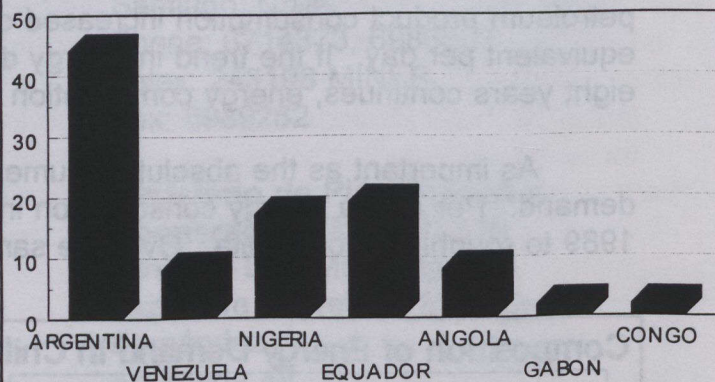


Domestic production of crude oil dates back to the late 1940's. The state oil company, ENAP, was established in 1951, to develop the discoveries in Tierra Del Fuego. Oil production increased rapidly until the mid 1960's, plateauing at 35,000 b/d until 1972, when production from new offshore discoveries was brought on stream. Domestic production peaked at 43,000 b/d in 1982, and has declined steadily since that time.

Imports

In 1994, total domestic hydrocarbon production was 17,000 b/d, which represented only 12% of the country's oil consumption of 164,000 b/d. Consequently, by 1994 Chile found it necessary to increase oil and product imports to up to 143,000 b/d. The majority of this was sourced from Argentina via the newly commissioned Trans-Andean pipeline, which carried 105,000 b/d of crude oil from the Neuquen Basin to central Chile.

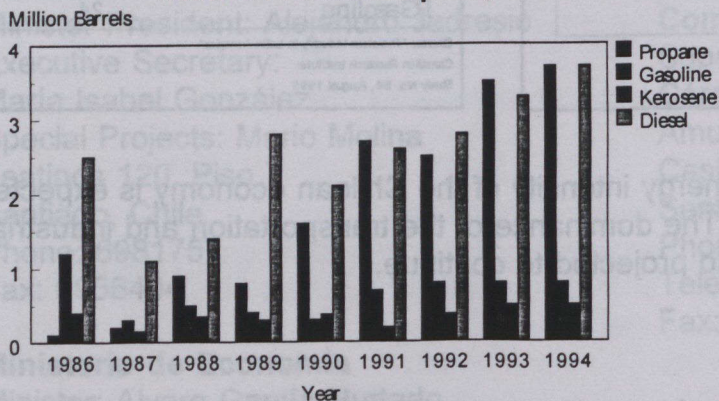
The Countries and Volumes of Crude Oil Imports



Source: ENAP 1995

Total Imports 1995= 7833 m³

Refined Products Imports, Chile



SOURCE: SIE, OLADE Database, July 1995

During 1994 ENAP imported 7,809 Thm³ (135,000 bbl/day) of crude oil, with a CIF value of US\$ 770 million. This volume is 9% higher than previous year imports. By 1995 ENAP was producing approximately 15.7% of the 9,295,000 m³ of crude oil consumed in the country.

In refining, specific imbalances between the refinery product slate and the product demand slate have also resulted in rapid growth in product imports. This is particularly evident for diesel fuel (for both transportation and industrial uses) and for propane, which has penetrated quickly into the residential sector over the last ten years.