

4.3 REFINING AND DRILLING

Investment in refining has risen to over US\$ 177 million dollars over the last six years to both improve and increase productivity. This figure is significantly higher than the one pertaining to the 1981-1989 period, when investment reached US\$ 95 million dollars. The following represents a summary of current refining projects in progress:

During 1994, a state-owned Sulphur Recovery Plant was inaugurated at the Concón Oil Refinery (RPC S.A.), thereby reducing the sulphur content of emitted gases in the process. The sulphur production capacity is 10 tons per day. The investment in the Plant was US\$ 4 million.

RPC S.A. is presently refurbishing the Catalytic Cracking Unit, including the Light Products Recovery Unit, to increase its conversion capacity and to obtain a higher octane-level gasoline and an increased yield in LPG production.

Total investment in this project will reach US\$ 26.1 million. This project's first stage, which represents an increase in refining capacity from 2,900 to 3,200 m³/day, has been in operation since late 1994. Upon completion of the Light Recovery Unit, refining capacity will have reached 4,000 m³/day.

RPC S.A. is also refurbishing its Atmospheric Distillation Units to increase refinery capacity to 13,000 m³/day to meet increased demand in oil-derived fuels. The total investment in this project will reach US\$ 11.7 million and will be completed by late 1995.

A new Catalytic Reforming Plant is under construction at RPC S.A. It is designed to produce 10,000 barrels/day of unleaded high octane gasoline for vehicles with catalytic converters and a high compression ratio. Total investment required is close to US\$ 30 million; production should start by the end of 1995.

RPC S.A. plans to construct an Isomerization Plant with a capacity of 5,400 barrels/day (860 m³/day), with a total investment of US\$ 14.4 million. This plant will increase unleaded gasoline production and should initiate operations in 1997.

Starting in 1997, the extension of the second Atmospheric and Vacuum Distillation Plant will increase refining capacity to 14,000 m³/day, with a total investment of US\$ 13.1 million.

A recent study performed at RPC suggested increasing the Catalytic Reforming Unit capacity to 12,000 barrels/day with an additional investment of US\$ 7.3 million. Operations should begin in 1997. A Hydrotreating plant for diesel oil is under