

Peru's Update

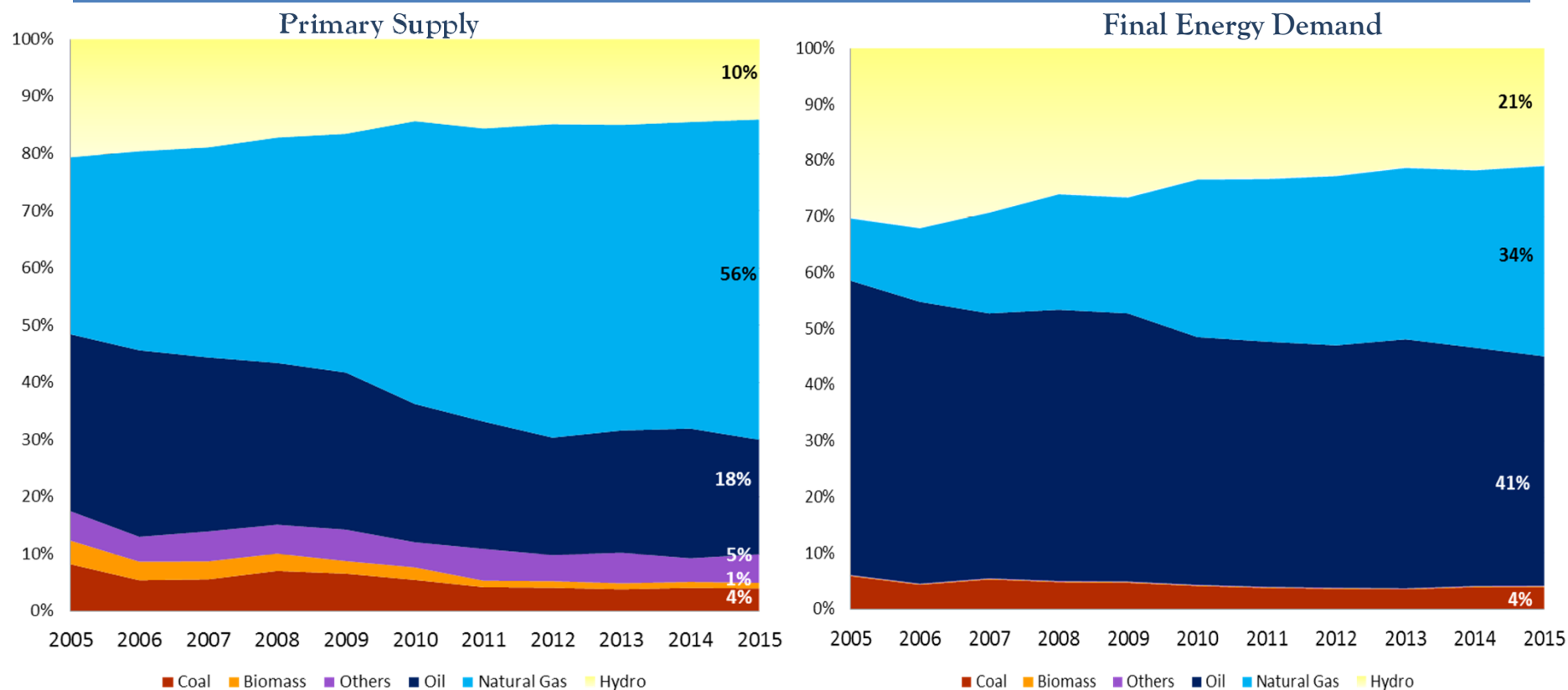
OIL AND GAS SECURITY



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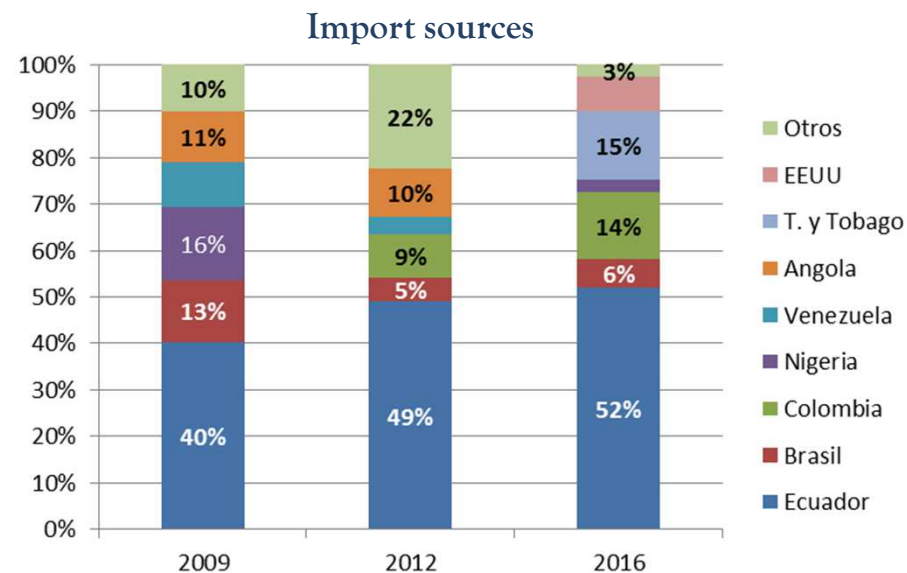
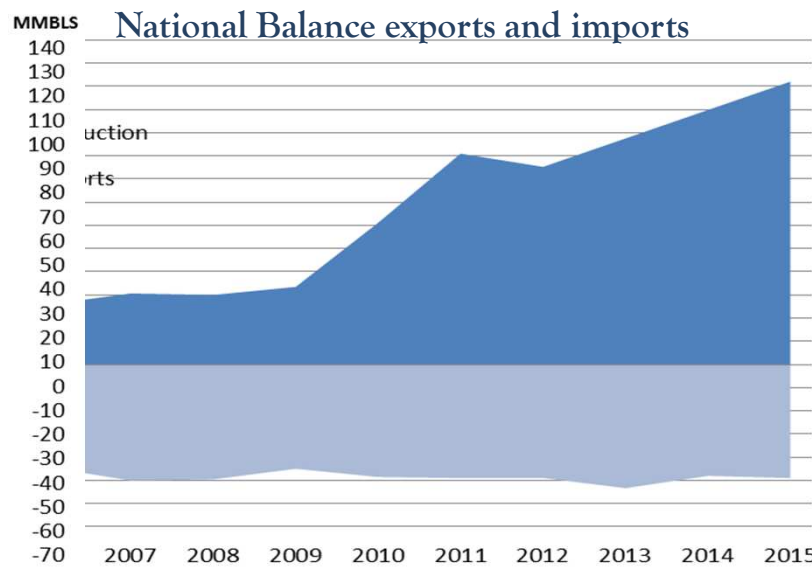
Donald Barboza Garaundo
Economic adviser
Vice Minister of Energy/Ministry of
Energy and Mines

Oil and Gas Supply and Demand Situation

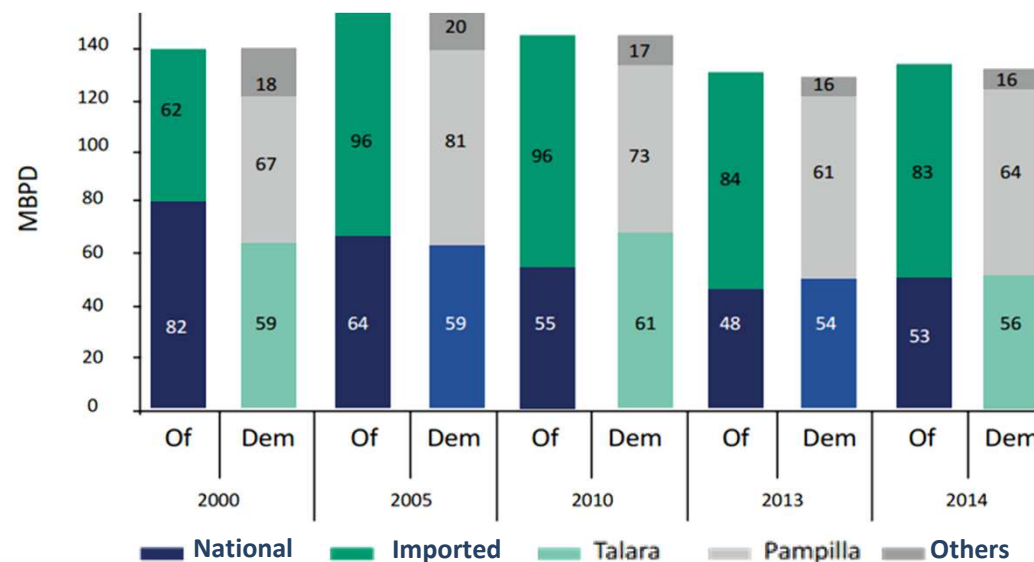


	Average Annual Growth Rate	
	Supply	Demand
Coal	0%	0%
Biomass	0%	0%
Others	1%	0%
Oil	-1%	-2%
Natural Gas	3%	3%
Hydro	1%	1%

Oil and Gas Supply and Demand Situation



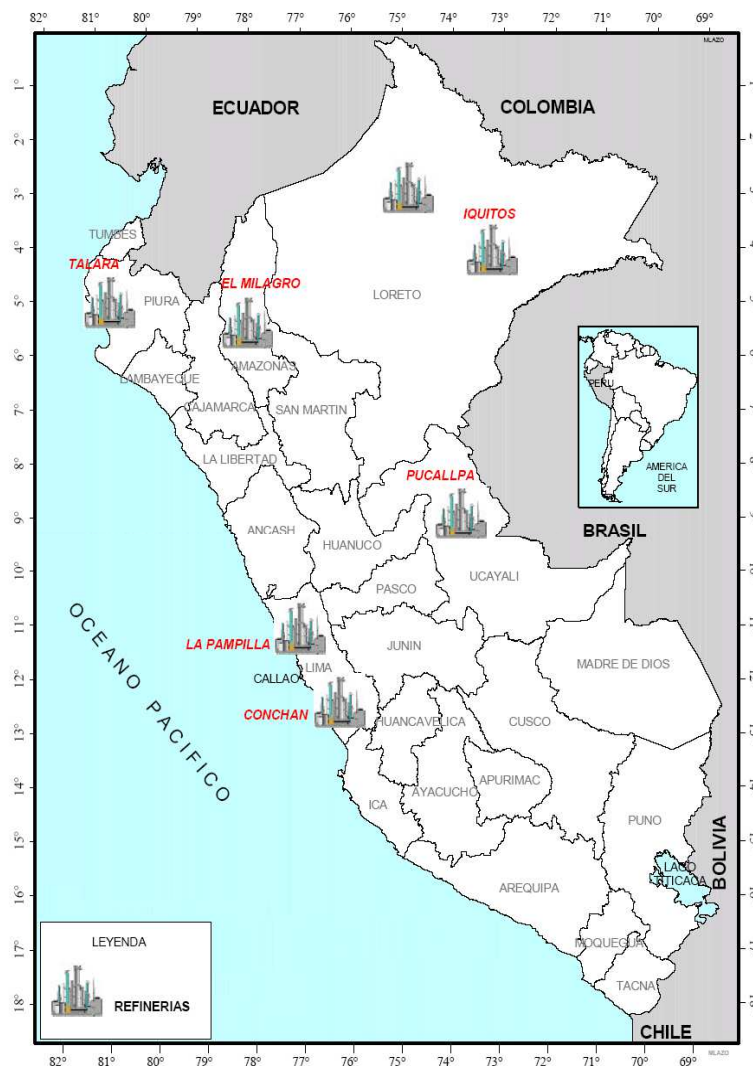
National Balance of oil's loads
Offer/demand



Oil and Gas Supply and Demand Situation

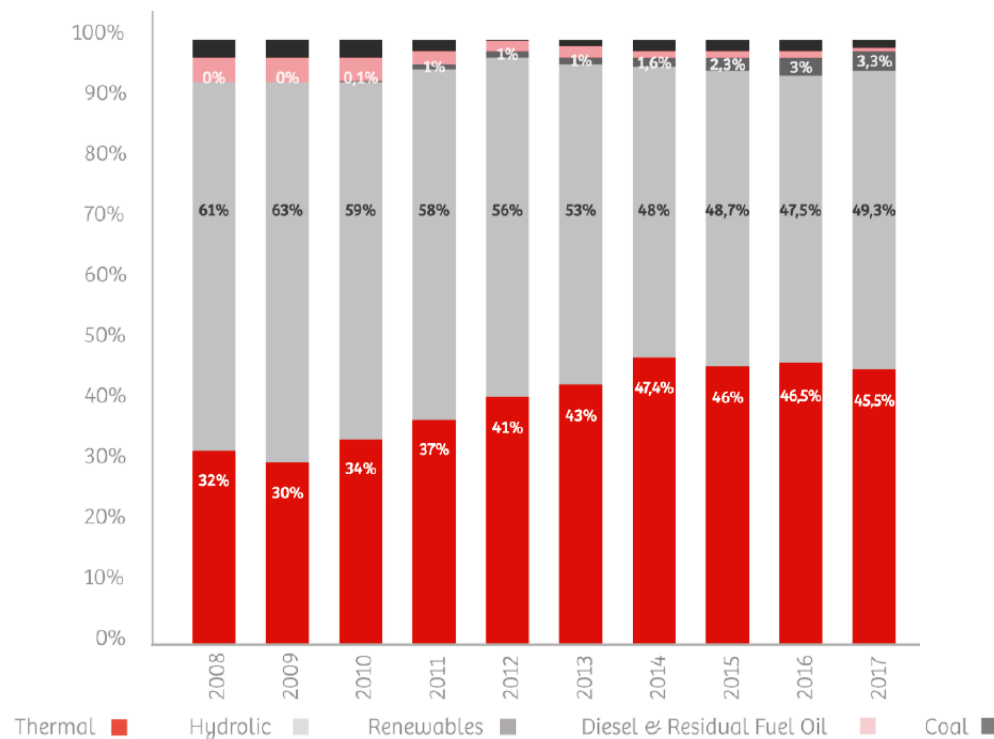
Processing Capacity

Refinery	Processing Capacity MBPD
La Pampilla	110.0
Talara	65.0
Iquitos	10
Conchán	10
Pucallpa	3.3
El Milagro	1.7
Shiviyacu	5.2
TOTAL	202



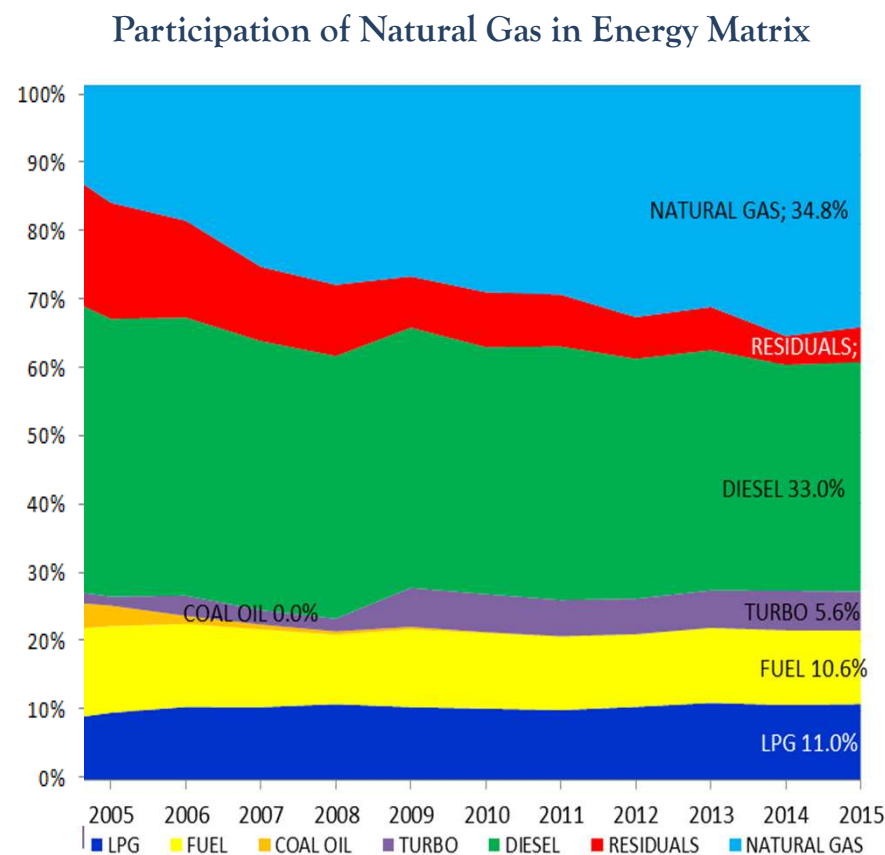
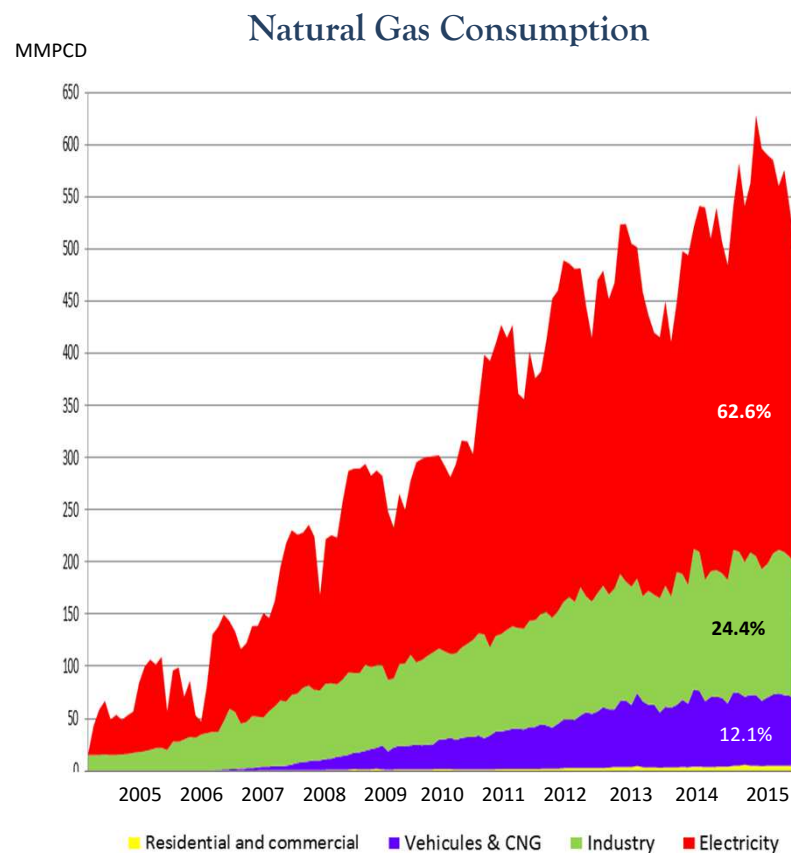
Oil and Gas Supply and Demand Situation

Composition of the Energy Generation



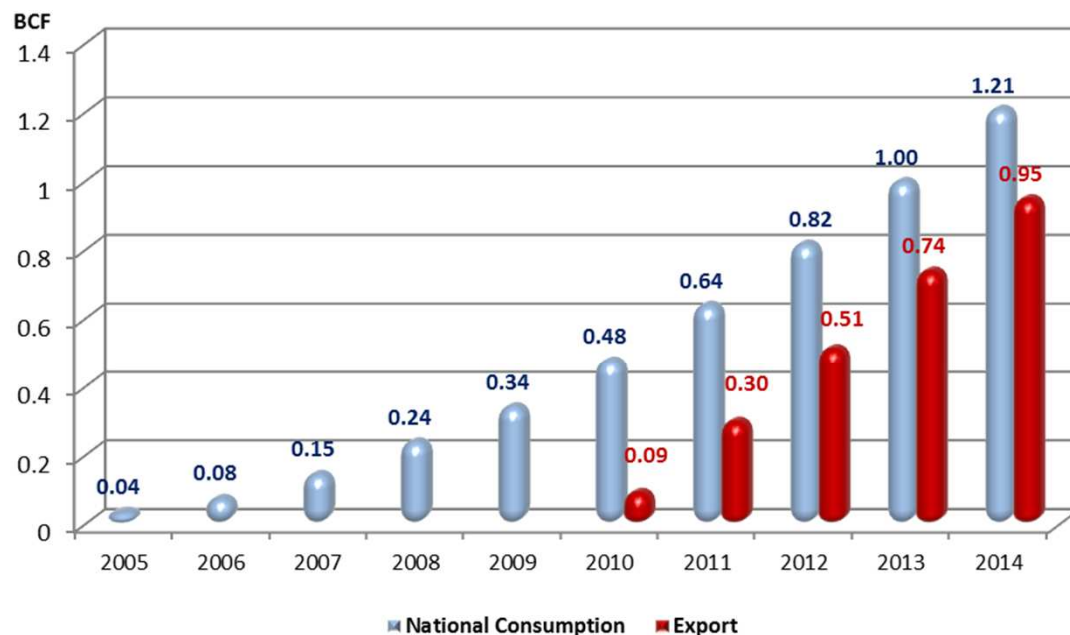
- Today, hydropower production has dropped to almost 51% and liquid production by 0.4 %, due to the entry of natural gas units in Camisea, which represents 46% of national production.
- The change in the matrix includes the Non-Conventional Renewable Energies that today represents 2.3 % of production.

Oil and Gas Supply and Demand Situation

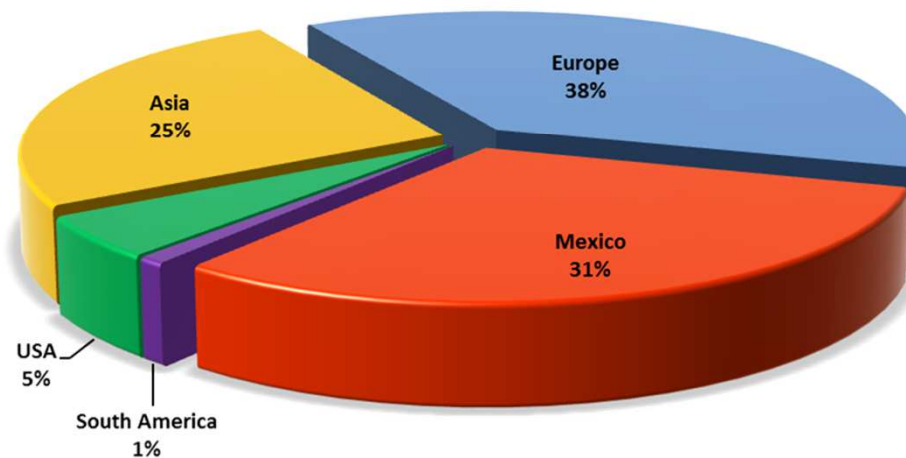


Oil and Gas Supply and Demand Situation

Natural Gas Consumption / Exportation



Export destination



- Act N° 26221. **Act that regulates the activities of Hydrocarbons** in the national territory. The **State promotes** the development of Hydrocarbons activities on the basis of free competition and free access to economic activity.
- The **objectives of energy policy** are to develop competitive energy supply and achieve self-sufficiency production in the long term.
- According to the Law, currently the **crude oil and petroleum inventory** per day are in range of 10 and 15. However, there are ample space for improve inventories energy in the north and south of Peru.
- The **national inventory per day** should be in range of 5 to 10 days, considering international experiences (example Mexico). In this case, it could include indicators such as infrastructure, consumer per capita and distance.
- The **main indicator** to measure energy security is inventories per day.

Oil and Gas Security Policy

Peru

Fuel Inventory Per Day

Terminal Port	Etén	Salaverry	Chimbote	Supe	Callao	Pisco	Mollendo	Ilo	Cusco	Juliaca
	6 months Average (June 5, 2017)									
Gasoline 90	14	19	29	43	4	33	17			
Gasoline 84	24	26		175	16	25	22		7	11
Diesel B5 S50	13	6	11	21	36	27	10	23	9	4
Turbo A1	23				46	124	25			
Residual 6		7	7				208			
Ethanol	13	12	50	84	5	53	32	6	79	5



0-5 days



6-15 days



>= 16 days

Source: Terminales del Perú.

- Act 27133, Act for Promotion of the Development of the **Natural Gas Industry**. The purpose of this law is to establish the specific conditions for promoting the development of the natural gas industry, promoting competition and diversification of energy sources.
- The other **objective of the energy policy** is the development of natural gas and liquefied petroleum gas (LPG) that could use in the industry sector and residential area. The Government facilitates the distribution of natural gas in all sectors of consumption.
- The **main indicator** to measure energy security is inventories per day.

Bilateral/Regional Agreements

Peru

- **Peru's economy has not agreements** related to the security of oil and gas supply. APEC offers opportunities to trade agreements of oil and gas supply.

Peru's economy is open to foreign investor

- Nearly 95% of Peru's exports are covered by Free Trade Agreements (FTAs) currently in force.
- Peru has preferential conditions to 53 countries, including Canada, Chile, China, the member countries of the European Union, Japan, Singapore, South Korea, Thailand and the United States, among others.

- **The energy technology has created new forms of production.** The renewable energy share has increased faster in the world. It will be important to promote interchange of experiences in policy government actions.
- **Coordination between energy ministries** to strengthen studies of energy prospects and energy security. APEC could help to carry out these studies.
- **Countries should sign agreements** to improve energy security and carry out monitoring statistics.



Thank you very much...

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