

Mendoza

Energy for the world

MINISTRY OF ENERGY
AND ENVIRONMENT



MENDOZA



Argentina in the global context

Thanks to the wealth of its reserves, **Argentina has the conditions to become a world-class energy supplier.**

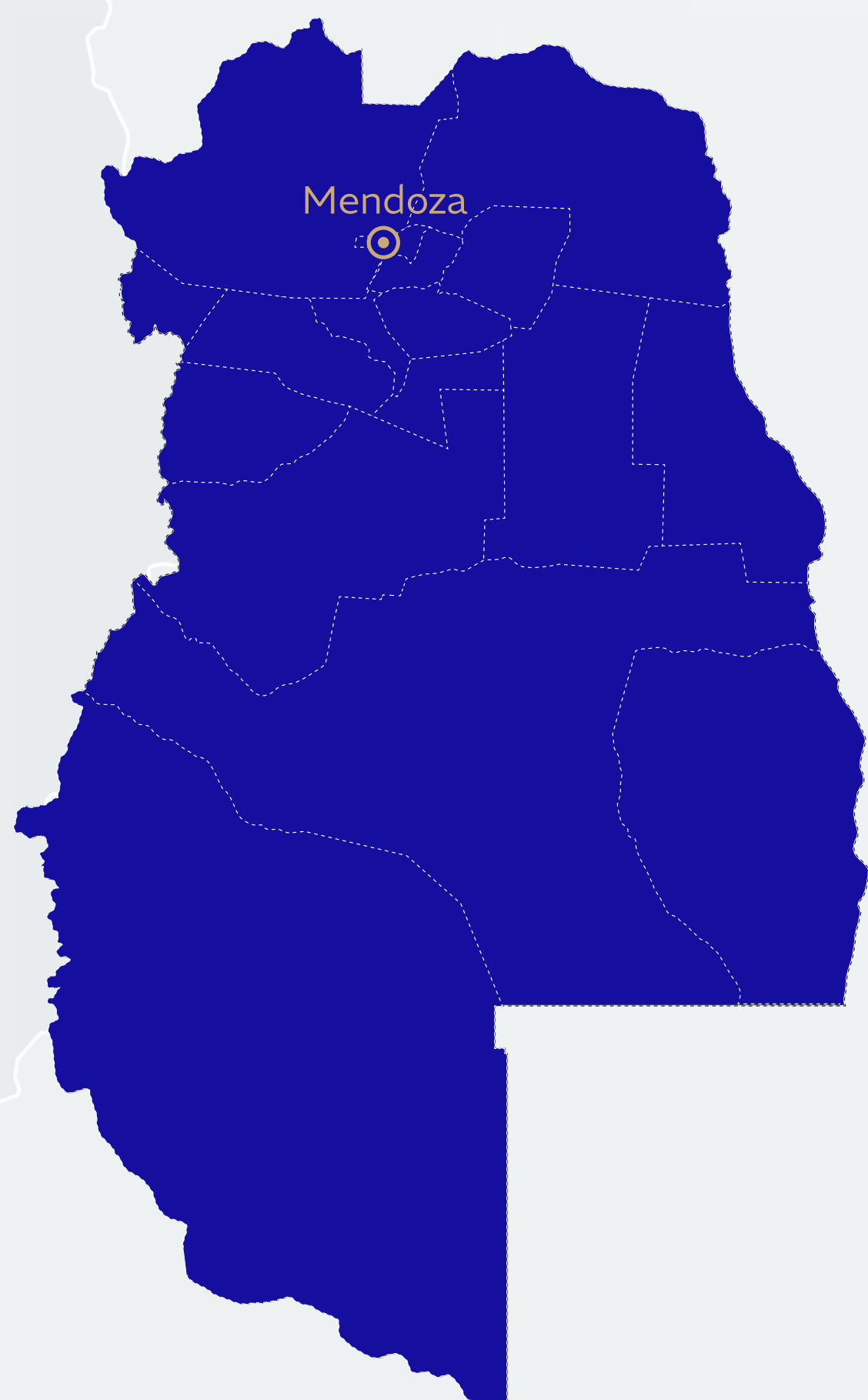
1 of 4

countries in the world to commercially
develop **unconventional resources***

110,000

university graduates in
STEM fields per year*

*Source: Argentine Investment and Trade Agency.



Area

148,827 km²

Population

2,043,540

MAIN ECONOMIC ACTIVITIES:

Viticulture, agro-industry, tourism, **hydrocarbons**.

Exports

1,311 billion*

Investing in Mendoza is an opportunity to access **strategic resources** in a region that combines stability, growth and respect for the environment.

*In 2023. USD FOB values. DEIE Mendoza.

Oil & Gas Production in Mendoza

There are two major hydrocarbon basins in the region: the Cuyana Basin and the Neuquina Basin. **Together, they produce 9% of Argentina's oil.**

4th
largest oil-producing
province

24
million BOE/year

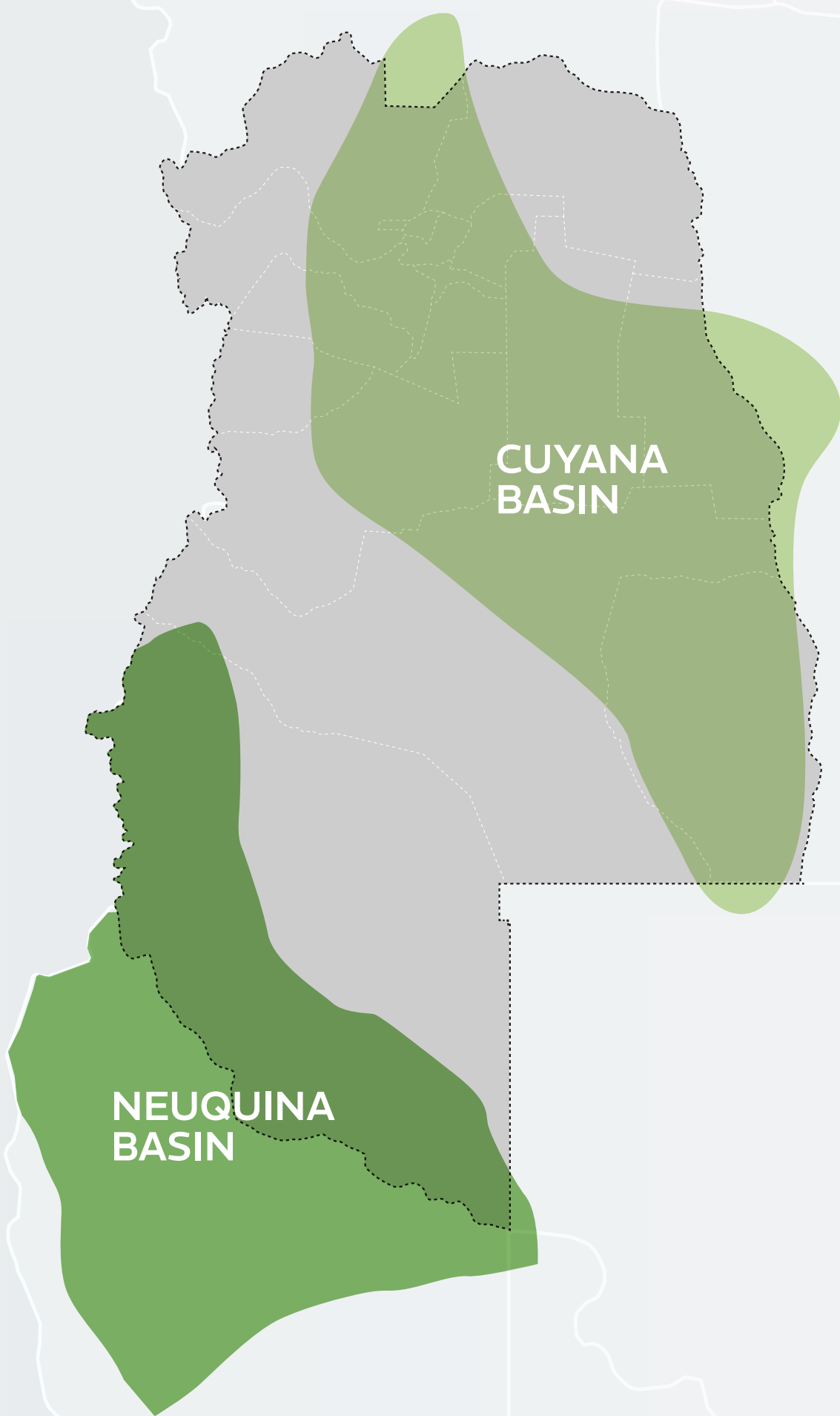
Oil

9,000 m³
Per day on average

Gas

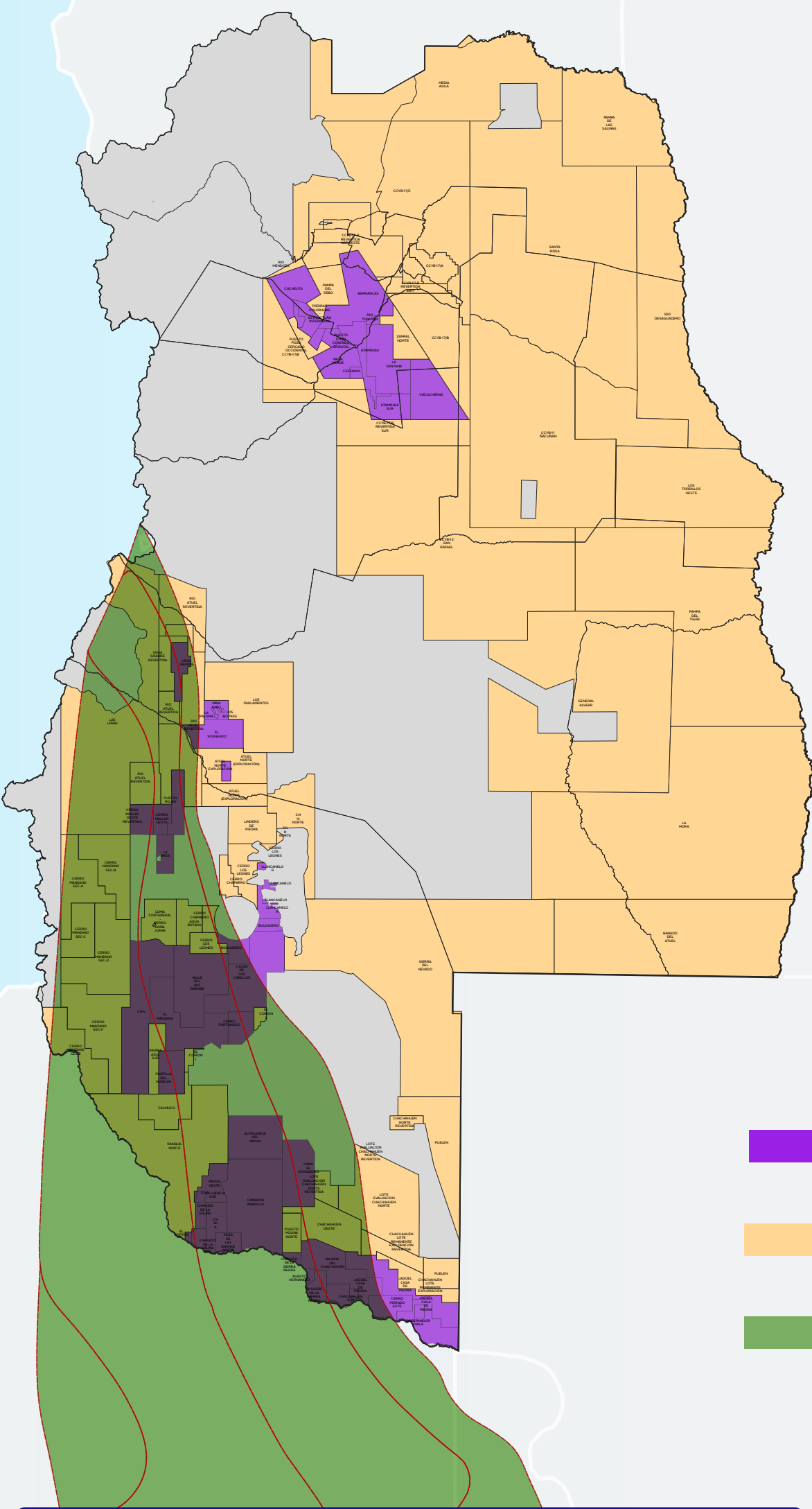
1.5 million m³
Per day on average

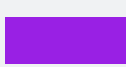
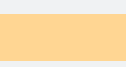
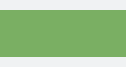
+6,000
Direct jobs



Areas with hydrocarbon potential in Mendoza

More and more investors **are allocating their capital to exploration and exploitation in Mendoza.**



-  Concessioned areas
-  Free areas
-  Vaca Muerta

Areas of greatest opportunity

Chachahuén Oeste	Cerro Chaparro
Puesto Molina Norte	Cerro Manzano (Secc. E, F, D, C, B y A)
Ranquil Norte	Río Atuel Revertida
Camulco	Vega Grande Revertida
El Coirón 1 y 2	Las Leñas
Sierra Azul Sur	Boleadero

Vaca Muerta Formation



Vaca Muerta Formation

It is the most important shale formation in the country and one of the most promising in the world.

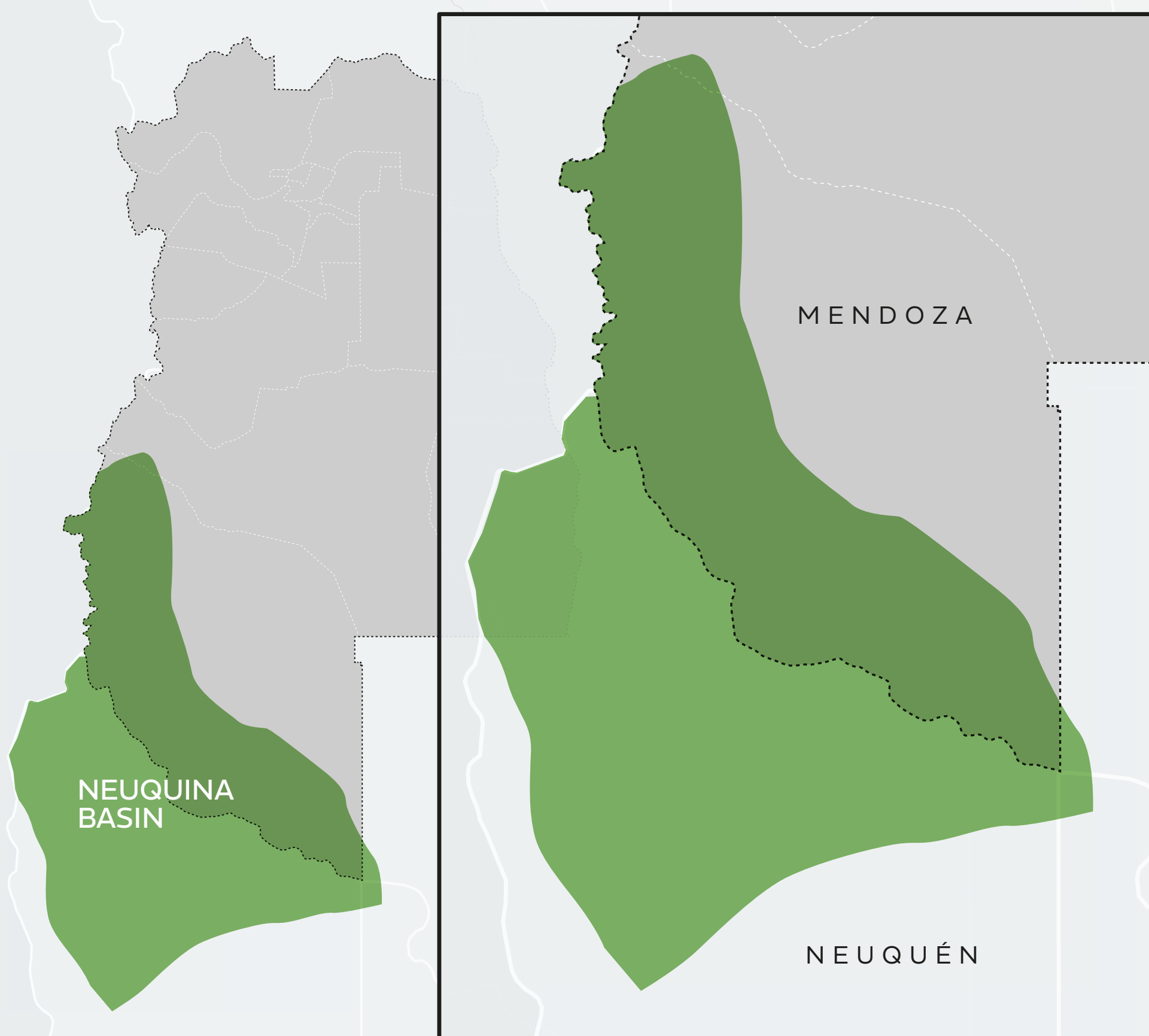
Area

30,000 km²

4%



It is currently in a phase of massive development



Total gas resources

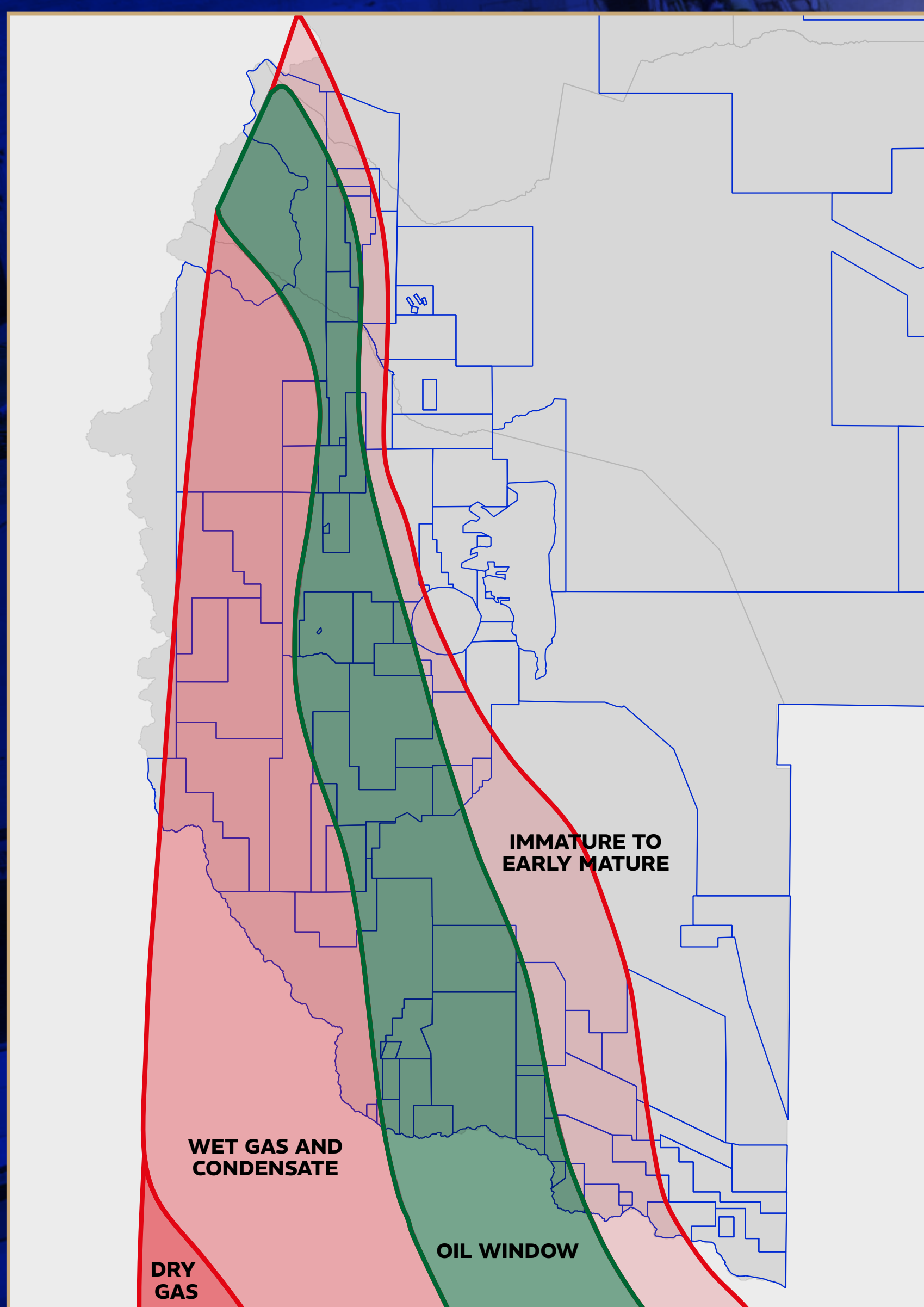
9 trillion m³

Total oil resources

16 billion barrels



Vaca Muerta Mendoza



LOCATION OF THE
VACA MUERTA
FORMATION IN
MENDOZA

Area

9,000 km²

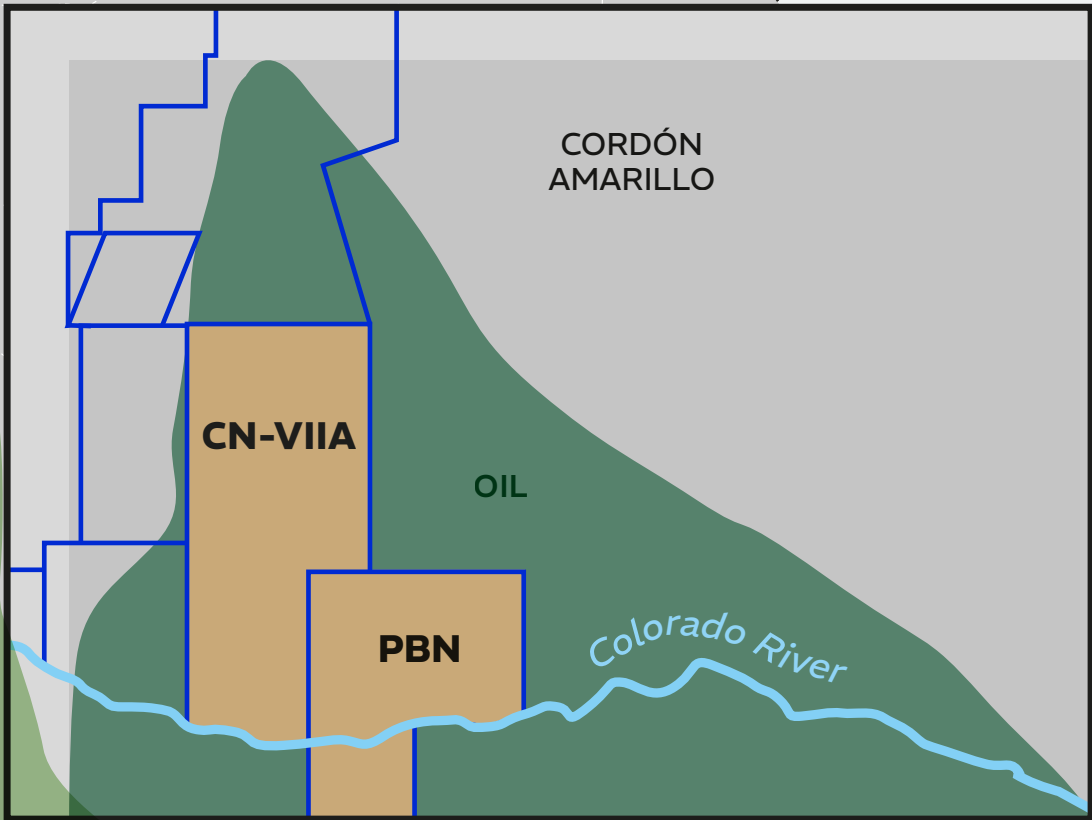
Oil reserves

8 billion m³

Vaca Muerta Mendoza

ONGOING PROJECTS

Status: Advanced exploration.



More than
200
horizontal wells
(lower organic and upper organic)

POTENTIAL DEVELOPMENT

- Navigation in two productive levels
- Possibility of developing a third navigation level: **+100 wells**

	YPF.MdN.PBN.X-101(h)	YPF.MdN.AN.x-101 (h)
Area	Paso de Las Bardas Norte	CN VII A
Contract	Exploitation	Exploratory License
Vertical Depth	2.473 m	2.473 m
Horizontal Depth	1.152 m	1.233 m
Fractures	12 Stages	13 Stages
Oil (m³/d)	30	47
Density (°Api)	38°	43°
Gas (m³/d)	10.000	64.000
Water (m³/d)	20	35
CO2 (%)	0,425	0,023

*Source: Production data. Chapter IV. SEN. July 2024.



Investing in Vaca Muerta Mendoza

Simulation of investment using estimated data*

Initial Production

700 BOE/d

50m³/d oil & 64.000 m³/d gas

Annual Decline

30%

Price per barrel

60 USD/BOE

Lifting Cost: 20 USD/BOE

Approximate investment: USD 10,000,000

Payback: 1 to 2 years

IRR: over 30%

*Horizontal well: 1200 m, 13 fracture stages.

Policies to Promote Investments

- Continuous bidding model
- Private initiative regulation
- Technical Exploration Agreements Regulation
- Reduction of royalties
- Variable royalties depending on the oil price
- Geological data base
- Stimulus for incremental production

Legal Incentives

Incentive Regime for Large Investments (RIGI) (Law 27742)

Import Regime for Goods Integrating Large Investment Projects
(Resolution 256/2000)

Application of Quality Bank

Infrastructure and Services

Mendoza has an important network of nodes and logistical hubs distributed throughout its territory.

- **YPF Luján de Cuyo Refinery** (41 million bbl/year)
- **Project Pata Mora Industrial Park** (Oil and Mining Industrial and Service Hub)
- **Pipeline network** (Puesto Hernández - Luján de Cuyo)
- **Road network:**
 - National Route 40 (RN 40): 600 km
 - National Route 7 (RN 7 - Bioceanic Corridor): 260 km to Chile
 - Provincial road network
- **Human Capital:**
 - 9 universities (highly trained technicians and professionals)
- **Developed value chain** (metal-mechanics, logistic, construction, services)



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