Index

1/Current affairs
Resolution of the Planning Committee

2/Financial outlook
Government intervention in the Argentinean economy

3/Technical analysis
Evolution of reserves and production of crude oil in Argentina

4/Expert opinion
Unprecedented Illegality

5/Press review

Presentation

More than 100 days have now gone by since the Argentinean government carried out its wrongly named “expropriation” of YPF from Repsol. Since then, many things have happened: new government provisions applicable in general and to the sector, the formation of a new YPF Board of Directors controlled by the national government, and the first administrative steps taken by the new management team, all accompanied by plenty of information from YPF, sent to the markets and for public opinion.

In 1999, Repsol purchased 97.81% of YPF in a cash payment of over 15 billion dollars. Since then, Repsol, as a controlling shareholder, has managed YPF responsibly, combining the concepts of managing a private company with the recognition of the unique nature of YPF in Argentina. Between 1999 and 2011, the investments made by YPF under Repsol management exceeded USD 20 billion.

Repsol not only contributed with its experience to improve the company’s operating practices, but also worked with successive Argentinean governments throughout this period. The company provided constant support to the country as it emerged from its crisis of the early 2000s, maintaining jobs and sustaining social and labour growth amongst workers at YPF. Subsequently it kept pace with the growth in Argentina’s demand for liquid fuels, maximising refinery operations, increasing the production of fuels and boosting market share prices; the company made all gas discovered available to the country, increased production to its maximum value and made it technically possible to introduce liquefied natural gas to the country.

At the same time, Repsol made a significant commitment to “Argentinise” YPF by allowing local shareholders to invest in its capital; it began a major programme of investment to modernise and extend fuel production capacity at its refineries and petrochemical plants, and it revitalised the Argentinean capital market by placing a block of its shares with international investors. More recently, it discovered and commenced production of more than 22 billion barrels of unconventional hydrocarbon resources at the Vaca Muerta field, and had obtained positive results in the D-129 field. Both these milestones will transform Argentina’s energy and economic outlook.

All of these actions were taken with the express and ongoing support and praise of the Argentinean Government.

Repsol turned YPF into an exemplary company, capable of meeting the legitimate interests of a listed company and those of a public nature, inherent to its significance for Argentina; in other words, a valuable and much appreciated company.

Suddenly, everything changed: in a matter of months, and without any explanations, Repsol became the object of harassment by this same government through a series of unjustified declarations. It was then stripped of 51% of its shares in YPF, something which also led to enormous losses in the company’s share price, a penalty that it continues to pay five months after it was seized. All of this gave rise to an expansive approach, consisting of administrative interventions and business decisions in YPF which require detailed analysis.

It is for the above reasons that this newsletter comes outs to report periodically on events linked to YPF and Repsol in its relationship with that company.

Antonio Gomis Sáez
Ex CEO of YPF, Repsol
Resolution of the Planning Committee

On September 3rd, the first Resolution handed down by the Strategic Planning and Co-ordination Committee of the National Hydrocarbon Investment Plan was published in the Argentinian Official State Gazette[1]. This first action taken by the Committee chaired by Deputy Minister of Economy Axel Kicillof defines a policy of involvement of the Argentinian government in the production, industrialisation and marketing of oil, gas and their derivatives, controlling both investment and prices.

The new Resolution does not fulfill the expectations held by oil companies that the Committee’s role would be to coordinate and liaise with the private sector and would preserve the corporate management faculty of self-decision, not guaranteeing aspects such as the ability to decide about the way and the moment of the investments, the destiny of the hydrocarbons extracted, the product pricing and others usually required by investors.

This new Resolution and the recent intervention in the electricity market confirm the interventionist bias of the new Argentinean energy policy, a process which began with the campaign against YPF and the subsequent expropriation of its shares.

The Committee will be headed by Deputy Minister Kicillof and will operate from the Secretariat headquarters, with employees also appointed by himself (arts. 1 to 4 of Appendix I of the Resolution).

As mentioned above, the Resolution grants the Committee extensive authority with regard to hydrocarbons investments and prices. In this scenario: [i] the private companies will be restricted in their decision-making powers over the characteristics, timing or amount invested; and [ii] the Provinces will be limited in their powers of audit and control, as granted by the National Constitution and the so-called Ley Corta [Short Law]. This authority includes the following:

A. The Committee will determine the investments of each company in order to attain the goals set by the National Hydrocarbon Investment Plan: In accordance with art. 12 of Appendix I of the new Resolution, on drafting the National Hydrocarbon Investment Plan, the Committee will establish the investment criteria and goals that must be followed by companies within the sector. In addition, this article provides that the Commission will evaluate the soundness and suitability of investments projected by companies against the National Plan. Companies must deal with the Committee, which, within 60 days, will confirm whether their investments conform to the National Plan. If they do not, the investment plan must be modified.

If investments are not in accordance with the criteria established by the Committee, the company in question may be suspended from the National Register, preventing any further economic activities within the Argentinean Republic.

In accordance with the aforementioned art. 12, compliance of each company's investment plan will be audited and checked by the Committee, which represents for the Provinces an important restriction of their powers of audit and control.

B. The Committee will set hydrocarbon prices from the well to the point of sale: Express powers held by the Committee will be established in order to set price criteria for internal market operations and to publish benchmark prices [including costs and what the Committee deems to be a reasonable profit margin]. Thus, in accordance with sections m) and n) of art. 12, the Committee will determine company investment and will also set the sale prices of the products marketed by these companies.

Oil companies will have to tread the difficult path already travelled by electricity companies, which have been asked for economic data by the Committee recently. On the basis of this information, the Committee will inform the companies of their costs, and from this, will calculate the profit margin deemed reasonable.

The new regulation reinforces the decision made by the authorities to disconnect internal prices from international prices, without taking into account market rules that affect investments.

C. The Committee will hold exclusive powers to apply the Law of Supply within the Hydrocarbon Sector: According to this authority, if any infringements are detected by the Committee, companies may be penalized and the Committee may also request of the relevant judge that the actual people involved be arrested or held. Therefore, the power of the Committee reaches not only companies, but also their Executives, in the event they do not invest, produce and/or market hydrocarbons in accordance with the plans set forth by the Committee to comply with the National Hydrocarbon Investment Plan.

The new Resolution establishes a hydrocarbon production and marketing regime where it is the Committee headed by Deputy Minister Kicillof that supervises and manages company business plans, constraining decision faculties of these companies. The Provinces are also limited in their powers, as the new Resolution only mentions them in section a) of article 12, stating that they will be informed of any sanctions imposed on companies by the Committee.

http://boletinoficial.gov.ar
Government intervention in the Argentinian economy

The Argentinian Government’s involvement in economic activity has increased recently with the passing of two new regulations. One relates to the financial sector and the other to corporations in which the State is a shareholder.

- As regards the first one, related to the Financial Sector, on June 5th, the Central Bank of Argentina (the “BCRA”) issued Notification “A” 5319 affecting financial entities that operate as financial agents of the national, provincial, municipal and Buenos Aires governments and the total deposits of which are equal to or greater than 1% of the total deposits in the financial system.

To this end, these financial entities must allocate an amount equivalent to at least 5% of the monthly average of the daily balance of the deposits, of the non-financial private sector from June 2012 to granting credits for productive investments.

These credits shall be used for funding investment projects designed for the acquisition of capital goods; the construction of facilities necessary for the production of goods and/or services; the marketing of goods and/or the acquisition of property (subject in this case to certain additional requirements).

The interest rate has also been imposed at up to 15.01% fixed yearly nominal rate for at least the first 36 months. Once this period has elapsed, a variable rate may be applied which shall not exceed the total BADLAR rate in pesos, plus 400 basis points.

The duration of the credits awarded is also regulated and cannot be less than 36 months. In addition, these credits shall be fully granted by December 31st 2012 and paid up by June 30, 2013.

Besides these, other obligations are imposed because the affected financial entities must also comply with a monthly reporting regime. In addition, they must submit a special quarterly report produced by an external auditor registered in the BCRA Auditor Register, regarding their compliance with the aims, terms and other conditions established by the new regulation.

Lastly, a sanctions provision has been established in the event of non-compliance with the new regulation: financial entities will be subject to the sanctions stipulated in article 41 of the Law on Financial Entities which includes penalties, fines and even the withdrawal of operating authorisations.

- The second new aspect, related to corporations in which the State is a shareholder, is Decree No. 1278/2012 (the “Decree”), the object of which is to arrange the administration of State stock in corporations, and to create a special regulation to control the action of the representatives and directors appointed by the State in the corporations in which it holds equity.

It should be remembered that in 2008, Law No. 26.425 repealed the regime regarding the administrators of retirement funds and pensions (AFJPs) and unified the social security system into a single distribution regime. The shares and securities previously held by the AFJPs, private entities, were nationalised and transferred to the Sustainability Guarantee Fund for the Public Social Security Distribution Regime (the “Fund”), controlled by the National Social Security Administration (ANSES).

Thus, the state Fund acquired a minority holding in numerous corporations listed on the Argentinian market that allow the Government, in many cases, to appoint one or more directors and/or trustees.

It should be pointed out that the Decree centralises administration of these shares in the Secretariat of Economic Policy and Development Planning of the Ministry for the Economy and Public Funding, which is currently headed by Axel Kicillof (the “Secretariat”).

As mentioned above, the Decree also approves a Regulation on Representatives and Directors appointed by or proposed by the State (the “Regulation”), thus establishing a special regime that, as we will see, may contradict the legal system applied to other directors and representatives by the Companies Act 19.550 and its amendments (the “Companies Act”). This Regulation will be imposed to relevant companies such as Gas Natural Ban, Edenor, Siderar and Telecom, amongst others.

The Regulation establishes that the directors appointed or proposed by the State are civil servants; they must assume the responsibilities corresponding to their role as civil servants but their responsibility as directors is restricted, given that it sets forth that the State shall guarantee them indemnity provided that their actions are based on the Guidelines and Recommendations issued by the Secretariat.

The increase in state involvement is highlighted in the regulation of their duties as state directors, which include: (i) monitoring the actions taken by companies to see that they comply with the Guidelines and Recommendations issued by the Secretariat, so that corporate interests are subordinated to the public interest; (ii) requesting monthly company management reports, analysing the documentation linked to the Agenda established and reporting their opinions on the most relevant points of interest to the Secretariat with regard to the economic development policies devised by it; (iii) issuing the Secretariat with a copy of the Minutes of the Board of Directors’ and Shareholders’ Meetings, audited balance sheets, management reports, annual budgets and investments, among others; (iv) informing the Secretariat of relevant events, acts, omissions or conduct, which may damage public assets or state interest, or that may lead to infringements relating to taxes, customs or social security, or wilful misconduct that may be reported to the police; (v) quickly processing requests for information and documentation from...
the Secretariat; and (vi) issuing the Secretariat with a report on the economic, financial and managerial performance of the corresponding company. **This regime provides the Argentinean Government more rights of information than other shareholders**, in contradiction with the principles applied in the most advanced legal regimes.

Furthermore, the Decree establishes that state directors shall not be affected by article 264, section 4, of the Companies Act, which expressly prohibits any Public Administration civil servant whose performance is linked to company objectives to be appointed director.

The Regulation also sets forth that state directors will not receive their salaries directly from the company. Instead, the company will deposit the corresponding directors’ salaries into the bank accounts of the Ministry for the Economy; the State will then pay the state directors their salaries.

It seems that **the Decree contradicts various provisions of the Companies Act**. Moreover, as a decree, its validity may be called into question given that it should not be able to repeal a superior regulation like a law. Some of the questionable provisions are as follows:

1. The Companies Act stipulates that directors must ensure that the social interest of the company they manage prevails over any other. Notwithstanding this, the Decree obliges state directors to fulfil the instructions issued by the Secretariat, which may lead them to act against mentioned social interest.

2. The Decree guarantees state directors indemnity, provided that they act according to the Guidelines and Recommendations issued by the Secretariat, something which differs from the general regime of liability set forth by the Companies Act for directors.

3. The Decree differs from the general scheme for the use of information from the Directors, since it imposes on the state-appointed director the duty to provide it to the government, which could create discrimination in favor of it on other shareholders.

4. The Companies Act stipulates that “public administration civil servants whose performance is linked to company objectives” cannot be directors or managers of corporations. In contrast, the Decree stipulates that this regulation shall not be applicable and that “in the event an issue arises in the Board of Directors’ Meeting linked to the direct functional competency of the director, as a civil servant, this fact should be made known to the board and trustees, and the director in question should not be involved in the deliberation”. Note that only abstention in the deliberation is referred to, with no mention of abstention in the voting process.

In summary, the above mentioned regulations are more evidence of the increasing economic interventionism of the Argentinean Government and reduce again the freedom of enterprise.
Evolution of reserves and production of crude oil in Argentina

Energy situation in Argentina.

Basic government policy in Argentina over the last 10 years has been to facilitate competitiveness within the Argentinean economy based on low energy prices controlled by the government.

Without attempting an assessment of the effects of this policy on competitiveness, it has unquestionably had an effect on the country’s energy situation, that may be summarised as follows:

- Prices for oil, oil products, liquefied petroleum gas, electricity and natural gas much lower than international prices and prices in neighbouring countries.
- Significant dependency on oil and natural gas within the primary energy matrix which has a weighting of almost 90%.
- Significant economic growth in recent years accompanied by a major increase in the demand for oil products, electricity, liquefied gas and natural gas products.
- Lack of suitable pricing has negatively affected the investment efforts necessary to incorporate new oil and gas reserves in the country.
- Major shift in Argentina’s commercial energy balance: from surplus to deficit.

Argentina is exporting less oil every year.

Argentina still exports oil (figure 1), although volumes exported from the country have declined by over 80% since 1997.

Crude oil production has been decreasing for 15 years.

In 1998, crude oil production reached its maximum level and then started to decline by 3% per year (figure 2). This trend was a result of various factors, including the maturity of Argentinean oilfields in conventional reservoirs; ongoing strikes affecting the sector; and the price policies implemented by the Argentine Government, encouraging consumption and discouraging investment.

YPF was reversing the declining trend of crude oil production.

In the last five years, YPF initiated a series of plans for rejuvenating mature oilfields and improving the recovery factor [percentage of oil extracted with regard to the field total] of conventional oilfields, with the aim of slowing down the fall in production and stabilising it at 90 million barrels per year.

The company, with significant economic and human resources,
started a process of studies resulting in a portfolio of almost 2,000 specific projects which will be developed over the next ten years, using “in fill” techniques (reducing the spacing between wells) and secondary, and some tertiary, recovery techniques on a large scale.

Results were being obtained. Figure 4 demonstrates that in the last four years, YPF reduced its production lesser than other major operators. This happened despite the union disputes of 2009, 2010 and 2011 affected almost exclusively to YPF, and led to a loss of production of over 14 million barrels of oil. If these unfortunate incidents had not occurred, YPF production in the last 4 years would not have declined, reverting the trend of previous years thanks to the human resources and the important economic efforts.

Crude oil reserves in Argentina remain relatively stable.

For the last 40 years, proven reserves of crude oil in Argentina (figure 5) have remained relatively stable at around 2.5 billion barrels.

Under Repsol management, YPF increased in the last 4 years its oil reserves against a decreasing national reserves. Figure 7 shows that YPF, as operating company, has attained the largest increase of proven crude oil reserves [ ]. In the last 4 years, while the country has lost 22 million m3 of crude oil reserves, which is equivalent to a reduction of 5.3%, YPF, as operator, increased reserves by 5.6 million m3, leading to an increase of operating reserves of 6.5%.

(* Pluspetrol increased reserves after buying PetroAndina assets

YPF is responsible for no more than 23% of crude oil reserves in the country, no more than this. As operator, YPF is responsible for 23% of the country’s crude oil reserves; as owner, this figure stands at 25%. (figure 6). This means that 77% of crude oil reserves is held by other operators.
Since 2007 YPF, under Repsol management, has been developing an ambitious program of unconventional hydrocarbon exploration that included the development and training of human resources and invested over USD 400 million to discover and start developing the largest oil reservoir in the history of hydrocarbons in Argentina. Vaca Muerta is considered to be one of the world’s most significant discoveries in the history of unconventional hydrocarbons. An independent technical audit enabled YPF to incorporate resources totalling the 22 billion or more equivalent barrels of oil representing many decades of current crude oil production in Argentina.

This program was applied to the 15 unconventional formations detected in Argentina. Specifically in formation D-129 in the Gulf of San Jorge positive results were obtained by mid-April 2012.

**Drilling activity in Argentina remains stable and YPF, under Repsol management, led half the country’s drilling activity.**

Figure 8 demonstrates how drilling activity in Argentina remains fairly stable, and that drilling is mainly carried out for oil given that the existing price policy means that gas is not economic. It should be highlighted that half of this drilling activity was carried out by YPF under Repsol management.

### CONCLUSIONS DRAWN

- Decline in crude oil production in Argentina is due mainly to the price policy and export restrictions and has affected the majority of operators equally.
- Despite this scenario, YPF would have been reverted the decline of the crude oil production, as a result of its technical and investment efforts, if union disputes had not occurred.
- YPF is the operator with the greatest increase in crude oil reserves in recent years.
- YPF has made possible a future of unconventional resources greater than all oil discovered in the history of Argentina.
Unprecedented Illegality

On April 16th, the President of the Republic of Argentina announced measures affecting Repsol's stake on YPF that due to the magnitude, illegality, severity and arbitrary nature, are unequalled in the modern international oil industry, thereby leading Argentina into a serious example of legal uncertainty.

Although the significance of this illegality deserves detailed discussion, the aim of this article is to briefly set out its most serious causes and reasons, leaving aside for the moment the breach of the Argentina-Spain Investment Protection Treaty.

The main measures adopted by Argentina with regard to YPF were:

1. on the one hand, the declaration of public utility and expropriation of 51% of listed Class D YPF shares, belonging to Repsol, as well as 60% of its Class A shares of Repsol YPF Gas, S.A., belonging to Repsol Butano, S.A.;

2. the Intervention of both YPF and Repsol YPF GAS, S.A., via Decrees of “Necessity and Urgency” and;

3. the “abnormal temporary seizure” of these shares, by virtue of which the Executive Branch of Argentina in fact exercises all corresponding rights, without prior indemnity or compensation.

These measures were preceded by a concerted campaign against YPF on the part of the Argentinean national and provincial authorities, carried out with the sole purpose of creating a social and political climate conducive to launching a previously decided expropriation, and trying to reduce its cost by the collapse of its share price. This campaign against YPF included:

- An avalanche of criticism against YPF, made by the same government civil servants who up until recently had praised management highly - based moreover on public information that were always above reproach - and when YPF always had a State representative on its Board of Directors with access to all Company information and who at all times voted in favour of the strategic direction [and who as recently as November 2nd 2011 declared within the YPF Board of Directors, as demonstrated by the meeting minutes, that “the State is in full agreement with the activities undertaken by the company”].

- The simultaneous and overwhelming opening of numerous administrative proceedings against YPF for various reasons [Competition Authorities, Argentinean tax authority AFIP, etc.], with the highest and discriminatory publicity, irrespective of due process. The expiry of concessions for mining in various provinces stands out among them. The subsequent reversion of the expiries as soon as expropriation of the company was announced, without any previous change in the investment, production or exploration that were the argued foundation of forfeitures, emphasizes the misuse of power applied in these actions, meaning the exercise of public powers with aims that do not comply with legislation. The real purpose of these proceedings was made apparent when in a public act setting the scene for the reversion of one of these concessions the Governor of Chubut Province welcomed the reduction in YPF share prices, and asserted that they would continue to decrease.

The three previously mentioned measures contain serious defects which nullify them:

The reasons for expropriation lack valid public interest as the action is based on statements which are clearly false; however, more specifically, the action violates the constitutional guarantee of equality and non-discrimination (established by Art. 16 of the Constitution) as it is not the entire hydrocarbon sector that is subject to expropriation, only 51% of one company held by a single shareholder. If expropriation was for reason of public interest, it would have had to affect the entire economic sector or, at least, YPF as a whole and have been carried out in proportion to all shareholders.

Intervention in company administration has also violated the constitutional guarantees of separation of powers and due process [under Art. 18 of the Constitution], since it is a measure that can only be taken by a judge. Both administrative doctrine and the Treasury Legal Counsel have concluded that the Executive does not hold this power. Neither could the Legislative Branch validate this invasion of Judicial Branch functions. This Intervention also violates the legal and constitutional requirement for indemnity prior to dispossession and the constitutional guarantee of property [Art. 17 of the Argentinian Constitution].
Temporary seizure is a measure according to Argentinean Law that enables the Administration to take control of the use of a private asset when necessary in the event of an emergency, and during the period this emergency remains in place, to then return it to the owner, paying only the damages occurring. It has been considered unconstitutional by the doctrine, for not including indemnity for the forcible use of the asset subject to seizure. In any case, its aim is to deal with brief emergency situations. But in this case the objective of the YPF takeover was not to overcome a specific crisis, but to respond to a change in policy on a permanent basis. This seizure, applied simultaneously with expropriation, breaches the Argentinean Constitution, which sets forth that “Expropriation in the public interest should be approved by law and compensated previously”, establishing as guarantees in favour of the expropriated party that possession of the asset is not taken without first [a] promoting the expropriation proceedings — which has not yet occurred — and [b] paying a reasonable indemnity. In the case of YPF, the single purpose of the temporary seizure is not to overcome an emergency situation but to avoid the prior payment of indemnity, converting expropriation into confiscation.

Lastly, although no less importantly, Argentina has breached the commitment undertaken in the privatisation of YPF of launching a tender offer on all shares in the event of retaking control of the Company. The State itself included an section in the YPF Bylaws (“Special regulations for State purchases”) by virtue of which a tender offer for all the shares of the company must be formulated at a predetermined equitable price, in the event control was to be retaken, with the rights to vote and dividend of the State suspended until the launch of the tender offer. The commitment was set out in the privatisation prospectuses issued by the company as a guarantee to investors. Nothing of this has been complied with now, neither with Repsol nor with an offer to the remaining shareholders of YPF.

The clear illegality of the measures adopted, and the deliberate breach of its tender to launch a takeover bid, are a clear sign of the legal insecurity that currently affects to Argentina.

Íñigo Alonso de Noriega Satrústegui
Director of Corporate Governance. Repsol
The recent news of the YPF expropriation has made an important impact in the Argentinian and Spanish press. Due to the volume of articles published (more than a thousand since April 16th) and its development, the decision of Cristina Fernandez de Kirchner's government has not left the media in both countries indifferent, and has generated a notable interest amongst major international newspapers: Wall Street Journal, Financial Times and International Herald Tribune.

The course of events has repositioned the interest of the Spanish, Argentinian and international media. In Spain, any news directly affecting the interests of Repsol in its conflict with Argentina is closely monitored, whereas the Latin American macroeconomic opinion articles published in international newspapers usually mention the climate of mistrust in the private sector generated after the government intervention. Both issues, and particularly the evolution of YPF and its internal conflicts (Galuccio, investors, strategic alliances, conflicts with the provinces, etc.), have been very common topics daily analysed by Argentinian journalists since April.

Moody’s: negative outlook on Argentina

This renowned business newspaper reports on the recent downgrade on the outlook applied by Moody’s to argentine debt, which changes from stable to negative due to the “persistent environment of disorderly policies” of the government. The rating agency has specified that factors such as “the nationalization of YPF, Argentina's largest oil company, without the payment of compensation” have contributed to the country's economic stagnation.

Kicillof’s power grows and he builds his team with former university colleagues

An article warning on the important share of power concentrated by Alex Kicillof after his appointment as head of the commission to oversee the entire energy sector, from investments to selling prices. Clarín also points out that the Deputy Minister of Economy has built his team with former university colleagues for this purpose.

Visionary?

Op-ed that highlights the weaknesses of the growing interventionist strategy of the Argentine government, embodied by Kicillof, in the energy and oil sector. Its difficult coexistence in a competitive market leads the newspaper to question: “Is the state planning more of a problem than a solution?”

From a crony capitalism to a state intervention

An opinion article criticizing the interventionist drift that Alex Kicillof has left on Cristina Fernandez de Kirchner’s policy. The journalist identifies three recent government decisions that have pushed Argentina from a “crony capitalism” to a “state capitalism”: reform of the Central Bank Charter, the nationalization of YPF and Decree 1277. He recognizes that “YPF has been the test bed for this change of premises”.

Argentina adds another setback in CIADI. Its debt rises USD 1 billion

This article recalls the delicate situation of Argentina in the arbitration court of the World Bank. The country still has 33 unsolved cases; it is the nation with the most litigation cases in this organization with a debt of more than USD 1 billion.

A lesson in crony capitalism

Opinion article written by a researcher at Harvard Kennedy School in which he argues that the “crony capitalism” performed by Argentina is “enemy of development.” He also stresses that decisions such as the use of social security funds to finance the nationalization of companies like YPF contribute to “institutional decay”.

ÁMBITO FINANCIERO
[18/09/2012]

CLARÍN
[04/09/2012]

BUENOS AIRES HERALD
[28/08/2012]

LA NACIÓN
[17/08/2012]

EL CRONISTA
[09/08/2012]

WALL STREET JOURNAL
[08/08/2012]
Regional protests moves forward against YPF decree
The oil regions have not hidden their opposition to Decree 1277, branded as “unconstitutional” because it “violates the territorial autonomies”. This article highlights the protest in provinces such as Mendoza or Santa Cruz against a measure that “will create more legal uncertainty, scare off investment and aggravate the energy crisis.”

Dear knock to oil development
Op-ed warning of the consequences of Decree 1277, which “resembles the classical planning of collectivist economies, but does not support private initiative”. The text highlights the difficulties in attracting foreign investment, the decline in production or price manipulation as effects of this measure.

National government did not expropriate YPF, it is just a squatter
Article by a former judge of the Argentinian Supreme Court who declares that in order to fulfill the expropriation the State must pay compensation. Until then, “Repsol is the owner of the shares.”

Strong Politised Oilfields
Opinion article that highlights the failure of YPF’s strategy to raise Galuccio’s professional profile. The high political profile of the company, largely thanks to Kicillof, is hampering the company’s ability to attract foreign investors.

YPF production drops and reveals discoveries already announced
Interview with Antonio Gomis Sáez, who highlights the decline of production in Argentina after the expropriation. It emphasises that the current situation within YPF is the result of a “lack of transparency, professionalism and independence from political power.”

Critics in Argentina to Kirchner of mismanagement of YPF
The Spanish media also echoes regional tensions due to the lack of investment after the expropriation. This context pushed Galuccio to contemplate his exit from YPF, emphasised by his differences with Kicillof.

From frustrating to surreal
The growing distrust of the private sector in Argentina is creating an adverse climate for business and investment. The expropriation on April 16th has definitely contributed to the degradation of this context.