139		21		3,289
Transitory services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0		0		0		0		0		0		0		0		0		0
Own total and transitory services		264		1,061		759		102		720		44		179		139		21		3,289

2020 Business unit and type of contract details

JOB TYPE	ENAP SANTIAGO		ENAP MAGALLANES		ERSA ACONCAGUA		ERSA DAO		ERSA BÍO BÍO		SIPETROL		SIPETROL ARGENTINA		SIPETROL ECUADOR		SIPETROL EGYPT		TOTAL	
	M	F	M	F	M	F	M	F	M	F	M	F	M	Mujeres	M	F	M	F	M	F
Indefinite contract	171	93	948	103	663	92	96	4	658	61	34	10	158	21	120	19	18	3	2,866	406
Fixed-term contract			8	2	2	2	2		1										13	4
Total		264		1,061		759		102		720		44		179		139		21		3,289

2020 Business Unit and Role Type Details

	FIRST LINE MANAGERS	MANAGERS	DIRECTORS	HEADS	PROFESSIONALS	CLERKS AND OPERATORS	TOTAL
ENAP Santiago	9	10	45	24	159	17	264
ENAP Magallanes		7	6	95	167	786	1,061
ERSA Aconcagua		4	7	55	195	498	759
ERSA DAO				20	8	74	102
ERSA Bío Bío		2	4	48	157	509	720
Sipetrol	1	4	2	3	30	4	44
Sipetrol Argentina		12		23	61	83	179
Sipetrol Ecuador		7	1	12	25	94	139
Sipetrol Egypt		3			16	2	21
ENAP Total	10	49	65	280	818	2,067	3,289

2020 Nationality Details

NATIONALITY	ENAP SANTIAGO	ENAP MAGALLANES	ERA	ERBB	DAO	SIPETROL CHILE	SIPETROL ARGENTINA	SIPETROL ECUADOR	SIPETROL EGYPT	TOTAL
Chilean	249	1,053	753	720	101	42	4		1	2,923
Argentinian	7	4				1	175			187
Ecuadorian								139		139
Egyptian									20	20
Venezuelan	4	4	5			1				14
Brazilian	2									2
Bolivian	1									1
Chinese	1									1
Colombian					1					1
Norwegian			1							1
TOTAL	264	1,061	759	720	102	44	179	139	21	3,289

2020 Country, age and seniority details

AGE RANGE

	CHILE	ARGENTINA	ECUADOR	EGYPT	TOTAL
LESS THAN 30	47		1	2	50
30 - 40	893	35	66	9	1,003
41 - 50	965	96	55	8	1,124
51 - 60	696	31	14	1	742
61 - 70	349	16	3	1	369
MORE THAN 70	-	1	-	-	1

SENIORITY

	CHILE	ARGENTINA	ECUADOR	EGYPT	TOTAL
0 ≤ SENIORITY < 2	41	0	8	0	49
2 ≤ SENIORITY < 5	299	36	33	5	373
5 ≤ SENIORITY < 10	985	83	46	5	1,119
10 ≤ SENIORITY < 15	535	28	45	5	613
15 ≤ SENIORITY	1,090	32	7	6	1,135

2020 Average training hours by gender and position

Business unit	2020 Average training hours for women (2020 women training hours/2020 Women Staff)	2020 Average training hours for men (2020 men training hours/2020 men Staff)	2020 Training coverage for women (2020 number of women trained /2020 Women staff-Dec 2020)	2020 Training coverage for men 2020 number of men trained /2020 Men staff-Dec 2020)	Promedio de horas capacitación Rol Ejecutivo 2020 (horas rol ejecutivo 2020/dotación rol	2020 Average training hours Executive Role (2020 Executive Role hours/2020 Executive Role staff)
ENAP Santiago	14	12	100%	100%	12	13
ENAP Magallanes	16	10	92%	84%	28	12
Sipetrol Santiago	11	8	100%	97%	10	8
Sipetrol Ecuador	49	46	100%	100%	63	46
Sipetrol Argentina	3	4	90%	70%	1.0	3.7
ERA + DAO	11	16	96%	100%	13	15
ERBB	12	10	100%	98%	11	9
Promedio Total	16	15	97%	93%	19	15

2020 Performance Assessment

	EXECUTIVES			ROL GENERAL			TOTAL		
	ASSESSED	TOTAL	PROPORTION	ASSESSED	TOTAL	PROPORTION	ASSESSED	TOTAL	PROPORTION
Number of assessed Goals- Chile	117	174	67.2%	180	2,776	6.5%	297	2,950	10.1%
Number of assessed competences- Ecuador	9	9	100.0%	134	134	100.0%	143	143	100.0%
Number of assessed competences- Egypt	0	1	0.0%	19	20	95.0%	19	21	90.5%
Number of assessed goals and competences- Argentina	12	12	100.0%	165	179	92.2%	177	191	92.7%
Total	138	196	70%	498	3,109	16%	636	3,305	19%

Note: The evaluation process included 16 workers from Petrofaro (Argentina) who are not part of ENAP's staff.

2020 ESSENTIAL FACTS

The following essential facts were presented by ENAP in 2020:

23 April 2020:
At the Ordinary Shareholders' Meeting held on 23 April 2020, the following agreements were adopted:

1. The balance sheet approval, financial statements, external auditors' report corresponding to year ended on 31 December 2019.
2. Deloitte Auditors' designation as an external audit company for 2020.
3. The designation of the online newspaper "El Líbero" for social communications.
4. Approve agreements already adopted by the Board on related parties' operations during 2019.

26 June 2020:
The resignation of ENAP's Chair of the Board, Mrs. María Loreto Silva Rojas, was reported effective as of the 26 June 2020.

3 July 2020
Given the resignation of ENAP's Chair of the Board, Mrs. María Loreto Silva Rojas, Mr. Fernando Rodolfo Massú Taré will assume as interim president. As of 3 July 2020, manager Claudio Skármeta Magri also ceased the exercise of his position due to the expiration of his appointment.

8 GRI Content Index

Deloitte.

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LETTER OF INDEPENDENT VERIFICATION INDICATORS IN ENAP'S 2020 INTEGRATED REPORT

Mr. Andrés Roccatagliata Orsini
General Manager
ENAP

Dear Mr. Roccatagliata:

We have reviewed the following aspects of the ENAP 2020 Integrated Report:

Scope

Limited security review of the contents and indicators of ENAP's 2020 Integrated Report, with the Global Reporting Initiative Standards (GRI) provisions regarding the organization's profile and material indicators arising from the materiality process carried out by the company around the established criteria by stated standard, related to the Economic, Social and Environmental dimensions.

Standards and verification processes

We have performed our work in accordance with the International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000), issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accounts (IFAC).

Our verification work has consisted in reviewing the evidence provided by ENAP's business units, which have been involved in the process of making this report, and supports the information written in the Integrated Report, analytical procedures and screening tests described below:

• Meetings with key managers in the Occupational Health and Safety, People, Corporate Affairs, Risks, Compliance, Legal and Environment areas at ENAP.

• Analysis of the adaptation of the contents of ENAP's 2020 Integrated Report to those recommended by the GRI Standard in its essential compliance option, and verification that the check indicators included in this Report correspond to the protocols established by the mentioned standard and the not applicable or not material indicators.

• Verification that the check indicators included in this Report correspond to the protocols established by mentioned standard.

• Verification through revision tests of the quantitative and qualitative information, corresponding to the indicators of the GRI Standard included in the ENAP's 2020 Integrated Report, and its adequate compilation from the data provided by ENAP's information sources.

Conclusions

• The verification process was carried out based on the GRI indicators included in the 2020 version of the Integrated Report. The reported and verified are pointed out in the following table:

General Content										
102-1	102-2	102-3	102-4	102-5	102-6	102-7	102-8	102-9	102-10	102-11
102-12	102-13	102-14	102-16	102-17	102-18	102-20	102-21	102-22	102-23	102-24
102-25	102-40	102-41	102-42	102-43	102-44	102-45	102-46	102-47	102-48	102-49
102-50	102-51	102-52	102-53	102-54	102-55	102-56				
Management Approach										
103-1	103-2	103-3								
Specific Contents										
201-1	201-2	203-2	204-1	205-1	205-2	205-3	206-1	302-1	302-3	303-1
303-2	303-3	303-4	303-5	304-1	304-3	305-1	305-2	305-4	305-5	306-1
306-3	306-4	306-5	307-1	308-1	308-2	401-1	402-1	403-1	403-2	403-3
403-4	403-5	403-6	403-7	403-8	403-9	403-10	404-1	404-2	404-3	405-1
405-2	406-1	407-1	408-1	409-1	411-1	412-1	412-2	412-3	413-1	419-1
Oil and Gas Supplement										
OG1	OG2	OG4	OG10							

Regarding check indicators, we can state that no aspect has been revealed that would make us believe that the ENAP's 2020 Integrated Report has not been prepared in accordance with the GRI Standard in the aspects indicated in the scope.

ENAP and Deloitte Management Responsibilities

• ENAP's 2020 Integrated Report preparation, as well as its content, is ENAP's responsibility, along with defining, adapting and maintaining the internal management and control systems from which the information is obtained.
• Our responsibility is to issue an independent report, based on the procedures applied in our review.
• We have carried out our work in accordance with the independence standards required by the IFAC Code of Ethics.
• The verification conclusions made by Deloitte are valid for the latest version of ENAP's 2020 Integrated Report sent chapters, which is in our hands, received on 05/04/2021.
• The scope of a limited security review is substantially less than a reasonable security audit or review, so we do not provide audit opinion on ENAP's 2020 Integrated Report.

Fernando Gaziano
Socio
Abril 20, 2021

GRI OR OWN CODE	INDICATOR NAME	LOCATION/OTHER	GLOBAL COMPACT PRINCIPLES
102-1	Name of organization	2	
102-2	Activities, brands, products and services	11	
102-3	Office location	13	
102-4	Operations location	13	
102-5	Ownership and legal form	11	
102-6	Markets served	13	
102-7	Organization size	11; 32; 38; 46	
102-8	Employees' information	82	
102-9	Supply chain	37; 42; 43	
102-10	Significant changes in the organization and supply chain	32	
102-11	Precautionary principle or approach	30	7
102-12	External initiatives	14	
102-13	Membership in associations	14	
102-14	Statement from senior decision-makers	4; 5	
102-15	Main impact, risks and opportunities	5; 31	7
102-16	Values, principles, standards and norms of conduct	10	
102-17	Advice and ethical concerns mechanisms	21	
102-18	Management structure	17	
102-20	Executive-level responsibility for economic, environmental and social issues	18	
102-21	Consultation with interest groups on economic, environmental and social issues	8	
102-22	Composition of the highest governing body and its committees	16; 18	
102-23	Chair of the highest governing body	16	
102-24	Nomination and selection of the highest governing body	16	
102-25	Conflict of interest	22	
102-40	List of stakeholders	79	
102-41	Collective negotiation agreements	52	1; 3
102-42	Identification and selection of stakeholders	79	
102-43	Approach to stakeholder participation	79	
102-44	Key issues and concerns mentioned	79	
102-45	Entities included in the consolidated financial statements	95	
102-46	Definition of the reports' contents and topic coverage	8	
102-47	List of material topics	8	
102-48	Information restatement	No se evidenció reexpresión de la información en el informe.	
102-49	Changes in reporting	8	
102-50	Period covered by the report	2	

GRI OR OWN CODE	INDICATOR NAME	LOCATION/OTHER	GLOBAL COMPACT PRINCIPLES
102-51	Date of last report	2	
102-52	Reporting cycle	2	
102-53	Contact points for questions about the report cycle	2	
102-54	Report's preparation statement in accordance with GRI standards	2	
102-55	GRI content index	90	
102-56	External verification	87	
103-1	Explanation of the material topic	25; 28; 30; 42; 44; 47; 55; 60; 64; 66; 69; 71	
103-2	Management approach and components	25; 28; 30; 42; 44; 47; 55; 60; 64; 66; 69; 71	
103-3	Evaluation of management approach	25; 28; 30; 42; 44; 47; 55; 60; 64; 66; 69; 71	
201-1	Direct economic generated value	38	
201-2	Financial implications and other risks and opportunities derived from climate change	31	7
203-2	Significant indirect economic impacts	29	
204-1	Spending proportion on local suppliers	43	
205-1	Assessed operations for risks related to corruption	21	10
205-2	Communication and training on anti-corruption policies and procedures	21	10
205-3	Confirmed corruption cases and actions taken	There were no cases of corruption in the reporting period.	10
206-1	Legal actions related to unfair competition and monopolistic practices and against free competition	There were no cases of corruption in the reporting period.	
OG-1	Volume and type of estimated proven reserves and production	37	
302-1	Energy consumption within the organization	61	7; 8
302-3	Energy intensity	61	7; 8
OG-2	Amount invested in renewable energy	63	9
303-1	Interaction / linkage with water as a shared resource	64	7; 8
303-2	Management of impacts related to water discharge	65	7; 8
303-3	Water extraction by source	65	7; 8
303-4	Water discharge	65	7; 8
303-5	Water consumption	65	7; 8
304-1	Owned, leased or managed operations centers located within/alongside protected areas or areas of great value for biodiversity outside of protected areas	69	7; 8
304-3	Habitats protected or restored	69	7; 8
OG-4	Number and percentage of operations in which risks have been evaluated and monitored for biodiversity	69	7; 8

GRI OR OWN CODE	INDICATOR NAME	LOCATION/OTHER	GLOBAL COMPACT PRINCIPLES
305-1	Direct GHG emissions (scope 1)	62	7; 8
305-2	Indirect GHG emissions when generating energy (scope 2)	62	7; 8
305-4	GHG emissions intensity	62	7; 8
305-5	GHG emissions reduction	62	7; 8
306-1	Waste generation and significant waste-related impacts	67	7; 8
306-3	Significant spills	67	7; 8
306-4	Waste diverted from disposal	67	7; 8
306-5	Waste diverted from disposal	67	7; 8
307-1	Non-compliance with environmental legislation and regulations	There was no evidence of significant non-compliance with the environmental regulations in the report period.	7; 8
308-1	New suppliers that have passed evaluation and selection filters in accordance with environmental criteria	43	7; 8
308-2	Negative environmental impacts in the supply chain and taken measures	31	7; 8
401-1	New employee hires and staff turnover	47	6
402-1	Minimum notice periods for operational changes	53	3
403-1	Occupational health and safety management system	55	
403-2	Identificación de peligros, evaluación de riesgos e investigación de incidentes	56	
403-3	Servicios de salud ocupacional	58	
403-4	Worker participation, consultation and communication on occupational health and safety	58	
403-5	Workers' training in occupational health and safety	58	
403-6	Promotion of worker's health	55	
403-7	Impact prevention and mitigation on occupational health and safety directly linked by business relationships	56	
403-8	Workers covered by an occupational health and safety management system	58	
403-9	Work related injuries	58	1
403-10	Occupational ailments and illnesses	56	1
404-1	Average hours of training per year per employee	49	6
404-2	Programs to improve employee skills and transition assistance programs	57	6
404-3	Percentage of employees receiving regular performance and professional reviews	84	
405-1	Diversity in governing bodies and workers	46	6
405-2	Ratio of basic salary and remuneration of women to men	48	6
406-1	Cases of discrimination and corrective actions implemented	There were no cases of discrimination during the reporting period.	1; 6

GRI OR OWN CODE	INDICATOR NAME	LOCATION/OTHER	GLOBAL COMPACT PRINCIPLES
407-1	Operations and suppliers whose right to freedom of association and collective bargaining could be at risk	No operations or suppliers were registered whose right to free association and collective bargaining could be at risk in the period of the report.	1; 2; 3
408-1	Operations and suppliers with significant risk of child labor cases	At ENAP we strictly comply with all labor conditions regulations. These guidelines are extensive to contractor companies and subsidiaries. In this context, no cases of child labor or forced labor in ENAP operations. This risk is mitigated given the nature of the company's activities .	
409-1	Operations and suppliers with significant risk of cases of forced or compulsory labor.		1; 2; 4; 5
411-1	Indigenous peoples' rights violations cases.	There were no cases of violence against the rights of indigenous peoples in the reporting period.	1; 2
412-1	Operations subject to review or impact assessments on human rights	80	1; 2
412-2	Employee training in human rights policies or procedures	No training processes of this type were recorded	1; 2
412-3	Significant investment agreements and contracts with human rights clauses or subjected to human rights evaluation	No agreement cases were registered and investment contracts in human rights during the reporting period.	1
413-1	Operations with local community participation, impact evaluations and developmental programs	73	
OG10	Significant disputes with local communities	There were no significant disputes with local communities in the reporting period.	
419-1	Breach with laws and regulations in the social and economic spheres	There were no significant law breaches and regulations in the social and economic fields while reporting	

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Reasoned Analysis and Financial Statements

The purpose of this document is to facilitate the analysis of the National Petroleum Company (ENAP) and Subsidiaries consolidated financial statements, for the year ended on 31 December 2020 and to compare it to 2019.

This report is a complement to the consolidated financial statements and its explanatory notes. A more comprehensive conclusion on the exposed topics should be obtained through a joint reading of both.

1.- EXECUTIVE OVERVIEW

ENAP closed the second semester of 2020 with US $25.9 million positive results before taxes (RAI) and a US $39.6 million profit after taxes, all in a very complex year with fuel demand and refining margins at historical lows, as a result of the COVID-19 pandemic, which mainly affected the results and sales levels during the first semester. With these results, ENAP managed to stand out from the severe losses globally recorded by the oil industry. It also meant a partial reverse on the negative results accumulated in the first semester which amounted to US $-193.3 million result pre-tax (RAI) and a US $-129.7 million result after tax.

As a result of the above, as of 31 December 2020 ENAP obtained an accumulated result of US $ -167.4 million (US $ -54.8 million as of 31 December 2019) before tax (RAI). The US$-90.1 million after-tax loss compares to the US$-19.3 million loss, as of 31 December 2019.

The US $242.0 million Consolidated Gross Margin is compared to US $459.7 as of the 31 December 2019, which shows a US $ 217.7 million (47%) decrease. This decrease is mainly related to a negative three-factor combination: (i) a 53% drop in the refining margin (3.6 vs 8.1 US $ Bbl), (ii) a lower sales volume of refined products of 18% and (iii) a lower ICE Brent crude price of 33% compared to 2019 (43 vs 64 US $/Bbl), which altogether implies US $400 million lower gross margin. A significant part of it was paid off by the Administration's cost containment plan and implemented expenses.

EBITDA was US $413.6 million for 2020, compared to US $655.9 million obtained in 2019.

It should be noted that as a result of containment plans and investment prioritization, costs and expenses were achieved within a complex scenario, which meant containing the company's indebtedness growth, reducing financial costs, and negative impact mitigation on margins and sales volumes. Additionally, it should be noted that the company's debt structure was optimized, through a successful UF 5,000,000 bond placements in September 2020, while a historically low placement UF + 0.24% rate was taking place.

Consolidated Results (Figures in US$ million)	December 2020	December 2019	US$ Variation	% Variation
Regular activities income	4,891.4	7,628.5	(2,737.1)	(35.9%)
Cost of sales	(4,649.4)	(7,168.8)	2,519.4	35.1%
Gross margin	242.0	459.7	(217.7)	(47%)
Other income by tasks	26.8	22.7	4.1	18.1%
Distribution costs	(163.9)	(217.6)	53.7	24.7%
Management costs	(67.1)	(81.6)	14.5	17.8%
Other costs by tasks	(16.6)	(42.3)	25.7	60.8%
Profit from operational activities	21.2	140.9	(119.7)	(85%)
Other profit (loss)	0.0	0.1	(0.1)	(100%)
Financial income	2.5	4.6	(2.1)	(45.7%)
Financial costs	(230.9)	(245.2)	14.3	5.8%
Associates' participation	21.9	19.3	2.6	13.5%
Exchange differences	18.0	25.5	(7.5)	(29.4%)
Pre-tax losses	(167.4)	(54.8)	(112.6)	(205%)
Income tax benefit	77.3	35.5	41.8	117.7%
Income loss	(90.1)	(19.3)	(70.8)	367%

Regular activities income

In 2020, revenues decreased by 35.9%, due to a 19% decrease in sales volumes related to COVID-19 and a 33% reduction of ICE Brent price average compared to the previous year. The detail is as follows:

Regular activities income (Figures in US$ million)	December 2020	December 2019	US$ Variation	% Variation
Own products sales income (R&C)	3,290.2	5,468.3	(2,178.1)	(39.8%)
Import products sales income (R&C)	814.3	1,159.8	(345.5)	(29.8%)
Sales income E&P	546.3	715.4	(169.1)	(23.6%)
Imported natural gas sales income	229.9	276.3	(46.4)	(16.8%)
Other income	10.7	8.7	2.0	23.0%
Regular income total	**4,891.4**	**7,628.5**	**(2,737.1)**	**(35.9%)**

Revenues from sales of own products in R&C decreased by US $2,178.1 million (39.8%), compared to 2019 due to a decrease in the average factored-cost price, which as of December 2020 was 56.3 US $/bbl versus 76.6 US $/bbl (26.5%) during 2019. This was complemented by a decrease in own sold production volume of 2,150.9 Mm3 (19.1%).

The associated income of imported products sales in R&C, such as diesel and gasoline, decreased by 29.8% due to a sale price reduction, which was 58.4 US $/bbl during 2020, versus 82.4 US $/bbl (29.1%) during 2019. It also implied a lower sales volume of 21.6 Mm3 (1.0%).

E&P sales income during 2020 decreased by US $169.1 million, which is explained by a US $125.6 million pricing effect, as a result of crude oil and gas commodity price decreases, along with a US $60.4 million lower volume effect, mainly due to the SOTE pipeline rupture in Ecuador on April 2020 and was on for approximately 38 days. There is a US $16.9 million partial offset on other incomes.

Lower pricing scoreboards resulted in lower sales prices, hence, revenues from imported natural gas sales decreased by US $46.4 million compared to the previous year.

The associated income with the State of Chile's compensation amounted US $73.5 million as of 31 December 2020, compared to US $83.0 million in 2019. This compensation covers the lower value obtained from gas sales for residential and commercial gas supply in the Magallanes region.

Sales Costs

In 2020, the sales costs decreased by US $2,519.4 million compared to 2019. This represents a 35.1% variation according to the following details:

Sales Costs (Figures in US $ million)	December 2020	December 2019	US$ Variation	% Variation
Crude oil purchase costs	(2,707.8)	(4,606.5)	1,898.6	41,2%
Non-crude operating costs	(605,6)	(729.6)	124.0	17.0%
E&P production cost	395.5 %	(443.6)	48.1	10.8%
Import product costs	(766.3)	(1,128.8)	362.5	32.1%
Natural gas cost per sale	(174.2)	(247.8)	73.6	29.7%
Other indirect costs	0.0	(12.5)	12.5	100.0%
Total Sales Costs	**(4,649.4)**	**(7,168.8)**	**2,519.4**	**35.1%**

During 2020, crude purchase costs decreased in US $1,898.6 million (41.2%) which is explained due to a lower cost of crude oil for sale—which was 46.3US $/bbl versus 65.3US$/bbl (29.2 %) in 2019—, that was complemented by the 2,150.9 Mm3 (19.1%) sold volume decrease.

Non-crude operating costs decreased by 17.0% mainly due to lower variable costs of US $71.4 million, and lower fixed costs and US $52.6 million other effects mainly related to lower depreciation.

E&P production cost decreased by US $48.1 million, which is mainly explained by the optimization of activities, staff cost reduction and a lower depletion rate in Argentina and Magallanes.

The purchase costs of imported products, such as diesel and gasoline, show a US $362.5 million decrease due to the average purchase price reduction, which represented 55.0 US $/bbl during 2020 versus 80.2 US $/bbl (31.5%) in 2019. There was also a volume reduction of 21.6 Mm3, which is equivalent to 1.0%.

Imported natural gas sales costs decreased by US $73.6 million mainly due to a lower Brent marker compared to 2019, which generated a lower LNG import cost.

Gross margin

During 2020, the consolidated gross margin reached US $242.0 million and its opening for each business line is as follows:

- Refining and Commercialization Business Line (R&C) US $44.1 million
- Exploration and Production (E&P) Business Line US $150.8 million
- Gas and Energy Business Line (G&E) US $55.6 million.

Consolidated Gross Margin includes non-distributable corporate costs to credit business lines for US $-8.5 million.

The US $44.1 million R&C Business Line Gross Margin is compared to the US $171.8 million obtained during 2019, which was impacted by lower diesel and gasoline margins and a lower demand, as of March due to the Covid-19 effects that were compensated with reductions associated with the cost and expense containment plan.

The US $150.8 million E&P Business Line Gross Margin is compared to the US $271.8 million obtained during 2019, which is mainly explained by lower income due to the effect of lower commodity prices and lower crude oil and gas sold volumes. The offset is associated with cost reductions in the cost and expense containment plan.

The US $55.6 million Gross Margin of the G&E Business Line is positively compared to the US $28.5 million obtained during 2019, as a product of additional sales in the thermoelectric sector and a positive effect related to lower costs in gas supply.

Variations other items

Distribution costs show a US$53.7 million decrease, which fluctuated from US$ 217.6 million during 2019 to US$163.9 million during 2020. This was mainly associated to the lower sales level, lower maritime transportation costs, US$32.2 million land and oil pipelines, and logistics services and others for US$21.5 million.

There was a US $14.5 million reduction in administrative expenses. This fluctuated from US $81.6 million during 2019 to US $67.1 million during 2020, and was mainly explained by lower costs associated with staff and contracts.

There is also a US $25.7 million reduction in other expenses by task, which fluctuated from US $42.3 million during 2019 to US $16.6 million during 2020. This is explained mainly to exploratory campaigns lower costs and a lower income charge of dry and abandoned wells.

The US $14.3 million Financial Costs reduction goes from US $245.2 during 2019 to US $230.9 million during 2020. This is explained mainly to a US $6.9 million interest reduction associated with banking loans and overdrafts and a US $8.2 million interest reduction in bonds payable, due to the refinancing management carried out by the Administration. Additionally, there is a US $5.4 million decrease in accounts payable and other liabilities associated interests. There is a partial offset due to a US $6.3 million increase in lower capitalized interests and other effects.

The exchange difference went from a US $25.5 million positive balance during 2019 to US $18.0 million during 2020. This was mainly a result of higher positive effects on the exposure of local currency balances in 2019.

The tax item reflected a US $77.3 million profit, which was obtained during 2020 and is compared to the US $35.5 million profit during 2019. This increase is explained by lower results before tax in 2020 compared to 2019, as described above.

3. - CONSOLIDATED FINANCIAL POSITION STATEMENT ANALYSIS

Assets

Consolidated Financial Position (Figures in US $ million)	December 2020	December 2019	US$ Variation	% Variation
Current assets	1,538.1	1,810.9	(272.8)	(15.1%)
Non-current assets	4,777.6	4,676.8	100.8	2.2%
Assets	6,315.8	6,487.7	(171.9)	(2.6%)

There is a US $171.9 million decrease, as of December 31, 2020, in the total assets compared to 2019. This is mainly generated by the variation effect in the balances described in the following items:

- There was a US $48.0 million (36%) decrease in cash and cash equivalents mainly due to the December 2020 closing position.

- Trade debtors and other current accounts receivable decreased by US $106.0 million, going from US $676.3 million as of 31 December 2019 to US $570.4 million as of 31 December 2020 (16%). This decrease is associated with crude oil price downturn and a 23% decrease in the amount sold in December 2020, compared to the same month of the previous year.

- The Inventories item reflects a US$166.6 million (20%) decrease compared to 31 December 2019 due to an inventory crude and products reduction for US $161.6 million and a US $5.0 million decrease in material stock. The crude and product inventories reduction are associated with the crude oil lower cost in the international markets.

- There was a US $127.0 million (4%) decrease in the Property, Facility and Equipment, as a result of the US $226.1 million addenda, mainly triggered by the E&P construction and investment line for US $143.9 million, US $82.2 million for R&C, US $353.1 million for net of depreciation and other payments.

- There was an US $147.5 million increase in Deferred Tax Assets account which went from US $1,259.2 as of 31 December 2019 to US $1,406.7 million as of 31 December, 2020 (12%). This was mainly associated with a net increase in temporary differences in assets due to tax loss.

Liabilities

Consolidated Financial Position (Figures in US$ million)	December 2020	December 2019	US$ Variation	% Variation
Current financial liabilities	961.4	763.8	197.6	25.9%
Other current liabilities	714.9	813.1	(98.2)	(12.1%)
Total current liabilities	1,676.3	1,576.9	99.4	6.3%
Non-current liabilities	3,293.6	3,527.5	(233.9)	(6.6%)
Other non-current liabilities	418.5	367.0	51.5	14.0%
Total non-current liabilities	3,712.1	3,894.5	(182.4)	4.7%
Total liabilities	5,388.5	5,471.4	(82.9)	1.5%
Equity	927.3	1,016.3	(89.0)	(8.8%)
Total liabilities and equity	**6,315.8**	**6,487.7**	**(171.9)**	**(2.6%)**

Liabilities as a whole show a US $82.9 million net decrease, as of 31 December 2020, in relation to the current liabilities as of 31 December 2019. The main variations correspond to:

- Other current and non-current financial liabilities which presented a US $36.3 million decrease as a whole. This was due to the following reasons: there was US $99.3 million a decrease in bank loans; bond obligations increased by US $25 million net from a UF5 million bond placement in September 2020 (US $202.8 million). The US $177.8 million bonus payment expired in August 2020. Additionally, hedging positions effects ranged by +US $38 million.

- Trade accounts and other accounts payable decreased by US $121.6 million. This was mainly due to lower accounts payable for the US $158.7 million purchase of crude oil, offset by other items at closing.

Equity

- There was a US $89.0 million (8.8%) reduction in equity, as of 31 December 2020 compared to 31 December 2019. This was due to the US $-90.1 million net of adjustments result for the year in equity reserves for US $4.2 million and other equity variations for US $-3.1 million.

4.- CASH FLOW STATEMENT ANALYSIS

The main net cash flow components were originated as of 31 December 2020 and 2019.

Cash Flow Statement (Figures in US $ million)	December 2020	December 2019	US$ Variation	% Variation
Cash flows from operating activities	481.5	726.7	(245.2)	(33.7%)
Cash flows used in investing activities	(220.4)	(392.7)	172.3	43.9%
Cash flows used in financing activities	(308.7)	(723.4)	414.7	57.3%
Variation in cash and cash equivalents, before changes in exchange rate	(47.5)	(389.4)	341.9	87.8%
Variation effects in the cash and equivalents to cash exchange rate	(0.5)	(3.9)	3.4	(87.2%)
Variation in cash and cash equivalents	(48.1)	(393.3)	345.2	87.8%
Cash and cash equivalents at the beginning of the year	131.8	525.1	(393.3)	(74.9%)
Cash and cash equivalents at the end of the year	83.7	131.8	(48.1)	36.5%

The cash final balance and cash equivalents reached US $83.7 million as of 31 December 2020, compared to US $131.8 million as of 31 December 2019.

The operating activities flow was a US $481.5 million positive balance as of 31December, 2020, compared to US $726.7 million as of 31 December 2019. The operating activities flows reflect a gross margin decrease in between both years.

There was a US $220.4 million flow exerted in investment activities, compared to US $392.7 million as of 31 December 2019. This decrease is associated with the 2020 capital investment prioritization strategy compared to 2019.

The financing activities flow was a net use of resources for US $308.7 million, as of 31 December 2020 compared to US $723.4 million, as of 31 December 2019. The financial debt has been reduced by US $36.3 million, as of December 2020, and there has been a 176.5 million interest payoff. A 9,750 MUF bond (US $395.1 million) reduced the debt in January 2019, which implied an interest payment for US $202.5 million and a US$125.8 million decrease for other debts.

5.- EBITDA

The US $413.6 million EBITDA, as of 31 December 2020, is compared to the US $655.9 million as of December 2019. See details below:

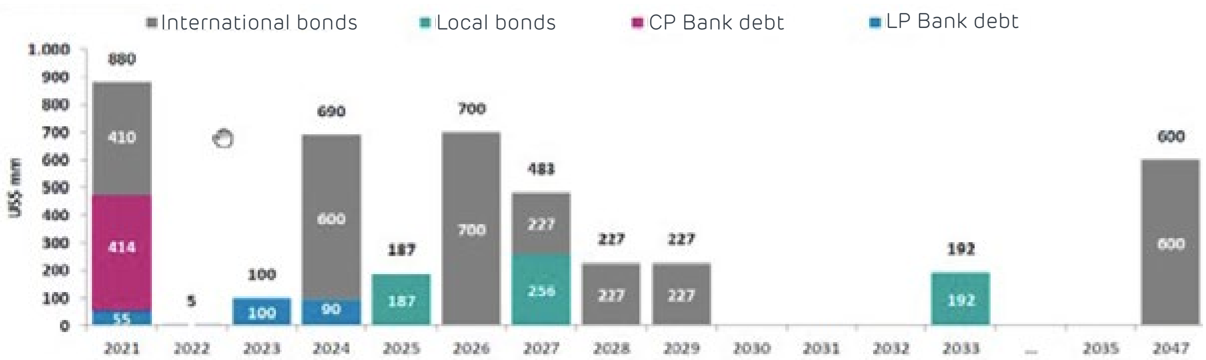
EBITDA (Figures in US$ million)	December 2020	December 2019	US$ Variation	% Variation
Operating result	21.2	140.9	(119.7)	(85.0%)
Depreciation, repayment and depletion fee	377.0	441.2	(64.2)	14.6%
Other charges / credits to results	15.4	73.8	(58.4)	(79.1%)
EBITDA	413.6	655.9	(242.3)	(36.9%)

The contribution to EBITDA from the Refining and Marketing has been US $770 million, US $292.2 million for the Exploration and Production Line and US $60.4 million for the Gas and Energy Line, as of 31 December 2020. The US $242.3 million decrease is explained by the unit prime margin, lower sales volume and a lower ICE Brent price associated with COVID-19 effects.

6.- ENAP REPAYMENT CAPITAL PROFILE AS OF 31ST DECEMBER, 2020

This table shows the repayment profile of ENAP's debt capital:

Maturity profile



Note: Local bonds are fixed by CCS.

7.- PROFITABILITY AND RESULT RATES

ENAP Group's main financial indicators of liquidity, debt, activity and profitability are described below:

Liquidity		December 2020	December 2019	US$ Variation	% Variation
Liquidity level*	(times)	0.92	1.15	(0.23)	(20.0%)
Quick ratio**	(times)	0.51	0.60	(0.09)	(15.0%)

*Liquidity level = Current assets and liabilities

**Quick ratio = Current assets-inventories-current liabilities

Indebtedness		December 2020	December 2019	US$ Variation	% Variation
Indebtedness ratio*	(times)	5.81	5.38	0.43	7.9%
Net financial debt ratio**	(times)	4.45	4.08	0.38	9.2%
Current financial debt ratio***	(percentage)	22.59	17.80	4.79	26.9%
Non-current financial debt ratio****	(percentage)	77.41	82.20	(4.79)	(5.8%)
Financial expenses coverage***** (times)	(times)	1.79	2.68	(0.89)	(33.2%)

* Indebtedness ratio = (Total current liabilities + Total non-current liabilities) / Equity
** Net financial debt ratio = (Financial liabilities – Financial assets – cash and equivalent) / Total Equity
*** Current financial debt ratio = Current financial liability / Total financial liabilities
**** Non-current financial debt ratio = Non-current financial liability /Total financial liabilities
***** Financial expenses coverage = EBITDA / Financial costs

Activity: Assets		December 2020	December 2019	US$ Variation	% Variation
Total assets*	(US $ millon)	6,315.8	6,487.7	(171.9)	(2.6%)
Average assets**	(US $ millon)	6,401.8	6,862.9	(461.1)	(6.7%)
Inventories		December 2020	December 2019	US$ Variation	% Variation
Stock rotation***	(times)	6.10	8.40	(2.30)	(27.4%)
Inventory permanence****	(months)	1.97	1.40	0.6	1.5 %

*Total assets = Total current and non-current assets
**Average assets = (Total assets current period + Total assets previous year) / 2
*** Stock rotation = Sales costs last 12 months. / Average inventory last 12 months
**** Inventory permanence = Average inventory last 12 months / Sales costs last 12 months (monthly average)

Profitability		December 2020	December 2019	US$ Variation	% Variation
Tester average return equity*	(percentage)	(9.27)	(1.89)	(7.39)	391.7%
Profitability of assets**	(percentage)	(1.41)	(0.28)	(1.13)	400.5%

*Average return equity = Result last 12 months / ((Current period equity + Former period equity) / 2)
** Profitability of assets = Result last 12 months /Total asset average las 12 months

8.- ECONOMIC VALUES AND ASSET REGISTER DIFFERENCES

The following should be mentioned regarding the company's main assets:

The value of assets impairment is annually evaluated in accordance with the established methodology, compliant with the IAS 36 provisions.

The methodology applies on the following assets:

- Fixed Assets
- Intangible Assets
- Investments in subsidiaries and associated companies
- Other non-current assets

The assets impairment assessment is carried out in order to verify if there is any indication that the carrying amount is less than the amount recoverable. If such an indication exists, the recoverable value asset is estimated to determine the extent of impairment (if any). In the event that this asset does not generate independent cash flows from other assets, the company will determine the recoverable value of the cash-generating unit to which the asset belongs.

The recoverable value is the higher of the fair value minus the selling costs and the value in use. In order to determine the value in use, the present value of future cash flows is calculated by discounting them at an associated rate to the assessed asset. If the asset recoverable value is estimated to be less than its carrying amount, the latter decreases to the recoverable value.

Briefly, the assets are presented in accordance with IFRS values, as indicated in Note 3 of the Consolidated Financial Statements.

In accordance with the Commission for the Financial Market rules, subsidiaries and investments in associated companies are valued according to the equity method of the corresponding companies. According to this method, the investment is initially recorded at cost, and is subsequently adjusted for post-acquisition changes in the investor's portion in the investee's net assets.

9.- MARKET SITUATION

Crude Oil Price

During January-December 2020, Brent ICE, the crude oil global scoreboard, registered a 43.2 dollars (US $/bbl) average per barrel on the Intercontinental Stock Exchange London, which was 32.7% below the 2019 average (64.2US$/bbl).

The Organization of Petroleum Exporting Countries Oil (OPEC) together with their allies (OPEC +) agreed an additional cut of 500 thousand barrels per day in oil production as of 1 January 2020, for the first trimester. Additionally, due to the fear that the Covid-19 spread would become a global pandemic, the Brent marker was undercut, which threatened with an oil and derivatives demand decrease.

Following the growth and imminent expansion of the Covid-19 pandemic, OPEC suggested a 1.5 million-barrel per day cut, by mid-February, in order to balance the loss of demand. However, there was no agreement between OPEC and Russia regarding production cuts, which triggered a price war between Saudi Arabia and Russia, pushing crude prices down.

Thus, the first quarter ended with a global oil oversupply, which pressured prices down to historical lows. This global scenario was promoted by the Saudi Arabia-Russia price war, added to the Covid-19 pandemic.

The demand for oil fell to historical levels due to the coronavirus confinement measures during the second trimester. The fall in world demand for oil and fuels, added to the increasing crude inventories, caused the price of WTI oil—a reference for the United States—to hit the lowest level of all time, -37.63 dollars per barrel, on 20 April 2020.

May was marked by a recovery in oil prices and its derivatives, driven by stabilization signs in demand from China. This was also coupled by a US producer pumping reduction, which decreased the number of oil rigs at a record level.

The upward trend in the prices of crude oil and its derivatives continued during June, which was mainly driven by a recovery in demand for fuels at a global level, as the nations resumed their economic activity and governments released the coronavirus restrictions.

Reuters informed that, compared to August, the OPEC countries pumping increased by 160 thousand barrels per day in September, regarding the crude supply. This was largely due to increased supplies from Libya and Iran, both exempted of an oil production cut pact between OPEC and its allies led by Russia (OPEC +).

The second Covid-19 contagion wave in Europe triggered new confinement measures which were announced by the UK and France and limited the recovery of global demand for fuels. Likewise, due to seasonality, September 2020 was very active in relation with hurricanes and tropical storms on the Gulf of Mexico coast; generating a preventive closure of refineries and offshore platforms.

According to estimates from the BSEE (U.S. Bureau of Safety and Environmental Enforcement), Hurricane Laura generated a 30% decrease in crude oil production, which meant a cumulative reduction of 14.4 million barrels in a period of 15 days, the highest since 2008.

The second wave of Covid infections in the United States and Europe marked beginning of the last trimester 2020: daily cases reached record numbers, and new confinements in Europe were set. These measures restricted a recovery in the demand and contributed with excessive crude oil and derivatives supplies.

On the other hand, there were signs of recovery in the Chinese economy which increased optimism about the oil demand evolution and drove prices up.

During November, Pfizer and Moderna pharmaceutical companies reported a 95% efficacy in their vaccines against Covid-19, which generated optimism around economic recovery in the market, as well as an increase in prices. Additionally, Joe Biden's election as president prompted the rising prices given the economic stimulus plans for the United States economy.

The last month of the year began with better prospects for market rebalancing, which was supported by vaccination against covid-19 and economic stimuli expectations in the United States. Brent Ice surpassed US $52/bbl for the first time since February. However, in the context of uncertainty around the demand recovery, the year ended low after a new coronavirus variant was detected in the UK, and registered in several countries.

Product prices on the Gulf Coast 2020

Fuel prices decreased in the United States Gulf Coast international market during January-December 2020, compared to 2019, following the path of Brent ICE crude price and the global fuel price trend.

The price of US Gulf Coast unleaded 87 gasoline marked an average 47.7 US $/bbl, which meant a 34.5% decrease compared to 2019. The gasoline price differential averaged 4.64 US $/bbl compared to Brent ICE. This meant 4.0 US $/bbl lower than the 2019 spread (8.64 US $/bbl).

The 2020 average was 50.7 US $/bbl for diesel price, which meant a 36.3% decrease compared to the previous year. The diesel price differential compared to Brent ICE went from US $15.4/bbl in 2019 to US $7.6/bbl in 2020.

For its part, the price of 3% sulfur fuel oil No. 6 registered an average of 34.6 US $/bbl, which meant a 34% drop compared to 2019.

2020 Natural Gas Price

According to the US Henry Hub marker, natural gas marked a 2.13 US $/MMBTU average price during 2020, which meant a 0.4 US $/MMBTU decrease compared to 2019 (2.53 US $/MMBTU).

10.- Risk Analysis

a. Market risk - Crude oil price

ENAP participates in the hydrocarbon exploration and production through its subsidiary ENAP Sipetrol S.A. and in refining, transportation, storage and marketing of petroleum products through ENAP Refinerías S.A. Refining and marketing of its products in Chile represents a substantial part of ENAP's operations.

The Company accesses the international market for the supply of crude oil and products, a situation which allows to ensure the commercial commitments supply and fulfillment. The ENAP Refinerías S.A. crude oil supply is mainly obtained from South America and the North Sea, Brazil, Colombia, Ecuador, Argentina and the United Kingdom being the main suppliers. The company's refineries have the necessary reception and storage facilities for raw material. Regarding the refined products origin of imports, these came mainly from the United States during the last year.

The business of ENAP Refinerías S.A. consists mainly in the crude oil purchase in the international market for its refining and subsequent products sale elaborated in the domestic market, according to its import parity price policy. The refining margin is affected by international prices fluctuations of crude oil, refined products and the differential between both of them (international margin or "crack"). A US $1/bbl crack variation would cause a US $65 million impact in results, if we consider a 65 million crude barrel refining level during the year.

ENAP has oriented its investments towards increasing its productive flexibility and quality of its products as a central strategy to face the variation risk in the refining margin. Until now, no financial derivatives have been contracted to set the refining margin. However, the refining price levels are constantly being monitored.

The business relevant risks are essentially in the refining margin and in the international market price fluctuations for crude oil and products, due to the time elapsed between the moment of purchase (shipment) of crude oil and the refined products sale. Time Spread Swaps hedging covers this last risk. The administration has continued with the hedges contracting policy that would allow minimize the impact of sudden and significant drops in the crude oil price, given the high volatility of it, if the refining business cycle is considered, due to the gap between the products sale prices and the cost of refined crude. However, it is important to mention that these instruments are protected from crude oil price variations, but they do not guarantee a complete elimination of effects in the resulting volatility in the purchase of raw material.

b. Market risk - exchange rate and interest rate interest

In order to cover the foreign exchange rate risk (which is another business risk factor as an important part of the income is in pesos and the liabilities in dollars), forward hedging peso/dollar instruments are used to mainly cover accounts receivable. These are originated by product sale at prices based on the indexed import parity in dollars, but with its equivalent in pesos. This situation is periodically analyzed in order to maintain a competitive position, considering the prices and imports freedom in Chile.

The company signs floating to fixed rate derivative Swap contracts and financial products, such as cross currency swap, which will transform the floating rate and currency into a fixed rate and dollar functional currency, in order to hedge the interest risk rate.

Based on fair value, these operations are accounted for, recording their equity and income variation in accordance with IAS 39.

c. Business risk

ENAP maintains a Comprehensive Risk Management Model based on international standards and best practices. The model is based on a corporate policy that aims to strengthen strategic management, and a methodology which ensures that critical risks are identified, assessed and mitigated, consistently and systematically.

Comprehensive risk management is applied in all business lines and units, and business group processes. It starts at the first level of the organization and is applied in all areas of management. It comprises all critical risks, whether strategic, operational, compliant, reportable or financial which may affect the vision, mission or strategic business plan of ENAP and its subsidiaries.

The main financial risks being managed are: significant variation losses due to the interest rate, the exchange rate, and those related to the inadequate risk transfers in property insurance matters. In this scope, the company contracts property, civil liability and transport insurance to protect assets and mitigate risks.

Risks related to the company's ethics culture and good practices are being managed in the Compliance area.

Consolidated financial statements as for 31 December 2020 and 2019

CONSOLIDATED FINANCIAL STATEMENTS AS FOR 31 DECEMBER 2020 AND 2019
(In thousands of US dollars - MUS$)

Assets	Note	31.12.2020	31.12.2019
	Number	MUS$	MUS$
Current assets			
Cash and cash equivalent	6	83,719	131,767
Other current financial assets	7	370	-
Other current non-financial assets	8	30,802	18,082
Trade debtors and other current accounts receivable	9	570,381	676,349
Current accounts receivable to related entities	10	99,403	49,577
Current inventories	11	678,719	845,287
Current tax assets	12	74,755	89,832
Total current assets		1,538,149	1,810,894
Non-current assets			
Other non-current financial assets	7	39,764	13,772
Other non-current non-financial assets	8	61,929	34,402
Non-current accounts receivable	9	9,471	9,683
Investment support by equity method	13	135,926	131,750
Intangible assets different to capital gain		4,520	4,554
Properties, plant and equipment	14	2,956,133	3,083,088
Usage rights	15	156,076	133,151
Investment property	19	7,097	7,189
Differed tax assets	12	1,406,710	1,259,242
Total non-current assets		4,777,626	4,676,831
Total assets		6,315,775	6,487,725

Notes attached are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS AS FOR 31 DECEMBER 2020 AND 2019
(In thousands of US dollars - MUS$)

Equity and liabilities	Note	31.12.2020	31.12.2019
	Number	**MUS$**	**MUS$**
Current liabilities			
Other current financial liabilities	20	961,354	763,812
Current liabilities by lease	15	39,187	22,502
Commercial and other accounts payable	21	486,870	608,427
Current accounts payable to other related entities	10	7,774	3,063
Other provisions in short term	22	2,444	2,447
Current tax liabilities	12	105,256	95,618
Current provisions on employees' benefits	23	73,444	81,008
Total current liabilities		**1,676,329**	**1,576,877**
Non-current liabilities			
Other non-current financial liabilities	20	3,293,608	3,527,471
Non-current liabilities by lease	15	141,032	136,233
Other non-current accounts payable	21	5,239	4,994
Other long-term provisions	22	153,847	143,461
Deferred tax liabilities	12	35,779	11,965
Non-current provisions on employees' benefits	23	73,131	60,335
Other non-financial non-current liabilities		9,490	10,080
Total non-current liabilities		3,712,126	3,894,539
Total liabilities		5,388,455	5,471,416
Equity			
Issued capital	24	1,632,332	1,632,332
Other reserves	24	(75,069)	(79,245)
Accumulated losses	24	(632,550)	(539,281)
Equity attributable to owners		924,713	1,013,806
Non-controlling interests	25	2,607	2,503
Total equity		927,320	1,016,309
Total equity and liabilities		6,315,775	6,487,725

Notes attached are an integral part of these consolidated financial statements.

COMPREHENSIVE RESULTS STATEMENT BY TASK AS FOR 31 DECEMBER 2020 AND 2019

(In thousands of US dollars - MUS$)

	Note	01.01.2020 31.12.2020	01.01.2019 31.12.2019
	Number	MUS $	MUS $
Regular activities income	27	4,891,425	7,628,473
Sales costs	28	(4,649,386)	(7,168,798)
Gross profit		242,039	459,675
Other income		26,808	22,753
Distribution costs	29	(163,913)	(217,616)
Administrative expenses		(67,127)	(81,568)
Other expenses by task	30	(16,558)	(42,297)
Operational activities income		21,249	140,947
Other income		-	73
Financial income		2,497	4,567
Financial costs	31	(230,896)	(245,227)
Equity accounted companies participation	13	21,903	19,322
Exchange rate differences	33	17,888	25,562
Pre-tax loss		(167,359)	(54,756)
Income tax benefit	12	77,253	35,463
Period loss		(90,106)	(19,293)
Loss attributable to:			
Loss attributable to controlling interests		(86,986)	(19,102)
Loss attributable to non-controlling interests	25	(120)	(191)
Period loss		(90,106)	(19,293)

Notes attached are an integral part of these consolidated financial statements.

COMPREHENSIVE RESULTS STATEMENT AS FOR 31 DECEMBER 2020 AND 2019

(In thousands of US dollars – MUS $)

	01.01.2020 31.12.2020	01.01.2019 31.12.2019
	MUS $	MUS $
Period (loss) income	(90,106)	(19,293)
Integral components not reclassified as pre-tax year result:		
Actuarial (loss) gain by defined benefit plans	(471)	441
Other comprehensive results not reclassified as pre-tax year total	(471)	441
Integral components reclassified as pre-tax year result **Exchange rate differences** Income (loss) based on pre-tax exchange rate differences	1,057	(1,402)
Cash flow hedge: Pre-tax cash flow hedge	84,964	7,660
Reclassification adjustments in pre-tax cash flow hedge	(92,282)	(4,497)
Other pre-tax comprehensive result, cash flow hedge	(7,318)	3,163
Other comprehensive reclassified as pre-tax year result total	(6,261)	1,761
Income taxes associated with other comprehensive results not reclassified as pre-tax year: Income taxes associated with new measures on defined benefit plans from another comprehensive plan	496	-
Income taxes associated with other comprehensive results reclassified as pre-tax year: Income taxes associated with cash flow hedges	7,815	(1,748)
Other comprehensive result	1,579	454
Total comprehensive result	(88,527)	(18,839)
Comprehensive result attributable to controlling interests	(88,407)	(18,648)
Comprehensive result attributable to non-controlling interests	(120)	(191)
Total comprehensive result	(88,527)	(18,839)

Notes attached are an integral part of these consolidated financial statements.

STATEMENT OF CHANGES IN NET EQUITY AS FOR 31 DECEMBER 2020 AND 2019

(In thousands of US dollars – MUS $)

Changes in other reserves

	Issued capital MUS $	Foreign exchange reserves MUS $	Cash flow hedges reserves MUS $	Defined benefit plans actuarial reserves MUS $	Other reserves MUS $	Total reserves MUS $	Accumulated (loss) income MUS $	Net worth attributable to controlling interests MUS $	Non-controlling participation MUS $	Total equity MUS $
Opening balance 01.01.2020	1,632,332	(80,098)	5,660	(9,226)	4,419	(79,245)	(539,281)	1,013,806	2,503	1,016,309
Changes in equity										
Integral result										
Restated loss	-	-	-	-	-	-	(89,986)	(89,986)	(120)	(90,106)
Other integral result	-	1,057	497	25	-	1,579	-	1,579	-	1,579
Integral result	-	1,057	497	25	-	1,579	(89,986)	(88,407)	(120)	(88,527)
Increase (Decrease) for transfers and others, equity	-	-	-	-	2,597	2,597	(3,283)	(686)	224	(462)
Total changes in equity	-	1,057	497	25	2,597	4,176	(93,269)	(89,093)	104	(88,989)
Final balance 31.12.2020	1,632,332	(79,041)	6,157	(9,201)	7,016	(75,069)	(632,550)	924,713	2,607	927,320
Opening balance 01.01.2019	**1,632,332**	**(78,696)**	**4,245**	**(9,667)**	**1,822**	**(82,296)**	**(519,514)**	**1,030,522**	**292**	**1,030,814**
Changes in equity										
Integral result										
Restated loss	**-**	**-**	**-**	**-**	**-**	**-**	**(19,102)**	**(19,102)**	**(191)**	**(19,293)**
Other integral result	**-**	**(1,402)**	**1,415**	**441**	**-**	**454**	**-**	**454**	**-**	**454**
Integral result	**-**	**(1,402)**	**1,415**	**441**	**-**	**454**	**(19,102)**	**(18,648)**	**(191)**	**(18,839)**
(Decrease) Increase for transfers and others, equity	**-**	**-**	**-**	**-**	**2,597**	**2,597**	**(665)**	**1,932**	**2,402**	**4,334**
Total changes in equity	**-**	**(1,402)**	**1.415**	**441**	**2,597**	**3,051**	**(19,767)**	**(16,716)**	**2,211**	**(14,505)**
Total balance 2019	**1,632,332**	**(80,098)**	**5,660**	**(9,226)**	**4,419**	**(79,245)**	**(539,281)**	**1,013,806**	**2,503**	**1,016,309**

Notes attached are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENTS, DIRECT METHOD AS FOR 31 DECEMBER 2020 AND 2019

(In thousands of US dollars – MUS $)

	Note Number	31.12.2020 MUS $	31.12.2019 MUS $
Cash flow (used) in applicable operations activities			
Operations activities type of fee			
Cash receipts from sale of goods and service provision		7,962,919	12,035,394
Other fees for operation activities		36,757	76,144
Payment type			
Payment providers for goods and services supply		(5,021,741)	(8,441,945)
Employee payment and on employees		(264,375)	(338,768)
Other payments on operation activities		(2,197,304)	(2,595,075)
Dividends received		19,600	22,286
Interest paid		(2,586)	(7,066)
Income taxes (paid)		(48,694)	(52,867)
Other cash inflows (outflows)		3,063	28,619
Cash flows arising from operation activities		481,513	726,722
Cash flows (used in) arising from investment activity			
Property, plant, equipment purchase	14	(226,111)	(403,798)
Amounts arising from property, plant and equipment sales		-	6,007
Interest received		1,553	960
Cash flow hedges from sales of holding/non-controlling reductions		4,161	4,140
Cash flows in investment activities		(220,397)	(392,691)
Cash flows arising from (used in) financing activities			
Cash balance arising from long-term loans	20 b)ii	13,000	77,000
Cash balance arising from short-term loans	3,1.x	527,356	252,681
Cash balance arising from bonds payable	3,1.x	181,284	-
Loan payments	3,1.x	(636,724)	(258,184)
Bonds payable payments	3,1.x	(174,411)	(510,733)
Payment of liabilities for financial lease	3,1.x-15	(38,267)	(40,833)
Interest paid	3,1.x	(176,487)	(202,506)
Other cash inflows (outflows)	3,1.x	(4,407)	(40,820)
Cash flows used in financing activities		(308,656)	(723,395)
Net (decrease) in cash and cash equivalents before exchange rate changes effect		(47,540)	(389,364)
Variation in cash and cash equivalents before exchange rate changes effect			
Variation in cash and cash equivalents before exchange rate changes effect		(508)	(3,955)
Net (decrease) in cash and cash equivalents		(48,048)	(393,319)
Cash and cash equivalents at the beginning of the year		131,767	525,086
Cash and cash equivalents by the beginning of the year	6	83,719	131,767

Notes attached are an integral part of these consolidated financial statements.

1.- GENERAL INFORMATION

These consolidated financial statements belong to the conglomerate (ENAP Group) which is led by the National Petroleum Company (hereinafter "the Company" or "ENAP").

ENAP is a 100% Chilean state-owned company, created under Law 9,618 on 19 September 1950. It is located in Avenida Apoquindo 2929 Piso 5, Las Condes, in Santiago and José Nogueira 1101, in Punta Arenas. The Company was registered in the Official Registry of the National Securities Market Commission, under No. 783, which was dated on 4 October 2002. Hence, the Company is subject to the Commission's standards and the supervision.

ENAP's corporate purpose is the exploration, production and commercialization of hydrocarbons and their derivatives. It is also part of geothermal energy related companies and energy and electrical power production, transportation and commercialization.

ENAP's corporate management was modified on 1 December 2017, under Law 21.025 which granted the Company a governance system to clearly establish decision roles, supervision and execution. The number of directors went from 8 to 7, and the OECD's first recommendation element is taken into account, which meant the exclusion of the Minister of Energy from the board and the appointment of a professional model without union representation.

Likewise, the Law establishes the need to have a five-year business plan and development, elaborated by the directing and executing agencies, and to be presented to the shareholders' meeting. This must be updated annually.

The financial effects related to the COVID-19 outbreak generated lower production and sales levels, which affected marketing margins, together with a greater need for working capital, as a consequence of increased refined products imports versus crude oil imports.

ENAP has adopted the following measures to mitigate the financial or operational effects. The following are considered:

- Operational plans execution which allows the continuity and safe operation for refineries and plants, even with minimal staffing.

- Chain of fuels logistics and distribution strengthening, through permanent coordination with distribution companies and the Ministry of Energy.

- All efforts have been made to maintain the proper operation of oil pipelines, maritime terminals and loading yards, requesting support from the authority when necessary.

The consolidated financial statements of the Company as of 31 December 2020 and 2019 were approved by the Honorable Board of Directors in an ordinary session held on 23 February 2021.

2. - BUSINESS DESCRIPTION

In accordance with Law 9,618 and its subsequent amendments, ENAP's main activity is the hydrocarbons exploration, exploitation or fields benefit, which they are able to perform in Chile or abroad. It is can also participate in geothermal energy proceedings societies and the production, transportation and commercialization of energy and electrical power. Its main subsidiaries are:

- ENAP Refinerías S.A. officially began operating on 1 January 2004. Its registered office is Avenida Borgoño 25.777 Comuna de Concón. ENAP Refineries S.A. was born from the merging between Petrox S.A., Refinería de Petróleo and Refinería de Petróleo de Concón S.A. (RPC), incorporating the latter into the former. ENAP Refinerías S.A. business line is the hydrocarbons and its derivatives import, processing, storage and marketing, and all other activities that are directly or indirectly related to those mentioned and those expressed in detail in the third article of the current bylaws

- ENAP Sipetrol S.A. conducts hydrocarbons exploration, exploitation or benefit of fields outside national territory. It has branch in Ecuador, and subsidiaries in Argentina, Ecuador, Uruguay, in addition to their joint operations. Through the subsidiary in Uruguay, it participates in production activities, through joint operations in Egypt.

Both subsidiaries ENAP Refinerías S.A. and ENAP Sipetrol S.A. are closed stock companies, voluntarily registered in the Special Registry of the Reporting Entities of the National Securities Market Commission, under numbers 95 and 187 respectively, both regulated by General Norm 364.

Our business is organized into three independent business lines: (i) Exploration and Production (E&P) (ii) Refining and Commercialization (R&C) and (iii) Gas and Energy (G&E).

3.- SUMMARY OF MAIN ACCOUNTING POLICIES APPLIED

3.1 Accounting principles

These consolidated financial statements are presented in thousands of US dollars and have been prepared from the accounting records kept by ENAP and subsidiaries. The Company's consolidated financial statements for the year ended on 31 December 2020 have been prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

These consolidated financial statements preparation requires the use of estimates and assumptions by the ENAP Group Management. These estimates are based in the best knowledge of the amounts reported by the administration, events or actions. Estimates and critical accounting judgments are detailed in Note 5.

The main accounting policies adopted in the preparation of the of these consolidated financial statements are described below. These policies have been defined based on IFRS in force as of 31 December 2020 and have been uniformly applied to the comparative exercises that are presented in these consolidated financial statements.

a. Basis of preparation: These ENAP Group's consolidated financial statements comprise the financial position as of 31 December 2020 and 2019. Additionally, they describe the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the years ended 31 December 2020 and 2019.

These consolidated financial statements accurately reflect the ENAP Group and its subsidiaries financial situation as of 31 December 2020 and 2019, and the operations, changes in equity and cash flows results for the financial years ended 31 December 2020 and 2019.

These consolidated financial statements have been prepared on historical cost basis, except those financial instruments which are measured at fair value, cash and assets acquired through a business combination, as explained in the accounting policies described below. The historical cost is generally based on reasonable value amount of consideration given in an asset exchange.

b. Basis of consolidation: ENAP Group's consolidated financial statements include assets, liabilities, income, expenses and cash flows of ENAP's all related companies, after the transaction's elimination between related companies.

The subsidiaries financial statements have US dollars as its functional currency and a presentation currency.

i) Subsidiaries

Subsidiaries are those companies directly or indirectly controlled by ENAP. Control is exercised only if the following elements are present: i) power over the subsidiary, ii) exposure, or right to these companies' variable returns, and iii) ability to use power to influence these returns amounts.

The Group will reassess whether or not it has control over a subsidiary company if the facts and circumstances indicate that there have been changes in one or more of the three previously mentioned control elements.

From the date ENAP obtains control over the subsidiaries, these become consolidated. If ENAP were to lose control over them, the control would cease. Therefore, a subsidiary's income and expenses are included in the consolidated income statements since the date the Company gained control of the subsidiary until the control ceases.

The owners of the Company and non-controlling interests are attributed with profits or losses and each component of other comprehensive income. Total comprehensive income in subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if these results show losses.

In order to ensure consistency with the accounting policies adopted, those belonging to subsidiaries are modified, when necessary.

The assets, liabilities, equity, income and expenses and relative cash flows transactions balances between the consolidated companies have completely been eliminated in the consolidation process.

The following table shows direct and indirect subsidiaries, consolidated by ENAP:

Society	Home	Connection with Head Office	Shareholding percentage	
			31.12.2020	**31.12.2019**
ENAP Refinerías S.A.	Chile	Direct subsidiary	99.98%	99.98%
ENAP Sipetrol S.A.	Chile	Direct subsidiary	100.00%	100.00%
Gas de Chile S.A.	Chile	Direct subsidiary	100.00%	100.00%
ENAP Sipetrol Argentina S.A.	Argentina	Indirect subsidiary	100.00%	100.00%
Petro Servicios Corp S.A.	Argentina	Indirect subsidiary	100.00%	100.00%
Sipetrol Internacional S.A.	Uruguay	Indirect subsidiary	100.00%	100.00%
EOP Operaciones Petroleras S.A.	Ecuador	Indirect subsidiary	100.00%	100.00%
Energía Concón S.A.	Chile	Indirect subsidiary	100.00%	100.00%
Vientos Patgónicos SpA	Chile	Indirect subsidiary	66.00%	66.00%

Changes during financial year 2020:

There was an agreement at the EOP Operations Petroleras S.A company's extraordinary and universal general meeting of shareholders, dated 26 August 2020, to increase the share capital in MUS $1,200 leaving then a MUS $6,586 capital. The subscription and new actions payment were carried out pro rata of the social participation of each shareholder. ENAP Sipetrol S.A. (99%) paid MUS $1,188 and subscribed. ENAP Refinerías S.A. (1%) paid MUS $12.

At the 36th ENAP Sipetrol Argentina S.A. extraordinary general shareholders' meeting, an increase of M$ARS 100,000 on capital stock was approved on 22 December 2020. Additionally, there was a 100,000,000 new shares issuance and a M$ARS 115,019 capital, which are equivalent to 115,019,123 ordinary shares at nominal value with voting rights. The new shares subscription and payment was made through the dividend capitalization of capitalized value. Thus, the ENAP Sipetrol S.A. (99.5%) shareholding amounted 14,953,977 shares, which added 99,500,000 more, totaling 114,453,977 shares. 75,146 of ENAP's shares (0.5%) added 500,000, totaling 575,146 shares.

Changes during the 2019 financial year

Petropower Energía Ltda.

On 30 August,2019, ENAP sold, assigned and transferred 7.5% of the social rights in the Petropower Energía Ltda. company to ENAP Refinerías S.A. Through this assignment, all the social rights of the aforementioned company are gathered under the domain of ERSA, with the early dissolution of the Petropower Energía Ltda. company.

ii) Joint operation: A joint operation is an arrangement through which the parties who have joint control of the arrangement have rights to the assets and obligations regarding the liabilities related to the agreement. Those parts are called joint operators. A joint operator shall be recognized in relation to its participation in a joint operation:

(i) Assets, including interest in assets held jointly;
(ii) Liabilities, including share of jointly incurred liabilities;
(iii) Income from sale ordinary activities from its participation in the product that arises from joint operation;
(iv) Revenue share in ordinary activities from product sale of the that arises from joint operation;
(v) Expenses, including jointly incurred expenses share.

Details in Note 17 of "Participation in joint operations".

c. Business combination: The parent company and subsidiaries consolidation of operations has been carried out following basic principles:

On the takeover date, the assets acquired and the liabilities assumed by the company subsidiary are recorded at fair value, except for certain assets and liabilities that are recorded following the valuation principles established in other IFRS. In the event a positive difference arises between the transferred fair value consideration plus the amount of any non-controlling interest and the subsidiary's fair value of the assets and liabilities, including contingent liabilities, corresponding to the participation of the parent, this difference will be recorded as capital gain. In the event that the difference of the resulting profit turns out negative, it will be recorded to income with credit, after reassessing whether all acquired assets and liabilities assumed have been correctly identified. The procedures used should be reviewed to measure these amounts.

For each business combination, the Group chooses whether to value the non-controlling participations interests at fair value or for the proportionate share of the net identifiable assets of the acquiree.

If it is not possible to determine the fair value of all acquired assets and liabilities assumed on the acquisition date, the group will report the provisional values recorded. During the measurement period, one year from acquisition date, the provisional amounts recognized and assets or additional liabilities will be adjusted retroactively to reflect new information obtained on facts and circumstances that existed on the acquisition date, but that were unknown to the Administration at that time.

The value of the participation of non-controlling equity shareholders and in the comprehensive results of the subsidiaries are presented, respectively, in captions "Total Equity: Non-controlling interests" of the consolidated financial position statement and "Profit (loss) attributable to non-controlling interests" and "Comprehensive income profit attributable to non-controlling interests" in the consolidated comprehensive result statement.

d. Functional currency: ENAP's Group functional and presentation currency is the US dollar. Transactions carried out in other than the functional currency have been converted at the current exchange rate at the date of the transaction. Monetary assets and liabilities expressed in other than the functional currency have been converted at closing exchange rates.

Net equity is kept at the historical exchange rate on the date of its acquisition or input. Conversion gains and losses have been included in profits or net losses for the year within other financial items.

e. Foreign currency exchange rates: Assets and liabilities in Chilean pesos, in development units (UF) and other currencies have been converted into dollars at the current exchange rates on the date of these financial statements, in accordance with the following detail:

	31.12.2020	31.12.2019
	US $	US $
Chilean pesos	710.95	748.74
Argentinian pesos	84.14	59.83
Egyptian pound	15.72	15.98
Development units (UF)	0.02	0.03
EURO	0.81	0.89

f. Compensation of balances and transactions: As a general rule in financial statements, assets and liabilities, or income and expenses, are not offset, except in those cases where that compensation is required or permitted by IFRS standards and that this shows a reflection of management's intentions.

Income or expenses arising from transactions that, contractually or by a legal imperative, contemplate a compensation possibility which is intended to liquidate its net amount or to realize the asset and proceed simultaneously to the liability's payment. Comprehensive income and financial position consolidated statement nets are presented.

The following item offsets have been carried out at balances level in financial position statements:

- Current tax assets and liabilities are presented in net amount at the subsidiary level, as it has a legally applicable right to offset current tax assets with current tax liabilities, when they are related to taxes issued by the same tax authority. This allows the entity to settle or receive a single net payment.

Therefore, deferred tax assets and liabilities are offset only if they are related to income taxes corresponding to the same tax administration, as long as the entity has the legal applicable right to offset the current tax assets with current tax liabilities.

- In the case of derivative instruments of fair value hedging, they are presented net when: (i) their respective contracts establish exchange for offsetting differences, at the time of the operation's settlement (ii) the administration's intention is to settle such differences for the net amount.

g. Foreign currency: Transactions in a currency other than the functional currency are considered 'foreign currency transactions' and are accounted for in their functional currency at the current exchange rate on the date of the transaction. By the end of each month, the current assets balances are valued at the closing month exchange rate.

h. Property, plant and equipment: Property, plant and equipment are presented at cost, excluding periodic maintenance costs, except by the accumulated depreciation and impairment losses.

The cost of property, plant and equipment items comprises their acquisition price plus all directly related costs to the asset location and its set-in motion condition as intended by the management and the initial estimate cost of any dismantling and element removal or withdrawal.

The financing interest costs, attributable to the acquisition or construction of assets that require a substantial period of time before they are ready for use are considered as the property, plant and equipment cost of the items.

The repair, conservation and maintenance expenses are charged to the yearly income in which they occur.

It should be noted that some property, plant and equipment elements at ENAP Group require periodic reviews (major maintenance). In this sense, the elements subject to replacement are recognized separately from the rest of the assets and with a disaggregation level that allows depreciation during the period between the current and the next repair.

Reserve equipment and spare parts (stand-by) are recognized in accordance with IAS 16 and are depreciated in the related assets estimated useful life.

Capital replacements are recognized in accordance with IAS 16 and are depreciated from the date of use.

Whenever there is an indication that there may be a potential impairment in the value of assets, their recoverable value is compared with their carrying amount. Any record or loss reversal in value which arises as a result of this comparison is recorded with a cost or credit to results as appropriate.

i. Hydrocarbon exploration and production: Hydrocarbon exploration and production operations are recorded in accordance with the standards established in IFRS 6, Exploration and Evaluation of Mineral Resources.

Hydrocarbon exploration and production disbursements are recorded according to the successful-efforts method. The accounting treatment of different costs incurred under this method is as follows.
i. The costs arising from the acquisition of new rights or interests in areas with proven and unproven reserves are capitalized under property, plant and equipment,

ii.The costs arising from the acquisition of interests in exploration areas are capitalized at their purchase price and in the event that no reserves are found, these values previously capitalized are recorded as an expense in income.
iii.Exploration costs, prior to drilling, such as geology expenses and geophysics, associated with the maintenance of unproven reserves and other exploration-related costs are loaded to income.
iv.Drilling costs incurred in exploratory campaigns, including stratigraphic wells exploration, are capitalized and presented in the Property, Plant and Equipment area. These depend on the determination of whether proven reserves have been found to justify their commercial development. If proven reserves are not found, these initially capitalized costs are loaded to income.
v. Well drilling costs that have resulted in a positive discovery of commercially exploitable reserves are capitalized and presented under the Properties, Plant and Equipment area.
vi. Development costs incurred to extract proven reserves and for oil and gas treatment and storage (including costs of productive wells drilling and dry wells development, rigs, recovery enhancement systems, etc.) capitalized and presented under Property, Plant and Equipment area.
vii. The costs for future field abandonments and dismantling are calculated, field by field and capitalized at discounted value. This capitalization is carried out with credit to the non-current provisions item.

Capitalized investments according to these criteria are amortized in accordance with the following method:

- Investments corresponding to the acquisition of proven reserves are amortized over the reservoir's estimated commercial life based on the production unit, which considers the year's production and proven field's reserves from the beginning of the amortization period.
- Related investments in areas with unproven reserves or in evaluation fields are not amortized. These investments are, at least, analyzed annually. If there is any indication of impairment and if impairment occurs, it is loaded on to the results.
- The costs originated in drilling and investments made afterwards for the hydrocarbon reserves development and extraction are amortized using the production units' method.

Changes in reserve estimates are taken into account by calculating the prospective amortizations.

j. Depreciation: Property, plant and equipment items are depreciated by production units with the sole exception of those not related to production processes, which are amortized following the straight-line method:

	Lifespan
Buildings	30 to 50 year-linear depreciation
Refining plants, facilities and annexes	Production unit
Industrial equipment	Production unit
Information technology equipment and others	4 to 10 year-linear depreciation
Exploration and production investment	Depletion rate
Other property, plants and equipment elements	Production unit

For those property, plant and equipment items related to hydrocarbons exploration and production activities, amortization is calculated according to the production unit amortization method (depletion quotas).

The residual value and the lifespan of property, plant and equipment items are reviewed annually and its depreciation begins when the assets are in use condition.

Premises are registered independently from the buildings or facilities that may be perched on them. They are viewed as having an indefinite lifespan. Therefore, they are not depreciation factors.

If there are any factors indicating impairment, ENAP Group will assess the existence of possible property, plant and equipment assets impairment.

In the event of impairment, ENAP Group determines the "recoverable value" for each unit generating cash, through the methodology of discounting future flows based on a real discount pre-tax rate and projections that consider a 5 year-span perpetuity for the R&C line and a 30 year- without perpetuity horizon for the E&P line based on identified stock.

k. Associates: ENAP Group exerts a significant influence on partner institutions, which consists in the power to intervene in the associate's financial and operating policy decisions without actually having control nor joint control over these policies. The evaluation is carried out considering the significant influence exercised through ENAP Refinerías S.A.

An associate's results, assets and liabilities are incorporated in these financial statements through the equity method. Under this method, associates' investments are recorded initially at cost in the consolidated financial statements, and are subsequently adjusted based on the associate's results portion that corresponding to the Group, except by any impairment in the value of individual investments.

When ENAP's associate or joint venture participation in the losses exceeds its participation in these, the entity will stop recognizing its participation in the additional losses. An associate or joint venture's participation will be the associate's amount in investment books or will be determined according to the equity method, along with any long-term interests that are essentially part of the entity's net investment in the associate.

An investment shall be accounted by using the equity method since the date on which becomes an associate. At the time of the investment's acquisition, any difference between the cost of the investment and the entity's share of the identifiable assets and liabilities' net fair value of the investee will be accounted for as gain and will be included in the investment's carrying amount.

When the Company reduces its share in an associate, and continues to use the equity method, the effects that had been previously recognized in other comprehensive results items should be reclassified as profit or loss according to a decrease proportion in participation of the aforementioned associate.

l. Non-financial assets impairment (no capital gains): ENAP Group assesses whether there is any indication that the assets have suffered an impairment loss before the end of the year. In the event that there is any indication of impairment, an estimate of the recoverable asset amount is made to determine its amount, when appropriate. When a consistent and reasonable allocation base can be identified, corporate assets are included in a separate cash-generating unit. Otherwise, these are allocated to the smallest group within a cash-generating unit for which a consistent and reasonable basis of allocation must be identified.

An asset's recoverable value is the highest between the fair value less the cost necessary for its sale and value in use. When evaluating value in use, the estimated future cash flows are discounted using a pre-tax interest rate that reflects current market valuations trends regarding the time value of money and risks that are specific to the asset, for which the estimated future cash flows have not been adjusted. The fair value less the costs of selling the asset is usually calculated for operating assets based on a discounted cash model, considering a series of variables such as investment and price projections.

If the recoverable amount of an asset (or CGU) is less than the carrying amount, this is reduced to its recoverable amount. Impairment losses are recognized immediately in the results.

When an impairment loss is subsequently reversed, the carrying amount of the asset (or CGU) is increased to a revised estimate of the recoverable amount. This increase in the carrying amount does not exceed the determined carrying amount if an impairment loss had never been recognized for the assets (or CGU) in previous years. An impairment losses-reversal is recognized immediately in results.

m. Financial instruments: Financial assets and liabilities are recognized when the Group becomes a part in the instrument's contractual clauses.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and liabilities (other than financial assets and liabilities at fair value through changes in profit or loss) are added or deducted from the fair value of financial assets and liabilities statements, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value with changes in results are immediately recognized in results.

i. Financial assets

All conventional purchases or financial assets sales are recognized and discharged on the date of hire. Conventional purchases or financial asset sales are purchases or sales under agreement that require assets delivery during a period that is generally regulated or arises from a convention established in the corresponding market.

All recognized financial assets are subsequently measured in their entirety, either at amortized cost or fair value, depending on the classification of financial assets.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- The financial asset is kept within a business model whose objective is holding financial assets to obtain contractual cash flows;
- The contractual conditions of the financial asset give rise, on specified dates, to cash flows that are only the principal and interest payments on the main pending amount.

Financial assets that meet the following conditions are subsequently measured at fair value with changes in other comprehensive income (VRCCORI):

- The financial asset is kept within a business model. Its objective is achieved by obtaining contractual cash flows and selling financial assets;
- The contractual conditions of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the amount of the main pending.

All other financial assets that do not meet these conditions are subsequently measured at fair value through profit or loss (VRCCR).

However, the Group may take the following irrevocable elections at the time of the initial recognition of a financial asset:

- The Group could irrevocably choose to present subsequent changes in reasonable value in other comprehensive income for investments in equity instruments that do not qualify by negotiation;
- The Group could irrevocably designate a financial asset that meets the criteria of amortized cost or fair value with changes in other comprehensive income to measure it at fair value through profit or loss if doing so eliminates or significantly reduces an inconsistency in measurement or recognition.

Amortized cost and effective interest method

The effective interest method is used to calculate the amortized cost of financial assets and for the distribution of interest income throughout of the corresponding period.

For financial instruments other than those with purchased or originated credit value impairment, the effective interest rate is the one that exactly discounts estimated future cash receipts (including all fees and basic points of interest, paid or received by the parties in the contract, which include the effective interest rate, transaction costs and any other premiums or discounts) excluding expected credit losses, during the expected life of the financial asset, or when appropriate, a shorter period, regarding the gross carrying amount of a financial asset at the time of initial recognition. For financial instruments, acquired or originated, other than credit-impaired financial assets the interest income is calculated by applying the effective interest rate to a financial asset carrying amount, except for credit-impaired financial assets.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition, minus principal repayments and plus the accumulated amortization, using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of the financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for financial assets instruments measured at amortized cost and fair value with changes in other integral income result. For financial instruments other than those with purchased or originated credit impairment, interest income is calculated by applying the effective interest rate to a financial asset's gross carrying amount, except for financial assets that have subsequently been converted to credit value impaired assets.

Interest income is recognized in the income statement and is included in the "financial income" line.

Equity instruments designated to be measured at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments be measured on FVTOCI. The FVTOCI designation is not allowed, if the equity instrument is held for trading or if it is a recognized contingent consideration by an acquirer in a business combination to which IFRS 3 applies.

A financial asset is held for trading if:

- It is bought or incurred mainly with the aim of selling it in the near future; or
- In its initial recognition it is part of a portfolio of identified financial instruments, which is jointly managed by the Group and for which shows evidence of a recent actual pattern of short-term profit making; or
- It is a derivative (except for derivatives that are a financial guarantee contract or have been designated as an effective hedging instrument).

Investments in equity instruments measured at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value recognizing gains and losses arising from changes in fair value in other comprehensive income and accumulated in the "Reserve for gains and losses on assets financial assets measured at fair value with changes in other comprehensive income" in equity. The collected profit or loss will not be reclassified to the results at the time of the equity instruments sale, instead it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in results when the Group is entitled to receive the dividend. It is possible for the Group to receive the associated economic benefits and the dividend amount may be reliably measured, unless the dividend clearly represents an investment cost recovery. Dividends are included in "other income" in the results statement.

Financial instruments measured at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria to be measured at amortized cost or at FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified to be measured at FVTPL, unless the Group designates an equity instrument that is not held for negotiate or contingent consideration arising from a business combination to be measured at FVTOCI, on its initial recognition.

- Financial assets that have been irrevocably designated as measured to the VRCCR at the time of initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, the measurement of assets or liabilities or the recognition of earnings and losses thereof on different bases.

Financial assets designated as VRCCR are measured at fair value at closing of each reporting period, with any gains or losses at fair value recognized in results to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the "financial income" line.

Gains and losses due to exchange variations

The carrying amount of financial assets that are denominated in a foreign currency is converted at the closing exchange rate of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a coverage relation, exchange differences are recognized in the "differences exchange" income line. Other exchange differences are recognized in other comprehensive income results in the "Gains and losses reserves on financial assets measured at fair value with changes in other comprehensive income";
- For financial assets measured at FVTPL that are not part of a hedging relationship, exchange differences are recognized under the "exchange differences" income line.

ii. Financial assets impairment

The Group recognizes a value adjustment for expected credit loss (ECL) on financial assets that are measured at amortized cost or at FVTOCI, commercial accounts receivable, various debtors and other debtors. ECLs during the asset's lifetime represent the expected credit losses that will result from all possible bankruptcy events during a financial instrument lifespan. In contrast, the expected PCE in the next twelve months will represent the portion of the ECL during the expected asset life which is expected to result from default events on a financial instrument within 12 months after the reporting date.

An impairment loss is not recognized for investments in equity instruments. The amount of expected credit loss is updated on each reporting date, in order to reflect credit risk changes since the initial recognition of the corresponding financial asset.

The Group always recognizes ECL during the asset's lifetime for commercial accounts receivable, various debtors. Expected credit losses in these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience. This is adjusted for factors that are specific to debtors, general economic conditions and the assessment of both the current, as well as the budgeted direction of conditions on the date of report, including time value of money when appropriate.

Increased credit risk

When assessing whether the credit risk of a financial instrument has significantly increased from its initial recognition, the Group compares the risk of the occurrence of a financial instrument breach at the reporting date with the risk that a breach occurs in the financial instrument on the date of initial recognition. When carrying out this evaluation, the Group considers reasonable and sustainable quantitative and qualitative information, including historical experience and projected information that is available without undue cost or effort. The considered projected information includes the future prospects of the industries in which the Group's debtors operate, obtained from economic experts, financial analysts, governmental agencies, relevant expert groups and other similar organizations reports, as well as the consideration of various external sources of current economic information and forecast that relates to the Group's main operations.

In particular, the following information is taken into consideration when evaluating whether the credit risk has significantly increased since initial recognition:

- A significant current or expected deterioration in the internal or external risk rating (if available) of the financial instrument;
- A significant deterioration in the external credit risk market indicators for a specific financial instrument, for example, a significant increase in the credit spread, credit default swap prices for the debtor, or the duration or the extent to which the fair value of a financial asset has been less than its amortized cost;
- Current or forecasted adverse changes in business, financial conditions that are expected to cause a significant decrease in the debtor's capacity to meet its financial obligations;
- A significant current or expected impairment in the debtor's operating results;
- Significant increase in credit risk on other financial instruments of the same debtor;
- Current or forecasted significant adverse changes in the debtor's regulatory, economic or technological environment that result in a significant decrease in the debtor's ability to meet their financial obligations.

Regardless of the result of the previous evaluation, the Group presumes that the financial asset's credit risk has significantly increased since its initial recognition, when contractual payments are overdue for more than 30 days, unless the Group has reasonable and supportable information to prove otherwise.
The Group assumes that the credit risk of a financial instrument has not increased significantly since its initial recognition, if the financial instrument is reported to have a low credit risk as of the reporting date. A financial instrument has low credit risk if: (i)

the financial instrument has a low default risk; (ii) the debtor has a robust ability to meet its contractual cash flow obligations in the short term; and (iii) adverse changes in long-term business and economic conditions could reduce the debtor's capacity to meet their contractual cash flow obligations. The Group considers that a financial asset has a low credit risk when there is an internal or external "investment grade" credit rating in accordance with a globally understood definition of credit risk.

For financial guarantee contracts, the Group's date to become a party to the irrevocable commitment is considered as the initial recognition for applying depletion value purposes. The Group considers risk changes of the specified debtor violating the contract, when assessing whether there has been a significant increase in credit risk since its initial financial guarantee recognition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and modifies them as appropriate to ensure that the criteria are capable of identifying a significant increase in the credit risk before the overdue of the amount.

Non-compliance definition

The following are constituted as non-compliance events for internal credit risk management purposes, according to the Group, given that historical experience indicates that accounts receivable that meet any of the following criteria are generally non-recoverable.

- When there is a financial restriction breach of the counterpart; or
- The internally developed information or obtained from external sources indicate that the debtor is unlikely to pay their creditors in full, including the Group (without taking into consideration any guarantee maintained by the Group).

Regardless of the foregoing analysis, when a financial asset is overdue for more than 90 days, the Group considers that there has been a default, unless that the Group has reasonable and supportable information to demonstrate that a more isolated non-compliance criterion is more appropriate.

Credit impaired Financial Assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable information about the following events:
a) Significant financial difficulties of the issuer or debtor;
b) A breach of contract, such as a default or a default event;
c) For related economic or contractual reasons with financial difficulties of the debtor, their creditor has granted them concessions or advantages that would have not been provided in other circumstances;
d) It is possible that the debtor will go into bankruptcy or other form of financial reorganization; or
e) An active market disappearance for the financial asset in question, due to financial difficulties.

Write-off policy

When there is information indicating that the counterparty is in severe financial distress and there is no realistic prospect of recovery, the Group writes off a financial asset. For example, when the counterparty has been put into liquidation or has entered bankruptcy proceedings, or in the case of trade accounts receivable, when amounts have been overdue for more than two years, whichever comes first. The written-off financial assets could still be subject to compliance activities under the Group's recovery procedures, taking legal advice, when appropriate, into consideration. Any recovery made is recognized as income.

Measurement and recognition of expected credit loss

The expected credit loss measurement is a function of non-compliance probability, severity (i.e., the magnitude of the loss if there is a default) and exposure. The non-compliance assessment and the severity probability are based on historical data adjusted for future information, as described above. Regarding exposure to default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. For loan commitments and financial guarantee contracts, the exposure includes the drawn amount available by the reporting date based on historical trends, the Group's understanding of the debtors' specific needs for future financial statements, and other relevant future information.

The expected credit loss for financial assets is estimated as the difference among the Group's contractual cash flows in accordance with the contract and all the cash flows that the Group is expecting to receive, discounted at the original effective interest rate.

Since the Group is required to make payments for a financial guarantee contract, only in the event of a debtor's default in accordance with the guaranteed instrument clauses, cash shortfalls are payments expected to reimburse the holder for an incurred credit loss minus the amount that the Group expects to receive from the holder, the debtor or a third party.

For unused loan commitments, a credit loss is the loan's difference present value between the Group's contractual cash flows if the loan is available to the holder and the cash flows that the Group expects to receive if the loan is available.

When the ECL during the asset's lifespan is measured on a collective basis to address cases in which the significant increase evidence in credit risk is not be available yet to an individual instrument level, financial instruments are grouped as follows:

- Nature of financial instruments (i.e., trade accounts, debtors, other Group debtors where each is assessed as a separate group. The loans to related parties are evaluated for expected credit loss on an individual basis);
- Past-due status;
- Nature, size and industry of the debtors;
- Nature of guarantees for lease accounts receivable;
- External credit ratings if available.

The management regularly reviews the grouping to ensure that the members of each group continue to share similar credit risk characteristics.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for financial instruments which are measured at FVTOCI, for which the value correction is recognized in other comprehensive income and collected in the "Reserve for gains and losses on financial assets measured at fair value with changes in other comprehensive income ", and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

A financial asset is only derecognized by the Group when the contractual rights of the financial asset expire on cash flows, or when financial assets and substantially all the risks and benefits inherent in owning the asset are transferred to a third party. If the Group neither transfers or retains substantially all the risks and benefits inherent to ownership and continues to control the transferred asset, it recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and benefits inherent to the ownership of a transferred financial asset, it continues to recognize the financial asset and it also recognizes a liability for received consideration.

When derecognizing a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and to be received is recognized in the results.
Additionally, when canceling an investment in a debt instrument classified to FVTOCI, the previously accumulated gain or loss in the "Reserve of gains and losses on financial assets measured at fair value with changes in other comprehensive income" is reclassified to results. On the contrary, when derecognizing an investment in an equity instrument which has been chosen by the Group in the initial recognition to measure it at FVTOCI, the previously accumulated profit or loss in the "Reserve of profit and loss on financial assets measured at fair value in other comprehensive income" is not reclassified as income, but is transferred to retained income.

iii. Financial liabilities and equity instruments
Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as financial liabilities or as equity, in accordance with the substance of the contractual arrangement and the definitions of financial liabilities and equity instruments.

Equity instruments

An equity instrument is any contract that evidences a residual interest on an entity's assets after deducting all of its liabilities. Equity instruments issued by any entities in the Group are recognized by the amounts received, direct net issuance costs.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or FVTPL.

Financial liabilities measured at FVTPL

Financial liabilities are classified as FVTPL when the financial liability is: (i) a contingent consideration by the acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as FVTPL.

A financial liability is classified as held for trading if:
- It has been acquired mainly with the aim of reselling it in the near future; or
- It is part of a portfolio of financial identified instruments in its initial recognition, which the Group manages jointly and for which has recent evidence of an actual pattern of short-term profit-making; or
- It is a derivative, except derivatives that have been made financial guarantee contracts or have been designated as an effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent acquirer's consideration as part of a business combination may be designated as FVTPL upon initial recognition if:

- Such a designation eliminates or significantly reduces any inconsistency in measurements or recognition that would otherwise arise; or
- The financial liability is part of a group of financial assets or financial liabilities or both, which is managed and evaluated based on its fair value basis, according to the Group's documented investment or risk management strategy, and the internally provided information about that group, based on its fair value; or
- It is part of a contract that contains one or more embedded derivative instruments, and IFRS 9 allows the entire contract to be designated as FVTPL.

Financial liabilities to FVTPL are recorded at fair value, recognizing any gain or loss arising from changes in fair value in the income statement to the extent that they are not part of a designated hedging relationship. The net profit or loss recognized in the results include any interest obtained on the financial liability and it is included in the 'financial income/ costs' line statement.

However, for financial liabilities designated as FVTPL, the change amount in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the changes effects in the liability's credit risk on other comprehensive income created or increased an accounting asymmetry in results. The remaining amount of change in the liability's fair value is recognized in profit or loss. Changes in value reasonable attributable to the credit risk of a financial liability, which are recognized in other comprehensive income that is not subsequently reclassified as income. They are transferred to retained earnings once the financial liability is written-off.

The gains or losses on financial guarantee contracts or loans commitments issued by the Group that are designated by it to be measured by FVTPL and are recognized in the results.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not (1) an acquirer's contingent consideration in a business combination; (2) held for trading; or (3) designated as FVTPL and are subsequently measured at amortized cost using the effective interest method.

The effective interest method is used to calculate the amortized cost of a financial liability and for the distribution of interest expense throughout the corresponding period. The effective interest rate discounts exactly the estimated payments future cash flows (including all fees and interest points, paid or received, which include the effective interest rate, transaction costs and any other premiums or discounts) during the financial liability lifespan, or when a shorter period is appropriate at the amortized cost of a financial liability.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specific payments to reimburse the holder for the incurred loss when a specific debtor fails to make their payment obligations when due, in accordance with the original or modified conditions of a debt instrument.

Financial guarantee contracts issued by a Group's entity are initially measured at fair value and, if not designated to FVTPL and does not originate from a financial asset transfer, they are subsequently measured at the higher of:

- The determined amount from loss allowance in accordance with IFRS 9 (see o.2); Y
- The amount initially recognized less, where appropriate, accumulated amount of income recognized in accordance with revenue recognition policies.

As of 31 December 2020 and 2019, ENAP and its subsidiaries have not signed this type of contract.

Exchange variation gains and losses

The gains and losses for exchange differences are determined based on the amortized cost of the instrument, for financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period. These exchange differences gains or losses are recognized in the results, in the "Exchange differences" line for financial liabilities that are not part of a designated hedging relationship.

The financial liabilities fair value is determined in a foreign currency and are converted at the closing exchange rate of each reporting period. For financial liabilities that are measured as FVTPL, the component of exchange difference is part of fair value gains or losses and is recognized in the results for financial liabilities that are not part of a hedging relationship.

Financial liabilities derecognition

The Group derecognizes financial liabilities only if the Group's obligations are met, canceled or have expired. The difference between the carrying amount of the financial liability derecognition and the consideration paid and payable is recognized, including any transferred assets different from cash or liability assumed, is recognized in profit or loss.

iv. Derivative financial instruments

The Group uses a variety of derivative financial instruments to manage its volatility risks in interest and exchange rates, including foreign currency forward contracts and interest rate swaps. A more detailed explanation about the derivative financial instrument is included in the "Financial liabilities" line.

Derivatives are initially recognized at fair value on the date derivative contracts are subscribed, and are subsequently remeasured at fair value by the end of each reporting period. The resulting gain or loss is recognized immediately in profit or loss, unless the derivative is designated and effective as a hedging instrument, in which case the timing of recognition in income will depend on the nature of the hedging relationship.

Embedded derivatives

Derivatives embedded in host contracts that are not financial assets within of the IFRS 9 scope are treated as separate derivatives when they meet the definition of a derivative, its risks and characteristics are not closely related to host contracts and these are not measured as FVTPL. Derivatives embedded in hybrid contracts that contain a host within the IFRS 9 scope are not separate. The entire hybrid contract is classified and subsequently measured either at amortized cost (containing a financial asset host) or at fair value, as appropriate.

v. Hedge accounting

The Group designates certain derivatives as hedging instruments regarding risk exchange rate, interest rate risk and ICE Brent crude commodity risk, either in fair value hedges or cash flow hedges, as appropriate. The exchange rate risk hedging of a firm commitment is accounted for as cash flow hedging.

At the beginning of the hedging relationship, the Group documents the relationship between the hedging instrument and hedged item, as well as risk management objectives and its strategy for conducting various hedging transactions. Additionally, when initiation of hedging and on an ongoing basis, the Group documents whether the hedging is an effective offsetting instrument in fair value or cash flows of the hedged item attributable to the hedged risk, which is when all hedging relations meet the following performance requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not predominate over the changes in value that result from that economic relationship;
- The hedge ratio is the same as that the one resulting from the amount of the hedged item that the Group currently covers and the amount of the hedging instrument that the entity currently uses to cover that amount of the covered item.

If a hedging relationship no longer meets the hedge effectiveness requirement relative to the coverage ratio, but the risk management remains unchanged, the Group will adjust the hedging ratio of the hedging relationship (this is referred to in IFRS 9 as "rebalancing the hedging relationship") so that it meets the required criteria again.

The Group designates the entire change in the fair value of a forward contract (that is, including the forward elements) as a hedging instrument for all its hedging relationships involving forward contracts.

Fair value hedges - (Time spread swap - Inventory)

Changes in the fair value of hedging instruments are recognized in profit or loss, except when the hedging instrument hedges a designated equity instrument to be measured at FVTOCI, in which case changes in fair value are recognized in other comprehensive income.

The carrying amount of a hedged item (ICE Brent crude commodity risk, which is part of the raw materials and products inventory) that has not been measured at its fair value is adjusted for a change in fair value attributable to the risk hedged with a corresponding effect on results. For financial assets (debt instruments) measured as FVTOCI, the carrying amount is not adjusted since it is already at fair value, but the gain or loss from the hedge is recognized in profit or loss instead of comprehensive results. When the hedged item is a FVTOCI designated equity instrument, the hedge gain or loss remains in other comprehensive income to coincide with the hedging instrument.

When hedging gains or losses are recognized in profit or loss, they are recognized in the same line as a hedged item.

The Group discontinues hedge accounting only when the hedging relationship (or a part of it) no longer meets the classification requirements (after rebalancing the hedging relationship, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of the hedged item that arises from the hedged risk and is amortized in results from that date on.

Cash flow hedges - (Cross currency swap - Exchange rate and interest rate)

The effective portion of changes in the derivatives fair value and other rated hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and is accumulated in the "Hedge reserve of cash flow " line in equity and limited to the accumulated change in the fair value of the hedged item from the hedge inception. The gain or loss relating to the ineffective portion of the hedging instrument is immediately recognized in profit or loss, and is included in the "other gains (losses)" line.

The amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to the results in the years in which the hedged item is recognized in profit or loss. However, when a forecasted transaction results in the recognition of a non-financial asset or non-financial liability, the gains or losses in other comprehensive income and accumulated in equity are eliminated from equity and are directly transferred to the initial cost of the non-financial asset or non-financial liability. This is not a reclassification adjustment and, therefore, it does not affect other comprehensive results. Additionally, if the Group expects that part or all of the accumulated loss in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to the results.

The Group discontinues hedge accounting only when the hedging relationship (or a part of it) no longer meets the classification requirements (after rebalancing the hedging relationship, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuation is accounted for prospectively. Any gain or loss recognized in other comprehensive income and accumulated in equity until that date remains in equity and is recognized when the forecasted transaction is finally recognized in profit or loss. When the forecasted transaction is no longer expected to occur, the accumulated gain or loss in equity is recognized immediately in the results.

n. Revenue recognition: Revenues are recognized by the ENAP Group, considering the price established in the transaction for the fulfillment of each of the performance obligations. ENAP Group recognizes income when it has been compliant with performance obligations for the transfer of the goods to the client and committed services.

The main activities for each business segment are described below, from which the Group generates its main income. For more details see Note on "Business segments".

R&C segment:

The generation of ordinary income in the R&C business line mainly comes from the sale of its refined products. This generally occurs when the client gets control of sold or supplied goods, and there are no pending performance obligations. Refined products sales are made generally under the protection of annual contracts, establishing agreements for both parts including a monthly delivery schedule, operational tolerances, and non-compliance fines. In the moment a client gains control, the tank-to-tank deliveries occur: the instant the products pass through the flange at the entrance of the buyer's plant facilities, and in case of deliveries from tank to oil pipelines, on the seller's plant outlet flange. In both cases, the flange is where the product delivery, transfer of title and risk to the client occurs. There are not significant financial components.

E&P segment:

The generation of regular income in the E&P business line comes mainly from crude oil and natural gas sale. This occurs when the client gains control of the goods sold or supplied, and there are no non-separable performance obligations pending to be fulfilled. Oil and gas sales are generally made under annual contracts or "spot" sales contracts, which establish agreements for both parties (for example, the calculation of the sale price is usually based on international prices; discounts associated with product quality or "bonuses"; delivery schedule; fines in case of non-compliance). The client obtains control in the moment when the products are delivered to the indicated place, in accordance with the conditions agreed. Sales through oil pipelines are produced with a measuring unit delivery. Inspectors certify the delivery, in all cases of maritime terminals with the disconnection of the loading hose. There are no significant financial components.

G&E segment:

The generation of regular income in the G&E business line mainly comes from liquefied natural gas (LNG) sale, through oil pipelines to its industrial and electricity generation clients. This occurs when the client gains control of the products, and there are no non-separable performance obligations pending to be fulfilled. LNG sales are carried out under sales contract protection, which establish agreements for both parties (for example, price; quantity; annual delivery schedule; non-compliance fines). The specific moment a client gains control takes place when the products have been sent to a delivery point, which corresponds to the Quillota reception station for Santiago clients and the reception station in ENAP's Regasification Satellite in Pemuco for clients in the South area. There are no significant financial components.

Other operating income:

i) Dividend income: Dividends are recognized by the ENAP Group, when the right to receive payment is established.
ii) Interest income: Interest is recognized using the interest rate effective method.

o. Inventories : Raw material, work in progress, finished products and materials are initially valued at cost. Subsequently, upon initial recognition, they are valued at the lower realizable net value and cost. ENAP Group uses the FIFO method as a costing method for products in stock, except for materials for which it uses the Weighted Average Price method.

The net realizable value represents the estimate of the sale closing price minus all estimated completion costs and those associated with the marketing, sales and distribution processes. In the event that the cost of raw material is part of the hedged item of a fair value hedging strategy, the gain or loss associated with the hedged price risk is part of the cost of inventories.

p. Provision for employee benefits: Costs associated with contractual staff benefits, related to the services provided by workers during the year are loaded on to the year's income. Actuarial gains and losses are recognized in the "Actuarial reserves in defined benefit plans", within the Equity reserves.

Compensation for years of service to all events arise as a result of collective agreements, signed with workers of the ENAP Group, in which the commitment of the company is established. ENAP Group recognizes the cost of benefits for employees according to actuarial calculations, as required by IAS 19 "Personnel benefits", where considered estimates such as life expectancy, future tenure and nominal future wage increase are considered. To determine this calculation as of 31 December 2020 and 2019, an annual nominal discount rate of 5.37% has been used.

The Company recognizes a liability and an expense associated with the Variable Income System (SRV) that applies to all executives, with the exception of the General Manager. The system is based on a formula that takes the company's annual financial results, areas and levels of fulfillment results achieved by each management. A provision is registered when the company is contractually bound, or when there is a practice that has created an implicit obligation. Executives have voluntarily resigned to the 2020 benefit.

q. Other provisions and contingent liabilities: Other provisions correspond to legal or assumed current obligations, arising as a result of a past event; its cancellation may result in an outflow of resources, the amount and opportunity can be reliably estimated.

Contingent liabilities related to possible obligations, arising as a result of past events. Their existence needs to be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not entirely under the Company's control. It might come from a present obligation, arising as a result of past events, that has not been accountably recognized because it is unlikely that an outflow of resources will be required to settle the obligation to incorporate economic benefits; or because the amount of the obligation cannot be measured reliably.

ENAP Group does not record contingent assets or liabilities except those that derive from onerous contracts, which are recorded as a provision and are reviewed at closing date to reflect the best estimate available at that time.

r. Income tax and deferred taxes: ENAP and its subsidiaries in Chile determine the tax base and calculate income taxes in accordance with the legal current provisions. In the case of foreign affiliates, they present their tax declarations individually, in accordance with the applicable tax regulations in the corresponding countries.

Deferred taxes originated by temporary differences and other events that create differences between the accounting and assets and liabilities tax base, are recorded in accordance with IAS 12 "Income taxes". Current and deferred income tax is recorded in the income statement unless it relates to a recognized item in other comprehensive income (equity) or is the result of a business combination.

The Company does not record deferred taxes on temporary differences arising from investments in subsidiaries and associates, as long as the opportunity in which the temporary differences is controlled by the Company and the temporary difference will not be reversed at a foreseeable time in the future. Otherwise, the corresponding deferred taxes are recognized.

Income tax is recorded in the consolidated income statement or in the net equity of financial position consolidated statement, depending on gains or losses. The differences between the book value of assets and liabilities and their tax base generate deferred asset or liability tax balances which are calculated using tax rates expected to be in force when the assets and liabilities are passed.

The generated variations in the deferred taxes of assets or liabilities during the year are recorded in the consolidated income statement or directly in equity statements of financial position, as appropriate.

The deferred tax assets are recognized only when the Company is expected to dispose of enough future tax benefits to offset temporary differences.

s. Leases: In accordance with IFRS 16 "Leases", the Group measures lease liabilities and right-of-use assets on underlying assets in leases previously classified as operating by reference to the lease payments for the lease term remainder, by using the asset register option to equal the liability amount allowed by IFRS16: C8 (b); and it also determines the incremental borrowing rate on the date of initial application, in accordance with the lease term and the nature of the right-of-use asset; the registered right of use assets will incur amortization expenses through the contract period or the asset lifespan at the date of initial application, whichever is shorter.

t. Issued capital: The issued capital is constituted by contributions and/or capitalized profits, authorized through official letters and/or decrees issued by the Ministry of Finance, which constitute the legal obligation that gives rise to its registration.

u. Profit distribution: The profit distribution policy used by ENAP is established through the official letters and/decrees issued by the Ministry of Finance, which constitute the legal obligation that gives rise to its registration.

v. Environment: ENAP's Group accounting policy related to the recognition of environmental commitments establishes that when these are part of an investment project, they are activated as part of the project, and when they are not part of it, they are recognized with a charge to income for the year. In the case of environmental provisions, costs may differ from estimates due to changes in laws and regulations, discovery and analysis of site conditions, as well as variations in sanitation technologies.

w. Business Accounts Payable and Other Accounts Payable: Business Accounts Payable and other accounts payable are initially recognized at fair value and they are subsequently valued at their amortized cost.

x. Cash and cash equivalents: The statement of cash flows includes cash movements made throughout the year, determined by the direct method. In these cash flows statements, the following expressions are used:

- Cash and cash equivalents: ENAP Group considers liquid financial assets, deposits or liquid financial investments, which have an original duration of three months or less and whose risk of change in their value is insignificant, to be cash equivalents.

- Operating activities: These are the activities that constitute the main source of ordinary income for ENAP Group, as well as other that cannot be classified as investment or financing activities.

The "Other payments for operating activities" item includes MUS $2,192,883 for the specific taxes on fuels payment in the ENAP Refinerías S.A. subsidiary, corresponding to the year ended 31 December 2020 (MUS $2,594,234 in 2019).

- Investment activities: activities related to the acquisition, disposal or long-term disposal by other means of assets and other investments not included in cash and its equivalents.

- Financing activities: activities that produce variations in the net worth composition and financial liabilities.

Changes in liabilities arising from financing activities are shown in the following reconciliation table:

Liabilities originated on financing activities	Balance 01.01.2020 (1) MUS$	Cash flow financing		Changes in non-cash working capital				
		Originating MUS $	Spent MUS $	Fair value changes MUS $	Exchange rate variation MUS $	New financial instruments MUS $	Other changes (2) MUS $	Balance 31.12.2020 (1) MUS $
Bank loans (Note 20.b.ii)	738,808	540,356	(636,724)	-	(2,907)	-	(25)	639,508
Unsecured bonds payable (note 20.b.ii)	3,466,639	181,284	(174,411)	-	53,798	-	13,284	3,540,594
Lease liability (note 15)	158,735	-	(38,267)	-		59,735	16	180,219
Derivative hedging instruments (note 20.a)	85,836	-	(4,407)	-	-	-	(6,570)	74,859
Total	**4,450,018**	**721,640**	**(853,809)**	**-**	**50,891**	**59,735**	**6,706**	**4,435,180**

(1) Current and non-current corresponding balance
(2) Includes accrued interests.

3.2 New Accounting Pronouncements

a. Interpretation and amendments to IFRS have been adopted in these financial statements:

Amendments to IFRS	Mandatory Effective Day
Business definition (amendments to IFRS 3)	Annual periods beginning on or after 1 January 2020.
Material definition (amendments to IAS 1 and IAS 8)	Annual periods beginning on or after 1 January 2020.
Conceptual framework por Revised Financing Report	Annual periods beginning on or after 1 January 2020.
Reference interest rates reform (amendments to IFRS 9, IAS 39 and IFRS 7)	Annual periods beginning on or after 1 January 2020.
Lease concessions related to COVD-19 (amendments to IFRS 16)	Annual periods beginning on or after 1 January 2020.

The application of these amendments and interpretations has had no effects on these consolidated financial statements.

b. Rules and amendments issued and not yet effective:

New IFRS	Mandatory Effective Day
IFRS 17, Insurance contracts	Annual periods beginning on or after 1 January 2023.

Amendments to IFRS	Mandatory Effective Day
Current and non-current liabilities classification (amendments to IAS 1)	Annual periods beginning on or after 1 January 2023.
Conceptual framework reference (amendments to IFRS 3)	Annual periods beginning on or after 1 January 2022.
Property, plant and equipment-Intended use income (amendments to IAS 16)	Annual periods beginning on or after 1 January 2022.
Onerous contracts-Contract compliance costs (amendments to IAS 37)	Annual periods beginning on or after 1 January 2022.
Annual IFRS norms improvement, 2018-2020 cycle (amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)	Annual periods beginning on or after 1 January 2022.
Interest rate reference reform – Fase 2 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	Annual periods beginning on or after 1 January 2021.

The Company's management is evaluating the initial effects of the application of these new regulations and modifications. It is estimated that future adoption will not have a significant impact on the Consolidated Financial Statements.

3.3 Accounting changes and correction of errors

ENAP applied the depreciation criterion by production units to Properties, Plants and Equipment elements associated with productive refining and commercialization plants in the business line, thus aligning the depreciation criteria used by the E&P business line. This adoption allows a better position correlation due to depreciation at the refineries' utilization rate and their capacity to generate income. The effect of this change generated a MUS $30,200 lower depreciation in 2020, which was applied prospectively in accordance with IAS 8.

The financial statements as of 31 December 2019 have been restated to reflect the difference effects in the deferred taxes registry, associated with tax losses and their adjustment for that year's inflation of the subsidiary ENAP Sipetrol Argentina S.A. for an amount of MUS $24,117 (loss) which were recorded based on an external technical report that was subsequently corrected as of 31 December 2020. This change meant the recording of a minor asset, which was presents in the deferred taxes item in the Statement of Financial Position, loaded on to results presented in the income tax benefit item in the State of Comprehensive Results for MUS $24,117.

4.- Financial Risk Management and Hedging definition

ENAP Group is exposed to different financial nature risks that may affect significant the economic value of its flows and assets and, consequently, its results, in the normal course of its business and financing activities.

The Company has organization and information systems, managed by the Administration and Corporate Finance Management, which allow risks identification, determination of their magnitude, suggest mitigation measures to the Board, the implementation of these measures and the monitoring of their effectiveness.

A definition of the main risks ENAP Group faces is found below: a characterization and quantification of them, as well as a description of the mitigation measures currently in use by the Company, if applicable.

a) Market risk

The possibility that the fluctuation of market variables such as interest rates, exchange rate, prices or indices of crude oil and products, etc., might produce economic losses due to the devaluation of flows or assets or to the valuation of liabilities, due to the nomination or indexing of these variables.

a.1) Interest rate risk - ENAP Group's financing structure considers a mix of fixed rate (mainly bonds) and variable rate sources of funds (bilateral loans, syndicated loans, documents payable or forfaiting, short-term bank loans and supplier financing).

The portion of the financing subject to a variable interest rate, usually consisting of 3-or 6-months LIBOR floating rate plus a margin, exposes the company to changes in its financial expenses in the fluctuations scenario in the LIBOR rate.

ENAP Group total financial debt as of 31 December, 2020 is summarized in the following table, broken down between fixed rate debt and variable rate debt - Pre-Hedge:

As of 31 December 2020:

In MUS$	Fixed rate	Floating rate	Total
Short-term bank debt	-	387	387
Long-term bank debt	4	247	251
International bonds	2,990	-	2,990
Local bonds	634	-	634
Total	3,628	634	4,262

Note: The data in the attached table corresponds only to the principal value of the debt without including accrued interest and other concepts. International and local bonds are presented at face value (face), not at amortized cost as in the balance sheet. Since the interest rate is applied to the nominal value of the bonds, this value allows to correctly quantify the exposure of ENAP Group to the fixed or variable rate, object of this section. Local bonds are denominated in UF and are presented at their equivalent face value in US $ as of 31 December 2020. Lease liabilities are excluded and reported in Note 15.

Risk mitigation instruments:

ENAP Group has contracted several hedging instruments applicable to some of the debt items in the previous table, in order to reduce the variability of its financial expenses.

Residual risk exposure

Considering the existence of the previously mentioned hedging instruments, ENAP net balance obligations whose financial cost remains subject to the fluctuations in the LIBOR interest rate amounted to MUS $661,090 which means 15.41% of the total. Depending on this amount, a 1% increase/decrease in the applicable LIBOR rate (quarterly or semi-annually depending on the type of debt) would generate an annual increase/decrease in the company's financial expenses of approximately MUS $6,611.

a.2) Exchange rate risk - ENAP Group functional currency is the US dollar. However, there are relevant items in financial statements denominated in local currency (pesos or UF), such as sales and financial obligations invoicing. These are exposed to changes in their dollar value in the extent that fluctuations in peso/US $ and UF/US $ parity occur.

Mitigation measures:

The exposure of the billing flow to variations in the exchange rate is minimized fundamentally through the product price policy based on the import parity, a mechanism by which the local sales price of products is recalculated weekly according to the current exchange rate.

Regarding the balance sheet items, the main items exposed are local bonds (denominated in UF) and accounts receivable corresponding to local sales (denominated in pesos). ENAP Group performs hedging operations in order to mitigate the exchange risk associated with both items.

ENAP Group debt capital of local bonds amounts to UF $15,500,000 as of 31 December 2020 (equivalent to MUS $633,786 as of 31 December 2020). Based on that amount and the CLP/US $ and CLP/UF parities in force on that date, a variation of $50 in the CLP/US$ exchange rate would produce the following effects on the value of bonds:

Exchange rate	Variation in bond valuation MUS $
$50 increase ($760,95)	41,644
$50 decrease ($660,95)	(47,945)

In order to mitigate this risk, ENAP Group has closed derivative contracts of the cross-currency type swap, through which the company receives UF flows from its counterparts equal to the flows payable to bondholders. These fixed flows are paid in dollars, as they remain free from the foreign exchange described risk. The notional value amounts to MUS $633,786.

On the other hand, the balance of accounts receivable corresponding to local sales amounted the equivalent of MUS $407,962 as of 31 December 2020, which implies a $50 increase in the exchange rate which would produce a MUS $26,806 value decrease in the accounts receivable.

In order to minimize this risk, ENAP Group maintains a coverage policy consisting of the weekly closing of forward exchange rate contracts, for a maximum amount equivalent to 100% of the estimated sales for the corresponding week and by terms based on the estimated collection dates of the respective billing.

a.3) Commodity price risk: ENAP Group's Refining & Trading Line consists mainly in the purchase of crude oil in the international market for its refining and subsequent products sale elaborated in the domestic market, in accordance with its import parity pricing policy. The refining margin obtained by the Group is affected by the fluctuation of the international prices of crude oil, refined products and the differential between both (international margin or "crack"). Considering a 66 million bbl. per year refining level average, a variation of US $1 /bbl in crack would have, ceteris paribus, a MUS $66,000 effect on results of the period.

ENAP Group has oriented its investments to increase its productive flexibility and the quality of its products, as a central strategy to face the risk of variation in the refining margin. Until now, no financial derivatives have been contracted in order to set the refining margin, but the pricing levels are constantly being monitored by the market.

On the other hand, due to time elapse between the moment of crude oil purchase and the refined products sale, ENAP is also affected to time spread or risk that, at the time of sale, prices will be below the prevailing price at the time of crude oil purchase. The losses or gains related to this reason increase the volatility of ENAP Group operational results.

ENAP Group imports a 5.5 million bbl. crude oil average approximately, on a monthly basis. A drop of US $1/bbl in the price of the product during the refining inventory cycle has a MUS $5,500 immediate effect in the refining margin. The hedging policy for mitigating the risk of inventory impairment (crude oil shipments) consists of contracting time-spread swaps, which have the objective of being able to financially shift the price-taking window of a shipment of crude oil (which is usually on the days that are around the loading date) and adjust it to the dates where the refined products are priced. Thus, inventory costs will be in line with prices of the products to be sold, mitigating in a good way the time spread at which the Company is naturally exposed. However, it is important to mention that these instruments, by their nature and way of operating, are protected against variations in crude oil prices, but they do not guarantee a complete elimination of the effects on results due to volatility in the purchase of raw materials.

Currently, Brent crude is the relevant marker for the market and for products prices of ENAP's reference market, since their prices are directly correlated to this marker price. For this is the reason, when the trading area assigns crude purchases based on the WTI or DTD Brent, a derivative called "Swap spread "is contracted and whose purpose is to financially transfer a WTI or DTD Brent position to one of ICE Brent and thus maintain the optimization criteria that prevailed at the time of award the purchase of said crude.

On the other hand, the Exploration & Production Line business consists mainly of the activities of hydrocarbon exploration and exploitation of reserves and their sale in the international market. Consequently, its results are directly related with international oil and gas price levels.

In order to mitigate this risk, the Group focuses its efforts on constant operational improvement, in order to maintain an efficient cost structure. The company does not systematically resort on the use of derivatives as a hedging mechanism for its sales of own production, although operations of this type have been performed from time to time.

b) Liquidity risk

This risk arises from required funds to meet capital expenditure commitments and normal business operation, debt maturities, derivative liquidations, etc. The Group maintains a financial policy that establishes the guidelines to face this risk, consisting in long-term committed credit facilities and temporary financial investments, for sufficient amounts of projected needs for a period where debt and capital markets situation and expectations are met.

The Risk Market and Financial Operations Managements and the Corporate Finance Management reporting to the Administration and Finance Management continuously monitor the Group's funding requirements.

In addition to the balance sheet balances, the Group additional liquidity sources available: (i) a US $150 million committed credit line with BCI Miami Branch (ii) a CLP $25,000 million committed credit line with Banco Santander and (iii) several US $1,000 million uncommitted bank lines with several national and international banks.

The aforementioned projected needs include debt net financial maturities, i.e., after financial derivatives. The following table shows the capital maturities profile of the ENAP Group's current financial obligations as for 31 December 2020:

MUS $	2021	2022	2023	2024	2025	2026+	Total
Short-term debt	387	-	-	-	-	-	387
Long-term debt	56	5	100	90	-	-	251
International bonds	410	-	-	600	-	1,980	2,990
Local bonds	-	-	-	-	204	430	634
Total	**853**	**5**	**100**	**690**	**204**	**2,410**	**4,262**

For more details regarding the characteristics and conditions of financial debts and derivatives, see Note on "Financial liabilities".

The following table shows the profile of capital maturities of the Group as of 31 December 2020:

MUS $	2021	2022	2023	2024	2025	2026+	Total
Commercial accounts payable	487	5	-	-	-	-	492
Related entities account payable	8	-	-	-	-	-	8
Hedging derivatives	75	-	-	-	-	-	75
Total	570	5	-	-	-	-	575

c) Credit risk

This risk refers to the ability of third parties to meet their financial obligations with ENAP Group. Within the items exposed to this risk, there are 3 mayor categories:

c.1) Financial assets – These are cash and cash equivalent balances, time deposits, operations with repurchase agreements and negotiable securities in general. ENAP Group's ability to recover these funds upon maturity depends on the solvency of the bank in which they are deposited. To mitigate this risk, ENAP Group has a financial policy that specifies credit quality parameters that financial institutions must meet in order to be able to be considered eligible as depositories of the products indicated above, as well as each institution's maximum concentration limits.

c.2) Obligations of counterparties in derivatives – These are ENAP's market values in force of current derivative contracts with banks. To mitigate this risk, ENAP Group has a derivative-products-managing policy that specify creditworthiness parameters that must be met by financial institutions to be considered eligible as counterparties.

c.3) Sales debtors - The risk of uncollectibility of the group's sales debtors is significantly low, since almost all local sales (> 95%)

invoiced to the main fuel distribution or liquefied gas distribution companies.

On the other hand, the incorporation of new clients is subject to the analysis of their financial solvency and approval by ENAP Group's Credit Committee. This committee coordinates the collection actions required in case of late payments.

On 31 December 2020, ENAP Group's total exposure to sales debtors amounted MUS $519,330 as indicated in the Note on "Trade debtors and other accounts receivable".

There are no guarantees for significant amounts to cover such exposure, since as mentioned above, almost all sales correspond to fuel distribution companies or liquefied gas, with which ENAP Group operates on the basis of unsecured credit sales. The estimate of uncollectable debtors as of 31 December amounts to MUS $6,259.

Information regarding capital management is included in the "Equity" note.

5.- ESTIMATES AND CRITICAL ACCOUNTING JUDGMENTS

Responsibility for the information and estimates made

ENAP Group Senior Management is responsible for the information contained in these consolidated financial statements.
ENAP Group Management and the consolidated entities have used estimates to quantify some of the assets, liabilities, income, expenses and commitments that appear registered therein.

These estimates have been made based on the best information available on the analyzed facts. However, there is a possibility that events taking place in the future will force its modification (up or down), in accordance with IAS 8, and prospectively recognizing the estimate change effects, if the revision affects only the present period, or in the review period, and future periods if change affects both of them.

In the application of ENAP Group accounting policies, which are described in the "Summary of main accounting policies applied" note, the management makes estimations and judgments regarding the future on the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results could differ from these estimates.

Judgments and estimates are necessarily made by the management that have an effect on the figures presented in the financial statements, therefore, changes in these assumptions and estimates could have an effect on the consolidated financial statements.

The estimates and critical judgments used by management are detailed below:

1. Impairment of assets (except for goodwill) - At the end of each year or at a specific intermediate date, if indicators of deterioration are observed, the management will analyze the value of the assets to determine whether they have suffered any impairment loss. If the case, an estimate of the recoverable value of each asset is made, to determine in each case, the amount of the adjustment. In case of identifiable assets that do not generate independent cash flows, the recovery of the asset's cash generating unit is estimated.

2. Property, plant and equipment lifespan - ENAP Group Management estimates lifespans and based on them the corresponding depreciation charges of property, plant and equipment. This estimate is based on technical studies prepared by internal and external experts. When there are indications that recommend changes in their asset lifespans, this must be done using technical estimates for this purpose. Management will increase the depreciation charge when lifespans are less than the estimate or write off technically abandoned or sold. ENAP Group reviews the estimated useful lives of property, plant and equipment on an annual basis.

3. Provision of obsolescence of materials and spare parts - The materials and spare parts presented under Inventories may be affected by various factors such as such as technological changes, disuse, environmental exposure, among others, for which the Group makes estimates and judgments in order to determine obsolescence provisions with the best available information. These estimates are periodically reviewed based on additional information and more experience may affect the determined values.

4. Oil and gas reserves - The estimate oil and gas reserves are an integral part of the Group's decision-making process. The volume of crude oil and gas reserves is used to calculate depreciation, using the production/reserves ratio, as well as for the evaluation of the recoverability of investments in Exploration and Production assets. The determination of crude oil and gas is effected through the appropriate use of geological assessment and petroleum engineering practices and techniques consistent with recognized practices in the industry and in accordance with the definitions established by the PRMS in 2007 (Petroleum Resources Management System). These studies carried out by our experts are annually audited by specialized world-renowned certifying companies.

5. Fair value of derivative instruments and other financial instruments - The fair value of financial instruments not traded in an active market is determined using valuation techniques. ENAP Group uses judgment to select a variety of methods and to make assumptions that are based primarily on the existing market conditions on the balance sheet date. In the case of derivative financial instruments, the assumptions made are based on the adjusted quoted market rates due to the specific characteristics of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on supported assumptions, by observed market prices or rates when possible.

6. Provisions for litigation and other contingencies - The final cost for claims and lawsuits may vary due to estimates based on different norm interpretations, opinions and final evaluations of the amount of damages. Therefore, any variation in circumstances related to these types of contingencies could have a significant effect on the amount of the provision recorded.

7. Provisions for environmental remediation - ENAP Group files lawsuits and estimates when recording costs and establishing provisions for write-offs and environmental remediation, mainly pit remediation, which are based on current information regarding costs and expected remediation plans, timing of actual disbursement, interest rate to discount future cash flows, among others, in order to determine their fair value. Environmental costs may differ from estimates due to changes in laws and regulations, discovery and analysis of site conditions, as well as to variations in sanitation technologies. Therefore, any modification in the factors or circumstances related to this type of provision, as well as in the rules and regulations, could have a significant effect on the recorded provisions as a consequence.

8. Calculation of income tax and deferred tax assets – Tax assets and liabilities are reviewed periodically and balances are adjusted as appropriate. ENAP Group considers that future tax effects, based on business plans, circumstances and current tax laws, allow the completion of the deferred taxes net asset, i.e., the management has estimated them to be fully recoverable. However, the tax position might change, that may cause different results that would impact amounts reported in the consolidated financial statements.

6.- CASH AND CASH EQUIVALENTS

This item's composition as of 31 December 2020 and 2019 is as follows:

Detail	31.12.2020 MUS $	31.12.2019 MUS $
Checkout	64	45
Bank	38,725	121,821
Time deposits	44,930	9,901
Total	**83,719**	**131,767**

Cash and cash equivalents details are as follows:

Details	Currency	31.12.2020 MUS $	31.12.2019 MUS $
Cash and cash equivalents	US$	32,211	105,070
Cash and cash equivalents	Ch$	32,734	10,864
Cash and cash equivalents	AR$	3,492	11,872
Cash and cash equivalents	EG£	15,282	3,961
Total		**83,719**	**131,767**

Time deposits have a maturity term of less than three months from their date of acquisition and accrue market interest for this type of investment. There are no restrictions on the disposition of cash. As of 31 December 2020, there are bank overdrafts registered as cash and cash equivalents for MUS $27,666.

7.- OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS

As of 31 December 2020 and 2019, details are as follows:

Details	Current		Non-Current	
	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $
Hedging derivatives (a)	370	-	27,194	1,202
Investment in other companies (b)	-	-	12,570	12,570
Total	**370**	**-**	**39,764**	**13,772**

(a) See details in "Financial liabilities" note.

(b) Investment details for other companies as of 31 December 2020 and 2019 are as follows:

Details	Country of origin	Participation			
		2020 %	2019 %	31.12.2020 MUS $	31.12.2019 MUS $
Terminales Marítimo Patagónicos S.A.	Argentina	13.79	13.79	7,664	7,664
Electrogas S.A.	Chile	15.00	15.00	4,901	4,901
Asociación Gremial de Industriales Químicos C.P.A.	Chile	N/A	N/A	5	5
Total				**12,570**	**12,570**

ENAP Group's financial assets are classified in the following categories, as of 31 December 2020 and 2019:

Other financial assets	Current		Non-current	
	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $
Financial assets at fair value through profit or loss		-	12,570	12,570
Crude oil hedging	370	-	27,194	1,202
Total	**370**	**-**	**39,764**	**13,772**

8.- OTHER NON-FINANCIAL CURRENT AND NON-CURRENT ASSETS

As of 31 December 2020 and 2019, details are as follows:

Details	Current		Non-current	
	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $
Prepaid vessel lease	5,189	3,873	-	-
Prepaid expenses of Torquemada Substation	582	581	1,066	1,648
Prepaid insurance	13,782	11,261	-	-
Deferred staff expenses	7,837	-	28,109	-
Platinum in catalysts	-	-	32,754	32,754
Other	3,412	2,367	-	-
Total	**30,802**	**18,082**	**61,929**	**34,402**

9. TRADE DEBTORS AND OTHER ACCOUNTS RECEIVABLE

As of 31 December 2020 and 2019, details are as follows:

Details	Current		Non-current	
	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $
Trade debtors	519,330	619,711	-	-
Sundry debtors	40,676	32,756	70	133
Other receivables	16,634	28,148	9,401	9,550
Allowance for doubtful accounts	(6,259)	(4,266)	-	-
Total	**570,381**	**676,349**	**9,471**	**9,683**

The fair values of sale, sundry and other debtors are similar to their book values.

a) Accounts receivable due and not impaired, in force: The following table details the validity of accounts receivable overdue, but not impaired:

	31.12.2020 MUS $	31.12.2019 MUS $
Over 1 day to 5 days	1,746	16,812
Over 6 days to 30 days	28,241	11,887
Over 31 days to 60 days	4,281	23,404
Over 61 days to 90 days	6,166	5,812
Over 91 days to 1 year	38,154	31,941
Over 1 year	9,492	11,002
Total	**88,080**	**100,858**

As of 31 December 2020 and 2019, there are existing accounts for MUS $431,250 and MUS $518,853, respectively.

Overdue accounts and unimpaired balances included in this item accrue interest, which are calculated using the maximum conventional rate published in the Official Newsletter.

As of 31 December 2020 and 2019, the overdue and non-impaired balances of clients in Egypt and Ecuador do not accrue interest.

b) Expected credit loss: The amount of the provision for doubtful accounts as of 31 December 2020 and 2019 is as follows:

	Total Current	
	31.12.2020 MUS $	31.12.2019 MUS $
Balance by the beginning of the year	(4,266)	(4,269)
Period variation	(1,993)	3
Total	**(6,259)**	**(4,266)**

Considering the solvency of the debtors and the historical collection behavior, and the analysis of expected credit loss, the Group has estimated that the provision of doubtful accounts as of 31 December 2020 and 2019 is sufficient.

10. BALANCES AND TRANSACTIONS WITH RELATED ENTITIES

Accounts receivable, payable and transactions with related parties as of 31 December 2020 and 2019 are as follows:

a) Current accounts receivable:

ID Number	Company	Country	Relation	Currency	31.12.2020 MUS $	31.12.2019 MUS $
61.979.830-9	Ministry of Energy	Chile	Indirect	$	39,841	10,858
76.418.940-K	GNL Chile S.A.	Chile	Associate	US$	57,083	36,244
96.762.250-8	Gasoducto del Pacífico Chile S.A.	Chile	Associate	US$	992	1,058
96.861.390-1	Innergy Soluciones Energéticas S.A.	Chile	Associate	US$	702	337
78.889.940-8	Norgas S.A.	Chile	Associate	US$	-	393
81.095.400-0	Sociedad Nacional de Oleoductos	Chile	Associate	US$	785	687
Total					**99,403**	**49,577**

b) Current accounts payable

ID Number	Company	Country	Relation	Currency	31.12.2020 MUS $	31.12.2019 MUS $
81.095.400-0	Sociedad Nacional de Oleoductos S.A.	Chile	Associate	US$	1,783	2,600
76.418.940-K	GNL Chile S. A.	Chile	Associate	US$	5,612	-
96.655.490-8	Oleoducto Transan-dino (Chile) S.A.	Chile	Associate	US$	274	350
	Other			US$	105	113
Total					**7,774**	**3,063**

Balances receivable and payable to current related companies at the end of each year originate mainly from consolidated business line transactions. They are agreed in Chilean pesos and dollars, their collection terms do not exceed 60 days, and in general they do not have readjustment or interest clauses.

c) Transaction with related companies

ID Number	Company	Country	Relation	Transaction description	01.01.2020 31.12.2020 MUS $	01.01.2019 31.12.2019 MUS $	Income effect	
							01.01.2020 31.12.2020 MUS $	01.01.2019 31.12.2019 MUS $
76.418.940-K	GNL Chile S.A.	Chile	Associate	Natural gas purchase Advances on gas purchase Dividend received Dividend accrued	229,972 27,184 - 867	391,865 58,052 - -	229,972 - - -	391,865 - - -
78.889.940-8	Norgas S.A.	Chile	Associate	Dividend received Capital decrease	205 -	125 393	- -	- -
81.095.400-0	Sociedad Nacional de Oleoducto S.A.	Chile	Associate	Purchase of services Dividend received Dividend accrued	33,491 2,398 785	46,484 3,471 687	33,491 - -	46,484 - -
96.856.650-4	Innergy Holding S.A.	Chile	Associate	Purchase of services Product sales Capital decrease	4,864 5,059 3,125	4,692 6,907 1,875	4,864 184 -	4,692 1,084 -
96.856.700-4	Innergy Transportes S.A.	Chile	Associate	Plant operation	1,189	1,480	-	-
76.788.080-4	GNL Quintero S.A.	Chile	Associate	Dividend received	12,711	11,066	-	-
96.655.490-8	Oleoducto Trasandino (Chile) S.A.	Chile	Associate	Purchase of services	3,763	4,028	3,763	4,028
96.762.250-8	Gasoducto del Pacífico Chile S.A.	Chile	Associate	Dividend received Dividend accrued	1,058	1,250	-	-
0-E	Gaseoducto del Pacífico Argenti-na S.A	Argenti-na	Associate	Dividend received Dividends accrued Capital decrease	- 992 -	172 - 2,265	- - -	- - -
61.979.830-9	Ministerio de Energía	Chile	Indirect	Gas subsidy	73,501	82,973	73,501	82,973

d) Remuneration of the Board of Directors

Current Board

Name	ID Number	Position	01.01.2020 31.12.2020 MUS $	01.01.2019 31.12.2019 MUS $
Fernando Massú Tare	6.783.826-2	President (i)	61	37
Rodrigo Cristóbal Azócar Hidalgo	6.444.699-1	Director	49	39
Ana Beatriz Holuigue Barros	5.717.729-2	Director	52	37
José Luis Mardones Santander	5.201.915-K	Director	57	45
Marcos Mauricio Varas Alvarado	10.409.044-3	Director	54	38
Total			**273**	**196**

Former directors

Name	ID Number	Position	01.01.2020 31.12.2020 MUS $	01.01.2019 31.12.2019 MUS $
María Loreto Silva Rojas	8.649.929-0	President	15	48
Claudio Fernando Skármeta Magri	5.596.891-8	Director	32	46
Subtotal			47	94
Total			**320**	**290**

On 1 December 2017, Law 21,025 came into effect which establishes a New Corporate Governance for ENAP and grants a new governance system to the Company, clearly establishing decision-making roles, supervision and execution of decisions.

In ordinary session 1182 on 30 April 2019 of the ENAP's Honorable Board the remuneration proposal for the directors of its subsidiaries ENAP Refinerías S.A. and ENAP Sipetrol S.A. was approved.

In Ordinary Official Letter 1418 dated 12 July 2019 from the Ministry of Finance, the remunerations of the Board were authorized for Directors in both subsidiaries.

On 26 June 2020, the president of the Board of Directors made her resignation effective. In her replacement, Fernando Massú Tare took over on an interim basis.

On 20 January, 2021, Sebastián Piñera designated Fernando Massú Taré as ENAP Chairman of the Board, and appointed Consuelo Raby Guarda and Rodrigo Manubens Moltedo in the position of Directors.

The remuneration of the members of Board of Directors is not related to the Company' results.

Key Management Personnel - The gross remuneration of the executive staff accrued and paid during the 2020 financial year, amount MUS $2,367 and considers the main executive positions in the Group while the gross remuneration paid in fiscal year 2019 amounted TMUS $2,791. The positions considered in the reported amounts correspond to those executives who have the authority and responsibility to plan, direct and control the entity activities. The Company has not accrued obligations to the senior executives for long-term benefits and share-based payments.

Incentive plans for executives - The Group has a Variable Remuneration System that applies to all its executives, with the exception of the General Manager, to which by the end of each accounting year it provisions an estimate of such disbursement during the first quarter of the following year.

Its purpose is to encourage the addition of value to the ENAP Group, improving team work and individual performance. The factors considered to determine the incentive are the following:

- Annual financial results of the company;
- Area and level of fulfillment results of goals reached by each management area.
- Individual performance results.

Within the framework of cost containment measures, the Company executives have voluntarily waived this benefit during 2020.

11.- INVENTORIES

As of 31 December 2020 and 2019, details are as follows:

Details	31.12.20120 MUS $	31.12.2019 MUS $
Crude oil in inventories	207,020	277,280
Crude oil transit	6,801	4,202
Finished products	372,453	483,967
Products in transit	18,196	582
Material in warehouse and transit	74,249	79,256
Total	**678,719**	**845,287**

As indicated in Note 3, the Company takes hedging instruments (Time Spread Swap - TSS) to cover the ICE Brent crude commodity risk, which is part of the of the inventory of raw materials and products. In this way, the ICE Brent crude that is part of the inventory is adjusted to its fair value on the date of each monthly closing. As for 31 December 2020, the accrued effects associated with the hedged item (stock of crude oil in inventory) of the fair value hedging instruments recognized in the accounting as part of the cost of crude oil inventory for MUS $12,137 and finished products for MUS $40,474 (as of 31 December 2019 for MUS $ 13,243 and MUS $ 27,601, respectively).

Additional inventory information:

	01.01.2020 31.12.2020 MUS $	01.01.2019 31.12.2019 MUS $
Amount of adjustment to inventories fair value	11,767	193,748
Inventory costs recognized in the year	(4,110,942)	(6,660,339)

ENAP Group does not present inventories pledged in debt compliance guarantees as of 31 December 2020 and 2019.

12.- CURRENT, DEFERRED TAXES AND PROFIT (EXPENSE) FOR INCOME TAX

a) Current tax assets and liabilities: The detail of current taxes as of 31 December 2020 and 2019 is as follows:

Current tax assets	31.12.2020 MUS $	31.12.2019 MUS $
VAT Fiscal credit	65,578	74,359
Foreign Recoverable tax	4,258	8,631
Specific tax on fuel	1,019	4,626
Other recoverable taxes	3,900	2,216
Total	**74,755**	**89.832**

Current tax liabilities	31.12.2020 MUS $	31.12.2019 MUS $
VAT Fiscal credit	6.048	-
Specific tax on fuel	75,178	61,048
Tax withholding	2,585	2,582
Royalty and exploitation rights	6,078	4,117
Net income tax payable	14,070	27,871
Other taxes	1,297	-
Total	**105,256**	**95,618**

Deferred tax assets and liabilities: The origin of the deferred taxes recorded as of 31 December 2020 and 2019 is as follows:

Time difference	31.12.2020		31.12.2019	
	Assets MUS $	Liabilities MUS $	Assets MUS $	Liabilities MUS $
Related to tax loss	1,465,896	-	1,300,303	-
Related to impairment	36,548	-	67,284	-
Related to net realizable value of inventories	-	13,153	-	10,211
Related to provisions	24,042	-	38,770	-
Related to property, plant and equipment	83,261	164,972	66,218	154,400
Related to right of use	-	46,226	-	40,603
Related to leasing liabilities	51,339	-	47,103	-
Related to reserves for derivative hedges	-	3,549	-	267
Related to deferred expenses	-	63,229	-	70,626
Related to obligations for severance benefits	-	1,139	-	1,235
Related to others	2,113	-	4,941	-
Total	**1,663,199**	**292,268**	**1,524,619**	**277,342**

On the balance sheet, deferred taxes are presented as follows:

Time difference	31.12.2020		31.12.2019	
	Assets MUS $	Liabilities MUS $	Assets MUS $	Liabilities MUS $
Presentation of consolidated financial statements	1,406,710	35,779	1,259,242	11,965

Changes in deferred tax net assets (presentation)	31.12.2020 MUS $	31.12.2019 MUS $
Amount recognized in income of the year	113,970	106,802
Amount recognized in other comprehensive income	8,311	(1,748)
Amount recognized in retained earnings	-	(4,117)
Related to other	1,373	1,414
Changes in deferred taxes assets and liabilities	**123,654**	**102,351**

b) Profit (expense) for current taxes

All ENAP Group companies individually present their tax returns, in accordance with the applicable tax regulations in each country. The (Expense) tax and deferred income for the nine-month fiscal year ended on 31 December 2020 and 2019 is as follows:

Profit (expense) for Current Income Tax	01.01.2020 31.12.2020 MUS $	01.01.2019 31.12.2019 MUS $
(Expense) current tax	(36,717)	(47,222)
(Expenses) for current taxes, net total	(36,717)	(47,222)
Deferred benefit for taxes related to the creation and reversal of temporary differences	113,970	82,685
Benefit for deferred taxes, net total	113,970	82,685
Income tax benefit	77,253	35,463

Reconciliation of Tax Expenses Using the Legal Rate with the Tax Expense Using the Effective Rate

	01.01.2020 31.12.2020 MUS $	01.01.2019 31.12.2019 MUS $
Income for taxes using the legal rate	41,840	13,689
Tax effects of rates in other jurisdictions	3,324	9,230
Tax effect of ordinary income, not taxable	6,283	3,860
Tax decree Law 2398	47,543	52,203
Tax effect of subsidiaries and associates' dividends with no credit	(7,840)	(16,839)
Inflation adjustment effect-Argentina	(3,608)	(24,117)
Other increase (decrease) in charge of legal taxes	(10,289)	(2,563)
Adjustments for tax expense using the legal rate, total	35,413	21,774
Income (expense) for taxes using the effective tax rate	77,253	35,463

Additional Information:
During 2020 and 2019, the rate used in Chile was 25% which is the legal rate for income tax. Tax rates for other jurisdictions are: Argentina 30% in 2020 (30% in 2019), Ecuador 25% in 2020 and 2019. Since the Uruguayan subsidiary does not have operations in the country, it is not subjected to tax. In Egypt, the joint operation contract with EGPC grants a tax-free regime for ENAP.

ENAP head office is additionally affected with a 40% rate for a single tax which affects companies of the State of Chile, in accordance with the Decree Law 2,398.

Tax Reform in Argentina

On 29 December 2017, the Official Newsletter of the Republic Argentina Law 27,430 on Tax Reform was published and became into force the day after its publication. One of the main changes of the Tax Reform was the reduction of the income tax levied rate on undistributed business profits from 35% to 25% as of 1 January 2020, with a transition scheme for the fiscal years beginning on 1 January 2018 and ending on 31 December 2019, in which the rate would be 30%. The Solidarity Law 27.541/2019 incorporated reform establishing a 30% tax rate for the years 2018 to 2021. This will change to 25% from the year 2022 onwards.

Tax Reform in Ecuador

Through the Official Newsletter 111 published on 30 December 2019, Chapter III Article 56, the sole and temporary contribution was established for the companies that carry out economic activities, and that have generated taxable income equal to or greater than one million United States dollars (USD $ 1,000,000.00) in fiscal year 2018, will pay a one-time and temporary contribution, for fiscal years 2020, 2021 and 2022, on income, according to the following detail:

- Taxed income from US $1,000,000.00 to US $5,000,000.00, contribution of 0.1%
- Taxed income from US $5,000,000.01 to US $10,000,000.00, contribution of 0.15%
- Taxed income from US $10,000,000.01 onwards, contribution of 0.20%

This contribution may not be used as a tax credit or as a deductible expense for other taxes determination of the settlement during the years 2020, 2021, 2022. The companies will pay this contribution taking by the total income taxes contained in the 2018 income tax return as a reference, including income that is under a single income tax regime. In no case this contribution will be higher than 25% of income tax caused of fiscal year 2018.

13. INVESTMENTS ACCOUNTED USING THE PARTICIPATION METHOD

A detail of the investments accounted for using the equity method and their movements as of 31 December 2020 and 2019 is found below:

a) Investment details

Company	Main activity	Country of origin	Currency	Participation 2020 %	2019 %
A&C Pipeline Holding	General investment and financing	Cayman Island	USD	36.25	36.25
Compañía Latinoamericana Petrolera S.A.	Exploration and exploitation projects related to oil, gas and derivatives	Chile	CLP	40.00	40.00
Empresa Nacional de Geotermia S.A.	Exploration and exploitation of geotermal energy	chile	USD	0.00	49.00
Gasoducto del Pacífico (Chile) S.A.	Natural gas transport	Chile	USD	25.00	25.00
Gasoducto del Pacífico (Argentina) S.A.	Natural gas transport	Argentina	USD	22.80	22.80
Geotérmica del Norte S.A.	Exploration and exploitation of geothermal energy	Chile	USD	15.41	15.41
GNL Chile S.A.	Storage, processing and LNG regasification	Chile	USD	33.33	33.33
GNL Quintero S.A.	Operation and maintenance of LNG regasification terminal	Chile	USD	20.00	20.00
Innergy Holding S.A.	Exploration and operation of all kinds of natural gas transport networks	Chile	USD	25.00	25.00
Norgas S.A.	Import, export and purchase of LPG and its sale	Chile	CLP	42.00	42.00
Oleoducto Trasandino (Argentina) S.A.	Construction and exploitation of an oil pipeline between Argentina and Chile	Argentina	USD	35.79	35.79
Oleoducto Transandino (Chile) S.A.	Construction and exploitation of an oil pipeline between Argentina and Chile	Chile	USD	35.83	35.83
Sociedad Nacional de Oleoducto S.A.	Fuel and derivatives transport	Chile	CLP	10.06	10.06

b) Investment movements

As of 31 December 2020:

	Initial balance 01.01.2020 MUS $	Additions MUS $	Participation in result MUS $	Dividends received MUS $	Conversion difference MUS $	Other increase (decrease)	Final balance 31.12.2020 MUS $
A&C Pipeline Holding	152	-	-	-	-	-	152
Compañía Latinoamericana Petrolera S.A.	218	-	(9)	-	12	-	221
Empresa Nacional de Geotermia S.A.	1,291	-	(634)	-	-	(657)	-
Gasoducto del Pacífico (Chile) S.A.	4,051	-	732	-	-	-	4,783
Gasoducto del Pacífico (Argentina) S.A.	10,241	-	1,198	(1,089)	-	-	10,250
Geotérmica del Norte S.A.	77,062	-	711	-	-	-	77,773
GNL Chile S.A.	1,875	-	1,425	(867)	-	-	2,433
GNL Quintero S.A.	11,219	-	13,207	(12,711)	-	2,597	14,312
Innergy Holding S.A.	7,450	-	3,812	-	-	(3,125)	8,137
Norgas S.A.	1,216	-	172	(206)	58	-	1,240
Oleoducto Trasandino (Argentina) S.A.	1,862	-	(562)	-	-	-	1,300
Oleoducto Transandino (Chile) S.A.	5,475	-	(401)	-	-	-	5,074
Sociedad Nacional de Oleoducto S.A.	9,638	-	2,252	(2,496)	757	-	10,151
Total	**131,750**	**-**	**21,903**	**(17,369)**	**827**	**(1,185)**	**135,926**

As of 31 December 2019:

	Initial balance 01.01.2019 MUS $	Additions MUS $	Participation in result MUS $	Dividends received MUS $	Conversion difference MUS $	Other increase (decrease)	Final balance 31.12.2019 MUS $
A&C Pipeline Holding	152	-	-	-	-	-	152
Compañía Latinoamericana Petrolera S.A.	233	-	2	-	(17)	-	218
Empresa Nacional de Geotermia S.A.	1,432	-	(141)	-	-	-	1,291
Gasoducto del Pacífico (Chile) S.A.	3,058	-	993	-	-	-	4,051
Gasoducto del Pacífico (Argentina) S.A.	10,365	-	2,141	-	-	(2,265)	10,241
Geotérmica del Norte S.A.	77,368	-	(306)	-	-	-	77,062
GNL Chile S.A.	4,399	-	(362)	(2,162)	-	-	1,875
GNL Quintero S.A.	8,445	-	11,243	(11,066)	-	2,597	11,219
Innergy Holding S.A.	6,939	-	2,386	-	-	(1,875)	7,450
Norgas S.A.	1,694	-	167	(125)	(128)	(392)	1,216
Oleoducto Trasandino (Argentina) S.A.	2,111	-	(249)	-	-	-	1,862
Oleoducto Transandino (Chile) S.A.	5,638	-	(163)	-	-	-	5,475
Sociedad Nacional de Oleoducto S.A.	10,388	-	3,611	(3,375)	(986)	-	9,638
Total	**132,222**	**-**	**19,322**	**(16,728)**	**(1,131)**	**(1,935)**	**131,750**

c) Additional information on the investments accounted for using the equity method.

Fair value

None of the investments accounted for using the equity method has public listing prices, therefore its fair value is not disclosed.

Less than 20% stakes in Sociedad Nacional de Oleoductos S.A. and Geothermal del Norte S.A.

ENAP Group exercises significant influence over Sociedad Nacional de Oleoductos S.A. despite having a less than a 20% share, due to the existence of transactions of relative importance between the investor and the investee, in addition to participating in business and financial decisions.

Regarding the investment in the company Geotérmica del Norte S.A., despite a minor participation (20%), ENAP maintains one Director, out of a total of four.

Changes and/or modification in share associates

As of 31 December 2020, Empresa Nacional de Geotermia S.A. started its clearance, given the resolution of the Extraordinary Shareholders' Meeting for the anticipated termination of the company.As of 31 December 2020, Innergy Holding S.A. presents a capital decrease that it did not affect the MUS $ 3,125 shareholding.

As of 31 December 2019, there were no changes in associates' participation.

d) Financial information details

The following is a summary of the financial statements of related companies with significant influence:

As of 31 December 2020

Company	Participation %	Current assets MUS $	Non-current assets MUS $	Current liabilities MUS $	Non-current liabilities MUS $	Income MUS $	Utility (loss) MUS $
Geotérmica del Norte S.A.	15.41	8,497	550,580	53,960	426	33,996	5,067
GNL Chile S.A.	33.33	80,270	2,016,917	166,044	1,923,841	699,551	4,276
GNL Quintero S.A.	20.00	533,951	827,561	114,427	1,175,524	174,534	66,035
Sonacol S.A.	10.06	8,345	280,029	53,189	134,283	228,189	22,374
Other investment	-	67,126	136,204	17,933	66,600	63,496	22,035
Total		**698,189**	**3,811,291**	**405,553**	**3,300,674**	**1,199,766**	**119,787**

As of 31 December 2019

Company	Participation %	Current assets MUS $	Non-current assets MUS $	Current liabilities MUS $	Non-current liabilities MUS $	Income MUS $	Utility (loss) MUS $
Geotérmica del Norte S.A.	15.41	25,078	502,540	26,800	742	32,596	1.000
GNL Chile S.A.	33.33	89,695	2,149,901	214,457	2,019,510	829,899	(1,085)
GNL Quintero S.A.	20.00	486,851	846,951	68,427	1,209,278	211,227	56,214
Sonacol S.A.	10.06	7,257	267,103	64,674	113,877	80,061	35,897
Other investment	-	78,259	140,626	16,383	84,398	87,800	22,737
Total		**687,140**	**3,907,121**	**390,741**	**3,427,805**	**1,241,583**	**114,763**

14.- PROPERTY, PLANTS AND EQUIPMENT

Changes in property, plants and equipment are presented below:

Current period	Land MUS $	Buildings MUS $	Plants and equipment MUS $	Facilities MUS $	Ongoing construction MUS $	E&P Investment MUS $	Other MUS $	Total MUS $
Initial balance 01.01.2020	230,342	15,488	1,280,886	32,171	314,266	1,128,301	81,634	3,083,088
Additions	-	-	19,902	71	61,458	143,924	756	226,111
Exploratory dry holes and exploratory campaigns	-	-	-	-	-	(7,214)	-	(7,214)
Withdrawals and write-offs	-	-	(2,494)	-	-	(267)	(43)	(2,804)
Depreciation expenses	-	(1,352)	(143,590)	(4,285)	-	(171,425)	(18,135)	(338,787)
Geological studies and unabsorbed costs	-	-	-	-	-	(633)	-	(633)
Transfers	-	1,127	318,629	(18,864)	(307,667)	13,972	(7,197)	-
Other increases (decreases)	-	-	595	-	(7,495)	2,890	382	(3,628)
Change, total	-	(225)	193,042	(23,078)	(253,704)	(18,753)	(24,237)	(126,955)
Ending balance 31.12.2020	**230,342**	**15,263**	**1,473,928**	**9,093**	**60,562**	**1,109,548**	**57,397**	**2,956,133**

Previous year

Current period	Land MUS $	Buildings MUS $	Plants and equipment MUS $	Facilities MUS $	Ongoing construction MUS $	E&P Invest-ment MUS $	Other MUS $	Total MUS $
Initial balance 01.01.2019	230,342	14,059	1,214,062	38,519	435,599	1,157,079	77,200	3,166,860
Additions	-	603	67,733	-	87,387	242,796	5,279	403,798
Exploratory dry holes and exploratory campaigns	-	-	-	-	-	(27,749)	-	(27,749)
Withdrawals and write-offs	-	-	(2,787)	-	(694)	(2,326)	-	(5,807)
Depreciation expenses	-	(1,384)	(219,044)	(6,976)	-	(199,710)	(12,751)	(439,865)
Geological studies and unabsorbed costs	-	-	-	-	-	(641)	-	(641)
Transfers	-	2,210	218,949	628	(221,849)	(14,397)	14,459	-
Other increases (decreases)	-	-	1,973	-	13,823	(26,751)	(2,553)	(13,508)
Change, total	-	1,429	66,824	(6,348)	(121,333)	(28,778)	4,434	(83,772)
Ending balance 31.12.2019	**230,342**	**15,488**	**1,280,886**	**32,171**	**314,266**	**1,128,301**	**81,634**	**3,083,088**

Balances are presented below:

Net Property, plants and equipment	31.12.2020 MUS $	31.12.2019 MUS $
Land	230,342	230,342
Buildings	79,608	78,515
Plants and equipment	4,092,748	3,895,426
Facilities	88,726	121,258
Ongoing construction	60,562	314,266
E&P Investment	4,461,237	4,639,063
Other	204,211	213,569
Total	**9,217,434**	**9,492,439**

Accumulated Depreciation Property, plants and equipment	31.12.2020 MUS $	31.12.2019 MUS $
Buildings	64,345	63,027
Plants and equipment	2,618,820	2,614,540
Facilities	79,633	89,087
E&P Investment	3,351,689	3,510,762
Other	146,814	131,935
Total	**6,261,301**	**6,409,351**

Net Property, plants and equipment	31.12.2020 MUS $	31.12.2019 MUS $
Land	230,342	230,342
Buildings	15,263	15,488
Plants and equipment	1,473,928	1,280,886
Facilities	9,093	32,171
Ongoing construction	60,562	314,266
E&P Investment	1,109,548	1,128,301
Other	57,397	81,634
Total	**2,956,133**	**3,083,088**

There are no goods related to fixed assets given as collateral, either mortgages or garments.

Additional Information

a) Ongoing construction: As of 31 December 2020, ongoing constructions mainly correspond to the of plants, ponds and pipelines maintenance.

b) Dismantling, removal or restoration costs: As part of its fixed asset costs, ENAP Group keeps expenses for dismantling platforms and oilfields.

c) Capitalization of interest: As of 31 December 2020, ENAP has not activated interests for projects in progress.

d) Insurance: ENAP Group has formalized insurance policies to cover all possible risks to which elements of property, plant and equipment are subject, as well as the possible claims that may be presented for the exercise of activities. These policies are sufficient to cover the risks to which they are subjected. Additionally, losses are also covered.

e) Depreciation cost: The depreciation charge to income for the year is included in sales, distribution and administration expenses as follows:

	01.01.2020 21.12.2020 MUS $	01.01.2019 21.12.2019 MUS $
Sales costs	324,029	427,047
Distribution costs	11,926	11,180
Administration costs	2,832	1,638
Total	**338,787**	**439,865**

Impaired assets: See note 16.

g) Other increases (decreases): As of 31 December 2020, a provision for fixed assets under evaluation are mainly included for MUS $(7,496) and a MUS $ 5,935 provision recalculation for abandonment of wells in Argentina. As of 31 December 2019, the effects of the recalculation of abandonment of wells in the Magallanes Area and Central Camp are included, due to the MUS $(24,194) extension of the concession for a provision reversal for MUS $14,240 material obsolescence.

h) Acquisition commitments: As of 31 December 2020, the Group has assumed contractual commitments for the acquisition of property, plant and equipment for MUS $233,563.

i) Impairment of assets: As of 31 December 2020 and 2019, there are no elements or essential assets temporarily out of service, or whose investment is fully depreciated or withdrawn from active use. There are no retired assets of its active use not classified as held for sale in accordance with IFRS 5. Property, plant and equipment mainly correspond to refineries plant and equipment of and their major maintenance, exploitation blocks, which include wells and operating investments that allow the execution of the Group's business.

j) Cash flows arising from the exploration and evaluation of mineral resources: They correspond entirely to operating activities and are not part of the investment activities, given the criteria of successful efforts disclosed in criteria note 3, i, iii.

k) Investments in exploration and production through joint operations and contracts of operation: There is a E&P investment-detail below of the operations' joint ventures between ENAP and private companies, which are part of the E&P Investment in the Group's properties, plant and equipment:

Joint operations	Participation percentage		Net investment before impairment		Less: imapairment loss		Net investment in joint operation	
Joint operation a. Exploitation	31.12.2020 %	31.12.2019 %	31.12.2020 %	31.12.2019 %	31.12.2020 %	31.12.2019 %	31.12.2020 %	31.12.2019 %
Magallanes area	50.00	50.00	308,137	334,249	-	-	308,137	334,249
Campamento Central Cañadón Perdido	50.00	50.00	43,266	45,132	-	-	43,266	45,132
Cam 2A Sur	50.00	50.00	31	82	-	-	31	82
East Ras Qattara	50.00	50.00	33,236	31,425	-	-	33,236	31,425
Petrofaro	50.00	50.00	3,731	3,728	-	-	3,731	3,728
Total							**388,401**	**414,616**

In addition to the above, as of 31 December 2020 and 2019, ENAP Sipetrol S.A. subsidiaries in Argentina and Ecuador operate the following businesses associated with exploitation contracts and development of oil fields, which are accounted for within each one of the items in the financial statement:

Other businesses	Net investment before impairment		Less: imapairment loss		Net investment in other businesses	
	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $
Paraíso, Biguno, Huachito	22,669	25,776	-	-	22,669	25,776
Mauro Dávalos Cordeo	136,342	139,922	-	-	136,342	139,922
Intracampos	66,937	67,022	-	-	66,937	67,022
El Turbio Este	3,657	3,753	-	-	3,657	3,753
Total	229,605	236,473	-	-	229,605	236,473

All details for projects are found in notes 17 and 18.

15.- Rights of Use and Obligations for Lease

a) Rights of use - As of 31 December 2020 and 2019 the details of rights of use item movement associated with assets subject to IFRS 16 by class of underlying asset, is as follows:

	Hydrogen plants contracts MUS $	Terrestrial operation contracts MUS $	Shipping line operations MUS $	Airborne operations MUS $	Property MUS $	Others MUS $	Total MUS $
Balance as of 01.01.2020	67,938	13,233	29,036	5,805	11,743	5,396	133,151
Additions	1,647	3,518	56,038	-	-	-	61,203
Year amortization	(2,370)	(3,465)	(27,632)	(1,643)	(1,842)	(1,326)	(38,278)
Balance as of 31.12.2020	67,215	13,286	57,442	4,162	9,901	4,070	156,076

	Hydrogen plants contracts MUS $	Terrestrial operation contracts MUS $	Shipping line operations MUS $	Airborne operations MUS $	Property MUS $	Others MUS $	Total MUS $
Balance as of 01.01.2019	-	17,930	56,934	7,447	12,926	1,566	96,803
Additions	70,511	-	-	-	614	6,611	77,736
Year amortization	(2,573)	(4,697)	(27,898)	(1,642)	(1,797)	(2,781)	(41,388)
Balance as of 31.12.2019	67,938	13,233	29,036	5,805	11,743	5,396	133,151

b) Lease liabilities: The following is a maturity analysis of lease liabilities:

As for 31 December 2020	Current	Non-Current			
	Total MUS $	+1-3 years MUS $	+3-5 years MUS $	+5 years MUS $	Total MUS $
Hydrogen plants contracts	2,482	5,345	5,897	74,379	85,621
Terrestrial operation contracts	2,987	2,133	2,334	6,839	11,306
Shipping line contracts	28,894	26,780	3,152	-	29,932
Airborne line contracts	1,720	2,775	-	-	2,775
Property contract	1,783	3,292	3,428	1,777	8,497
Others	1,321	2,781	120	-	2,901
Total	**39,1871**	**43,106**	**14,931**	**82,995**	**141,032**

As for 31 December 2019	Current	Non-Current			
	Total MUS $	+1-3 years MUS $	+3-5 years MUS $	+5 years MUS $	Total MUS $
Hydrogen plants contracts	2,363	5,089	5,614	77,400	88,103
Terrestrial operation contracts	1,562	2,250	2,231	8,032	12,513
Shipping line contracts	13,940	14,425	1,953	-	16,378
Airborne line contracts	1,653	3,459	1,036	-	4,495
Property contract	1,539	3,641	3,347	3,511	10,499
Others	1,445	2,711	1,534	-	4,245
Total	**22,502**	**31,575**	**15,715**	**88,943**	**136,233**

As of 31 December 2020, the liquidity risk associated with these maturities is covered by the operational flows of the Company. ENAP has no associated restrictions for leases.

ENAP Group has certain contracts, which contain options for renewal and for which there is reasonable certainty that this will happen (indefinitely or for a specified period, the lease period used to measure liabilities and assets correspond to this period unless it is lifespan of the asset involved, in which case the asset lifespan is considered as the end of contract term.

There are no agreements to be fulfilled by the Company incorporated in lease contracts throughout their existence.

The Company does not have exposed cash regarding the previously reported lease liabilities.

The following table depicts the movement of the lease liabilities obligation and flows of the year:

	Total cash flow	
Lease liabilities	**31.12.2020**	**31.12.2019**
Net balance at the beginning of the year	158,735	99,435
Generated lease liabilities	59,751	100,133
Interest expenses	7,771	8,209
Capital payment	(38,267)	(40,833)
Interest payment	(7,771)	(8,209)
Balance by the end of the year	180,219	158,735
Total cash flows associated with lease liabilities	**(38,267)**	**(40,833)**

As of 31 December 2020, the average rate for leasing contracts is 4.6%.

16.- IMPAIRMENT LOSSES AND PROVISIONS

i) Impairment of Assets

Given investments projected for 2020 and beyond, the drilling level of wells, development considerations of an area relevant to the unconventional gas business potential, long-term price estimation for business and residential sales, and the effects of changes in the context of the actors involved in the development of the industry. The estimate is based on investment flows until 2030 and, from then on, a projection of the last flow is estimated in 20 years which approximately covers existing reserves.

As of 31 December 2020 and 2019, no adjustments have been made for impairment tests.

ii) Abandonment of dry exploratory wells without commercially exploitable reserves

There are decreases on the Exploration and Production of properties, plant and equipment due to abandonment of dry exploratory wells without commercially exploitable reserves, according to the following detail:

	Cumulated	
	01.01.2020 31.12.2020 MUS $	**01.01.2019 31.12.2019 MUS $**
Exploratory dry wells campaigns	7,214	27,749
Pit abandonment, environmental remediation and others	-	688
Total result for exploratory campaigns and dry wells	7,214	28,437

The aforementioned items are included in the income statement under the "Other expenses by function" caption.

17. INTERESTS IN JOINT OPERATIONS

The main exploitation and exploration operations, controlled by jointly through which income is obtained and expenses incurred are described below. Assets and liabilities of each of the joint operations as of 31 December 2020 and 2019 are the following:

Joint operations	Participation percentage		Current assets		Non-current assets		Current liabilities		Non-current liabilities	
	31.12.2020 %	31.12.2019 %	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $
a)Explotation:										
Magallanes Area (a)	50.00	50.00	17,856	38,022	317,035	346,104	116,369	126,064	207,146	248,838
Campamento Central Cañadón Perdido (b)	50.00	50.00	8,768	14,459	43,525	45,587	1,036	2,028	22,206	18,530
Cam 2A Sur (c)	50.00	50.00	10	26	127	264	3,398	524	8,629	8,828
East Ras Qattara (d)	50.00	50.00	40,040	54,029	33,106	31,298	6,064	6,966	-	-
Petrofaro (e)	50.00	50.00	3,626	4,860	3,940	4,420	175	430	6,628	10,808
b) Exploration:										
E2 (ex CAM3 and CAMI) (a)										
Consorcio Block 28 (b)	42.00	42.00	-	-	-	-	-	-	-	-
Total			**70,300**	**11,396**	**397,733**	**427,937**	**127,042**	**137,331**	**244,609**	**287,004**

Regular income, costs and results of each of the joint ventures for the years ended 31 December 2020 and 2019 are detailed below:

Joint operations	Participation percentage		Regular income		Regular expenses		Results	
	31.12.2020 %	31.12.2019 %	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $
a)Explotation:								
Magallanes Area (a)	50.00	50.00	74,226	137,520	79,773	102,705	(14,616)	17,950
Campamento Central Cañadón Perdido (b)	50.00	50.00	33,121	46,934	27,418	33,022	3,759	17,168
Cam 2A Sur (c)	50.00	50.00	-	11	448	495	(1,015)	(2,414)
East Ras Qattara (d)	50.00	50.00	44,722	59,401	21,448	20,815	22,581	37,031
Petrofaro (e)	50.00	50.00	3,233	4,890	-	278	2,425	3,969
b)Explotation:								
E2 (ex CAM3 and CAMI) (a)	33.33	33.33	-	-	(1)	(1)	2	327
Consorcio Block 28 (b)	42.00	42.00	325	320	-	-	-	-
Total			**155,627**	**249,076**	**129,086**	**157,314**	**13,136**	**74,031**

a) Exploitation

(a) Magallanes Area
On 4 January 1991, ENAP Sipetrol Argentina S.A. and YPF S.A. celebrated a Temporary Union of Companies (UTE) contract, for hydrocarbons development and exploitation in the Magallanes Area, a block located in the mouth eastern Strait of Magellan, Argentina.

On 17 November 2014, the Company, represented by its General Manager and YPF President and CEO, signed a private agreement which extended the relationship between both companies until 14 November 2027 with the possibility of further extension until the 2042. This agreement allows to extend the reserves until the new term of the agreement.

As the operator of this concession, ENAP Sipetrol Argentina S.A. is responsible for executing all operations and activities in this area.

(b) Central Camp - Lost Canyon
In December 2000, ENAP Sipetrol S.A. (later ENAP Sipetrol Argentina S.A.) signed an agreement with YPF S.A. through which the latter assigns and transfers YPF S.A’s 50% of the concession to ENAP Sipetrol Argentina S.A. for the hydrocarbon exploitation on the areas of Campamento Central - Cañadón Perdido, in the province of Chubut in Argentina. This agreement is under Law 24,145 and its complementary regulations. YPF S.A. is the operator of this concession.

On 26 December 2013, YPF S.A. and ENAP Sipetrol Argentina S.A. got the extension of this exploitation concession for a period additional 10 years until 2027 on behalf of the province of Chubu. This extension adds on 20 more years, until 14 November 2047.

(c) Cam 2A South
Under administrative decision 14 dated on 29 January 1999, the exploration permit for the “Cuenca Austral” area Marina 2/A SUR (CAM 2/A SUR) was awarded in favor of YPF and ENAP Sipetrol Argentina S.A. On 7 October 2002, ENAP Sipetrol Argentina S.A. (operator) and YPF S.A. entered into a Temporary Union of Companies Agreement (UTE) in the provinces of Tierra del Fuego.

According to Law 17,319, the exploitation is a 25 year-term concession, until 2028, which can be extended for an additional period of 10 years.

In common agreement with YPF S.A., ENAP Sipetrol Argentina S.A. is carrying out the process of Reversion of the Area that is estimated to end in 2028, in its capacity as area operator

(d) East Rast Qattara - Egypt
Within the framework of the 2002 bidding process, which was opened by the General Company Petrolera Egipcia (EGPC) to submit bids for various blocks in the Western Desert, the Sipetrol International S.A. subsidiary was awarded the East Ras Qattara Block, together with the Australian company Oil Search Ltd., on 16 April 2003.

The contract was signed on 30 March 2004 before the Egyptian Ministry of Oil, with a 50.5% stake of Sipetrol International S.A., Egypt branch (Operator) and Kuwait Energy Company, 49.5% (originally Oil Search Ltd). In December 2007, the exploitation stage, which lasts for 20 years, and can be extended.

(e) Petrofaro - Virgin Lighthouse Area
On 19 May 2016, the ENAP Sipetrol Argentina S.A. subsidiary acquired Arpetrol International Financial Company, controlling 100% of the shares of Petrofaro S.A. (former Arpetrol Argentina S.A.), which is the holder of the CA-11 Faro Vírgenes concession, in Cuenca Austral, granted by the province of Santa Cruz. The plant is located in Faro Vírgenes gas treatment plant, forming part of the PIAM project, located next to the Magallanes Area reservoir and the General San Martín Gas Pipeline.

On 12 January 2017, ENAP Sipetrol Argentina S.A. yielded 50% of share package to YPF S.A. of the company for US $5.4 million, becoming jointly in control of the acquired company as of this date.

The exploitation concession is granted by the province of Santa Cruz until the year 2026, term that can be extended for 10 years until 2036.

b) Exploration

(a) E2 (Ex CAM 3 and CAM 1) – Argentina
In the Law 27.007 framework, the negotiation process for the Area E-2 reconversion began in 2016. During the process, YPF S.A. expressed its decision not to participate in the negotiation and reconversion process of the area on 29 December 2017. On the other hand, on 5 June 2018, ENAP Sipetrol Argentina S.A. expressed its willingness to reconvert the association agreement signed with ENARSA for the exploration and exploitation of area E-2, in an exploration permit under the law 17,319 terms for which purpose the company presented the corresponding proposal.

After ENAP Sipetrol Argentina S.A’s proposal, the Ministry of Energy, through resolution 195/2019, resolved to revert and transfer the surface of area E-2 to the State of Argentina, which ewas subject to national jurisdiction, in accordance with the provisions of Article 30 in Law 27.007, on 15 April 2019.

Once the reversal of the area was resolved, the liquidation process began as of 31 December 2020.

(b) Block 28 Consortium

On 16 April 2014, EOP Operations Petroleras S.A. (42%), Petroamazonas (51%) and Belorusneft (7%)—hereinafter the Block 28 Consortium—and the Ecuadorian Ministry of Hydrocarbons, signed a contract for the provision of exploration and exploitation of hydrocarbons (oil-crude) services for Block 28, located in the central west of the Ecuadorian Oriente, within the Sub-Andean Zone (foothills), encompassing territories of the Napo and Pastaza provinces, with an area of 1,750 km2, being EOP Operations Petroleras S.A. the Consortium Operator.

For the exploratory stage, a minimum investment commitment was agreed upon, consisting in 2 phases (US $17.35 and US $8.15 million), entirely at the risk of the Consortium's private partners (ENAP: 85.71% and Belorusneft: 14.29%), with an exit option depending on the results of each phase. In case of exploratory success, Petroamazonas must pay the partners the part assumed by them in the exploratory stage through its percentage of rights over the Block's production during the early years of the development phase. The negotiated fee amounts to US $52.9 per barrel.

To date, progress has been made with geoscience studies and environmental studies for the drilling of the Mirador-1 exploratory well. On 19 February 2019 the Environmental Impact Study entered the Ministry of the Environment. However, due to the COVID Pandemic situation, it has not been possible to make any progress in the field to comply with activities for obtaining the License. For this reason, the Ministry of Energy and Non-Renewable Natural Resources approved its force majeure delay in the Block, dated 18 June 2020.

c) ENAP joint operation agreements in Chile:

In addition to the ENAP Sipetrol Argentina S.A holdings in exploration and exploitation operations, ENAP jointly develops Special Contracts for Petroleum Operation (CEOP) with the private companies detailed below, in the Magallanes area.

Dorado Riquelme Block: On 26 August 2009, the Special Operation (CEOP) contract entered into force for hydrocarbons exploration and exploitation of "Dorado Riquelme Block". It was signed by the State of Chile, Methanex Chile S.A. and the National Petroleum Company (ENAP). Also, in the same year during May, the Joint Operating Agreement (JOA), with a 50% stake for Methanex Chile S.A. and 50% for ENAP between the parties for the operation in Dorado Riquelme Block, came into force. ENAP remained as the operator.

In the coordination committee held on 23 July 2014, Exploration phase was stopped, continuing only with the Exploitation phase of the block. During the last quarter of 2019, the reformulation of the project was prepared and presented for the 2020-2025 period, which considers 15 wells for the period (3 wells in 2020).

During the months of January and February 2020, the Cahuil 5 well was drilled (Ex-E). Currently, this well operation is on standby due to operational contingencies.

By the end of January, the construction of the surface facilities associated with the Cahuil 5 well (Ex-E) started. Due to the operating contingencies associated to the well, operational activities were postponed until further notice.

During the first quarter of 2020, the construction of the well platform was completed Cahuil O and W. During the third quarter, the Cahuil 6 (Ex O) well was drilled, the construction of central flow for wells Cahuil 6 and 7, wells Cahuil W and AA platforms. These wells are expected to be executed by early 2021.

During the last quarter of 2020, the drilling of the Cahuil 7 (former V) well was completed and the Cahuil 8 (former W) well drilling began.

Fracturing and flowback operations were carried out in wells Cahuil-6 and 7, producing the milestone of connection to the gas grid between 24 and 27 November.

Regarding the surface facilities, the construction of the flow central continues for the Cahuil 6 and 7 wells. On the other hand, the construction of the location of the Cahuil wells numbers 10, 11 and 12.

Lenga Block: On 28 July 2008, the Special Contract for Operation (CEOP) for the exploration and exploitation of hydrocarbon deposits, Lenga Block, came into force and was signed between the State of Chile, Apache Chile Energía SpA and the National Petroleum Company (ENAP). Subsequently, on 15 June 2009, the Joint Operating Agreement (JOA) was signed between the parties for the operation of the Lenga Block, with a 50% stake for ENAP and 50 % for Apache Chile Energía SpA, the latter being the designated operator of the block.

By the end of the second half of 2011, Apache Chile Energía SpA decided to transfer its CEOP Lenga Block participating interest to Methanex and the transfer of the operator role in the Lenga Block CEOP, by Apache Chile Energía SpA to ENAP. These were approved by the Ministry of Energy and by the Comptroller General of the Republic of Chile.

By the end of 2014, a letter was sent to the Minister of Energy communicating the contractor's decision to terminate the contract with the State and return the CEOP Lenga Block field exploitation area. This resignation was accepted on 8 January 2015.

As of December 2020, no operational activities have been carried out in the block or generated new investments.

Coirón Block: On 28 July 2008, the Special Contract entered into force of Operation (CEOP) for the exploration and exploitation of hydrocarbon field called "Coirón Block" signed by the State of Chile and Pan American Energy Chile Limitada (PAE) and the National Petroleum Company (ENAP). Subsequently, on 10 November 2008 PAE and ENAP signed the Joint Operating Agreement (JOA) for the operation of the Block, both with 50% participation, instrument through which PAE was designated Coirón Block Operator.

On 14 September 2015, ENAP transferred part of its interests in CEOP to Conocophillips South America Ventures LTD. (Conocophillips), with participants interests remaining as follows: a) PAE, 50%; b) ENAP, 45%; and c) Conocophillips 5%. Subsequently, on 17 September 2015, ENAP acquired PAE's entire stake in CEOP, leaving the current participation of the participants is 95% for ENAP and 5% for Conocophillips.

Finally, in the context of the assignment contracts, ENAP assigned 44% of the Contractor's rights, interests and obligations to COP Chile, which was approved by the Ministry of Energy and registered by the Comptroller General of the Republic (11.17.2016). After this process, the participation of the partners in the CEOP Coirón Block remained as follows: ENAP 51 % and COP Chile 49%.

On 13 December 2016, both partners signed the Joint Operating Agreement (JOA) for the Coirón Block operation. The CEOP Coirón Block includes a maximum 35 year-term, counted from the date of its entry into force.

During 2019, the location and access of the Tiuque 1 well (3,100 mbmr app), that targets the CABI formation. The well was drilled by
August and subsequent flowback. During September and October, well tests were carried out.

During 2020, work operations began to close the mud pits of the Ñanco wells and Kalkin, which were postponed due to the health contingency.

No activities since March 2020.

Caupolicán Block: On 28 April 2009, the Special Contract entered into force of Operation (CEOP) for hydrocarbon exploration and exploitation of field Caupolicán Block, signed between the State of Chile, PetroMagallanes Limited Operations (Operator) and the National Petroleum Company (ENAP). In March 2012, the CEOP incorporation into Methanex Chile S.A. with a 20% stake was formalized.

For the first exploratory period, ENAP's contribution was US $11.3 million. ENAP's investment for the 2nd exploratory period was US $12.4 million, where Methanex did not participate as decided its withdrawal. During the first semester 2018, ENAP did not generate new investments in the block.

In June 2018, the arbitration related to the Caupolicán block was closed. Based on the 15 January 2018 agreement and after obtaining the authorizations of the different departments of the State of Chile, on 29 June 2018, ENAP and PetroMagallanes signed a document for transaction, withdrawal, resignation of shares and settlement, by which the ICC arbitration and the associates' procedures were terminated. This was reported to the Arbitral Tribunal on 5 July 2018, where the tribunal took note of the conciliation agreement reached by the parties.

As a result of the aforementioned agreement, the new participation in the CEOP Caupolicán is: ENAP 99% (Operator) and PetroMagallanes Operaciones Ltda. 1%.

An update of a Commerciality Report for the Caupolicán block is sent to the Ministry of Energy which defines the limits of the New Caupolicán Block.

No operational activity as of December 2020.

Product of the previously indicated conciliation agreement signed with PetroMagallanes, ENAP (Operator) acquires a 99% stake in CEOP Brótula and PetroMagallanes Operaciones Ltda. holds the remaining 1%.

- From 8 August to 10 September, well TA-2 gas was put into bid.
- Methanex won the bid.
- Production started on 17 October 2018 to deliver to Methanex.

On 17 October 2019, the gas sales contract ended and a new bidding process began.

On 16 May, the bidding process for gas from well TA-2 began. The regulations limit date expired on 19 May 2020 without any interested parties, so the process was declared void. Since the Ministry did not exercise its right of repurchasing the gas, ENAP as a contractor reported the natural gas retention in the bid, according to the terms contained in the bidding regulations (acquiring the percentage of gas from the State).

On 14 July 2020, ENAP, as the Block's contractor, informs the Ministry of Energy the need to terminate the CEOP early, which is still in process.

As of 16 August 2020, the well is on a spot basis production and according to the system's need. The well has been shut down since 24 October 2020.

Flamenco Block: On 7 November 2012, the Special Operations Contracts for hydrocarbon exploration and exploitation (CEOP), Flamenco Block signed by the State of Chile, Geopark TdF (Operator) and the National Petroleum Company (ENAP), both with a 50% participation. Subsequently, on 3 December 2012, the Joint Operating Agreement (JOA) was signed between the parties for the operation of the Block.
In October 2015, the Geopark Operator proposed to CEOP the move to the second exploratory stage. ENAP decided not to continue to that stage given the results of the drilled wells. During the month of November, Geopark sent the Ministry of Energy a letter indicating the moving on to the second exploratory period and indicating ENAP's decision.

In Coordination Committees held in October and December 2019, operator Geopark presents the 2020 work plan. This program does not involve investments by ENAP in 2020. ENAP does not participate in the 2020 summary work plan, drilling campaign progress, the Exploratory Phase minimum commitments.

Minimum Commitments of the Second Exploratory Period: Currently, minimum exploratory commitments for the Second Exploratory Period of the CEOP Flamenco Block constitute the drilling of 1 exploratory well, 2,100 mts. deep.

Progress: The Contractor has completed the drilling of the Leún x-1 well, which corresponds to the committed exploratory well, 2,370 meters deep. The piping of the well is decided and temporary abandonment plugs are placed, the completion of the well is pending. This will happen after COVID contingency ends.

No activity as of December 2020.

Isla Norte Block: On 7 November 2012, the Special Operations Contracts for hydrocarbon exploration and exploitation (CEOP) came into force for Isla Norte Block, subscribed by the State of Chile, Geopark TdF (Operator) with a 60% stake and the National Petroleum Company (ENAP) with a 40% stake. Subsequently, on 3 December 2012, the Joint Operating Agreement (JOA) was subscribed between the parties for the operation of the Block.

ENAP's investment in this phase is US $1.3 million. In August 2015, the Ministry of Energy accepted the Consortium request regarding the first exploratory period extension for 18 months, in order to complete projects on the block.

In Coordination Committees held in October and December 2019, operator Geopark presents the 2020 work plan. This program does not involve investments by ENAP in 2020.

In accordance with the 2020 Work Plan to meet minimum pending commitments on Exploratory phase, where ENAP is 'in carry' (no investments), operator Geopark Huillín X1 completed the exploratory well drilling in March. The well was abandoned, not reaching expected results.

On 9 April, the operator notified a force majeure declaration - Campaign Suspension of Exploratory Drilling CEOP Isla Norte Block and CEOP Campanario Block. ENAP does not participate in the 2020 Exploratory Phase Plan.
In summary, the notification indicates the following:

- Suspension of the drilling campaign of the CEOP minimum pending commitments in the Isla Norte Block and CEOP Campanario Block for COVID situation reasons as for 30 March 2020.
- That the suspension of the drilling campaign will last until 31 December 2020, unless a force majeure cause as of that date has not yet disappeared, in which case the measure will be reevaluated.
- Once the force majeure cause has disappeared, the Contractor will have a period for the fulfillment of pending commitments equal to the duration of the suspension of the drilling campaign.

Second Exploratory Period Minimum Commitments. Currently, the minimum commitments for the Second Exploratory Period in the CEOP's Isla Norte Block constitute the drilling of 2 exploratory wells, 2,300 meters deep and 1,300 mts. deep, respectively.

The Contractor has completed the Huillín x-1 well drilling, corresponding to one of the committed exploratory wells, 2,875 meters deep. Due to poor hydrocarbon manifestations, there was a decision not to pipe the well and place definitive abandonment plugs.

As of December, continuous suspension of activities due to force majeure situation associated with the COVID crisis.

Campanario Block: On 9 January 2013, the Special Operations Contracts for hydrocarbon exploration and exploitation (CEOP) in the Block Isla Norte, subscribed by the State of Chile, Geopark TdF (Operator) with a participation 50 % and the National Petroleum Company (ENAP) with a 50% stake.

ENAP's investment in this phase is US $2.9 million. In August 2015, the Ministry of Energy accepted the Consortium's request regarding the extension of the first exploratory period for 18 months, in order to be able to complete the studies in the block.

In Coordination Committees held in October and December 2019, the Geopark operator presented the 2020 work plan. This program does not involve ENAP's investment for 2020.

On 9 April, the operator notifies a force majeure declaration - Campaign Suspension of CEOP Exploratory Drilling in Isla Norte Block and CEOP Campanario Block. ENAP did not participate in the 2020 Exploratory Phase Plan.

In short, the notification indicates the following:

- Suspension of the minimum pending commitments drilling campaign of the Isla Norte Block CEOP and Campanario Block CEOP for COVID crisis reasons as of 30 March 2020.
- That the drilling campaign suspension will remain until 31 December 2020, unless the force majeure cause as of that date has not yet disappeared, in which case the measure will be reevaluated.
- Once the force majeure cause has disappeared, the Contractor will have time in order to for comply with the pending commitments equal to the duration of the suspension of the drilling campaign.

As of December, continuous suspension of activities due to force majeure associated with the COVID situation.

San Sebastián Block: On 4 January 2013 the Special Operations Contracts for hydrocarbon exploration and exploitation (CEOP) in San Sebastián Block, signed by the State of Chile, YPF Tierra del Fuego (Operator) with a 40% stake, Wintershall with a 10% stake and the National Petroleum Company (ENAP) with a 50% stake.

In this CEOP, the partner bears 100% of the investment in the first exploration period, therefore, ENAP has no associated assets.

During the month of December 2015, the status of the project to date and the Consortium's passage-move to the following period were reviewed. Wintershall and ENAP decide not to move on to the next period. YPF continues to a second exploratory period.

ENAP is in the process of leaving the block, which does not represent additional costs for the company. The assignment deed has been delivered to the ministry, awaiting for the Comptroller's resolution.

No activity as of December 2020.

Marazzi Block - Mercedes Lake: On 7 January 2013, Special Operations Contracts for hydrocarbon exploration and exploitation (CEOP) in San Sebastián Block, subscribed by the State of Chile, YPF Tierra del Fuego (Operator) with a 50% stake and the National Petroleum Company (ENAP) with a 50% stake.

In this CEOP, the partner supports 100% of the investment in the first exploration period. Therefore, ENAP has no associated assets. During the month of December 2015, the project status to date and the step of the Consortium to the next stage were reviewed. YPF and ENAP decided not to continue to the next period, which does not represent additional costs for the Company.

The area is in the process of reverting to the State and without activity as of December 2020.

18.- OTHER BUSINESSES

Below is a detail of the assets and liabilities of the financial statements of the Other Businesses as of 31 December 2020 and 2019, corresponding to exploitation operations where ENAP Group exploits 100% concessions granted by regional and state authorities of the countries where they are carried out; which are part of the E&P investment in of the Group's properties, plant and equipment area:

Project	Current assets		Non-current assets		Current liabilities		Non-current liabilities	
	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $
Paraíso, Biguno, Huachito (b)	21,224	13,370	44,461	45,746	33,741	41,795	1,661	1,239
Mauro Dávalos Cordero (b)	92,091	58,014	192,917	198,494	146,400	181,348	7,205	5,376
El Turbio Este (c)	117	230	2,032	2,062	255	1,765	421	811
Total	**113,432**	**71,614**	**239,410**	**246,302**	**180,396**	**224,908**	**9,287**	**7,426**

Regular income, costs and results for each of the Other businesses items are detailed below, as for 31 December 2020 and 2019:

Projects	Ordinary income		Ordinary expenses		Result	
	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $
Paraíso, Biguno, Huachito (a)	61,551	68,696	29,260	30,328	24,129	29,160
Mauro Dávalos Cordero (a)	128,148	122,994	51,816	48,854	51,554	49,424
EL Turbio Este (b)	-	-	29	113	(450)	(17,924)
Octans Pegaso	-	-	67	95	(1,235)	(5,455)
Total	**189,699**	**191,963**	**81,172**	**79,390**	**73,998**	**55,205**

The main operations for exploitation activities are detailed below.

a) Paraíso, Biguno, Huachito and Mauro Dávalos Cordero and Intracampos

On 28 February 2012, the company signed amending contract number one to the Modifying Contract to the Service Contract of Services for the Exploration and Exploitation of

Hydrocarbons (crude oil) with the Ministry of Hydrocarbons in the Mauro Dávalos Cordero Block – MDC. The rate was modified through this instrument, as well as other relevant definitions for the rate application, keeping the other clauses of the amending contract unaltered, which was signed between the parties on 23 November 2010.

On 5 July 2013, the Branch signed the modifying contract number two to the modifying contract for the provision of services for hydrocarbons exploration and exploitation of (crude oil), with the Ministry of Hydrocarbons in the Block Mauro Dávalos Cordero - MDC and number one to the contract modifying the provision of services for hydrocarbon exploration and exploitation (crude oil), in the Paraíso, Biguno, Huachito and Intracampos Block – PBHI. Through this instrument the corresponding rates were modified, as well as other relevant definitions for the application of the aforementioned rates, remaining the other clauses of the amending contracts unaltered. It was signed between the parties on 23 November 2010.

On 17 April 2014, the Branch signed the contract amendment number two to the contract amending the contract for the provision of services for hydrocarbons exploration and exploitation (crude oil) with the Ministry of Hydrocarbons in the Paraíso Block, Biguno, Huachito and Intracampos–PBHI. The rate was modified through this instrument in exchange for a commitment to additional investments. The other clauses of the amending contract were signed between the parties on 23 November 2010.

In compliance with what was agreed in the contract signed on 17 April 2014, the branch carried out exploration in the Inchi and Copal wells and on 16 April 2015, the Branch signed the modifying contract number three to the amendment contract for the provision of services for hydrocarbons exploration and exploitation (crude oil) with the Ministry of Hydrocarbons, in the Paraíso, Biguno, Huachito and Intracampos Block–PBHI. Through it, the rate is set at US $38.57 for each net barrel in the Inchi field, rate in force as of the moment the crude oil price scoreboard equals or exceeds the US $63 per barrel, according to the WTI. Additionally, the term is modified until the year 2034, which commits investments in a US $53.4 million development plan. The contract was registered in the Hydrocarbons Registry on 29 April 2015.

On 28 December 2016, the Branch signed the amending contract number three to the contract for the provision of services for hydrocarbons exploration and exploitation (crude oil), with the Ministry of Hydrocarbons in the Mauro Dávalos Cordero Block - MDC, which was registered with the Ministry of Hydrocarbons in January 2017. Through this instrument, the T2 rate was increased to US $20.62 per barrel and the exploitation of the block term modified until 2034, in exchange for additional investments. The others clauses remain unchanged.

On 10 January 2018, the price of crude oil according to the WTI scoreboard exceeded US $63 per barrel. Therefore, as of 11 January 2018, the provisions of the contract are in force to amendment number three of the Paraíso, Biguno, Huachito and Intracampos Block-PBHI subscribed on 16 April 2015. These are related to: i) the contractor will comply with the established obligations in the Modifying Contract number three Annex 2 (commitments of development activities of the field - several started in previous years), ii) the MERNNR will initiate the payment of the US $38.57 negotiated rate per barrel; and, iii) as of that date, 20 years will be counted until the termination of which the new validity term of the amending contract will be extended. With this, the term of the PBHI Block is modified until January 2038.

On 13 July 2018, the Branch signed the contract amendment number four to the contract for the provision of services for hydrocarbons exploration and exploitation (crude oil) with the Ministry of Hydrocarbons in the Mauro Dávalos Cordero Block-MDC, which was registered with the Ministry of Hydrocarbons on 18 July 2018. Through the aforementioned instrument, a new T3 US $25.20 rate per barrel was defined, in exchange for additional investments, for additional incremental productions (above base curve and incremental curve T2). The other clauses remain unchanged.

EL Turbio Este

On 5 September 2017, the Government of Santa Cruz province awarded the Exploration Permit for the El turbio Este area to ENAP Sipetrol Argentina S.A., through Decree 0774/2017.

Once the aforementioned allocation was conducted, ENAP and ConocoPhillips Argentina Ventures S.R.L. signed a Joint Operation Agreement whose principles were replicated in the UTE Contract for hydrocarbons exploration and exploitation from El Turbio Este area on 31 January 2018. The parties formed the UTE under the name ENAP Sipetrol Argentina S.A. – Conoco Phillips Argentina Ventures S.R.L - Unión Transitoria EL Turbio Este. It was registered in the General Inspection of Justice on 12 April 2018, under No. 66, Book 2. Both partners agreed upon ENAP being the operator. In July 2018, the parties signed the 50% assignment agreement.

During the year, an extension of the initial exploration period that ended in September 2020 was processed before the Enforcement Authority (Instituto de Energía de Santa Cruz), obtaining an additional 4-year term extension until September 2024.

19.- INVESTMENT PROPERTIES

The movement of Investment Properties is as follows:

	31.12.2020 MUS $	31.12.2019 MUS $
Initial balance, net	7,189	7,279
Depreciation expense	(92)	(90)
Final balance	**7,097**	**7,189**

Investment properties correspond mainly to land and real estate which are intended for exploitation under an operating lease. The Company has chosen the costing method to measure investment property after the initial recognition. The depreciation method is used in straight-line and the lifespan assigned to personal property is 10 years and 80 years for property.

20.- FINANCIAL LIABILITIES

The detail of financial liabilities as of 31 December 2020 and 2019 is the following:

As of 31 December 2020:

Item	Financial liabilities held for trading MUS $	Financial liabilities measured at amortized cost MUS $	Hedging financial derivatives MUS $	Total Other financial liabilities MUS $
Other current financial liabilities	-	886,495	74,859	961,354
Current lease liabilities (Note 15)	-	39,187	-	39,187
Trade creditors and other accounts payable	-	486,870	-	486,870
Due to related companies	-	7,774	-	7,774
Total current financial liabilities	-	1,420,326	74,859	1,495,185
Other non-current financial liabilities	-	3,293,608	-	3,293,608
Non-current lease liabilities (Note 15)	-	141,032	-	141,032
Other accounts payable, non-current	-	5,239	-	5,239
Total non-current financial liabilities	**-**	**3,439,879**	**-**	**3,439,879**

As of 31 December 2019:

Item	Financial liabilities held for trading MUS $	Financial liabilities measured at amortized cost MUS $	Hedging financial derivatives MUS $	Total Other financial liabilities MUS $
Other current financial liabilities	-	712,491	51,321	763,812
Current lease liabilities (Note 15)	-	22,502	-	22,502
Trade creditors and other accounts payable	-	608,427	-	608,427
Due to related companies	-	3,063	-	3,063
Total current financial liabilities	-	1,346,483	51,321	1,397,804
Other non-current financial liabilities	-	3,492,956	34,515	3,527,471
Non-current lease liabilities (Note 15)	-	136,233	-	136,233
Other accounts payable, non-current	-	4,994	-	4,994
Total non-current financial liabilities	**-**	**3,634,183**	**34,515**	**3,668,698**

a) Hedging derivatives

The ENAP Group, following the financial risk management policy described in Note 4, contracts financial derivatives to hedge its exposure to the variation of interest rates, currencies (exchange rate) and commodities (crude oil and imported products).

Interest rate derivatives are used to set or limit the variable interest rate of financial obligations and correspond to interest rate swaps.
Currency derivatives are used to set the exchange rate of the dollar against the peso (CLP) and Development Unit (U.F.), product of investments or existing obligations in different currencies to the dollar. These instruments correspond mainly to Forwards and Cross Currency Swaps.

Commodity derivatives are used to hedge the variation in the price of ICE Brent crude. during the inventory cycle, that is, from the time of purchase to the period sale of refined products from said crude. Derivative instruments correspond to Time Spread Swaps.

i) Presentation of assets and liabilities

The breakdown of hedging assets and liabilities, taking into account the nature of the operations, it is as follows:

Hedging assets	31.12.2020		31.12.2019	
	Current MUS $	Non-current MUS $	Current MUS $	Non-current MUS $
Exchange rate hedging	24	27,194	-	1,121
Cash flow hedging				
Interest rate hedging				
Cash flow hedging	-	-	-	(719)
Margin call guarantee	-	-	-	800
WTI/Brent differential hedging				
Cash flow hedging	346	-	-	-
Total	**370**	**27,194**	**-**	**1,202**

Hedging liabilities	31.12.2020		31.12.2019	
	Current MUS $	Non-current MUS $	Current MUS $	Non-current MUS $
Exchange rate hedging				
Cash flow hedging	34,958	-	14,507	34,515
WTI/Brent differential hedging				
Cash flow hedging	-	-	419	-
TSS hedging				
Fair vale hedging	46,368	-	36,395	-
Cash flow hedging	(6,467)	-		-
Total	**74,859**	**-**	**51,321**	**34,515**

ii) Hedging derivatives at fair value

ENAP Group's hedging instruments details are as follows:

Hedging instruments	Hedging instrument description	Hedging instruments hedge	Hedging instruments at fair value on which the hedge is held	
			31.12.2020 MUS $	31.12.2019 MUS $
Cross-currency swap	Exchange and interest rate	Obligations (bonds)	(1,029)	(34,631)
SWAP	Interest rate	Bank loans	-	81
TSS	Crude oil	Inventories	(39,901)	(36,395)
SDI	Differential WTI-Brent	Inventories	346	(419)
Forward	Exchange rate	Trade receivable	(6,711)	(13,270)
Total			**(47,295)**	**(84,634)**

iii) Effect on profit or loss of hedging derivatives

The amounts recognized in profit or loss and comprehensive income as of 31 December 2020 and 2019 is as follows:

	accumulated	
	01.01.2020 31.12.2020 MUS $	01.01.2019 31.12.2019 MUS $
Credit (charge) recognized in other comprehensive income during the year	1,415	8,799
Credit (charge) to results during the year	46,025	(116,171)

iv) Other data on financial instruments

Hedging maturities are detailed below:

As of 31 December 2020.

		National						
Financial derivatives	Fair value MUS $	2021 MUS $	2022 MUS $	2023 MUS $	2024 MUS $	2025 MUS $	2026 and following MUS $	Total MUS $
Exchange rate hedging Cash flow hedging	(7,740)	609,000	-	-	-	187,000	256,175	1,052,175
Total	(7,740)	609,000	-	-	-	187,000	256,175	1,052,175

	Fair value MUS $
SDI Hedging: Cash flow hedging	346
TSS Hedging: Cash flow hedging	6,467
TSS Hedging: Fair value hedging	(46,368)

As of 31 December 2019:

		Notional						
Financial derivatives	**Fair value MUS $**	**2020 MUS $**	**2021 MUS $**	**2022 MUS $**	**2023 MUS $**	**2024 MUS $**	**2025 and following MUS $**	**Total MUS $**
Exchange rate hedging Cash flow hedging	(47,901)	655,00	192,000	-	-	-	256,175	1,103,175
Hedging interest rate Cash flow hedging	81	303,706		-	-	-	-	303,706
Total	(47,820)	958,706	192,00	-	-	-	256,175	1,406,881

	Fair value MUS $
SDI Hedging: Cash flow hedging	(419)
TSS Hedging: Fair value hedging	(36,395)

The notional contractual amount of the contracts entered does not represent the risk assumed by ENAP Group, since this amount only responds to the basis on which derivative settlement calculations are made.

v) Fair value hierarchies

ENAP Group calculates the financial derivatives fair value by using market parameters, which are adjusted to the maturity profile of each operation.

Forward transactions that hedge the exposure to the accounts receivable exchange rate from sales invoiced in Chilean pesos are valued using the peso-dollar forward curves available in the market as a reference.

Cross currency swap operations that hedge exposure to dollar fluctuations of financial liabilities that are denominated in UF are valued as the present value of the UF (assets) and US $ (liabilities) future flows. To calculate these values, we use UF and LIBOR market rate curves, which are adjusted to the relevant flow dates contemplated in each operation.

Interest rate swap transactions that hedge exposure to fluctuations in the financial liabilities in LIBOR rate that accrue variable rate based on LIBOR are valued as the future flows current value. To calculate these current values, the LIBOR market curve rate, which are adjusted to the relevant flow dates contemplated in each operation.

Options operations on ICE Brent that hedge the exposure to the international price variation of ENAP Group's crude oil imports are valued using calculation tools provided by financial information platforms.

These tools collect the ICE Brent future curves prices in the market, adjusting them to the maturity profile for each operation.

Financial instruments recognized at fair value in financial position statements are classified according to the following hierarchies:

- Level 1 are quoted prices (unadjusted) in active markets for assets or liabilities where the entity can access the measurement date;
- Level 2 are inputs other than the quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly, and
- Level 3 is non-observable significant data in the market for the asset or liability, but rather through valuation techniques.

Financial instruments at fair value	**Total**	**Financial instruments classification**		
	31.12.2020 MUS $	**Level 1 MUS $**	**Level 2 MUS $**	**Level 3 MUS $**
Hedging assets: Cash flow hedging	27,564	-	27,564	-
Total	27,564	-	27,564	-
Hedging liabilities: Cash flow hedging	28,491	-	28,491	-
Hedging liabilities: Fair value hedging	46,368	-	46,368	-
Total	**74,859**	**-**	**74,859**	**-**

Financial instruments at fair value	**Total**	**Financial instruments classification**		
	31.12.2019 MUS $	**Level 1 MUS $**	**Level 2 MUS $**	**Level 3 MUS $**
Hedging assets: Cash flow hedging	1,202	-	1,202	-
Total	1,202	-	1,202	-
Hedging liabilities: Cash flow hedging	49,441	-	49,441	-
Hedging liabilities: Fair value hedging	36,395	-	36,395	-
Total	**85,836**	**-**	**85,836**	**-**

b) Accrue Interest Loans

I) Summary of loans

The summary of loans that accrue interest as of 31 December 2020 and 2019 is as follows:

	Current		Non-current	
	31.12.2020 MUS $	**31.12.2019 MUS $**	**31.12.2020 MUS $**	**31.12.2019 MUS $**
Financial entities loans	444,530	502,268	194,979	236,540
Bonds	441,965	210,223	3,098,629	3,256,416
Total	**886,495**	**712,491**	**3,293,608**	**3,492,956**

ii) Detail of Accrue Interest Loans

The currency and maturity breakdown for financial institutions loans (secured and unsecured) which include accrued interest as of 31 December 2020 and 2019 is the following:

Name	Interest payment	Nominal rate	Effective rate	Nominal value MUS $	Current			Non-Current			
					Up to 3 months MUS $	+3months up to 1 year MUS $	Total MUS $	+1-3 years MUS $	+3 to 5 years MUS $	+5 years MUS $	Total MUS $
BNP Paribas (Cesce) (1)	Biannual	4,07%	4,07%	3,500	3,619	-	3,619	-	-	-	-
The Bank of New YorkMellon (2)	Quarterly	Libor+1,85%	2,09%	150,000	10,121	20,000	30,121	-	-	-	-
The Bank of Nova Scotia (3)	Quarterly	Libor+1,40%	1,64%	80,000	5,398	16,000	21,398	5,198	-	-	5,198
The Bank of Nova Scotia (4)	Quarterly	Libor+1,125%	1,36%	100,000	28	-	28	100,000	-	-	100,000
Bank of America, N.A. (5)	Quarterly	Libor+0,85%	1,09%	90,000	134	-	134	-	89,781	-	89,781
Banco BBVA Argentina S.A.	Maturity	5,50%	5,50%	9,400	9,406	-	9,406	-	-	-	-
Banco Itaú Argentina	Maturity	43,00%	43,00%	3,209	3,396	-	3,396	-	-	-	-
Banco Itaú Argentina	Maturity	37,50%	37,50%	3,565	3,774	-	3,774	-	-	-	-
Banco Itaú Argentina	Maturity	39,00%	39,00%	951	1,006	-	1,006	-	-	-	-
Mizuho Bank LTD.	Biannual	Libor+1,625%	2,00%	250,000	-	249,747	249,747	-	-	-	-
Itaú Corpbanca	Maturity	Libor+0,2%	2,40%	120,000	121,901	-	121,901	-	-	-	-
Total					**158,783**	**285,747**	**444,530**	**105,198**	**89,781**		**194,979**

As of 31 December 2019:

Name	Interest payment	Nominal rate	Effective rate	Nominal value MUS $	Current			Non-Current			
					Up to 3 months MUS $	+3months up to 1 year MUS $	Total MUS $	+1-3 years MUS $	+3 to 5 years MUS $	+5 years MUS $	Total MUS $
BNP Paribas (Cesce) (1)	Biannual	4,07%	4,07%	68,682	-	7,157	7,157	3,572	-	-	3,572
The Bank of New York Mellon (2)	Quarterly	Libor+1,85%	3,76%	150,000	10,676	30,000	40,676	29,612	-	-	29,612
The Bank of Nova Scotia (3)	Quarterly	Libor+1,40%	3,31%	80,000	5,499	16,000	21,499	26,356	-	-	26,356
The Bank of Nova Scotia (4)	Quarterly	Libor+1,125%	3,03%	100,000	-	-	-	-	100,000	-	100,000
Bank of America, N.A. (5)	Quarterly	Libor+0,85%	2,76%	77,000	195	-	195		77,000		77,000
Scotiabank Chile	Maturity	2,04%	2,04%	50,000		50,037	50,037				
Banco de Chile	Maturity	2,45%	2,45%	160,000	161,654		161,654				
Itaú Corpbanca	Maturity	2,40%	2,40%	120,000		120,962	120,962				
Banco de Crédito e Inversiones	Maturity	2,24%	2,24%	100,000	-	100,088	100,088	-	-	-	-
Total					**178,024**	**324,244**	**502,268**	**59,540**	**177,000**	**-**	**236,540**

Reported nominal interest rates are annual.

Other information related to loans from financial entities, effective as of 31 December 2020:

Name	ID Number	Currency	Country	Company	ID Number	Country	Guarantee
BNP Paribas (Cesce) (1)	0-E	Dollars	Spain	ENAP	92.604.000-6	Chile	Not guaranteed
The Bank of New York Mellon (2)	0-E	Dollars	USA	ENAP Sipetrol Argentina S.A.	0-E	Argentina	ENAP Head office guarantee
The Bank of Nova Scotia (3)	0-E	Dollars	Canada	ENAP Sipetrol Argentina S.A.	0-E	Argentina	ENAP Head office guarantee
The Bank of Nova Scotia (4)	0-E	Dollars	Canada	ENAP Sipetrol Argentina S.A.	0-E	Argentina	ENAP Head office guarantee
Bank of America, N.A. (5)	0-E	Dollars	USA	ENAP Sipetrol Argentina S.A.	0-E	Argentina	ENAP Head office guarantee
Banco BBVA Argentina S.A.	0-E	Dollars	Argentina	ENAP Sipetrol Argentina S.A.	0-E	Argentina	Not guaranteed
Banco Itaú Argentina	0-E	Argentinian pesos	Argentina	ENAP Sipetrol Argentina S.A.	0-E	Argentina	Not guaranteed
Banco Itaú Argentina	0-E	Argentinian pesos	Argentina	ENAP Sipetrol Argentina S.A.	0-E	Argentina	Not guaranteed
Banco Itaú Argentina	0-E	Argentinian pesos	Argentina	ENAP Sipetrol Argentina S.A.	0-E	Argentina	Not guaranteed
Mizuho Bank LTD.	0-E	Dollars	USA	ENAP	92.604.000-6	Chile	Not guaranteed
Itaú Corpbanca	97.006.000-6	Dollars	Chile	ENAP	92.604.000-6	Chile	Not guaranteed

Other information related to financial entities loans in force as of 31 December 2019:

Name	ID Number	Currency	Country	Company	ID Number	Country	Guarantee
BNP Paribas (Cesce) (1)	0-E	Dollars	Spain	ENAP	92.604.000-6	Chile	Not guaranteed
The Bank of New York Mellon (2)	0-E	Dollars	USA	ENAP Sipetrol Argentina S.A.	0-E	Argentina	ENAP Head office guarantee
The Bank of Nova Scotia (3)	0-E	Dollars	Canada	ENAP Sipetrol Argentina S.A.	0-E	Argentina	ENAP Head office guarantee
The Bank of Nova Scotia (4)	0-E	Dollars	Canada	ENAP Sipetrol Argentina S.A.	0-E	Argentina	ENAP Head office guarantee
Bank of America, N.A. (5)	0-E	Dollars	Argentina	ENAP Sipetrol Argentina S.A.	0-E	Argentina	ENAP Head office guarantee
Scotiabank Chile	97.018.000-1	Dollars	Chile	ENAP	92.604.000-6	Chile	Not guaranteed
Banco de Chile	97.004.000-5	Dollars	Chile	ENAP	92.604.000-6	Chile	Not guaranteed
Itaú Corpbanca	97.023.000-9	Dollars	Chile	ENAP	92.604.000-6	Chile	Not guaranteed
Banco de Crédito e Inversiones	97.006.000-6	Dollars	Chile	ENAP	92.604.000-6	Chile	Not guaranteed

(1) BNP PARIBAS BANK AND SOCIÉTÉ GÉNÉRALE

ENAP signed two credit agreements with the BNP Paribas and Société Générale banks in 2010, for MUS $68,682 and MUS $100,000 in which each has 50% of the participation, in order to build the alkylation plant at Aconcagua Refinery. Both loans function as revolving credit lines, from which partial turns are made when certain conditions are met. Annual interest rate is 4.07% and Libor + 150 basis points, with maturities for 2021 and 2017, respectively. The loan corresponding to Banco Société Générale was fully paid in October 2017.

2) BANK OF NEW YORK MELLON

On 6 July 2016, ENAP Sipetrol Argentina S.A. signed a credit agreement with Citibank, N.A. (Citi) and Bank Bilbao Vizcaya Argentaria, S.A. (BBVA) with the Bank of New York Mellon as an administrative agent to finance the Magallanes Incremental Project (PIAM). The contract is guaranteed by ENAP. The amount amounts to US $150 million dollars, which may be disbursed in stages upon our company's request for one year. The payment term is 5 years (with a grace period 18 months) and the agreed rate is LIBOR quarterly plus 1.85% applicable margin.

(3) THE BANK OF NOVA SCOTIA

On 3 March 2017, ENAP Sipetrol Argentina S.A. signed a credit agreement with the Bank of Nova Scotia, as the second financing of the Incremental Area Project Magallanes (PIAM) for MUS $80,000. The contract is guaranteed by ENAP. The credit has a 6 month- availability period for disbursements. The payment term is 5 years, with equal quarterly repayments from month 18. The rate agreed is quarterly LIBOR plus 1.4% applicable margin.

(4) THE BANK OF NOVA SCOTIA

On 21 September 2018, ENAP Sipetrol Argentina S.A. signed a credit agreement with the Bank of Nova Scotia for MUS $100,000, guaranteed by ENAP. The payment term is 5 years, with amortization upon maturity. The agreed rate is quarterly LIBOR plus 1.125% applicable margin.

(5) BANK OF AMERICA, N.A.

On 26 August 2019, ENAP Sipetrol Argentina S.A. signed a credit agreement with Bank of America, N.A., for MUS $90,000, which is guaranteed by ENAP, receiving the first disbursement for US $77 million on 28 August, and the second disbursement for US $13 million on 7 January 2020. The payment term is 5 years, with amortization at maturity. The agreed rate is quarterly LIBOR plus 0.85% margin per year.

iii) Detail of bonds payable

The detail and maturity obligations (bonds payable) as of 31 December 2020 and 2019, classified as current and non-current, are presented in the attached tables:

As of 31 December 2020:

Description	Country	Currency	Nominal value (Thousands)	Nominal rate	Effective rate	Current			Non-current			
						Up to 3 months MUS $	**+3months-1 year MUS $**	**Total MUS $**	**+1year to 3 years MUS $**	**+3 to 5 years MUS $**	**+5 years MUS $**	**Total MUS $**
Tipo 144 A (b2)	USA	US $	410,281	4,75%	5,12%	-	410,605	410,605	-	-	-	-
B-ENAP-E (a1)	Chile	UF	4,000	3,70%	4,28%	-	1,524	1,524	-	-	158,550	158,550
Tipo 144 A (b3)	USA	US $	600,000	4,38%	4,56%	-	4,543	4,543	-	596,730	-	596,730
Tipo 144 A (b4)	USA	US $	700,000	3,75%	5,50%	10,628	-	10,628	-	-	623,066	623,066
B-ENAP-F (a2)	Chile	UF	6,500	2,05%	2,20%	-	824	824	-	-	266,944	266,944
Tipo 144 A (b5)	USA	US $	600,000	4,50%	4,74%	8,279	-	8,279	-	-	577,956	577,956
Tipo 144 A (b6)	USA	US $	680,000	5,25%	5,38%	-	5,522	5,522	-	-	672,626	672,626
B-ENAP-G (a3)	Chile	UF	5,000	0,0%	0,24%	40	-	40	-	202,757	-	202,757
Total						**18,947**	**423,018**	**441,965**		**799,487**	**2,299,142**	**3,098,629**

As of 31 December 2019:

Description	Country	Currency	Nominal value (Thousands)	Nominal rate	Effective rate	Current			Non-current			
						Up to 3 months MUS$	+3months-1 year MUS$	Total MUS$	+1year to 3 years MUS$	+3 to 5 years MUS$	+5 years MUS$	Total MUS$
Type 144 A (b2)	USA	US $	174,411	5,25%	5,46%	3,429	174,411	177,840	-	-	-	-
B-ENAP-E (a1)	Chile	UF	410,281	4,75%	5,12%	-	1,430	1,430	407,997	-	-	407,997
Type 144 A (b3)	USA	US$	4,000	3,70%	4,28%	-	1,425	1,425	-	-	145,843	145,843
Type 144 A (b4)	USA	US$	600,000	4,38%	4,56%	-	4,494	4,494	-	595,878	-	595,878
B-ENAP-F (a2)	Chile	UF	700,000	3,75%	5,50%	10,714	-	10,714	-	-	610,653	610,653
Type 144 A (b5)	USA	US$	6,500	2,05%	2,20%	-	743	743	-	-	247,115	247,115
Type 144 A (b6)	USA	US$	600,000	4,50%	4,74%	8,085	-	8,085	-	-	577,131	577,131
B-ENAP-G (a3)	Chile	UF	680,000	5,25%	5,38%	5,492	-	5,492	-	-	671,799	671,799
Total						**27,720**	**182,503**	**210,223**	**407,997**	**595,878**	**2,252,541**	**3,256,416**

Other information related to bonds payable as of 31 December 2020:

Creditor's name	ID Number	Type of installation	Company	Country	ID Number	Interest Payment	Capital Amortization	Due date	Guarantee
(b2) Bank of New York Mellon	0-E	Foreign	ENAP	Chile	92.604.000-6	Biannual	At maturity	06.12.2021	Not guaranteed
(a1) Banco de Chile	97.004.000-5	National	ENAP	Chile	92.604.000-6	Biannual	At maturity	01.10.2033	Not guaranteed
(b3) Bank of New York Mellon	0-E	Foreign	ENAP	Chile	92.604.000-6	Biannual	At maturity	30.10.2024	Not guaranteed
(b4) Bank of New York Mellon	0-E	Foreign	ENAP	Chile	92.604.000-6	Biannual	At maturity	05.08.2026	Not guaranteed
(a2) Santander Corredores de Bolsa Ltda.	97.036.000-K	National	ENAP	Chile	92.604.000-6	Biannual	At maturity	08.05.2027	Not guaranteed
(b5) Bank of New York Mellon	0-E	Foreign	ENAP	Chile	92.604.000-6	Biannual	At maturity	14.09.2047	Not guaranteed
(b6) Bank of New York Mellon	0-E	Foreign	ENAP	Chile	92.604.000-6	Biannual	At maturity	06.11.2029	Not guaranteed
(a3) Banco de Chile	97.004.000-5	National	ENAP	Chile	92.604.000-6	Biannual	At maturity	01.09.2025	Not guaranteed

Other information related to bonds payable as of 31 December 2019:

Creditor's name	ID Number	Type of installation	Company	Country	ID Number	Interest Payment	Capital Amortization	Due date	Guarantee
(b2) Bank of New York Mellon	0-E	Foreign	ENAP	Chile	92.604.000-6	Biannual	At maturity	06.12.2021	Not guaranteed
(a1) Banco de Chile	97.004.000-5	National	ENAP	Chile	92.604.000-6	Biannual	At maturity	01.10.2033	Not guaranteed
(b3) Bank of New York Mellon	0-E	Foreign	ENAP	Chile	92.604.000-6	Biannual	At maturity	30.10.2024	Not guaranteed
(b4) Bank of New York Mellon	0-E	Foreign	ENAP	Chile	92.604.000-6	Biannual	At maturity	05.08.2026	Not guaranteed
(a2) Santander Corredores de Bolsa Ltda.	97.036.000-K	National	ENAP	Chile	92.604.000-6	Biannual	At maturity	08.05.2027	Not guaranteed
(b5) Bank of New York Mellon	0-E	Foreign	ENAP	Chile	92.604.000-6	Biannual	At maturity	14.09.2047	Not guaranteed
(b6) Bank of New York Mellon	0-E	Foreign	ENAP	Chile	92.604.000-6	Biannual	At maturity	06.11.2029	Not guaranteed
(a3) Banco de Chile	97.004.000-5	National	ENAP	Chile	92.604.000-6	Biannual	At maturity	01.09.2025	Not guaranteed

a) National Bonds

1. On 17 January 2013, the Company placed indexable bonds in U.F. in the local market, under No. 585 in the Securities Registry of the Commission for the Financial Market, dated 7 May 2009 for a UF 6,000,000 amount which is pending.

- E-Class Bonds: for an amount of UF 4,000,000 with a 21 year-maturity period, with a single final amortization on 1 October 2033 and semiannual interest payments. The interest rate is 3.7% per annum, and the placement rate was 4.09% per annum.

2. On 18 May 2017, the Company made a placement of indexable bonds in U.F. in the local market, under No. 823 in Securities Registry of the Commission for the Financial Market, dated 16 October 2015.

The bond placement amounted UF 6,500,000, for a 10 year-period, with a single final amortization on 8 May 2027 and semiannual interest payments. The interest rate is 2.05% per annum, and the placement rate was 1.87% per annum.

3. On 29 September 2020, the Company made a placement of bonds readjustable in U.F. in the local market, under No. 905 in the Securities Registry of the Commission for the Financial Market, dated 25 July 2018.

The bond placement was for the amount of UF 5,000,000 for a 5 year-maturity period for 1 September 2025, and semiannual interest payments. The interest rate is 0.05% per annum, and the placement rate was 0.24% per annum.

b) International Bonds:

1. On 5 August 2010, ENAP issued and placed a 144 A bond in the US market, at a 5.25% interest rate per annum for an amount of MUS $500,000.

The maturity period is 10 years. Interest payments are on a semiannual basis and the capital amortization will be made upon maturity. On 5 August 2016, a principal prepayment for MUS $325,589 was made and on 10 August 2020 it amortized the debt balance corresponding to MUS $174,411.

2. On 1 December 2011, ENAP issued and placed a 144 A bond in the United States market, at a 4.75% interest rate per annum for a MUS $ 500,000 amount.

The maturity period is 10 years. Interest payments are on a semiannual basis and the capital amortization will be made upon maturity. On 5 August 2016, a capital prepayment was made for MUS $89,719.

3. On 27 October 2014, ENAP issued and placed a 144 A bond in the US market, at a 4.375% interest rate per annum for a MUS $600,000 amount.

The maturity period is 10 years. Interest payments are on a semiannual basis and the capital amortization will be made upon maturity.

4. On 5 August 2016, ENAP issued and placed a 144 A bond in the United States market, at a 3.75% interest rate per annum for a MUS $700,000 amount.

The maturity period is 10 years. Interest payments are on a semiannual basis and capital amortization will be made upon maturity.

5. On 14 September 2017, ENAP issued and placed a 144 A bond in the United States market, at a 4.50% interest rate per annum for a MUS $600,000 amount.

The maturity term is 30 years. Interest payments are on a semiannual basis and the capital amortization will be made upon maturity.

6. On 6 November 2018, ENAP issued and placed a 144 A bond the United States market, at a 5.25% interest rate per annum for a MUS $680,000 amount. The interest payments are on a semiannual basis and the principal payment will be made in three equal installments in 2027, 2028 and 2029.

The maturity term is 11 years, with semiannual interest payments and capital amortization in three installments during the bonds last three years.

21.- COMMERCIAL ACCOUNTS PAYABLE AND OTHER ACCOUNTS PAYABLE

a) Details as of 31 December 2020 and 2019 are as follows:

	Current		Non-current	
	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $
Billed suppliers	134,402	424,121	-	-
Provisioned suplliers	326,336	160.104	-	-
Creditors	9,577	6,365	185	447
Other accounts payable	16,555	17,837	5,054	4,547
Total	**486,870**	**608,427**	**5,239**	**4,994**

b) Future maturities details:

	31.12.2020 MUS $	31.12.2019 MUS $
Up to 30 days	476,275	585,250
Between 31-60 days	231	3,409
Between 61-90 days	105	1,611
Between 91-120 days	290	730
Between 121-180 days	72	3,531
181 and more	9,897	13,896
Total	**486,870**	**608,427**

c) Information on future maturities as of 31 December 2020:

Type of vendor	Amounts by payment period							
	Up to 30 days MUS $	31-60 days MUS $	61-90 MUS $	91-120 MUS $	121-365 MUS $	366 and more MUS $	Total	Average payment period (days)
Products	74,308	20,746	-	-	-	-	95,054	16
Services	23,176	19	-	-	-	171	23,366	13
Other	3,244	28	80	-	-	-	3,552	18
Total	**100,728**	**20,793**	**80**	**-**	**-**	**171**	**121,772**	**16**

Overdue suppliers

Type of vendor	Overdue amounts						
	Up to 30 days MUS $	31-60 days MUS $	61-90 days MUS $	91-120 days MUS $	121-180 days MUS $	181 and more days MUS $	Total MUS $
Products	356	123	42	25	35	86	667
Services	2,509	41	6	232	29	563	3,380
Others	8,271	67	57	32	7	149	8,583
Total	**11,136**	**231**	**105**	**289**	**71**	**798**	**12,630**

d) Confirming operations: As of 31 December 2020, ENAP Group does not maintain "confirming" operations.

22.- OTHER PROVISIONS

a) Detail -The breakdown of this item as of 31 December 2020 and 2019 is as follows:

Concept	Current		Non-current	
	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $
Dismantling, restoration and rehabilitation costs (a)	-	-	146,295	134,399
Onerous costs	-	-	5,791	7,300
Other provisions	2,444	2,447	1,761	1,762
Total	**2,444**	**2,447**	**153,847**	**143,461**

a) This provision covers future costs for average remediation platforms and wells, and that will allow by the end of the concessions, to reuse the exploitation area for other purposes. This provision is calculated and accounted for at present value. The discount rate as of 31 December 2020 is 6.4% in E&P Magallanes and 10.0% in Sipetrol Argentina (6.4% and 8.11% in 2019, respectively).

b) Movement: The provisions movement are detailed by concept in the following table:

	Dismantling, restoration and rehabilitation costs MUS $	Onerous contracts MUS $	Other accruals MUS $	Total MUS $
Initial balance as of 1 January 2020	134,399	7,300	4,209	145,908
Additional provisions	14,110	-	-	14,110
Used provisions	(724)	(1,509)	-	(2,233)
Provision reversal	(1,555)	-	-	(1,555)
Other increase (decrease)	65	-	(4)	61
Final balance as of 31 December 2020	142,295	5,791	4,205	156,291

	Dismantling, restoration and rehabilitation costs MUS $	Onerous contracts MUS $	Other accruals MUS $	Total MUS $
Initial balance as of 1 January 2019	149,191	9,723	4,309	163,223
Additional provisions	11,881	-	1,162	13,043
Used provisions	(2,318)	(2,423)	(1,301)	(6,042)
Provision reversal	(24,355)	-	-	(24,355)
Other increase (decrease)	-	-	39	39
Final balance as of 31 December 2019	134,399	7,300	4,209	145,908

(1) See note 14 g

23.- PROVISIONS FOR EMPLOYEE BENEFITS

The detailed provisions for employees' benefits for the year ended 31 December 2020 and 2019 is the following:

Concepts	Current		Non-current	
	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $
Severance payments (a)	7,450	7,146	60,975	60,335
Retirement program and restructuring process	-	11,356	-	-
Share in profits and bonus for employees (b)	35,934	37,900	10,410	-
Accrued vacation expense	20,463	16,374	-	-
Other benefits (c)	9,597	8,232	1,746	-
Total	**73,444**	**81,008**	**73,131**	**60,335**

a) It is related to years of service to all events that ENAP Group maintains with their workers, which are detailed in the current collective agreements to the date. The liability recognized in the balance sheet corresponding to defined benefit plans provided to workers is the present value of the obligations for such defined benefits (IAS) at the date of presentation of the consolidated financial statements.

The IAS obligation is calculated annually based on an actuarial model prepared by an independent actuary, using the Projected Credit Unit method. The IAS obligations present value is determined by discounting the estimated future flows using the series E interest rate of the corporate bond in UF, which is denominated in the currency in which the benefits will be paid and considering the maturity of obligations.

b) It is related to profit sharing in the Ecuador branch, which are established by law: permanence and participation bonds in the results in Aconcagua and Bío-Bío refineries, which is established in the current collective agreements and participation in profits and other established benefits in collective agreements and employment contracts according to the case.

c) Accusations recorded in this item are related to other staff benefits to personnel such as bonds, vacation bonus, etc.

23.1 Movement of provisions for current employee benefits - Other provisions movement for current employee benefits is detailed as follows:

As of 31 December 2020:

	Current					
	Severance indemnity MUS$	Retirement program and restructuring process MUS $	Permanence bonds and contribution to results MUS $	Vacation provision MUS $	Other provisions MUS $	Total MUS $
Initial balance as of 1 January 2020	7,146	11,356	37,900	16,374	8,232	81,008
Additional provisions	164	2	48,030	7,973	13,305	69,474
Used provision	(5,453)	(1,763)	(50,485)	(8,775)	(13,096)	(79,572)
Provisional reversal	-	(9,223)	-	(47)	(58)	(9,328)
Provision transfer from non-current	5,758	-	-	-	-	5,758
Increase (decrease) in currency exchange	(165)	(372)	489	4,938	1,214	6,104
Final balance as of 31 December 2020	7,450	-	35,934	20,463	9,597	73,444

As of 31 December 2019:

	Current					
	Severance indemnity MUS$	Retirement program and restructuring process MUS $	Permanence bonds and contribution to results MUS $	Vacation provision MUS $	Other provisions MUS $	Total MUS $
Initial balance as of 1 January 2019	11,181	35,432	31,705	20,235	8,180	106,733
Additional provisions	1,246	1,515	28,216	4,971	8,083	44,031
Used provision	(13,137)	(25,309)	(22,819)	(8,634)	(8,946)	(78,845)
Provision transfer from non-current	7,298	-	-	-	-	7,298
Increase (decrease) in currency exchange	558	(282)	798	(198)	915	1,791
Final balance as of 31 December 2019	7,146	11,356	37,900	16,374	8,232	81,008

Note: As part of the "Participation in profits and bonds" provision used, the mandatory of the State of Ecuador and Ecuadorian contractors is included.

Bonds and Profit-Sharing Plan - The entity recognizes the liability and an expense for bonuses and profit sharing, based on a formula that takes into account the year's result after certain adjustments. A provision is recognized when the entity is bound by the collective agreements of the personnel or contractually.

23.2 Movement of Indemnity for years of service (IAS) non-current

The provision movement to current and past service costs for associated IAS are recognized as interest immediately in Results, Losses and Actuarial gains from adjustments and changes in actuarial assumptions. These are also recognized in Equity in the year in which they are generated. The details for non-current IAS are as follows:

Movements	Non-current	
	31.12.2020 MUS $	31.12.2019 MUS $
Initial balance	60,335	69,716
Service costs	285	820
Interest costs	3,783	3,967
Actuarial loss	(113)	(415)
Benefits paid	(6,657)	(2,958)
Increase (decrease) in currency exchange	3,453	(3,497)
Current transfer	(111)	(7,298)
Total	**60,975**	**60,335**

Termination Benefits - Termination benefits are paid when the employment relation is terminated prior the normal retirement date. These benefits are recognized by termination in accordance with current collective agreements. The benefits with 12 month-maturity exceeding after the end of the referenced year are discounted at its current value.

23.3 Actuarial assumptions

The actuarial assumptions in determining the severance pay for non-current service years are as follows:

Hypothesis	31.12.2020	31.12.2019
Discount rate Chile	5,37%	5,37%
Discount rate Ecuador	3,20%	4,25%
Expected rate for initial salary increase Chile	4,70%	4,70%
Expected rate for initial salary increase Ecuador	2,00%	1,50%
Voluntary retirement rate Chile	2,29%	2,29%
Voluntary retirement rate Ecuador	1,31%	1,50%
Turnover dismissal rate Chile	0,10%	0,10%
Turnover dismissal rate Ecuador	8,25%	8,73%
Mortality table Chile	RV-2014	RV-2014
Mortality table Ecuador	IESS2002	IESS2002
Female retirement age	60	60
Male retirement age	65	65

The Company annually conducts a review of its actuarial assumptions in accordance with IAS 19 "Employee benefits", the nominal discount rate applied to new market interest rate curves were updated by reference at the end of 2018. See sensitivity effect in Note 23.4.

The mortality assumptions were determined, according to our independent actuary advice, in accordance with the information available and representative of local conditions. Rotation assumptions arise from the internal analysis of the Company's administration.

23.4 Sensitivity analysis

The following table shows the awareness effects in the discount rate raising used to determine the actuarial value of the IAS provision as of 31 December 2020 and 2019:

Chile	**Book value**	**Sensitivity analysis**	
Actuarial value	65,437	69,548	61,688
Discount rate	5,37%	4,37%	6,37%
Percentage sensitivity	-	-19,00%	19,00%
MUS $ sensitivity	-	4,111	(3,749)
Ecuador	**Book value**		**Sensitivity analysis**
Actuarial value	2,988	3,162	2,801
Discount rate	4,21%	3,71%	4,71%
Percentage sensitivity	-	-12,00%	12,00%
MUS $ sensitivity	-	174	(187)

24. EQUITY

a) Changes in equity:

Capital increase - As of 31 December 2020 and 2019 there has been no increase in capital.

Dividend distribution policy - ENAP's profit distribution policy established by Resolution No. 25 of the Ministry of Finance on 11 August 2005 established that ENAP must transfer a minimum of resources to the Treasury, either as income tax (40%) and/or as profit advance, corresponding to a 14% return on equity, with retained earnings from previous years.

On 15 September 2012, by Official Ord. 1292, the Ministry of Finance resolved the authorization of a profit distribution policy in order to contribute to the Company's stability and recomposition, to maintain its financial situation review, to decide the authorization profit capitalization of the subsidiaries and the parent company, as the tax loss situation is on. Since its enactment, the review is carried out annually on a consistent basis.

b) Issued capital

Details of paid and issued capital as of 31 December 2020 and 2019 is as follows:

	31.12.2020 MUS $	31.12.2019 MUS $
Paid capital	1,632,332	1,632,332
Total	**1,632,332**	**1,632,332**

ENAP is a 100% owned by the State of Chile company and its capital is not divided into shares.

Capital management
Referred to as the administration of the Company's equity, the capital management's main objective is the ENAP Group's capital management, in accordance with the following details:

- Ensuring the normal functioning of operations, business continuity in the long-term and supply security for the country's liquid fuels.
- Securing new investments financing in order to maintain growth sustained over time and full compliance with fuel specifications authorized in Chile.
- Maintaining an adequate capital structure according to the economic cycles that impact the business and the very nature of the industry.

The Company's value and evolution are controlled and reported to the Board of Directors monthly. It also takes into consideration the current situation of strengthening the Company's equity. This instance determines which are the following steps, as well as the communication with the Ministry of Finance, and the potential steps deemed necessary to perform timely.

Other reserves
The composition of this item as of 31 December 2020 and 2019 is as follows:

	31.12.2020 MUS $	31.12.2019 MUS $
Conversion exchange difference (i)	(79,041)	(80,098)
Cash flow hedges (ii)	6,157	5,660
Actuarial reserves in defined benefit plans	(9,201)	(9,226)
Other reserves (iii)	7,016	4,419
Total	**(75,069)**	**(79,245)**

i) Conversion exchange difference

	31.12.2020 MUS $	31.12.2019 MUS $
Initial balance	(80,098)	(78,696)
Results for changes in subsidiaries and associates	1,057	(1,402)
Total	**(79,041)**	**(80,098)**

ii) Cash flow hedges

Other reserves composition in cash flow hedges	Total 31.12.2019 MUS $	Movement 2020 MUS $	Total 31.12.2020 MUS $
Cross currency swap/Financial Bonds and lease	17,774	(14,969)	2,805
SWAP and interest rate for bank loans	(263)	263	-
Exchange rate in forward contracts	(69)	157	88
Differential SWAP – SDI	(419)	765	346
Time Spread Swap (TSS)	-	6,466	6,466
Income tax and deferred derivatives	(11,363)	7,815	(3,548)
Total	**5,660**	**497**	**6,157**

iii) Other reserves

	31.12.2020 MUS $	31.12.2019 MUS $
Initial balance for other reserves	4,419	1,822
Changes in reserves GNL Quintero S.A.	2,597	2,597
Total	**7,016**	**4,419**

c) Accumulated (loss) profits

The item's composition is as follows, as of 31 December 2020 and 2019:

	31.12.2020 MUS $	31.12.2019 MUS $
Initial balance of the year	(539,281)	(519,514)
Result of the year	(89,986)	(19,102)
Other variations on accumulated results	(3,283)	(665)
Total	**(632,550)**	**(539,281)**

25.- NON-CONTROLLING INTERESTS

The effects originated by the participation of third parties in the equity as of 31 December 2020 and 2019, and the Group's consolidated results are detailed below:

Entity	Equity's non-controlling interests		Profit (loss) attributable to non-controlling interests	
	31.12.2020 MUS $	31.12.2019 MUS $	31.12.2020 MUS $	31.12.2019 MUS $
Vientos Patagónicos S.A.	2,504	2,379	(98)	(181)
ENAP Refinerías S.A.	103	124	(22)	(10)
Total	**2,607**	**2,503**	**(120)**	**(191)**

26.- BUSINESS SEGMENTS

Segmentation criteria

The ENAP Group's segmentation structure defined by the Board of Directors, and according to IFRS 8, it is first based on the different business lines and secondly, according to their geographical distribution.

Main business segments of the consolidated group:

- Exploration and Production, includes hydrocarbon exploration operations (petroleum and natural gas) and geothermal energy, as well as its development, hydrocarbons production and marketing in Chile and abroad, in four countries: Chile, Argentina, Ecuador and Egypt. ENAP operates abroad through the ENAP Sipetrol S.A. subsidiary and in Chile, through ENAP in Magallanes which manages hydrocarbon exploration and production assets in the XII region. Additionally, it carries out gas exploration activities through the Special Oil Operation Contracts (CEOP) modality in the Coirón blocks, Lenga, Dorado-Riquelme, Brótula, Caupolicán, Flamenco, Isla Norte and Campanario, in alliance with ConocoPhillips (Coirón) and Methanex (Lenga and Dorado Riquelme), PetroMagallanes (Brótula and Caupolicán), Geopark TDF (Flamenco, Isla Norte and Campanario) companies respectively, all located in the Magallanes region.

- Refining and Marketing includes the Refining, Optimization, Logistics, Trading, Market Development and Sales activities and processes. The refining and marketing activities in ENAP are managed by its subsidiary ENAP Refinerías S.A. Its business consists mainly in the crude oil purchase in the international market for the refining and the subsequent commercialization of its finished products.

ENAP Refinerías' crude oil supply is mainly obtained in South America. ENAP Refinerías S.A. is the only company to refine oil in Chile and the Pacific coast of Central and South America's most important one for its refining capacity. The refining takes place in three refineries:

Aconcagua Refinery, located in the Valparaíso Region; Bío Bío Refinery in the Biobío region, and Refinería Gregorio, in the Magallanes region. The reception and storage of raw material are stored in the refineries' facilities, including five maritime terminals, located in Quintero, San Vicente, Easter Island, Cabo Negro and Gregorio, the latter two in the Magallanes region.

Fuel storage and transportation and fuel wholesale and export are part of the Storage and Oil Pipeline Management (DAO), which Is in charge of the logistics infrastructure.

- Gas and Energy: Among the administration measures to support the implementation of the Government's Energy Agenda, a third Business Line was constituted in ENAP, the Gas & Energy Line, on 14 July 2014. Its mission is to promote the use of Liquefied Natural Gas (LNG) in the national energy matrix, together with the incorporation of new electricity generation capacity. Includes activities and gas commercialization processes via gas pipelines, virtual gas pipeline and Mobile LNG, and new electric power projects management.

As of 31 December 2020:

	E&P MUS $	R&C MUS $	G&E MUS $	Consolidation adjustments MUS $ (a)	Total MUS $
Regular activities income	492,269	4,169,288	229,868	-	4,891,425
Regular activities income, interline	54,033	198,931	132,071	(385,035)	-
Selling costs	(359,776)	(4,050,141)	(230,999)	(8,470)	(4,649,386)
Selling costs, interline	(35,683)	(274,052)	(75,300)	385,035	-
Gross profit	**150,843**	**44,026**	**55,640**	**(8,470)**	**242,039**
Other income by task	1,926	15,589	-	9,293	26,808
Distribution expenses	(25,832)	(136,420)	(1,661)	-	(163,913)
Management expenses	(21,816)	(22,734)	(480)	(22,097)	(67,127)
Other expenses by task	(12,890)	(2,371)	(435)	(862)	(16,558)
Operational activities income (loss)	92,231	(101,910)	53,064	(22,136)	21,249
Financial income	11,906	612	-	(10,021)	2,497
Financial expenses	(22,768)	(99,308)	(54)	(108,766)	(230,896)
Profit sharing (loss) for associates using the equity method	(10)	1,459	-	20,454	21,903
Exchange differences	(1,629)	7,910	63	11,544	17,888
Pretax profit (loss)	79,730	(191,237)	53,073	(108,925)	(167,359)
Income tax benefit (expense)	(21,606)	46,967	(13,268)	65,160	77,253
Profit (loss)	**58,124**	**(144,270)**	**39,805**	**(43,765)**	**(90,106)**

As of 31 Decembe 2019:

	E&P MUS $	R&C MUS $	G&E MUS $	Consolidation adjustments MUS $ (a)	Total MUS $
Regular activities income	615,833	6,736,356	276,284	-	7,628,473
Regular activities income, interline	99,585	214,412	124,159	(438,156)	-
Selling costs	(393,818)	(6,503,549)	(258,978)	(12,453)	(7,168,798)
Selling costs, interline	(49,761)	(275,462)	(112,933)	438,156	-
Gross profit	**271,839**	**171,757**	**28,532**	**(12,453)**	**459,675**
Other income	2,284	14,230	2,811	3,428	22,753
Distribution expenses	(34,154)	(180,296)	(3,164)	(2)	(217,616)
Management expenses	(26,147)	(28,257)	(979)	(26,185)	(81,568)
Other expenses by task	(39,816)	(1,407)	-	(1,074)	(42,297)
Operational activities income (loss)	174,006	(23,973)	27,200	(36,286)	140,947
Other income (loss)	72	-	-	1	73
Financial profit	11,739	1,033	-	(8,205)	4,567
Financial expenses	(31,012)	(103,455)	-	(110,760)	(245,227)
Profit sharing (loss) for associates using the equity method	2	3,367	15,953	-	19,322
Exchange differences	(12,619)	39,003	(526)	(296)	25,562
Pretax profit (loss)	142,188	(84,025)	42,627	(155,546)	(54,756)
Income tax benefit (expense)	(64,021)	25,967	(6,669)	80,186	35,463
Profit (loss)	**78,167**	**(58,058)**	**35,958**	**(75,360)**	**(19,293)**

(a) This column presents ENAP Group's consolidation adjustments, where the most significant items are income transactions and costs for the products and supplies purchase/ sale among the Group's companies and non-distributed items to the segments, such as administrative corporate costs, associates results, and mainly financial income and costs. Details for sales income according to product and geographic area, as of 31 December 2020 and 2019 are listed below:

Product sale	As of 31 December 2020				As of 31 December 2019			
	E&P MUS $	R&C MUS $	G&E MUS $	Total MUS $	E&P MUS $	R&C MUS $	G&E MUS $	Total MUS $
Crude	110,533	-	-	110,533	142,670	-	-	142,670
Natural gas	186,881	-	222,890	409,771	265,450	-	269,728	535,178
LPG	-	108,374	-	108,374	-	187,232	-	187,232
Gasolines	-	1,491,910	-	1,491,910	-	2,402,001	-	2,402,001
Kerosene	-	375,206	-	375,206	-	753,575	-	753,575
Diesel	-	1,739,427	-	1,739,427	-	2,883,328	-	2,883,328
Fuel oil	-	142,835	-	142,835	-	279,784	-	279,784
Petrochemicals	-	550,127	-	50,127	-	62,283	-	62,283
Other products and exports	411	250,693	6,978	258,082	-	152,049	6,556	158,605
Other income	7,401	10,716	-	18,117	7,857	16,104	-	23,961
Service sale	187,043	-	-	187,043	199,856	-	-	199,856
Total	**492,269**	**4,169,288**	**229,868**	**4,891,425**	**615,833**	**6,736,356**	**276,284**	**7,628,473**

Sales by geographic area	As of 31 December 2020				As of 31 December 2019			
	E&P MUS $	R&C MUS $	G&E MUS $	Total MUS $	E&P MUS $	R&C MUS $	G&E MUS $	Total MUS $
Local	243,338	4,169,288	229,868	4,642,494	196,136	6,628,668	276,284	7,101,088
Foreign	248,931	-	-	248,931	419,697	107,688	-	527,385
Total	**492,269**	**4,169,288**	**229,868**	**4,891,425**	**615,833**	**6,736,356**	**276,284**	**7,628,473**

The commercialization of ENAP Refinerías S.A subsidiary refined products is channeled through the wholesale fuels and other derivatives distribution companies. ENAP Refinerías S.A. subsidiary maintains supply contracts with its main clients, by ensuring the adequate fuel supply throughout the country. ENAP Group main clients are Copec, Esmax, Enex, Lipigas, Abastecedora de Combustibles and Methanex, at a national level.

Operating Segments Assets and Liabilities

Currently, ENAP Group does not maintain control and record of assets by the reportable segments in their internal reporting systems and neither is this information used by the Board of Directors as a business decision-making strategy and resource allocation process. ENAP Group's financial liabilities are centralized and controlled at the corporate level and not presented by reportable segments.

The consolidated information of the balance sheets, the assets and liabilities which are not presented by business lines, therefore, the requirements to detail the information are not met, according to IFRS 8, the highest authority for decision-making.

27.- INCOME FROM ORDINARY ACTIVITIES

Details for the years ended 31 December 2020 and 2019 are the following:

Details	31.12.2020 MUS $	31.12.2019 MUS $
Crude sales	110,533	142,670
Natural gas sales	336,270	452,205
Gas compensation income (1)	73,501	82,973
Refined products sales	4,165,961	6,725,943
Oilfield services sales	187,043	204,243
Other operation income	18,117	20,438
Total	**4,891,425**	7,628,473

(1) The Ministry of Energy is empowered to compensate ENAP for a maximum amount of M$58,521,878 for the years 2020 and 2019, in accordance with the Public Sector Budget Law approved by the National Congress.

28.- SALES COSTS

The sales cost breakdown for the years ended 31 December 2020 and 2019 is the following:

	01.01.2020 31.12.2020 MUS $	01.01.2019 31.12.2019 MUS $
Crude and oil cost	355,192	415,913
Refined products cost (1)	3,755,750	6,244,426
Service sales cost	98,538	95,915
Other operational costs	439,906	412,544
Total	**4,649,386**	**7,168,798**

As of 31 December 2020, the refined products cost presents a MUS $11,767 credit (MUS $193,744 credit as of 31 December 2019) as a result of the adjustment determination to inventories by net realizable value (VNR), which was offset by fair value hedges for Time Spread Swap instruments. Its objective is to financially shift the price-taking window for crude oil shipments and adjust it to the dates when refined products take a price, mitigating the "time spread" exposure to which the Company is naturally exposed.

29.- DISTRIBUTION COSTS

The breakdown of distribution costs for the years ended 31 December 2020 and 2019 is the following:

	01.01.2020 31.12.2020 MUS $	01.01.2019 31.12.2019 MUS $
Logistics services	8,731	23,707
Oil pipeline transport	26,958	38,975
Maritime transport	63,275	73,580
Land transport	11,907	21,773
Staff expenses	18,514	18,109
Others	34,528	41,472
Total	**163,913**	**217,616**

30.- OTHER EXPENSES BY TASK

The breakdown of other expenses by task for the years ended as of 31 December 2020 and 2019 is the following:

	01.01.2020 31.12.2020 MUS $	01.01.2019 31.12.2019 MUS $
Exploratory campaign costs	7,693	18,191
Dry wells exploration and abandonment	-	10,246
Property, plant and equipment discharge	2,804	4,310
Exploration costs and others	6,061	9,550
Total	**16,558**	**42,297**

31.- FINANCIAL COSTS

The breakdown of financial costs for the years ended as of 31 December 2020 and 2019 is as follows:

Concepts	01.01.2020 31.12.2020 MUS $	01.01.2019 31.12.2019 MUS $
Overdraft and bank loans interests	28,455	35,393
Bonds payable interests	167,102	175,315
Lease obligations interests	7,771	8,210
Accounts payable interests and other non-financial liabilities	16,094	21,527
Other disbursements related to interests	2,046	1,021
Total interests cost	221,468	241,466
Derivative liquidations (swap)	6,658	4,715
Derivative accrued interest (swap)	2,770	2,391
Except:		
Capitalized interests	-	(3,345)
Total financial costs	**230,896**	**245,227**

32. STAFF EXPENSES

The composition of this item for the years ended as of 31 December 2020 and 2019 is the following:

	01.01.2020 31.12.2020 MUS $	01.01.2019 31.12.2019 MUS $
Salaries	135,610	162,322
Short-term benefits for employees	100,288	126,041
Other staff expenses	5,489	8,244
Other benefits	17,086	27,013
Total	**258,473**	**323,620**

33. EXCHANGE DIFFERENCES

The asset and liability items details that give rise to exchange differences that are (debited) credited to income for the years ended as of 31 December 2020 and 2019 are the following:

Concepts	01.01.2020 31.12.2020 MUS $	01.01.2019 31.12.2019 MUS $
Cash and cash equivalents	(14)	(4,526)
Trade debtors and other accounts receivable	2,185	(35,493)
Forward hedging result	16,903	38,050
Accounts receivable to related entities	(1,113)	2,316
Accounts receivable and payable by taxes	1,660	11,828
Other non-financial non-current assets	913	-
Trade accounts payable and other accounts payable	(2,637)	13,047
Current provisions	556	2,487
Non-current provisions	(3,977)	4,342
Other financial and non-financial liabilities	(50,331)	28,928
Hedging current and non-current financial liabilities results	53,801	(27,601)
Other exchange differences	(58)	(7,816)
Total	**17,888**	**25,562**

34. FOREIGN CURRENCY

The foreign currency breakdown for assets as of 31 December 2020 and 2019 is as follows:

Assets	Foreign currency	Local currency	31.12.2020 MUS $	31.12.2019 MUS $
Cash and cash equivalents	$ Non-adjustable	Dollar	32,734	10,864
	$ Argentinian	Dollar	3,492	11,872
	£ Egyptian pound	Dollar	15,282	3,961
Other non-financial assets, current	$ Non-adjustable	Dollar	7,697	-
Trade debtors and other accounts receivable, current	$ Non-adjustable	Dollar	467,320	540,247
	$ Resettable	Dollar	358	163
	$ Argentinian	Dollar	8,716	28,575
Current tax assets	$ Non-adjustable	Dollar	63,985	73,903
	$ Resettable	Dollar	2,609	4,756
	$ Argentinian	Dollar	2,146	2,895
Other non-current financial assets	$ Resettable	Dollar	27,194	1,121
Non-current accounts receivable	$ Non-adjustable	Dollar	-	12
	$ Resettable	Dollar	9,471	9,673
Total			**641,004**	**688,042**

The foreign currency breakdown for liabilities as of 31 December 2020 and 2019 is as follows:

Liabilities	Foreign currency	Functional currency	31.12.2020				31.12.2019			
			Up to 90 days MUS $	91 days up to 1 year MUS $	1 to 5 years MUS $	More than 5 years MUS $	Up to 90 days MUS $	91 days up to 1 year MUS $	1 to 5 years MUS $	More than 5 years MUS $
Other current financial liabilities	$ Resettable	Dollar	40	2,348	-	-	1,238	2,168	-	-
Trade accounts payable and other accounts payable	$ Non-adjustable	Dollar	112,337	-	-	-	115,833	-	-	-
	$ Resettable	Dollar	736	-	-	-	2,099	-	-	-
	£ Pound sterling	Dollar	6	-	-	-				
	$ Argentinian	Dollar	12,387	-	-	-	15,664	-	-	-
	€ Euro	Dollar	310	-	-	-	121	-	-	-
	£ Pound sterling	Dollar	-	-	-	-	23	-	-	-
Current tax liabilities	$ Non-adjustable	Dollar	83,282	-	-	-	69,069	-	-	-
	$ Resettable	Dollar	6,491	-	-	-	1,815	-	-	-
	$ Argentinian	Dollar	1,857	-	-	-	238	-	-	-
Current provisions for benefits for employees	$ Non-Adjustable	Dollar	36,256	-	-	-	34,960	-	-	-
	$ Resettable	Dollar	16,955	-	-	-	21,675	-	-	-
	$ Argentinian	Dollar	994	-	-	-	1,864	-	-	-
Other non-financial current liabilities	$ Argentinian	Dollar	9				10			
Other financial non-current liabilities	$ Resettable	Dollar	-	-	799,487	425,494	-	-	34,516	392,958
Other long-term provisions	$ Argentinian	Dollar	-	-	1,272	-	-	-	1,538	-
Deferred taxes liabilities	$ Argentinian	Dollar	-	-	5,801	-	-	-	11,966	-
Non-current provisions for benefits for employees	$ Non-adjustable	Dollar	-	-	7,566	20,013	-	-	7,256	18,987
	$ Resettable	Dollar	-	-	13,621	28,944	-	-	10,066	21,391
Other non-financial non-current liabilities	$ Argentinian	Dollar	-	-	4,803	-	-	-	5,848	-
Total			**271,660**	**2,348**	**832,550**	**474,451**	**264,609**	**2,168**	**71,190**	**433,336**

35.- ENVIRONMENTAL INFORMATION

Here is a brief description of the projects related to productive processes, verification and compliance control of ordinances and laws related to industrial processes and facilities and any other that may directly or indirectly affect the protection of the enviENAP Ecuador, allocates values for investments within its Annual Management Plan (PAG) that enhances compliance initiatives and good environmental practices with the aim of having a responsible and sustainable environmental operation which will allow Carbon Neutral certification continuity. The focus is on constantly performing environmental, physical or abiotic components (Air, Water and land) and biotics controls associated with the preservation of flora and fauna. These activities are part of the Environmental Management Plan (PMA) in MDC and PBHI. These environmental projects and initiatives amount to MUSD 980 from 1 January to 31 December 2020.

The resources allocated at ENAP Sipetrol Argentina for environmental projects and initiatives are related to new projects current operation and management. These aspects mainly include the waste transport and treatment, liquid effluents treatment, environmental monitoring performance and the permit processing and maintenance before authorities. This also includes expenses required to keep the contingency plan against spills active, including specialized consulting for the preparation and agreements with companies specialized in responding to eventual spills. The management of new projects, including conducting environmental studies (impact assessments and monitoring campaigns) and the associated fees for obtaining new environmental permits are also included.
The budget used for ENAP Sipetrol Argentina for environmental projects and initiatives amounts to MUSD 1,438, as of 1 January to 31 December 2020.

ENAP Magallanes carries out activities associated with hydrocarbons exploration and production of deposits through the E&P line and activities related to refining, logistics and commercialization that are associated with the exploitation of refining assets and maritime terminals through the R&C line.
The development of these activities requires executing different initiatives to comply with commitments established in the environmental procedures of our Projects and the environmental regulations that apply to our activity. The amount used for ENAP's environmental projects and initiatives in Magallanes during the period from 1 January to 31 December 2020 amount to MUSD 3,654.

The environmental projects and initiatives established for 2020 are part of a long-term work plan in the Aconcagua Refinery. These are activity-oriented and will allow the identification and implementation of improvements in relation to noise emissions, the monitoring of atmospheric emissions, the execution of the Compliance Plan presented to the Superintendency of the Environment and Projects associated with the Prevention Plan and Atmospheric Decontamination of Concón, Quintero and Puchuncaví. The amount used for the Aconcagua Refinery environmental projects in the period from 1 January to 31 December 2020 amounts MUSD2,224.

The focus and resources allocated to Bío Bío environmental projects and initiatives activities are mainly related to the execution of a series of commitments acquired with the Illustrious Court of Appeals of Concepción (ICA). The projects and initiatives concerning the Concepción Court of Appeals are related to an odor mitigation program, whose main objective is the management odors produced as a result of oil refining activity in neighboring communities. The amount used for the Refinery's environmental projects in Bío Bío area amounts MUSD 412 for the period from 1 January to 31 December 2020.

36.- TRIALS AND COMMERCIAL COMMITMENTS

a) Details in the main current lawsuits that could have a material adverse effect for the Company are detailed below:

In Chile:

Parties: Francisco Acevedo and Others with Owners of the LR Mimosa Motor Ship, and Others.
Case No.: 17-2014
Court: Minister of the Court of Appeals of Valparaíso.
Subject: Compensation for damages according to the Navigation Law.
Amount: MUS $112,152.-
Brief list of facts: Civil claim for compensation for damages regulated by the Article 153 of the Navigation Law.
Current status: By disposition of the Court, all the claims based on the same events that occurred on 24 September 2014. Last lawsuit filed accumulation pending.

Parties: Union of independent workers, artisanal fishermen, shellfish divers and similar branches of Caleta Horcón and others with Aes Gener S.A. and others.
Case number: D-30-2016.
Court: Second Environmental Court.
Subject: Action for declaration and repair of environmental damage.
Amount: Indeterminate.
Brief list of facts: On 1 July 2016, the actors filed a lawsuit for environmental damage generated by companies located in the Ventanas area, Region V, (one of the defendants, the subsidiary ENAP Refinerías S.A.)
Current status: Court declared conciliation stage concluded. Hearings for the evidentiary stage should be set.

Parties: Sanctioning procedure of the Superintendency of the Environment with ERSA Aconcagua.
Role: F-30-2018
Court: Superintendency of the Environment Matter: Violation of Environmental Qualification Resolution 53/2005.
Amount: MUS $ 22,400 maximum fine amount applicable.
Brief list of facts: After inspection and application of provisional pre-procedural measure in the Quintero Terminal for possible poisonings that occurred in people in Quintero, through exempt resolution N° 1 / F-30-2018, the Superintendency of the Environment resolves to initiate a sanctioning process for 3 facts, one of them being a possible very serious infraction and the other two possible infractions slight to environmental regulations.
Current status: On 23 September 2020, ERSA was notified for 7 infractions. The discharges were presented by ENAP Refinerías S.A. within of legal term.

Parties: Figueroa and others with ENAP Refinerías S.A.
Role N °: 6-2020. Minister of the Court of Appeals María Cruz Fierro Reyes
Subject: Indemnification of damages by the Navigation Law.
Amount: CLP MCh $10,700,000 (MUS $15,050).
Brief list of facts: 246 fishermen from Quintero for sustained charges under navigation law in the reformulation made by the Superintendency of the Environment in the administrative sanctioning procedure due to the events that occurred in August, 2018. Specifically, they base the demand on the dumping of RILE's that exceeded the Volatile Hydrocarbons parameter indicated by the Superintendency of the Environment regarding reports for the year 2017.
Current status: Notification of the lawsuit to ENAP Refinerías S.A. is pending.

Parties: Illustrious Municipality of Quintero with ENAP Refinerías S.A. and other.
Case number: D-13-2014. Second Environmental Court of Santiago.
Subject: Action to declare and repair environmental damage.
Amount: Undetermined.
Brief list of facts: As a consequence of the hydrocarbon spill in Quintero bay caused by the B/T Mimosa, at a time when it was tracked by a high-seas tugboat on 24 September 2014 at the ENAP Monobuoy Maritime Terminal, it may have caused environmental damage.
Current status: Currently, there is a coordination of the Ministry of the Environment to implement measures decreed by the Supreme Court. Tables have been set up for reviewing the ERSA's proposal to comply with the measures.

Parties: Public Ministry against those who are responsible.
Case number: O-7326-2018. Warranty Court of Talcahuano.
Subject: Infringement art. 291 Penal Code. Amount: Indeterminate.
Brief list of facts: The Public Ministry (Quintero Prosecutor's Office) initiated a criminal investigation investigation added to the investigation initiated by the Concepción Prosecutor's Office for events occurred at the Talcahuano bay in the maneuvering and draining of water from treated crude oil that may have caused poisoning to people located in the cities of Talcahuano and Quintero.
Current status: Pending test and resolution.

Parties: Mendoza Luis, with ENAP Refinerías S.A. and others.
Case number: C-4-2007.
Court: I. Court of Appeals of Concepción
Subject: Compensation for Damages regulated by Art. 153 Navigation Law.
Amount: CLP MCh $ 8,531,628 (MUS $ 12,000)
Brief account of facts: Oil spill occurred in 2007 in the San Vicente, Talcahuano.
Current status: As of 31 December 2020, the ruling on the appeals is pending, which was presented by both parties against the sentence dated 05/08/2019.

Parties: Carte with ENAP Refinerías S.A. and others.
Case number: C-1999-2014. Court: 1st Civil Court of Talcahuano.
Subject: Precautionary prejudicial measure and civil lawsuit.
Amount: CLP MCh $23,590,000 (MUS $33,181).
Brief list of facts: Biobío Refinery's neighbors claim for compensation for damages against ENAP Refinerías S.A due to odor incidents which occurred in 2014.
Current status: As of 31 December 2020, the opening of the probationary period is pending.

Parties: FICA and Others with ENAP Refinerías S.A.
Case number: C-3341-2018
Court: 2nd Civil Court of Talcahuano.
Matter: Lawsuit for compensation for damages
Amount: CLP MCh $ 4,795,000.137 claimants, CLP MCh $35,000 each (MUS $6,744).
Brief list of facts: Neighbors of Biobío Refinery file claim for compensation of damages against ENAP Refinerías S.A due to odor incidents that occurred in 2014.
Current status: As of 31 December 2020, the case continues in accumulation. See ROL C-1999-2014 of the First Talcahuano Civil Court. In addition to what is indicated in the previous paragraphs, ENAP filed the following lawsuit:

Parties: "National Petroleum Company with Others."
File: RUC N ° 1910056844-9
Court: Fourth Guarantee Court of Santiago
Amount: Undetermined (in favor of ENAP)
Matter: Complaint associated with events related to the ENAP subsidiary Sipetrol Argentina S.A PIAM project, against those who are responsible, for the alleged crimes of: (i) embezzlement of public funds and, (ii) fraud against the Treasury and State agencies.
Current status: Currently under investigation.

b) Commercial Commitments

GNL CHILE S.A.

ENAP Refinerías S.A. maintains a natural gas supply contract (Gas Sales Agreement) with the company GNL Chile S.A. with a 21 year-term, from 31 May 2007. The current commercial conditions establish a take or pay clause for 29,693,766 MMbtu's per year.

LINDE GAS S.A.

ENAP Refinerías S.A. maintains a contract with Linde for the operation and supervision of hydrogen plants, for a period of 20 years starting in 2018. The commercial conditions establish a MUS $1,150 monthly fixed rate that can be readjusted.

MEJIILLONES LNG TERMINAL

ENAP Refinerías S.A. maintains a use capacity contract with the LNG terminal Mejillones - II Region. The contract has a 23-year term, starting 2019. The current commercial conditions establish a take or pay clause for the contracting of 2.90 TBTU annual capacity.

Restrictions:

ENAP - As of 31 December 2020 and 2019, the Company has no restrictions and compliance with financial covenants with its creditor banks and bonds payable.

ENAP Sipetrol Argentina S.A. - The applicable legislation to this Company requires that 5% of the year's profits must be destined to the constitution of a legal reserve, a net worth integral account, until the reserve reaches 20% of the adjusted paid-in capital.

c) Third parties-obtained guarantees

As of 31 December 2020 and 2019, ENAP Group has not received guarantees from third parties.

37.- GUARANTEES UNDERTAKEN WITH THIRD PARTIES

Direct guarantees

Collateral creditor	Description	Type of guarantee	MUS $
Bank of Nova Scotia	Guarantee Financial Loan (guarantee granted by ENAP to the subsidiary ENAP Sipetrol Argentina S.A.)	Letter of endorsement	100,000
Bank of America N.A	Guarantee Financial Loan (guarantee granted by ENAP to the subsidiary ENAP Sipetrol Argentina S.A.)	Letter of endorsement	90,000
Bank of Nova Scotia	Guarantee Financial Loan (guarantee granted by ENAP to the subsidiary ENAP Sipetrol Argentina S.A.)	Letter of endorsement	26,667
BBVA	Guarantee Financial Loan (guarantee granted by ENAP to the subsidiary ENAP Sipetrol Argentina S.A.)	Letter of endorsement	15,000
Citibank	Guarantee Financial Loan (guarantee granted by ENAP to the subsidiary ENAP Sipetrol Argentina S.A.)	Letter of endorsement	15,000
Shell Global LNG Limited	Guarantee full compliance with the sales contract of LNG, valid until 01-03-2021	Letter of credit	18,463
Shell Global LNG Limited	Guarantee full compliance with the sales contract of LNG, valid until 30-01-2022	Letter of credit	1,500
Ministry of Energy	Guarantee of faithful performance of investment and exploration work committed to CEOP Coirón Block valid until 17-11-2021	Bank guarantee bill	3,131
Shell Global LNG Limited	Guarantee of faithful compliance to LNG sales contract valid until 30-01-2021	Letter of credit	1,500
Ministry of Energy	Guarantees the abandonment of to CEOP Coirón Block well valid until 17-11-2021	Bank guarantee bill	946
Ministry of Energy	Guarantees the abandonment of wells, according to article 19.3 of the CEOP Caupolicán Block. Valid until 04.06.2021.	Bank guarantee bill	1,651
Ministry of Energy	Guarantee the faithful fulfillment of the investments and committed works of CEOP Dorado Riquelme Block, valid until 09/28/2021.	Bank guarantee bill	535
TERQUIM S.A.	Guarantees the payment of obligations included in the "Storage Contract No. 202018. Valid until 09.09.2021	Bank guarantee bill	779
Secretariat of Hydrocarbons in Ecuador	Issuer: EOP Operaciones Petroleras S.A. Beneficiary: Secretariat of Hydrocarbons of Ecuador. Guarantees 20% of Phase I minimum investments of Exploration of the Contract for the Provision of Services for Hydrocarbon Exploration and Exploitation in Block 28, Ecuador, expiration on 05/13/2021.	Standby Letter of Credit as counter-guarantee for guarantee issuance abroad	2,975
Ministry of Environment (Ec)	Faithful compliance of environmental management contract plan (PBH, MDC, Jambelí). Date due: 31-01-2021 and 31-12-2021	Insurance policy	4,801

38.- CONSOLIDATION SCOPE

a) The details of participation percentages in companies included in the consolidation scope is as follows:

Company	Country	Functional currency	Participation percentage		Voting right percentage		Relation with head office
			31.12.2020	31.12.2019	31.12.2020	31.12.2019	
ENAP Refinerías S.A.	Chile	Dollars	99,98%	99,98%	99,98%	99,98%	Direct subsidiary
ENAP SIpetrol S.A.	Chile	Dollars	100%	100%	100%	100%	Direct subsidiary
Petro Servicios Corp. S.A.	Argentina	Dollars	100%	100%	100%	100%	Indirect subsidiary
Gas de Chile S.A.	Chile	Pesos	100%	100%	100%	100%	Direct subsidiary
Energía Concón S.A.	Chile	Dollars	100%	100%	100%	100%	Indirect subsidiary
ENAP Sipetrol Argentina S.A.	Argentina	Dollars	100%	100%	100%	100%	Indirect subsidiary
Sipetrol Internacional S.A.	Uruguay	Dollars	100%	100%	100%	100%	Indirect subsidiary
EOP Operaciones Petroleras S.A.	Ecuador	Dollars	100%	100%	100%	100%	Indirect subsidiary
Vientos Patagónicos SpA	Chile	Dollars	66%	66%	66%	66%	Direct subsidiary

b) Activity of companies included in the consolidation scope.

Company	Activity
ENAP Refinerías S.A.	Purchase and refining of crude oil and by-products.
ENAP Sipetrol S.A.	Exploration, production and hydrocarbons marketing. It also renders advisory services in Chile and abroad.
Petro Servicios Corp. S.A	Petroleum services.
Gas de Chile S.A.	Import, export and operation of all kinds of fuels and by-products, especially natural gas in any phase.
Energía Concón S.A.	Construction, implementation, operation and exploitation of the Cocker Plant.
ENAP Sipetrol Argentina S.A.	Generation of UTE, collaboration groups, joint ventures, consortiums and other type of associations for hydrocarbons exploration, exploitation and transport.
Sipetrol Internacional S.A.	Make and manage investments. One or more of the activities of exploration, exploitation or benefit of fields containing hydrocarbons.
EOP Operaciones Petroleras S.A.	Surface geological studies and drilling of exploratory wells.
Vientos Patagónicos SpA	Design, construction, operation and maintenance of the wind power generation project Nuevo Cabo Negro Wind Farm .

c) Summary subsidiaries financial information

As of 31 December 2020:

Company	Assets		liabilities		Ordinary income MUS $	Ordinary expenses MUS $	Year's result MUS $
	Current MUS $	Non-Current MUS $	Current MUS $	Non-current MUS $			
ENAP Refinerías S.A.	1,146,775	2,245,340	2,694,009	170,835	4,354,142	(4,263,420)	(108,088)
ENAP Sipetrol S.A.	203,731	1,064,787	152,114	256,471	345,673	(214,400)	76,944
Petro Servicios Corp. S.A	252	-	80	-	-	-	(32)
Gas de Chile S.A.	668	4,029	57	-	-	-	(58)
Energía Concón S.A.	23,955	75,781	1,801	21,481	(4,441)	-	(2,892)
ENAP Sipetrol Argentina S.A.	30,377	366,659	121,233	245,022	110,926	(111,064)	(20,144)
Sipetrol Internacional S.A.	57,821	135,381	7,845	-	44,722	(21,448)	21,919
EOP Operaciones Petroleras S.A.	1,803	1,243	202	-	-	(2)	(487)
Vientos Patagónicos SpA	2,616	21,233	382	16,103	414	(712)	(290)

As of 31 December 2019:

Company	Assets		liabilities		Ordinary income MUS $	Ordinary expenses MUS $	Year's result MUS $
	Current MUS $	Non-Current MUS $	Current MUS $	Non-current MUS $			
ENAP Refinerías S.A.	1,346,024	2,237,620	2,801,398	149,133	6,904,390	(6,731,660)	(42,961)
ENAP Sipetrol S.A.	198,236	1,072,340	191,542	296,205	440,434	(240,530)	97,621
Petro Servicios Corp. S.A	243	-	39	-	-	-	(31)
Gas de Chile S.A.	619	3,891	49	-	-	-	6
Energía Concón S.A.	221,781	81,562	207,721	22,254	(9,303)	-	(5,039)
Petropower Energía Ltda. (1)	-	-	-	-	(8,833)	5,187	(465)
ENAP Sipetrol Argentina S.A.	57,597	398,403	118,967	287,310	188,752	(139,651)	(5,179)
Sipetrol Internacional S.A.	66,213	106,626	9,402	-	59,401	(20,815)	36,453
EOP Operaciones Petroleras S.A.	1,321	1,129	318	-	-	(2)	(517)
Vientos Patagónicos SpA	3,727	18,457	1,800	13,387	-	-	(532)

1. On 30 August 2019, ENAP sold, assigned and transferred 7.5% of the social rights in the company Petropower Energía Ltda. to ENAP Refinerías S.A. Through this assignment, all the social rights of the company are gathered under the domain of ERSA, resulting in its dissolution.

39. SUBSEQUENT EVENTS

Between 1 January 2021 and the date of issuance of these consolidated financial statements, there have been no subsequent events that could significantly affect their reasonableness.

ENAP