

TEMPORARY SUBSIDIARIES:

A. **PETROAMAZONAS**

This subsidiary was created to take over operation of the CEPE-Texaco field in the Amazon basin which reverts to Ecuador in July 1990.

B. **PETROPENINSULA**

This subsidiary has been created to operate the Anglo and Repetrol refineries. The former, after more than thirty years of operation by Anglo, reverted to Ecuadorian ownership on December 1, 1989. Its processing capacity is 37,000 bpd for a daily gasoline production of 900,000 gallons, equivalent to 20 percent of national consumption. The refinery is made up of the Parsons unit (24,500 bpd, built in 1968), the Universal unit (10,000 bpd, operating since 1959), and the thermal cracking unit (4,000 bpd, also constructed in the late 1950s). PETROECUADOR will take over full operation of the Repetrol refinery (9,000 bpd) on August 19, 1990.

C. **PETROTRANSPORTE (TRANSECUATORIANA DE PETROLEOS)**

This subsidiary was established to operate the national pipeline system which has an extension of 1,300 km. The most important link is the 503 km Transecuadorian pipeline that runs from the Amazon basin across the Andes to the coast. Opened in 1972 and heavily damaged in the March 1987 earthquake, it was restored to its full 300,000 bpd capacity with emergency financial assistance from the World Bank. The Ecuadorian government assumed ownership of the pipeline in 1986 but contracted its operation to Texaco until October 1989. There is also a 26-km branch from Lago Agrio to San Miguel.

There are three pipelines for the transportation of petroleum derivatives (gasolines, "kerex" and diesel). The Esmeraldas-Quito pipeline is 374 km long and has a 40,000 bpd capacity; Quito-Ambato is 111 km long and transports up to 12,000 bpd; Tres Bocas-Pasquales, 22 km long, has a 108,000 bpd capacity. In addition, there is a 304 km gas pipeline from Shushufindi to Quito, 7,200 bpd capacity.

Ecuador currently has sufficient storage capacity for crude and refined products to satisfy domestic requirements.