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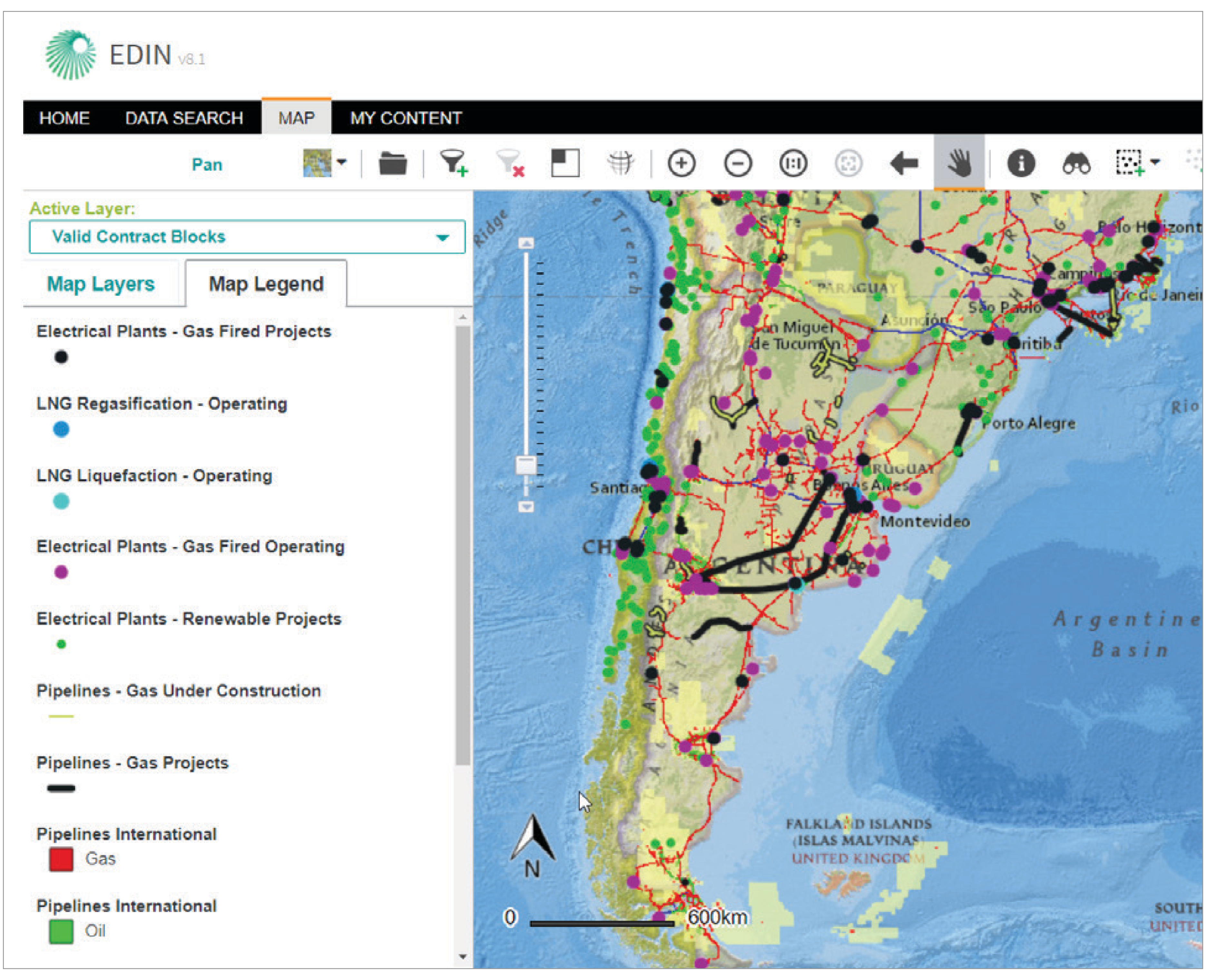
Southern Cone Energy Infrastructure

The integrated energy markets of the Southern Cone have shared a common roller coaster ride for gas supply availability and sourcing



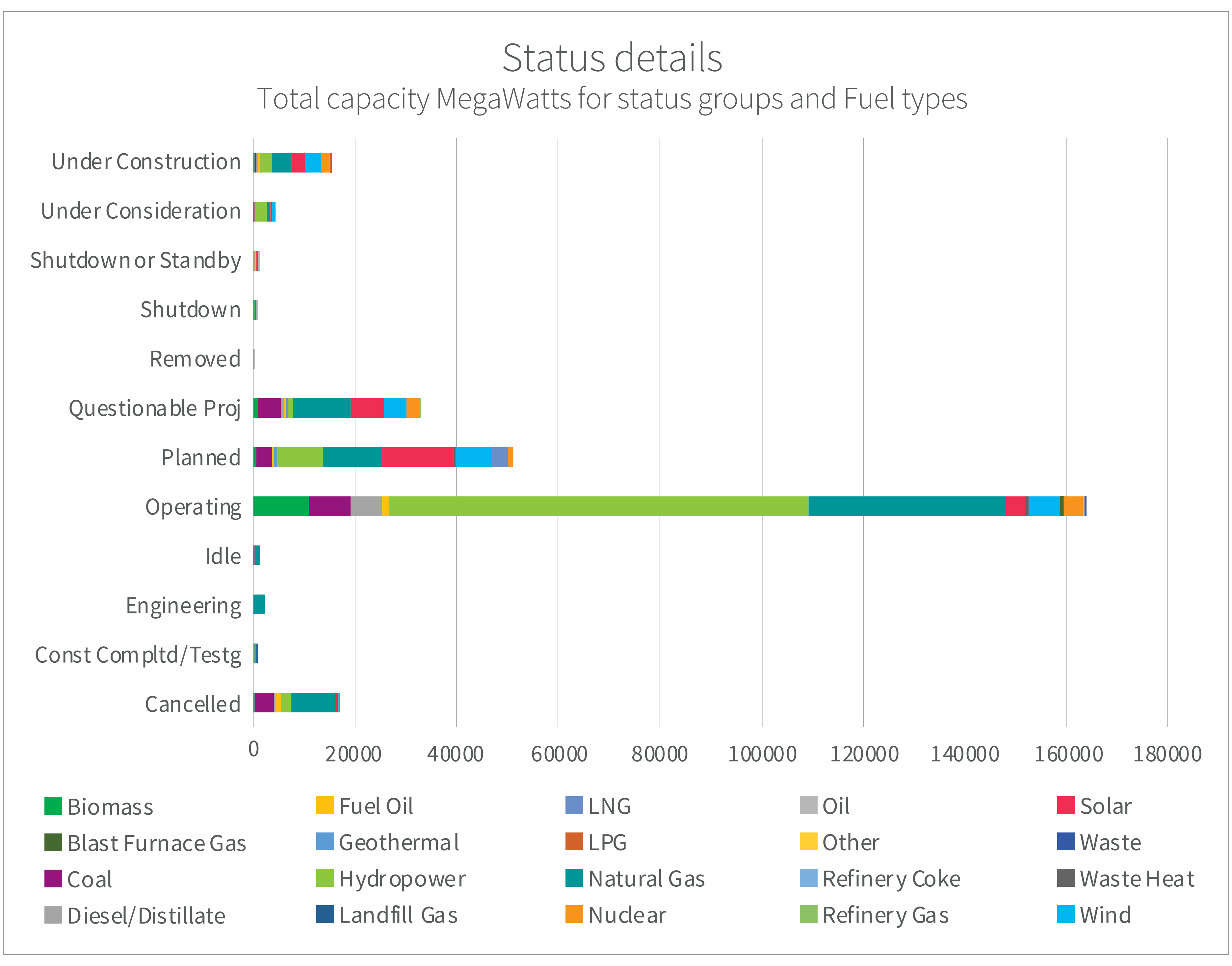
Governments are likely will continue to insure that internal markets have "first dibs" on local production. Significant investment in midstream infrastructure is required to realize both public and investor goals. The GNEA pipeline has been an important step in expanding Argentina's gas suppliers access its northern provinces.

Bolivia's supply role has been shifting and could be as a partner in regional LNG export projects.

Recently idle pipeline connections between Chile and Argentina may provide potential "short cut access" to growth Asian oil and gas customers.

The Vaca Muerta unconventional gas boom has shifted Argentina back into a gas export role. Winners of the April 2019 offshore Round 1 blocks also must consider gas market outlet options in their development programs and projected ROI.

Southern Cone - Power Generation Kit



Power generation will continue to be a primary outlet for regional gas production. The generation fuel mix varies significantly by country. However, wind and solar are common supply choices for new projects, but typically need gas fired facilities as back-up.

Gas accounts for about half of Argentina's generation kit. Peak Austral winter demand has necessitated the use of expensive LNG and diesel use to supplement local supplies even with growing Vaca Muerta gas output.

Loss of Argentina gas supply access forced Chile to install two LNG regasification plants to supply gas fired plants over the past decade. However, contracts in place may limit the level of displacement of LNG with less expensive regional gas when available.

Bolivia has made gasification of the local economy a priority with about two-thirds of power plants gas fired, thus reducing gas availability for export.

Brazil's hydropower use is the greatest for the region, but problematic when rainfall is insufficient. Plans are to increase reliance on Santos Basin gas.

Get a better understanding of the Southern Cone's energy infrastructure
www.ihsmarkit.com/midstream