



Selected Investment Opportunities

August 2016

- 1. Why Argentina?**
- 2. Oil & Gas**
- 3. Power Generation**
- 4. Mining**
- 5. Infrastructure**

A vertical collage of various images including a suspension bridge, a stone building, a person on a horse, a llama, a city skyline, a person on a surfboard, and a person on a kayak, all arranged in a vertical strip.

- 3rd largest economy in LatAm, with a GDP of +USD 500Bn (after BR and MEX)
- 2nd highest GDP per capita in PPP terms in the region (after CHL)
- +40Mn pop, with ~ 7% unemployment rate, which 75% from services

- 8th largest country in the world, with 53% of arable land (13% developed)
- Large oil & gas (conventional and unconventional) and mineral reserves
- Abundant food, water and renewable energy resources (wind and solar)

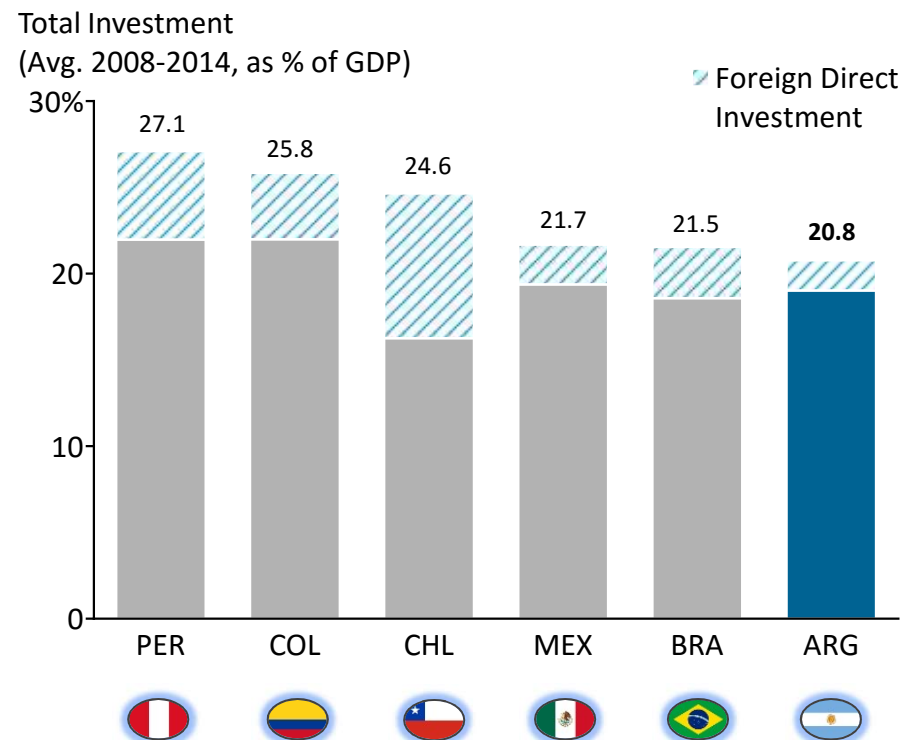
- Strong labor force, renowned for its technical skills, creativity and versatility
- #1 in Latin America in Human Development and Education Indexes
- High literacy rate of 98% ~110,000 higher education graduates per year

- Nationwide road & railroad systems (+35,000 km), 43 ports & 54 airports
- High connectivity, with 75% broadband and 141% mobile penetration
- Extensive energy coverage with natural gas pipelines and electricity grids

- 30+ years of democratic governments
- Strategic relationships and bilateral treaties (G20, Mercosur, UNASUR, OECD, Pacific Alliance)
- Member of World Bank's ICSID

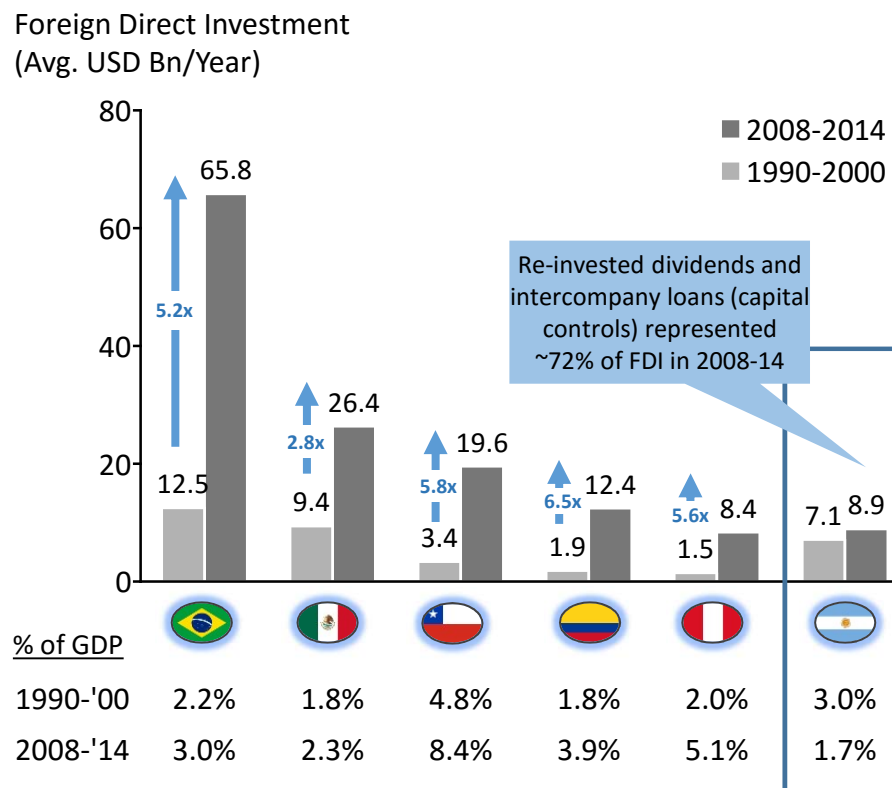
Argentina Investment Levels vs. LatAm

GENERAL INVESTMENT LEVELS



- Investment in Argentina is ~4-5 percentage points of GDP below other LatAm countries
 - It is estimated that an additional U\$ 25 Bn/Year is required

FOREIGN DIRECT INVESTMENT

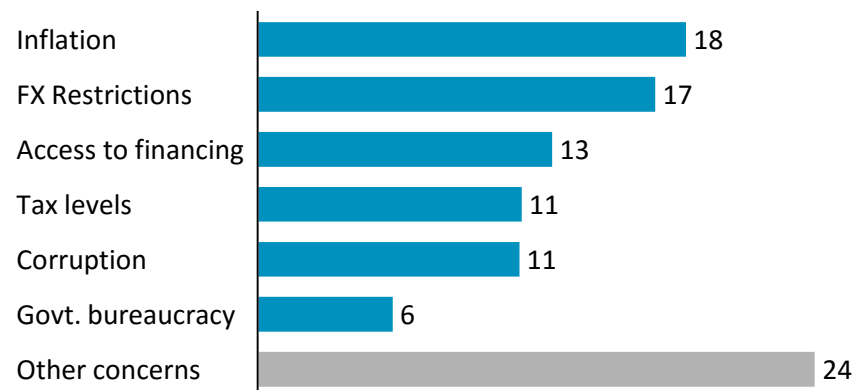


- FDI in LatAm grew from ~U\$28 Bn/Year in the 90's to ~U\$126 Bn/Year in the last five years (4.5x times)
 - Argentina's share fell from 16% to 5%

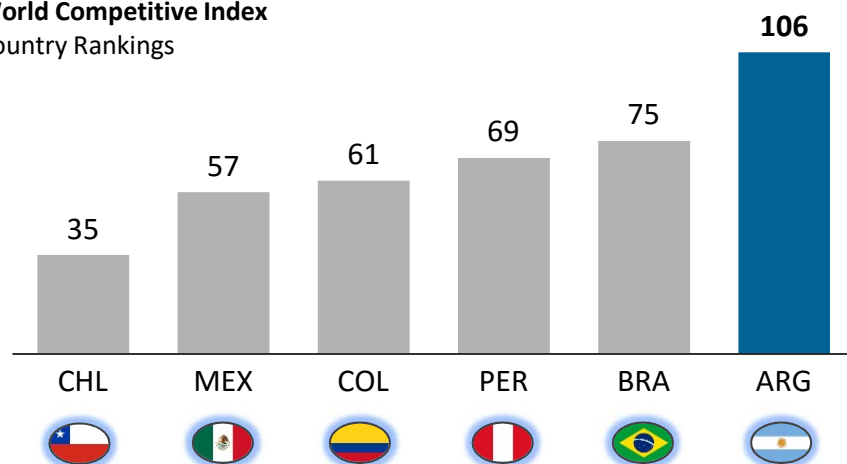
An Agenda for Change is Underway

ARGENTINA FACES SHORT-TERM CHALLENGES THAT AFFECT COMPETITIVENESS...

WEF Survey: Main Concerns for Argentina
(% of total responses)



World Competitive Index
Country Rankings







...BUT THE NEW ADMINISTRATION IS ALREADY ADDRESSING THEM TO GET BACK ON TRACK

- ✓ Removal of capital/repatriation restrictions
- ✓ Free floating rate and recovery of int. reserves
- ✓ Negotiated and closed hold-out debt default to regain access to global capital and financial markets
- ✓ Inflation targeting to reach single-digit CPI in 4 years
- ✓ Removal of export taxes and import restrictions
- ✓ Creation of Investment & Trade Promotion Agency
- ✓ New regulatory framework to promote investment via Public-Private Partnership (PPP)
- ✓ 4-year plan to eliminate primary fiscal deficit (reduction of government subsidies and spend)
- ✓ Re-launching of national bureau of statistics (Indec)

Country risk has already declined 170 bps from September 2015 to March 2016

OVER USD 170 BN OF INVESTMENTS HAVE BEEN IDENTIFIED ACROSS MULTIPLE SECTORS

 ENERGY & MINING	 INFRASTRUCTURE	 AGRIBUSINESS	 INDUSTRIAL GOODS	 TECH & SERVICES
>USD 75 Bn	>USD 75 Bn	>USD 15 Bn	>USD 5 Bn	>USD 7 Bn
<ul style="list-style-type: none"> • Unconventional O&G (Shale & Tight) Fields and Infrastructure > USD 20Bn • 11GW of Hydro/Thermal Power plants, > USD 20Bn • Mining lithium, gold, copper, potash > USD 15Bn • 10GW of Renewable Energy > USD 15Bn • Petrochemical > US\$ 6Bn 	<ul style="list-style-type: none"> • ~25,000 Km of roads & highways >US\$ 25Bn • Water and Sewage infrastructure >USD 20Bn • ~10,000 km of railway freight lines >USD 15Bn • Real Estate & Housing developments > USD 10Bn • Cellular networks > USD 5Bn • Airports and ports > USD 2Bn 	<ul style="list-style-type: none"> • Land development with irrigation (4M Ha) > USD 8Bn • Animal protein (beef, pork, poultry) > USD 5Bn • Forestry and pulp industry > USD 2.5Bn • Food industrialization > USD 0.5Bn 	<ul style="list-style-type: none"> • Automotive industry • Food & Beverage • Consumer products • Electronics and technology products • Machinery & Equipment • Basic materials • Textiles and fashion 	<ul style="list-style-type: none"> • Professional services (BPO, call centers) • Biotechnology • Pharma • Software development • Tourism • Health services • Education services

1. Why Argentina?

2. Oil & Gas

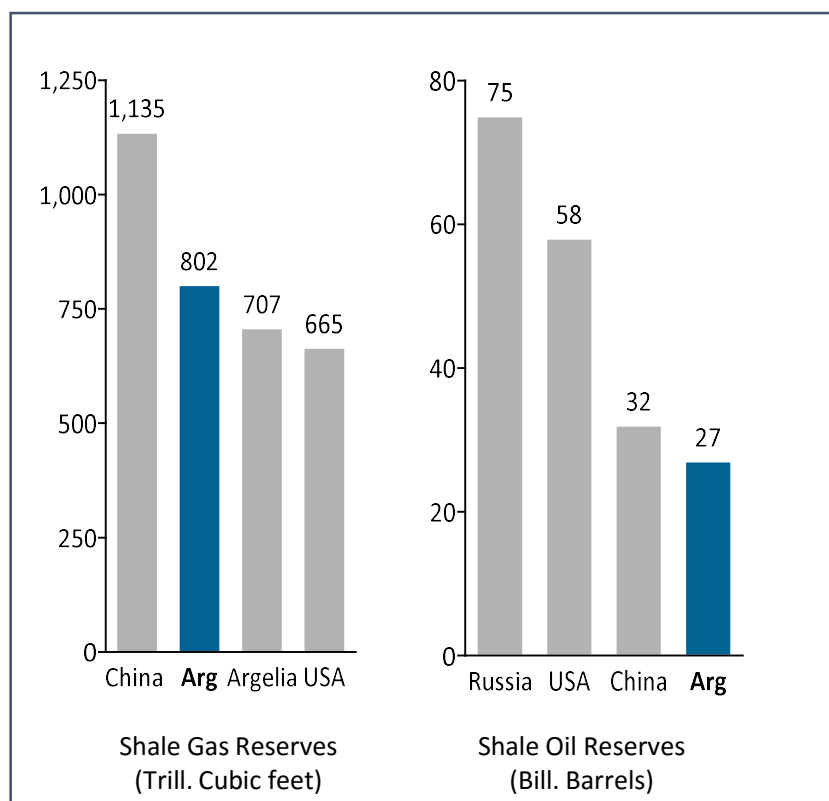
3. Power Generation

4. Mining

5. Infrastructure

ARGENTINA HOLDS THE WORLD'S 2ND LARGEST SHALE GAS & 4TH LARGEST SHALE OIL RESERVES

MULTIPLE FORMATIONS TESTED AND UNDER PRODUCTION, WITH HIGH POTENTIAL UNEXPLORED AREAS



In Production

Opportunities

Vaca Muerta
(Neuquén Basin)

Palermo Aike
(Austral Basin)

Las Lajas
(Neuquén Basin)

Aguada Bandera
(San Jorge Gulf Basin)

Mulichinco
(Neuquén Basin)

San Alfredo
(Chaco-Paranaense Basin)

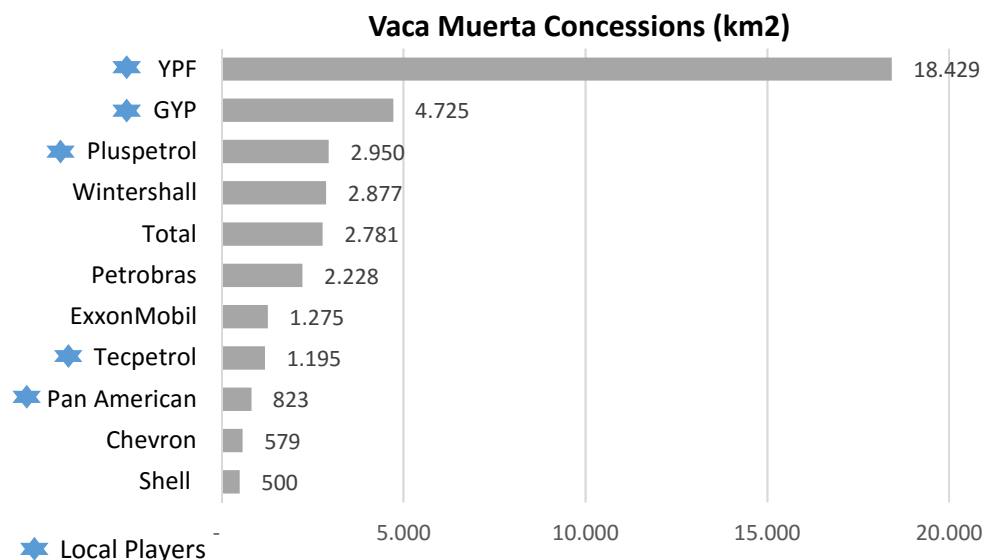
D-129
(San Jorge Basin)

Los Molles
(Neuquén Basin)

Oil & Gas: Vaca Muerta

VACA MUERTA PLAY HAS WORLD-SCALE POTENTIAL, WITH HIGH QUALITY RESOURCES

- ✓ **30,000 km²** area
 - Type: Shale Oil/Gas
 - Average depth: 2,440 meters
 - Average TOC: 4%
 - Thickness: up to 450 meters
- ✓ Concession period: **35 years**
Exploratory period: **5 years**



SPECIFIC INVESTMENT OPPORTUNITIES IN THE AREA

- ✓ **Partnership opportunities** to explore ongoing pilots developed by **YPF**
 - **127k** Total Acres
 - Pilot Commitment **USD 1,030 Mn**
- ✓ **Join ongoing** partnerships that **YPF** already has with other partners

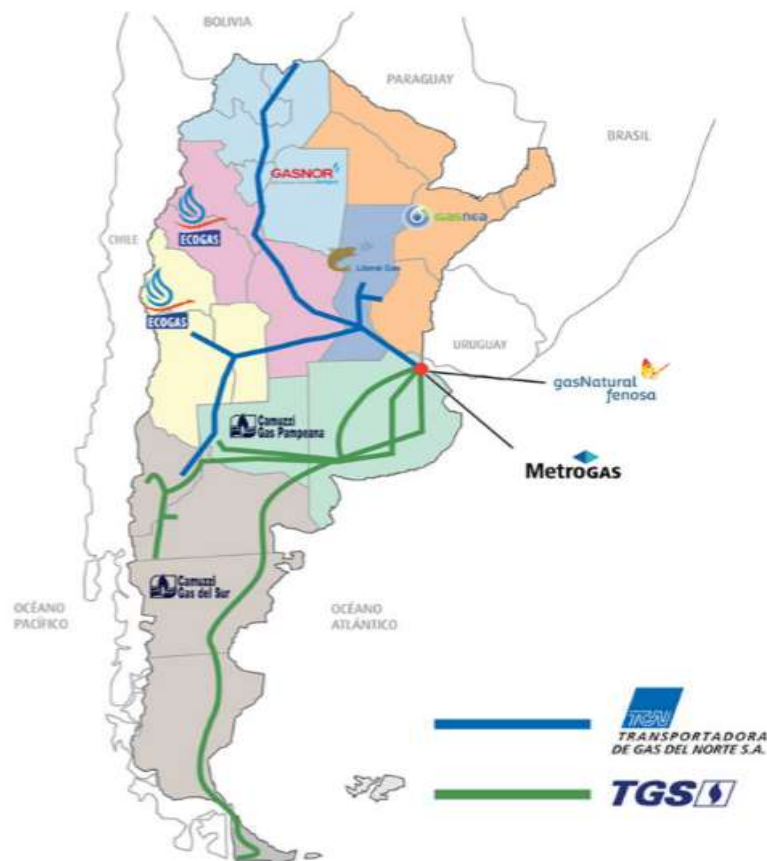


287k Total Acres



685k Total Acres, 7 drilling areas

GAS TRANSPORTATION DIVIDED IN 2 MAIN COMPANIES: TGN & TGS



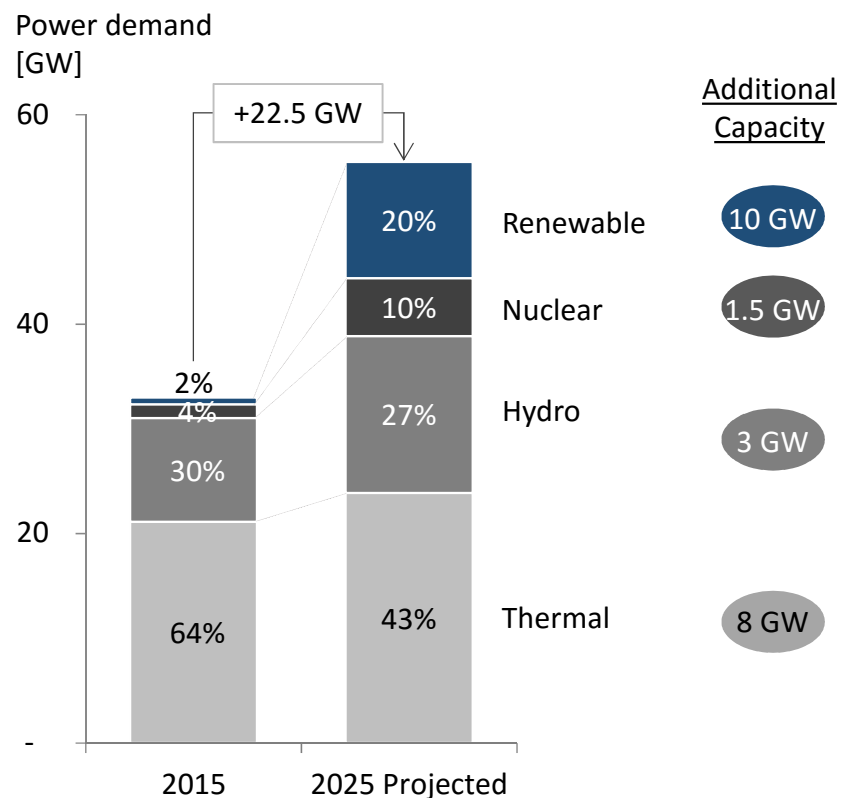
NEW INVESTMENTS TO BE TENDERED IN SUCCESSIVE PUBLIC AUCTIONS

- ✓ TGS and TGN concessions: Re-tender of current **expansion projects**
- ✓ **New trunk line projects**
- ✓ **GNEA gas pipeline project**
 - Located in the **NE region**
 - Developed by **ENARSA** (35 years concession)
 - Connects to **Juana Azurduy pipeline** (coming from Bolivia)
 - Phase I, II & III already tendered and under construction; **Phase IV to be tendered**
 - **USD 1.5Bn investment, 33 months** construction time

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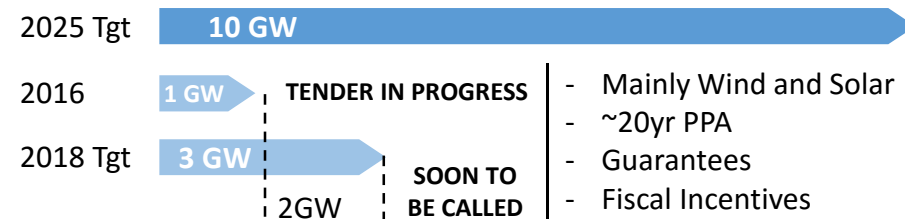
Power sector opportunity

POWER MATRIX WILL ADD 22.5 GW BY 2025

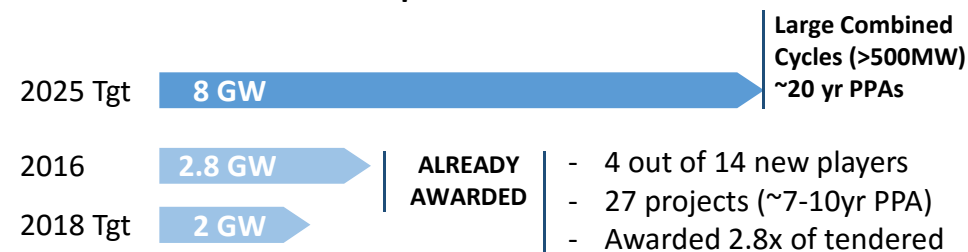


MAIN INVESTMENT OPPORTUNITIES WILL COME FROM RE AND THERMAL CAPACITY

RenovAr Plan ~ US\$ 15-20Bn



Baseload Plan ~ US\$ 6.4Bn



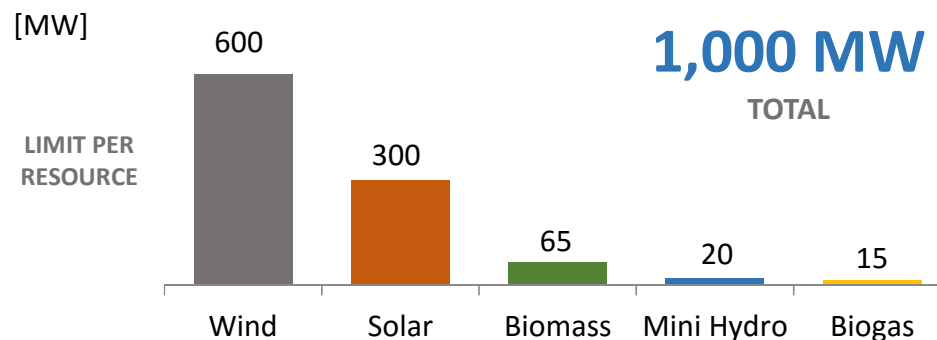
TRANSMISSION GRID

Specific tenders will be held to broaden its coverage and capacity

Round #1: Main Tender Aspects & Considerations

Admitted Technologies	<ul style="list-style-type: none"> Wind, Solar, Small-hydro (<50MW), Biomass, and Biogas
Contracting Scheme	<ul style="list-style-type: none"> Power shall be contracted by CAMMESA (System Operator) <ul style="list-style-type: none"> Large users (>300KW) can opt-out Bidders compete within each technology category and subject to grid/node capacity PPAs awarded using a transparent formula that considers price adjusted for grid losses
PPA Prices	<ul style="list-style-type: none"> Contract term: 20 years In US Dollars, Annually adjusted Price incentives for early commissioning
Pre-Requisites	<ul style="list-style-type: none"> Environmental, grid connection and land permits required, plus certified resource potential (1-year measures for wind) Min equity level of USD 250K/MW
FODER	<ul style="list-style-type: none"> Law creates sector specific fund (FODER) funded by public funds, specific consumer charges, and public offerings. FODER will both finance projects and guarantee contracts USD 20.000Mn estimated by MinEM World Bank Guarantee (USD 500k/MW)

Round #1: Capacity to be tendered



Timeline

Sept 5 th	Presentation of offers
Sept 6 th	Opening and evaluation of envelope "A"
Oct 7 th	Opening of envelope "B"
Oct 12 th	Bids Award

Opportunities

- ✓ Equity financing of projects under development in round #1
 - SPVs with multiple projects
- ✓ Debt financing
- ✓ Project development in future tenders

Thermal Energy Opportunities

SHORT TERM: ENHANCEMENT OR BUILT OF LARGE COMBINED CYCLES*



- ✓ CC Brigadier Lopez
 - Additional 280MW Capacity
 - **USD 225Mn** investment



- ✓ CC Ensenada
 - Additional 280MW Capacity
 - **USD 225Mn** investment



- ✓ CC EPEC
 - Additional 170MW Capacity
 - **USD 140Mn** investment

MID & LONG TERM: SUCCESSIVE SPECIFIC TENDERS WILL BE HELD TO AWARD LARGE (>500MW) COMBINED CYCLES

- ✓ By 2025 ~5 GW of Thermal source will be added
- ✓ In 2016 tender, ~29% of awarded projects belonged to foreign companies

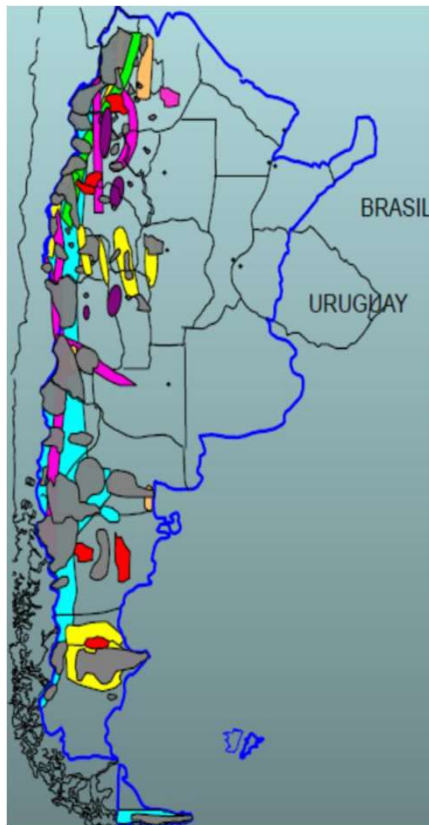
Current Installed Capacity by player (MW)

	Total	Biggest C.C.
CENTRAL PUERTO SA	2457	1,777 MW
ENDESA Costanera	2324	2,324 MW
EPEC	1748	750 MW
AES ARGENTINA GENERACIÓN S.A.	1553	845 MW
Dock Sud	870	870 MW
Termoelectrica Manuel Belgrano	868	868 MW
Termoelectrica San José de San Martín	865	865 MW
YPF	829	829 MW
Petrobras	825	825 MW
CAPEX SA	661	661 MW
Termoandes	644	644 MW

* Figures to be confirmed by Ministry of Energy and Mining

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SIGNIFICANT MINING POTENTIAL WITH ~75% UNEXPLORED SURFACE



- 750,000 Km² of high potential mining areas
- 183,000 Km² of granted mining rights
 - 25 advanced prospects
 - 14 production mines

Legend:

- Gold
- Copper
- Uranium
- Polymetallic
- Lithium
- Lead-Zinc
- Iron
- Prospective areas

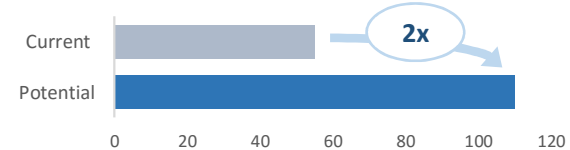
- As of 2016, no export taxes for mining products

IMPORTANT OPPORTUNITIES IN GOLD, SILVER, COPPER AND LITHIUM



Gold

Thousand Troy Ounces



WORLD RANKING

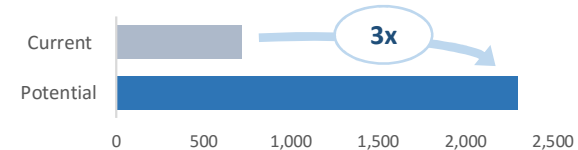
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12



Copper

Thousand Troy Ounces



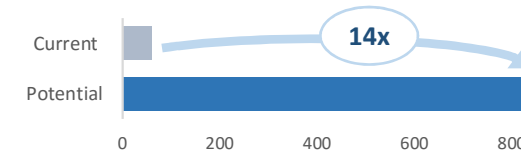
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4



Silver

Thousand Tonnes



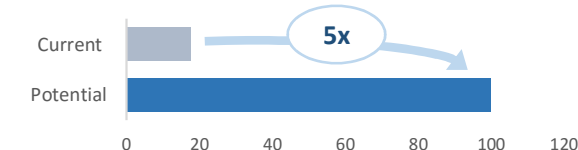
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Lithium

Thousand Tonnes

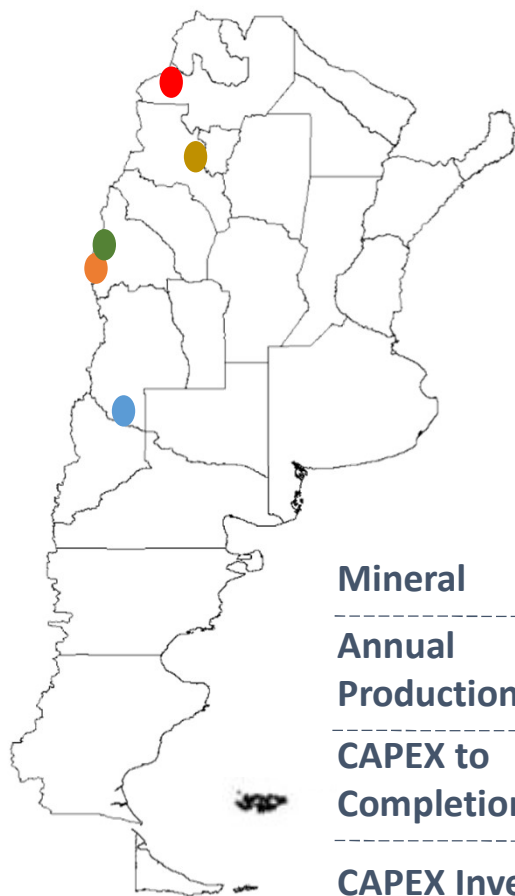


3

1

- +US\$15Bn needed to develop Copper, Silver, Gold, Lithium and Potassium opportunities

LARGE INVESTMENT OPPORTUNITIES ARE CURRENTLY FOCUS ON COPPER MINES



	<u>Pachón</u> GlencoreXstrata	<u>Río Colorado</u> VALE	<u>Taca-Taca</u> FIRST QUANTUM MINERALS LTD.	<u>Agua Rica</u> YAMANAGOLD Minas Argentinas S.A.	<u>Los Azules</u> McEWEN MINING
Mineral	Copper	Potash	Copper	Copper	Copper
Annual Production	200k ton	1.4M ton	250k ton	150k ton	250k ton
CAPEX to Completion	USD 2.8Bn	USD 1.5Bn	USD 3.0Bn	USD 3.0Bn	USD 5.4Bn
CAPEX Invested	USD 0.2Bn	USD 2.3Bn	USD 0.04Bn	USD 0.2Bn	USD 0.03Bn
Project Stage	Feasibility	Under Construction	Pre-Feasibility	Feasibility	PEA

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PORTS MODERNIZATION



Buenos Aires Port

- ✓ Most important container terminal in Argentina
- ✓ Investment in the layout of the terminals to increase capacity and receive new generation ships
 - **USD 2Bn** investment
 - Tender to be launched in **2017**

NATIONAL ROAD NETWORK



2016 – 2019 Plan

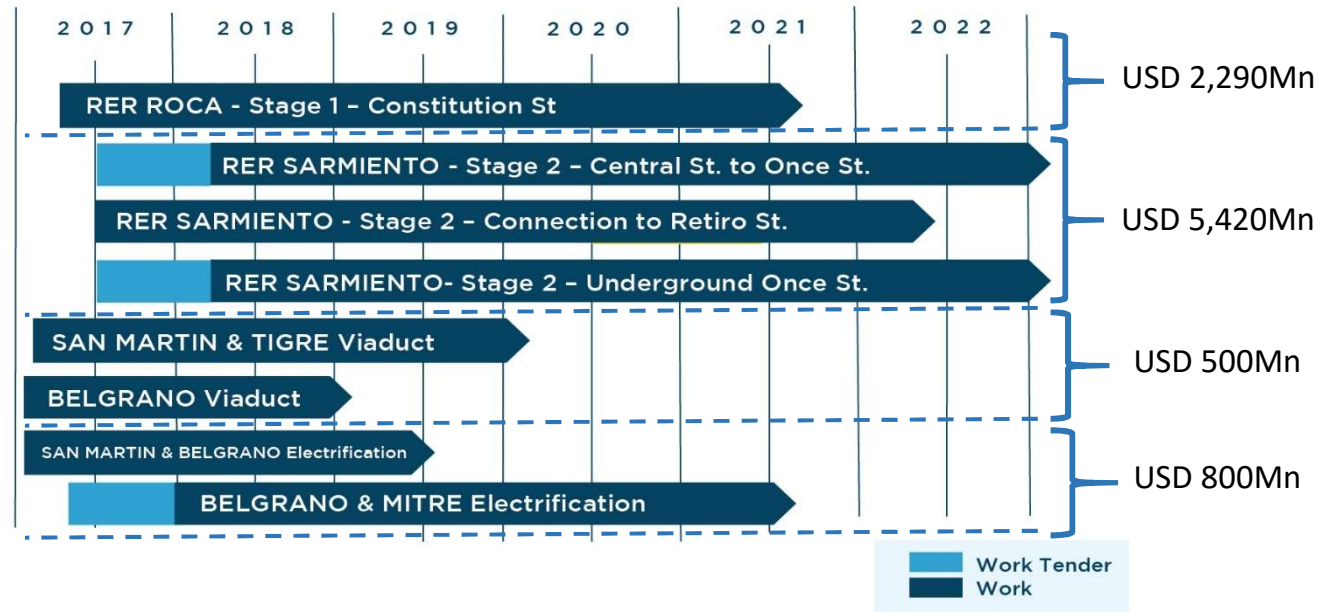
- ✓ 2,800 km of new highways
- 4,000 km of safe roads
- 13,000 km of resurfaced roads
- ✓ **USD 12.5Bn** Investment

Long term Plan

- ✓ 11,400 km of new highways
- 13,000 km of safe roads
- 15,600 km of routes in good conditions
- ✓ **USD 28Bn** Investment

RER: REGIONAL EXPRESS RAIL

- ✓ Connection of Railways in City Center
 - 790 km of rail & 241 stations
- ✓ Undergrounding
- ✓ Electrification
- ✓ Viaducts
- ✓ Underground Stations



PLAN BELGRANO (2017-2018)

- ✓ Rail transport: **USD 5.5Bn**
 - NOA/NEA railway system connectivity
 - Logistic nodes
 - 3,800 km railway renovation
 - 850 km railway improvement
- ✓ Airports: **USD 250Mn**
 - 4 airports



Argentina welcomes your interest to invest in the country.

At the Agency, we want to be your strategic partner to facilitate your investments in the country.

