MHR MARTINEZ DE HOZ & RUEDA

NEWSLETTER ENERGY & NATURAL RESOURCES

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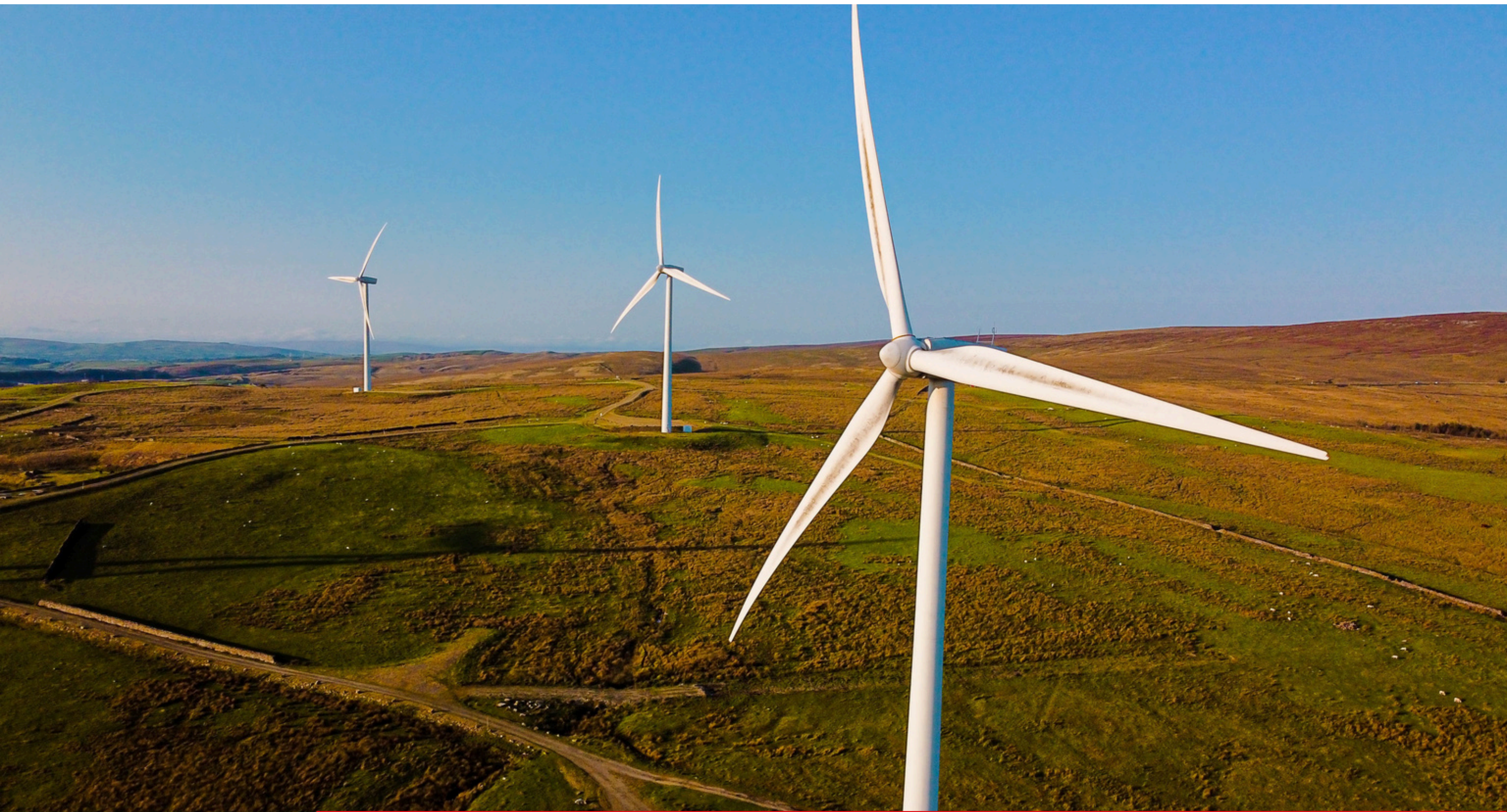


The energy world is under enormous transformation. Issues such as energy transition, energy security and climate change are in the global agenda. Thanks to its natural resources endowment, Argentina has a key role to play in the energy and mining sector. This newsletter intends to inform, with an analytical approach and on a monthly basis, the most relevant events, regulations, and case law taking place in our country.

IN THIS ISSUE

GENERAL DEFINED TERMS

"**Biofuels Law**" means the Federal Law No. 27,640.

"**EDENOR**" means (for its acronym in Spanish "*Empresa Distribuidora y Comercializadora Norte S.A.*").

"**EDESUR**" means (for its acronym in Spanish "*Empresa Distribuidora y Comercializadora Sur S.A.*).

"**ENARGA**S" means the National Gas Regulatory Authority (for its acronym in Spanish of *Ente Nacional Regulador de Gas*).

"**ENRE**" means the National Electricity Regulatory Authority (for its acronym in Spanish of *Ente Nacional Regulador de la Electricidad*).

"**FHL**" means the Federal Hydrocarbons Law No. 17,319, as amended by Laws No. 26,197 and 27,007.

"**FSE**" means the Federal Secretariat of Energy.

"**ME**" means Ministry of Economy.

"**MEM**" means the Wholesale Electricity Market (for its acronym in Spanish of *Mercado Eléctrico Mayorista*).

"**MEMSTDF**" means the Wholesale Electricity Market of the Province of Tierra del Fuego (for its acronym in Spanish of *Mercado Eléctrico Mayorista de Tierra del Fuego*).

"**PIST**" means the point of entry into the natural gas transmission system (for its acronym in Spanish of *Punto de Ingreso al Sistema de Transporte*).

"**POTREF**" means the Power Reference Prices (for its acronym in Spanish of *Precios de Referencia de la Potencia*).

HYDROCARBONS

GAS DISTRIBUTION: ENARGAS SCHEDULES PUBLIC HEARING TO EVALUATE TWENTY-YEAR LICENSE EXTENSIONS

ENARGAS convened Public Hearing No. 109 to assess service performance and consider twenty-year license renewals under Law No. 24.076.

By means of Resolution No. 669/2025, ENARGAS scheduled Public Hearing No. 109 to consider the renewal requests submitted by Camuzzi Gas del Sur S.A. (“**Camuzzi**”), Naturgy NOA S.A. (“**Naturgy NOA**”), and Gas NEA S.A. (“**Gas NEA**”), and to present the regulator's assessment of their distribution service performance in accordance with Article 6 of Law No. 24,076 and Section 3.2 of the Basic Rules of the Distribution License.

Camuzzi and Naturgy NOA were granted licenses by Decrees No. 2451/1992 and 2452/1992, each for an initial term of thirty-five years from the date of takeover, while Gas NEA received its license by Decree No. 558/1997, with a thirty-five-year term from its publication. In October and December 2024, the three distributors requested the extension provided under the applicable regulations, which allow for a single additional period of twenty years.

The applicable framework, particularly Article 6 of Law No. 24,076, provides that no less than eighteen months before the expiration date, the regulatory authority must evaluate the provision of the service and, after holding a public hearing, may propose a twenty-year renewal if appropriate.

The regulations set forth in Decree No. 1738/1992 entitle license holders to a single twenty-year extension, provided they have substantially complied with their obligations and have corrected any deficiencies identified by the authority.

ENARGAS will internally organize and coordinate the hearing, issue the agenda, and communicate it electronically. The notice will be published for two days in two nationwide newspapers, on the ENARGAS website, and in the Official Gazette. Finally, distributors will be notified in accordance with the Administrative Procedures Regulation.

After the hearing and consideration of public input, ENARGAS will complete its evaluation and submit a recommendation to the Secretariat of Energy regarding whether to grant the twenty-year extensions of the distribution licenses for the three companies.

Pablo Pereira Brause
pablo.pereirabrause@mhrlegal.com

Mia Mosca Zohil
mia.moscazohil@mhrlegal.com

POWER AND ELECTRICITY

EXTENSION OF DEADLINE FOR DISTRIBUTORS AND COOPERATIVES TO EXECUTE AGREEMENTS UNDER THE SPECIAL CREDIT REGIMES OF THE MEM

The Undersecretariat of Electric Energy extended by thirty additional days the deadline for distributors and cooperatives to execute agreements under the special credit regimes created by Decree No. 186/2025.

By Disposition No. 7/2025, published in the Official Gazette on September 19, 2025 (“**Disposition 7**”), the Undersecretariat of Electric Energy resolved to extend, for an additional thirty (30) calendar days, the period available to electricity distribution companies and cooperatives to enter into the agreements contemplated under the special credit regimes established by Decree No. 186/2025.

Decree No. 186/2025 established two distinct special credit regimes within the MEM. The first regime provides a framework for the regularization of past-due obligations owed by distribution agents to CAMMESA and/or the MEM. The second regime created a credit mechanism for those distributors who, as of December 31, 2023, had no outstanding debt with CAMMESA or the MEM and who fully settled all their transactions during the 2024 calendar year.

Although a significant number of distributors and cooperatives have already expressed their intention to participate within the previously granted periods and have obtained the necessary administrative authorizations to sign the relevant documentation, the competent authority has acknowledged that many agents are still in the process of fulfilling the documentary and substantive requirements set by the applicable regulations. In light of this, and to ensure the orderly and effective implementation of the special regimes, the Undersecretariat of Electric Energy has deemed it appropriate to grant a further thirty-day extension, as formalized by Disposition 7.

Bautista Sartori
bautista.sartori@mhrlegal.com

Mia Mosca Zohil
mia.moscazohil@mhrlegal.com

ANNUAL SUPERVISION AND CONTROL FEE - 2025

The ENRE set the Annual Supervision and Control Fee for 2025, which must be paid by October 22, 2025.

Pursuant to Resolution No. 665/2025, published in the Official Gazette on September 19, 2025 (“**Resolution 665**”), the ENRE established the Annual Supervision and Control Fee for 2025 applicable to each generator, operator, transporter, and distribution agent of the MEM. According to Annex No. 1 of Resolution 665, the ENRE specified the amount payable by each company and set October 22, 2025 as the deadline for payment of the fee.

Guillermo Re
guillermo.re @mhrlegal.com

Catalina Vázquez
catalina.vazquez@mhrlegal.com

FSE AWARDS STORAGE CONTRACTS FOR AMBA RELIABILITY PROGRAM

Resolution No. 361/2025 adjudicated Generation-Storage Contracts with EDENOR and EDESUR and invited additional qualified offerors to execute contracts at a fixed price.

By means of Resolution No. 361/2025 (“**Resolution 361**”), the FSE has awarded Generation-Storage Contracts to MEM Distributors for system reliability in the AMBA region, in accordance with Resolution FSE No. 67/2025 and the relevant bidding terms and conditions. The awarded offers are detailed in Annex I and Annex II of Resolution 361. CAMMESA is instructed to notify the selected offerors and coordinate the execution of the contracts.

Resolution 361 also instructs EDENOR and EDESUR, as buyers, to execute the respective Generation-Storage Contracts. Additionally, CAMMESA will execute these contracts as the last-resort payment guarantor, acting on behalf of and for the account of the FSE.

Furthermore, the FSE invites qualified offerors who do not have the transmission constraints identified in Annex IV of Resolution 361 to enter into Generation-Storage Contracts at a fixed price of USD 12,591 per MWh-month. Invited offerors must submit written acceptance to CAMMESA within five (5) business days of receiving notification of Resolution 361 in order to access the specified contracting terms.

Pedro Torassa
Pedro.torassa@mhrlegal.com

Pedro Bonet
pedro.bonet@mhrlegal.com

NEW PROCEDURE FOR ENERGY SUBSIDIES FOR COMMUNITY CLUBS

The Undersecretariat of Energy Transition and Planning approved a new procedure for the registration and validation of community and neighborhood clubs eligible for energy subsidies.

By means of Disposition 4/2025, published in the Official Gazette on September 10, 2025, the Undersecretariat of Energy Transition and Planning (“**UETP**”) approved the “Procedure for Incorporation into the Registry of Beneficiaries – Neighborhood Clubs (Resolution SE 992/21)," which establishes updated guidelines and a basic methodology for analyzing and evaluating applications for inclusion or re-registration of institutions seeking electricity and gas network subsidies.

The new procedure will be carried out through the online platform “*Trámites a Distancia*” (“**TAD**”), ensuring a unified and fully digital process.

The application process is as follows: each club must create an Electronic File containing all required documentation and supporting information. Once submitted, a Responsible Official will review the application to determine if it meets the eligibility requirements. If the documentation is complete, the club may be approved and added to the national registry of beneficiaries, gaining access to reduced energy rates. If information is missing or unclear, the official may issue a Request for Correction, giving the club 60 days to provide additional data. Failure to respond may result in the file being temporarily closed. After review, the decision—approval or rejection—is communicated through the TAD system and by email.

Clubs have 15 days to appeal the decision if they disagree. Approved institutions are then reported to the relevant regulatory agencies and energy providers to ensure the differential tariff is applied.

Institutions that are already beneficiaries of the differential energy tariff will have 90 days from the publication date to validate their status and request renewal through the TAD platform.

Santiago Hearne
santiago.hearne@mhrlegal.com

Catalina Vázquez
catalina.vazquez@mhrlegal.com

NEW ENERGY DEMAND MANAGEMENT PROGRAM

The FSE establishes the Energy Demand Management Program pursuant to reforms mandated by Decree 450/2025.

By means of Resolution 379/2025, published in the Official Gazette on September 25, 2025, the FSE established the Energy Demand Management Program (the "**Program**") as part of the energy sector reforms mandated by Decree No. 450/2025. This decree grants the FSE a 24-month period to implement a gradual transition to market-based principles under the Electric Energy Law No. 24,065.

The Program aims to promote more efficient electricity use by large users of the MEM (GUMA, GUME, and GUDIS) with demand exceeding 300 kW and hourly metering. Participation is voluntary and open to users who commit to reducing their electricity consumption during peak demand periods or when system reserves are low, thereby contributing to grid stability and cost efficiency.

When notified by CAMMESA of a "Demand Response Event," participants may temporarily reduce their electricity usage—either by adjusting operations or utilizing alternative energy sources—and are financially compensated for their contribution. Compensation consists of a fixed payment, based on the pledged capacity reduction, and a variable payment reflecting the actual energy saved.

The Program limits participation to a maximum of 14 days per year and up to 5 hours per day during high-demand months (December–March and June–August).

The Undersecretariat for Transition and Energy Planning oversees implementation, while CAMMESA is responsible for notifications, verification, and payments to participating users.

Rocío Zorraquín
rocio.zorraquin@mhrlegal.com

Santiago Hearne
santiago.hearne@mhrlegal.com

FSE UPDATED THE POWER GENERATION REMUNERATION AND SET NEW SPOT PRICE CAP

The FSE introduced an exceptional adjustment to the remuneration framework for non-contracted power generation within the MEM, effective October 2025, while maintaining the existing rates for hydroelectric plants currently undergoing privatization.

By means of Resolution 381/2025, published in the Official Gazette on September 29, 2025 ("**Resolution 381**"), the FSE updated the remuneration scheme applicable to electricity generation not covered by contractual commitments within the MEM and the MEMSTDF.

Resolution 381 was issued within the framework of the national energy emergency declared by Decree No. 55/2023, extended until July 2026, and the public emergency established by Decree No. 70/2023, which continues to provide the legal basis for tariff and pricing adjustments in the electricity sector.

Resolution 381 revises the remuneration parameters for generators operating in the MEM and MEMSTDF, while expressly maintaining the current remuneration regime for the hydroelectric complexes of Alicurá, El Chocón–Arroyito, Cerros Colorados, and Piedra del Águila. This exception aims to ensure regulatory neutrality and operational continuity during the transition to private ownership.

In addition, Resolution 381 sets a new maximum Spot Price in the MEM at ARS 13,622 per megawatt-hour (MWh), effective October 1, 2025, replacing the value previously established under Resolution No. 356/2025.

Santiago Hearne
santiago.hearne@mhrlegal.com

Catalina Vázquez
catalina.vazquez@mhrlegal.com

TARIFF AND PRICE UPDATES

EDESUR AND EDENOR: ADJUSTMENT OF DISTRIBUTION COST AND TARIFF SCHEDULES

The ENRE approved new distribution costs and tariff schedules for EDESUR and EDENOR to be applied as from September 1, 2025.

Through Resolutions No. 614/2025 and No. 615/2025, published in the Official Gazette on September 1, 2025, the ENRE approved new distribution cost values for each category and subcategory to be applied by EDENOR and EDESUR, respectively, effective as of September 1, 2025.

Additionally, the ENRE approved new tariff schedules for residential users in Levels 1, 2, and 3, as well as for neighborhood community clubs and user-generators (feed-in tariffs). The ENRE also published the values for energy supplied under low quality conditions and for unsupplied energy.[1]

[3] Please refer to MHR's Energy Newsletter: July 2025, for a detail of the previous updates.

Sofía Inés Baldino
Sofia.baldino@mhrlegal.com

Ariadna Rodríguez
ariadna.rodriguez@mhrlegal.com

BIOFUELS: INCREASE IN MANDATORY PURCHASE PRICES

The FSE updated the minimum purchase prices for bioethanol and biodiesel for mandatory blending with gasoline and diesel oil.

By means of Resolutions No. 368/2025 and No. 369/2025, both published in the Official Gazette on September 11, 2025, the FSE updated the minimum purchase prices for bioethanol and biodiesel intended for mandatory blending with gasoline and diesel oil. These updated prices are effective for transactions conducted during September 2025 and will remain in force until further notice.

Notwithstanding the foregoing, by means of Resolution No. 377/2025, published in the Official Gazette on September 22, 2025, the FSE modified the minimum price for biodiesel intended for mandatory blending with diesel oil established by Resolution No. 369/2025.

The current minimum prices after the modifications introduced by the aforementioned Resolutions are the following: [2]

BIOETHANOL MINIMUM PURCHASE PRICES

- Sugarcane-based bioethanol: The minimum purchase price is set at ARS 857.006 per liter (approximately, USD 0.59).[3]

- Corn-based bioethanol: The minimum purchase price is set at $785.468 per liter (approximately, USD 0.54).

- Payment Terms: Purchasers must pay for bioethanol within thirty (30) calendar days from the date of the corresponding invoice.

BIODIESEL MINIMUM PURCHASE PRICE

- Biodiesel for blending with diesel oil: The minimum purchase price is set at $1,408,687 per ton (approximately, USD 971.50).

- Payment Terms: Payment for biodiesel must be made within seven (7) calendar days from the date of the relevant invoice.

Candela Marante
candela.marante@mhrlegal.com

Santiago Hearne
santiago.hearne@mhrlegal.com

[2] Please refer to MHR's Energy Newsletter: August 2025, for a detail of the previous updates.
[3] All conversions consider the official sellers exchange rate published by Banco de la Nación Argentina on October 1, 2025, of USD 1 = ARS 1450.

FSE APPROVED NEW ELECTRICITY PRICING ADJUSTMENTS

The FSE has approved new electricity pricing adjustments for the MEM and MEMSTDF for the period from October 1 to October 31, 2025.

By means of Resolution No. 383/2025, published in the Official Gazette on August 30, 2025 ("**Resolution 383**"), the FSE set the reference values for electricity pricing in the MEM and MEMSTDF that will apply to the electricity demand declared by Distribution Agents and/or Public Distribution Service Providers for the period between October 1 and October 31, 2025.

Such demand includes supply by Distribution Agents and/or Public Distribution Service Providers to their own users as well as to users of other public distribution service providers within their concession or area of influence.

Additionally, for the same period, the values applicable to each Distribution Agent of the MEM for the Public Service of High Voltage Electricity Transmission and Trunk Line Distribution will be those established in Annex III to Resolution 383.

Santiago Hearne
santiago.hearne@mhrlegal.com

Catalina Vázquez
catalina.vazquez@mhrlegal.com

UPDATED PIST PRICE UNDER PLAN GAS.AR

The FSE set the PIST gas price to be passed on the end users starting in October 2025.

By means of Resolution No. 382/2025, published in the Official Gazette on September 29, 2025 ("**Resolution 382**"), the FSE established the price of natural gas at the PIST for supplies contracted under the "Plan for Reinsurance and Strengthening of Federal Hydrocarbon Production, Domestic Supply, Exports, Import Substitution, and Expansion of the Transportation System for All Hydrocarbon Basins 2023–2028" ("**Plan Gas.Ar**"), approved by Decree No. 892/2020 and its amendments.

The new PIST prices will apply to gas consumption beginning in October 2025 and will be reflected in the tariff schedules to be published by ENARGAS.

ENARSA, producers, distribution and subdistribution companies that have executed supply contracts under Plan Gas.Ar must update those agreements within five (5) calendar days from the Resolution's publication (or the next business day) and submit them to both the FSE and ENARGAS.

ENARGAS has also been instructed to ensure that gas invoices issued nationwide by public utility distributors and subdistributors reflect the updated PIST price and, where applicable, the discounts established by Resolution No. 24/2025 of the FSE.

As background, Resolution 382 continues the monthly price update path indicated by the Ministry of Economy, applying a 2.6% adjustment over the level set by Resolution No. 357/2025, within the ongoing transition toward targeted energy subsidies and pending the organizational start-up of the new unified gas-and-electricity regulator created by Decree No. 452/2025.

Julieta Salguero
julieta.salguero@mhrlegal.com

Mia Mosca Zohil
mia.moscazohil@mhrlegal.com

ENRE ADJUSTMENT OF HOURLY RATES AND MONTHLY PENALTIES FOR ELECTRICITY TRANSPORTATION LICENSEES

The ENRE updated hourly rates and penalties for major electricity transport companies.

By means of Resolutions No. 616, 617, 618, 619, 620, 621, 622, 623 and 624, published in the Official Gazette on September 1, 2025, the ENRE approved new hourly rates applicable to the regulated equipment of: (i) TRANSENER S.A., (ii) TRANSBA S.A., (iii) TRANSPA S.A., (iv) TRANSNOA S.A., (v) TRANSCOMAHUE S.A., (vi) DISTROCUYO S.A., (vii) TRANSNEA S.A., (viii) EPEN, and (ix) INTERANDES S.A.; as well as the average value of the historical monthly penalties applied to each carrier.[4]

On the same date, by means of Resolutions No. 625, 626, 627, 628, 629, 630, 631, 632, 633, and 634, ENRE approved new hourly rates applicable to the regulated equipment of: (i) TRANSBA S.A., (ii) INTESAR, (iii) TRANSACUE S.A., (iv) DPEC, (v) ENECOR S.A., (vi) EDERSA, (vii) LITSA, (viii) LIMSA, (ix) YACYLEC S.A., and (x) TRANSPORTEL MINERA 2 S.A.[5]

[4] Please refer to MHR's Energy Newsletter: August 2025, for a detail of the previous updates.
[5] Please refer to MHR's Energy Newsletter: August 2025, for a detail of the previous updates.

Finally, on September 11, 2025, by means of Resolution No. 646/2025, ENRE established new hourly and annual rates applicable to the regulated equipment of TRANSPA S.A., effective from October 1, 2025, through December 1, 2025.

According to the bill's recitals, these reforms are designed to accelerate the energy transition, provide greater predictability for investments, and stimulate the domestic industry related to renewable energy equipment manufacturing. The bill also introduces mechanisms to ensure the sector's continued growth beyond the original deadlines set in Law No. 27,191.

Ignacio Gomez Sedano
ignacio.gomez@mhrlegal.com

Marco Primo
marco.primo@mhrlegal.com

NEW TRANSITIONAL TARIFF SCHEDULE FOR GAS TRANSPORTATION AND DISTRIBUTION

The ENARGAS approved a new transitional tariff schedule for Licensed Carriers.

By means of Resolutions No. 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, and 640, 641, published in the Official Gazette on September 1, 2025, the ENARGAS approved new transitional tariff schedules for the following companies: Transportadora de Gas del Sur S.A., Transportadora de Gas del Norte S.A., Gasoducto Gas Andes Argentina S.A., Gasoducto Noradino Argentina S.A., Enel Generación Chile S.A., Gaslink S.A., Transportadora de

Gas del Mercosur S.A., Compañía Entrerriana de Gas S.A., Refinería del Norte S.A., Energía Argentina S.A., Metrogas S.A., Naturgy Ban S.A., Naturgy NOA S.A., Litoral Gas S.A., Distribuidora de Gas del Centro S.A., Distribuidora de Gas Cuyana S.A., Camuzzi Gas Pampeana S.A., Camuzzi Gas del Sur S.A., Gas Nea S.A., and Redengas S.A., respectively.[6]

[6] Please refer to MHR's Energy Newsletter: August 2025, for a detail of the previous updates.

Julieta Salguero
julieta.salguero@mhrlegal.com

Rocío Zorraquín
rocio.zorraquin@mhrlegal.com

MINING

PROVINCE OF SANTA CRUZ: NEW ADMINISTRATIVE PATHWAY TO SECURE MINING ACCESS WHERE SURFACE AGREEMENTS FAIL

Santa Cruz's State Secretariat of Mining introduced a new procedure to grant temporary access permits and mining easements when surface owners and mining right-holders cannot reach agreement, with mandatory conciliation and clear rules on filing, compensation, and bonding.

By means of Disposition No. 211/2025, published in the Provincial Gazette on September 25, 2025 ("**Disposition 211**"), the State Secretariat of Mining of the Province of Santa Cruz ("**SEM**") set forth a new due-process-based procedure to grant temporary access permits and constitute mining easements (the "**Procedure**").

The Procedure applies when the surface owner or possessor and the mining right-holder fail to reach an agreement, allowing SEM to intervene and grant temporary access or establish easements to enable mining activities.

It may be initiated by either party and used at any stage — from prospecting and environmental studies to exploration or exploitation.

SEM emphasizes due process, prior hearings, and sustainable development principles in exercising its authority to secure mining rights. The Procedure includes clear filing requirements, mandatory conciliation hearings, and rules on compensation and bonding to balance mining interests with landowners' rights.

Nicolás Cantero
nicolas.cantero@mhrlegal.com

ENVIRONMENTAL

INTEGRATED SYSTEM OF UNIFIED DATABASES WITHIN THE INAI

The National Institute of Indigenous Affairs created an Integrated System of Unified Databases with the purpose of establishing a data repository that enables the integration and interoperability of information.

By means of Resolution No. 145/2025, published in the Official Gazette on September 9, 2025 ("**Resolution 145**"), the National Institute of Indigenous Affairs ("**INAI**" for its acronym in Spanish") created the Integrated System of Unified Databases ("**BDU**"), aimed at establishing a centralized repository to enable the integration and interoperability of information and support evidence-based public policy design.

The BDU will be managed by the Directorate of Lands and the National Registry of Indigenous Communities, which will oversee the system's operation, data standardization, and coordination with national and provincial entities. INAI will act as the custodian of all data contained in the BDU, including that resulting from information exchanges with other governmental databases.

All INAI directorates are required to update and share their databases through the BDU, while national and provincial agencies are invited to join the initiative through cooperation agreements. The system must also be registered with the National Database Registry managed by the Agency for Access to Public Information.

The measure underscores INAI's commitment to improving coordination, transparency, and the efficiency of State resources in the development of social policies directed at Indigenous communities.

Ariadna Rodríguez
ariadna.rodriguez@mhrlegal.com

INSIGHTS ON THE ARGENTINE ENERGY INDUSTRY

THE PROVINCE OF NEUQUÉN DECLARED THE EXPIRATION OF PUESTO SILVA OESTE UNCONVENTIONAL CONCESSION

After three years of granting the unconventional hydrocarbon concession of Puesto Silva Oeste, Neuquén's government declared its expiration due to non-compliance with the Pilot Plan commitments, reverting the area to a conventional concession.

By means of Decree No. 1148/2025, published in the Provincial Gazette on September 19, 2025 ("**Decree 1148**"), the Government of the Province of Neuquén declared the expiration of the Puesto Silva Oeste Unconventional Hydrocarbon Exploitation Concession held by Pluspetrol S.A. The decision is based on the concessionaire's failure to comply with the investment commitments established in the Pilot Plan approved by Decree No. 1280/2022.

The Pilot Plan required the company to build facilities and roads; drill, complete, and place on stream one horizontal well targeting the Vaca Muerta Formation; and install a single-well production battery, with an estimated investment of USD 14.2 million to be executed within three years. After being granted with an extension, Pluspetrol S.A. did not complete the committed works within the established timeframe. The company then requested a further extension, which the enforcement authority rejected as outside the legal grounds for postponement.

The Province grounded its decision in Article 80(c) of the FHL, which allows termination in cases of substantial and unjustified breaches of productivity, investment, or work obligations. Consistent with these provisions, and the Investment Agreement dated March 30, 2022, the Province declared the concession expired.

Decree 1148 provides that Puesto Silva Oeste reverts to its prior status as a conventional exploitation concession, originally granted under Administrative Decision No. 216/1997 and extended by Decree No. 2100/2008, with the original terms and deadlines reinstated. The measure clarifies that the period elapsed under the unconventional concession does not suspend or interrupt the original concession term.

Macarena Cuesta
macarena.cuesta@mhrlegal.com

CASE LAW

THE NATIONAL SUPREME COURT HELD THE PROVINCE OF JUJUY AND THE COMPANIES JUJUY ENERGÍA Y MINERÍA SOCIEDAD DEL ESTADO AND JUJUY HIDROCARBUROS SOCIEDAD ANÓNIMA UNIPERSONAL LIABLE FOR CONTAMINATING CALILEGUA NATIONAL PARK.

In case "Saavedra, Silvia Graciela y otro c/ Administración Nacional de Parques Nacionales Estado Nacional y otro s/ amparo ambiental", the Supreme Court of Justice ordered the Province of Jujuy and the companies Jujuy Energía y Minería Sociedad del Estado and Jujuy Hidrocarburos Sociedad Anónima Unipersonal to halt oil operations and remediate environmental damage caused by "Caimancito" block and "Caimancito e3" well. The National State was also held jointly responsible for ensuring the plan's implementation.

Silvia Graciela Saavedra and Ramón Héctor Luna (the "**Plaintiffs**"), residents of the Province of Jujuy, filed a collective environmental lawsuit against the (i) National Parks Administration; (ii) National Government; (iii) Province of Jujuy; (iv) YPF S.A.; (v) the joint venture Petróleos Sudamericanos S.A. – Necon S.A.; Pluspetrol S.A.; (vi) JHP International Petroleum Engineering Ltda.; (vii) Jujuy Energía y Minería S.E.; (viii) Mr. Felipe Frognier; and (ix) Municipality of Yuto (the "**Defendants**").

The Plaintiffs requested that the Supreme Court (the "**Court"**) declare unconstitutional and void the continuation of oil exploitation in the Caimancito block, as well as the failure to exercise environmental police powers over the "*Caimancito e3*" well. They sought the annulment of all administrative acts authorizing these activities, including the federal concession and the Province of Jujuy's approval of the transfer of exploitation rights. The Plaintiffs argued that the hydrocarbon activities were manifestly illegal under Article 41 of the National Constitution and Articles 4, 5, and 27 of General Environmental Law No. 25,675, among other regulations.

Exercising its original jurisdiction, the Court determined that the oil operations were located in an area classified as Category I native forest-a zone of very high biodiversity value where transformation is strictly prohibited. None of the Defendants demonstrated how continued oil extraction could be legally permitted under the applicable legal framework. The Court therefore found the activity to be manifestly illegal and ordered it to cease.

The Court also found clear evidence of environmental damage caused by inactive oil wells where proper abandonment procedures had not been followed. In particular, the collapse of the "*Caimancito e3*" well in 1997 resulted in significant environmental harm, including contamination of the Yuto stream.

The ruling highlighted the failure of both the National State and the Province of Jujuy to fulfill their regulatory and environmental oversight responsibilities. Given their roles in regulating the concessions and enforcing environmental standards, the Court held them jointly liable for the resulting damage, along with the provincial oil companies.

As a result, the Court ordered the Province of Jujuy and the involved oil companies to design and implement a plan to cease oil exploitation and remediate the environmental damage. The deadline for full implementation of the remediation plan was set for December 31, 2030, or an earlier reasonable date as determined by the National State and the Province of Jujuy. Finally, the Court dismissed the claims against YPF S.A., Pluspetrol S.A., the Municipality of Yuto, and Mr. Felipe Frognier.

Milagros Sanguinetti
milagros.sanguinetti@mhrlegal.com

Nayla Tudisca
nayla.tudisca@mhrlegal.com

TAX

THE ARBITRATION COMMISSION CONSOLIDATES THE CRITERION FOR ALLOCATING INCOME BY PLACE OF DELIVERY OF THE GROSS TURNOVER TAX IN OIL AND AAS ACTIVITIES

*The Arbitration Commission of the Multilateral Agreement of 08/18/1977 (the "**Multilateral Agreement**") issued a general resolution that updates and consolidates the criterion applicable to the allocation of income from the Gross Turnover Tax on oil and gas activities.*

By means of General Resolution No. 17/2025, published on the Official Gazette on September 29, 2025, the Arbitration Commission, as the competent body to interpret the Multilateral Agreement, established that, in the case of oil or natural gas, due to their special characteristics, when they are dispatched by the producer from the producing jurisdiction for sale either within or outside of it, their quality, quantity, and/or price are only determined at the place of delivery, where the transfer of title, risk, or ownership (sale) of the goods from the seller to the buyer takes place.

In addition, the Arbitration Commission interpreted that the special regime of the first paragraph of Article 13 of the Multilateral Agreement applies to oil or natural gas extraction activities when the hydrocarbon is sent by the producer itself outside the jurisdiction where it was extracted without invoicing or selling, for subsequent sale either in its current state or after processing, or without selling, to be industrialized by the same company.

Finally, the Arbitration Commission interpreted that the general regime of Article 2 of the Multilateral Agreement shall apply when the taxpayer that performs the extraction sells the product to a third party before it leaves the producing jurisdiction, assigning in all cases the entry to the jurisdiction in which the delivery takes place. Likewise, if a taxpayer extracts and industrializes oil in the same jurisdiction and sends derivatives, without invoicing, to another jurisdiction for sale, the general regime mentioned above must be applied.

This resolution was issued to consolidate and update the criteria established in Resolution CA No. 2/2000, incorporating accumulated experience and providing greater clarity on oil and gas taxation.

Luisina Luchini
luisina.luchini@mhrlegal.com

Bautista Sartori
bautista.sartori@mhrlegal.com

ARCA UPDATES THE REGULATORY FRAMEWORK FOR BENEFITED HYDROCARBON TRANSPORTERS

The Argentine Federal Tax Authority issued new rules updating the compliance regime applicable to hydrocarbon transporters benefiting from special tax treatment.

By means of General Resolution No. 5757/2025 published in the Official Gazette on September 16, 2025 ("**Resolution 5757**"), the Argentine Federal Tax Authority ("**ARCA**", for its acronym in Spanish) introduced amendments to General Resolution No. 4775/2021 ("**Resolution 4775**"), applicable to providers of hydrocarbon transportation services that are wholly or partially exempt from taxes and/or subject to tax reduction benefits.

The new framework modernizes administrative procedures and aligns the applicable regime with recent regulatory developments in the transport and energy sectors, and underscores the government's continued efforts to simplify and modernize ARCA's regulatory regimes.

Resolution 5757 suppress the obligation to register under the *Registro Único de Transporte Automotor (R.U.T.A.)*, following the repeal of that requirement by Decree No. 1109/2024.

In addition, outdated cross-references within Resolution 4775 have been updated, including the replacement of Ireferences to Resolution No. 404/1994 with those to Resolution No. 414/2021.

These modifications entered into force upon publication, with no transitional period.

Luisina Luchini
luisina.luchini@mhrlegal.com

MEET OUR PARTNERS

For your further inquiries the following contact partners are available:

JOSÉ A.
MARTÍNEZ DE HOZ

jose.martinezdehoz@mhrlegal.com

+INFO

PABLO
RUEDA

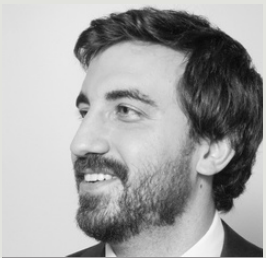
pablo.rueda@mhrlegal.com

+INFO

JUAN CRUZ
AZZARRI

juancruz.azzarri@mhrlegal.com

+INFO



MARCOS
BLANCO

marcos.blanco@mhrlegal.com

+INFO

TOMÁS
LANARDONNE

tomas.lanardonne@mhrlegal.com

+INFO

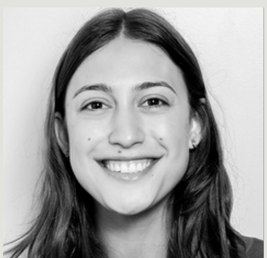
EDITOR-IN-CHIEF

ARIADNA
RODRÍGUEZ

ariadna.rodriguez@mhrlegal.com

+INFO

EDITOR-IN-CHIEF



SOFÍA
BALDINO

sofia.baldino@mhrlegal.com

+INFO

EDITOR-IN-CHIEF

CANDELA SOFÍA
MARANTE

candela.marante@mhrlegal.com

+INFO

CO-EDITOR

JUAN CRUZ
AZZARRI

juancruz.azzarri@mhrlegal.com

+INFO