consideration. This plant will reduce sulphur and nitrogen contaminants. Total investment would be about US$ 37.9 million.

The other state-owned refinery, Petrox S.A. Oil Refinery completed the refurbishing of the Light Fraction Recovery Unit on December 1994, with a total investment of US$ 9.5 million, thereby increasing LPG production.

Petrox S.A. continued the construction of a Hydrocracking Plant with a capacity of 9,000 barrels/day (1,430 m^3/day) with an investment of US$ 45.2 million, increasing the production of low-sulphur diesel oil.

As a result of Petrox's most recent study, the construction of a Catalytic Reforming Plant with a capacity of 14,000 barrels/day (2,230 m^3/day) is under consideration. This will require an investment of US$ 37,5 million. Also a 4,000 barrel/day (610 m^3/day) Isomerization Plant implying a total investment of US$ 13.1 million. Both projects will allow the production of unleaded gasoline in 1998 and 1999, respectively.

Finally, the refurbishing of the second Atmospheric and Vacuum Plant is under consideration to increase Petrox's refining capacity to 16,000 m^3/day. The investment in this plant amounts to US$ 3.7 million and might be placed into operation in 1996.

**** For a list and description of current production units presently in operation, see Annex #3.*

Two New Plants

The Petrox Refinery will significantly increase its high-quality fuel production capacity during the year by inaugurating two new plants in Talcahuano that will begin operating in late March 1996. The first is a Hydrocracking Plant, a US$ 55 million dollar investment outlayed by Petrox itself, that will allow an increase in high-quality, low-sulphur diesel fuel production to 360,000 m^3/year, thereby increasing its refining capacity by 14%. As a linked project, Petrox also constructed a Hydrogen Plant, a US$ 12 million dollar investment, which will allow the Hydrocracking plant a continuous and secure supply of hydrogen required in the hydrocracking process. This project was financed with private capital as well. These plants will be operating under UNOCAL licence and technology. The equipment utilized has been supplied by US, Italian, and Japanese firms.