

the mainland. By the mid-seventies works were started offshore in the Straits of Magellan, between its first narrow inlet and its eastern inlet.

By the s and continuing into the 1990s, risk contracts made by ENAP with several foreign firms (HUNT-USA, HAMILTON-NORCEN-USA, MAXUS-USA, EUROCAN-CANADA), have expanded exploration in the petroleum sector to other areas of the country including Pedernales, Maricunga, Copiapo, Chillan and Arauco. As of this year, many of these attempts to discover new indigenous oil sources have come up dry, which explains ENAP's present focus on both exterior projects and imports.

* For a complete list of all ENAP's current projects see Annex #1

Exploration Outside Chile: SIPETROL

As mentioned before, by the beginning of the 1990s, ENAP found itself facing a serious drop in production. Not only were new exploratory projects in the north coming up dry, but its traditional oil wells around Tierra del Fuego were drying up as well. Thus, in 1990, ENAP created *Sipetrol*, its foreign exploration subsidiary. In four short years, Sipetrol's production abroad has equalled ENAP's 1900 m³ per day. By the end of 1996, it is projected to increase by half, with an output of 970,000 m³ of oil, 12% of home needs.² Sipetrol has 13 exploration and production contracts, seven in Argentina, two in Ecuador, three in Columbia, and one in Venezuela. Sipetrol is also exploring opportunities in Africa, Guinea, and Gabon. In 1994, it increased its previous year's production almost eight-fold, from 54,000 m³ to 415,000 m³ of oil. Its next step is to expand beyond Latin America, offering expertise and a share in new projects on the continent in exchange for participation in projects elsewhere in the world.

ENAP owns 99.5% of Sipetrol with the rest owned by Refineria Petroleo Concon (RPC), its 70,000 bpd refinery, on the central coast. Being a legally separated company frees Sipetrol from the worst of the redtape and regulations that typically strangle initiatives in a state-run company.

Relative independence has allowed Sipetrol to pursue joint ventures. Sipetrol's most important contract is a 50/50 joint venture with YPF, the Argentine state oil company recently privatized, to operate new wells across from the eastern mouth of the Strait of Magellan. The first platform went into production in 1994, at 9,000 bpd. By January 1996, Sipetrol had three platforms to produce a total of 20,000 bpd.

²Chile, Inc 1995 Sourcebook, "High Risk Wells at Home Drive Sipetrol to Wildcat Abroad".