

Dear Friends and Clients,

With our newsletter we would like to inform you of recent and significant legal developments in the field of energy law in Argentina

Best regards,

José A. Martínez de Hoz (Jr.)
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NEW VALUES FOR EXPLORATION AND EXPLOITATION FEES

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By means of Provincial Decree No. 1656 (the “**Decree**”), published in the Official Gazette on December 30th, 2020, the Province of Neuquén set new values for Exploration and Exploitation Fees, which will be in force from January 1, 2021 until December 31, 2021. For payment purposes, the common unit used is the crude oil barrel.

Regarding Exploration Fees, during the initial period, the amount in pesos equivalent to oil barrels ranges from 0.46 to 2.76, while during the extension period it is 32.22 oil barrels.

Likewise, Exploitation Fees shall be 8.28 oil barrels per square kilometer or its fraction.

The value of the oil barrel for calculation purposes shall result from the average domestic market price of oil during the first six months of the year preceding the settlement (Section 3 of the Decree). The conversion rate from cubic meters (m3) to oil barrels per square kilometer or its fraction shall be 6.2898.

In addition, the exchange rate to be used will be the seller rate of *Banco de la Nación Argentina* in force on the business day preceding the settlement date.

Lastly, Section 6 of the Decree abrogates the Provincial Decree No 2,032/2019, which established the prior applicable Exploration and Exploitation Fees.

UPDATE ON RULES FOR HYDROCARBONS TRANSPORTATION AND

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By means of Resolution No. 35/2021, issued on January 19, 2021 (the "**Resolution**"), the Secretariat of Energy approved new standards and technical conditions for the transportation of liquid hydrocarbons by pipelines and through maritime and fluvial terminals, thus replacing the rules set forth under Resolution No. 571/2019 ("**Resolution 571**").

The Resolution added a new section regarding tariffs, which was absent from its predecessor.

This new section sets forth that the shipper must pay to the carrier a tariff which may be equal to or less than the maximum tariff in force on the date of the service, as approved by the enforcement authority for each case, and in accordance with the conditions of equality and non-discrimination set forth under Decree No. 44/1991.

Carriers must inform to the enforcement authority every change to their tariff scheme within the maximum authorized values and their effective date, for the latter to proceed with their official publication.

SECRETARIAT OF ENERGY APPROVES SPECIAL SUMMER PROGRAM FOR WHOLESALE ELECTRIC MARKET

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By means of Resolution No. 24/2021 (the "**Resolution**"), published on the Official Gazette on January 15, 2021, the Secretariat of Energy (the "**SE**") approved the definitive Seasonal Summer Program for the Wholesale Electric Market (*Mercado Eléctrico Mayorista*, "**MEM**"), for the period between November 1, 2020 and April 30, 2021 (the "**Period**"), calculated pursuant to the procedures set forth in Annex I of Resolution No. 61/1992 (as amended).

The Resolution also sets forth:

(i) the application, during the Period, of the Power Reference Prices (*Precios de Referencia de Potencia*) and the Stabilized Energy Price (*Precio Estabilizado de la Energía*) approved by means of Resolution SE No. 14/2019 for the electric energy demand declared by MEM's Distributor Agents and/or Public Distribution Service Providers. The Power Reference Prices and the Stabilized Energy Price

shall also apply to their corresponding tariff charts as such entities may require pursuant to Resolution SE No. 137/1992;

(ii) the continuity of the values corresponding to each Distribution Agent for the Public Service of Electric Energy Transportation in High Voltage and Trunk Distribution, established by means of Resolution MINEM No. 75/2018; and

(iii) the continuity of Sections 4 and 5 of Resolution No. 14/2019 of the former Undersecretariat of Renewable Resources and Electric Market, with respect to the declarations made by the MEM's Distributing Agents and Public Distribution Service Providers regarding the energy supplied to residential users, for the purposes of their inclusion in the MEM's Economic Transactions (*Transacciones Económicas*).

FEDERAL GAS AGENCY ESTABLISHES THE FIRST ADVANCE PAYMENT OF THE CONTROL AND INSPECTION FEE

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By means of Resolution No. 7/2021, published on January 15, 2021 in the Official Gazette, the Argentine Gas Regulator ("**ENARGAS**") established that the first advance payment of the Control and Inspection Fee (the "**Fee**") for the year 2021 accrues to ARS 681,730,506 and shall be due on or before

January 27, 2021.

The Resolution exempts sub-distributors and trading companies authorized by the ENARGAS, which shall pay the Fee in two installments.

TARIFF ADJUSTMENT PROCEDURE INITIATION

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By means of Resolution ENRE No. 16/2021, the National Executive opened proceedings in order to establish temporary tariffs adjustment with the aim of creating a Transitional Tariff Regime prior to the Final Renegotiation Agreement with EDENOR S.A. and EDESUR S.A.

In this regard, the National Executive shall carry out an

overall renegotiation process with respect to tariffs for the public services of transmission and distribution of electricity under federal jurisdiction.

The Resolution establishes that during such procedure the normal provision of services and citizen participation must be ensured.

SECRETARIAT OF ENERGY LAUNCHES GAS PLAN 2020-2024 SECOND TENDER

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By means of Resolution No. 129/2021 (the "**Resolution**"), published in the Official Gazette on February 22, 2021, the Secretariat of Energy ("**SE**") called for public tenders Round 2 ("**Round 2**") to be carried out within the framework of the Gas Plan 2020-2024 approved by Executive Decree No. 892/2020, as the first public tender, called on November 24, 2020 by means of Resolution SE No. 317/2020, did not satisfy the national gas demand projections for the winter periods of 2021-2024.

The Resolution approved the Round 2 terms and conditions (the "**Terms**") and the model contract to be entered into between gas producers and *Integración Energética Argentina S.A.* (IEASA) as a result of the award.

Pursuant to Round 2, gas producers shall compete for the award of the following gas volumes additional to those awarded by Resolution SE No. 391/2020, discriminated by production basins and by month for each winter season 2021-2024:

PERIOD	NEUQUÉN BASIN	AUSTRAL BASIN
May	3,50 MMm3/d	6,01 MMm3/d
June	12,54 MMm3/d	8,46 MMm3/d
July	17,59 MMm3/d	8,46 MMm3/d
August	10,40 MMm3/d	8,72 MMm3/d
September	3,21 MMm3/d	6,00 MMm3/d

Those interested in participating shall be able to consult the Terms until February 24th, 2021.

Tenders may be submitted on March 2nd, 2021 from 10:00 to 12:00 p.m., being the estimated date of award on March 10th, 2021.

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