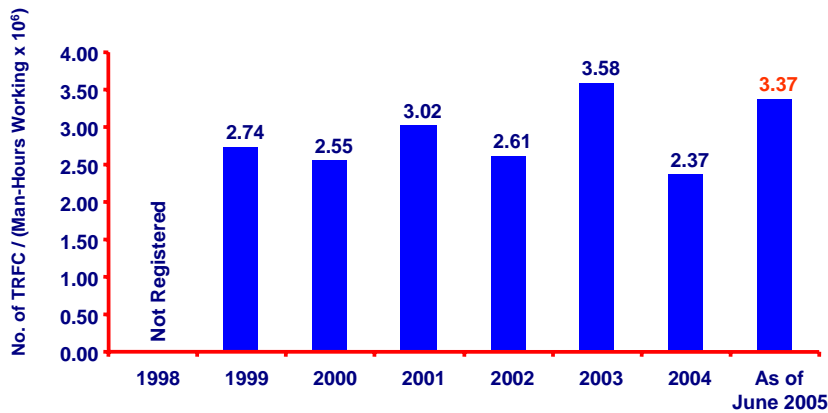


Total Recordable Case Frequency (TRCF) Transredes S.A. and Contractors



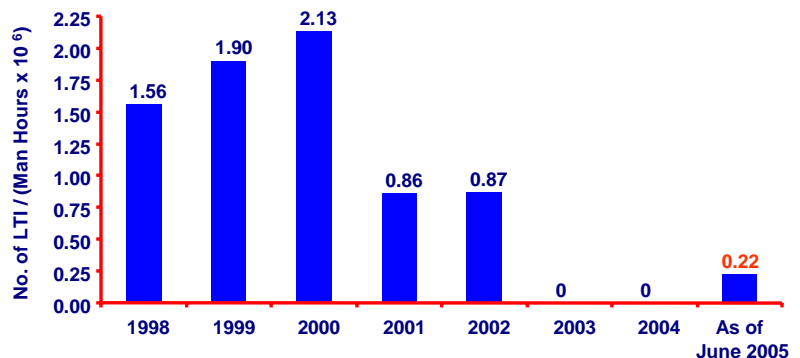
The Total Recordable Case Frequency (TRCF) is calculated as the total number of accidents including lost time incidents (LTI), medical treatment cases (MTC), restricted work cases (RWC) and fatalities (FAT), per million working hours of employees and contractors.

As of June 2005 one LTI, six MTC, three RWC and no fatality were registered, both among Transredes and Contractors. During the first half of year 2005, the TRCF reached 3.37, still below the average for the industry (3.94), as reported by the International Association of Oil & Gas Producers (www.ogp.org.uk).

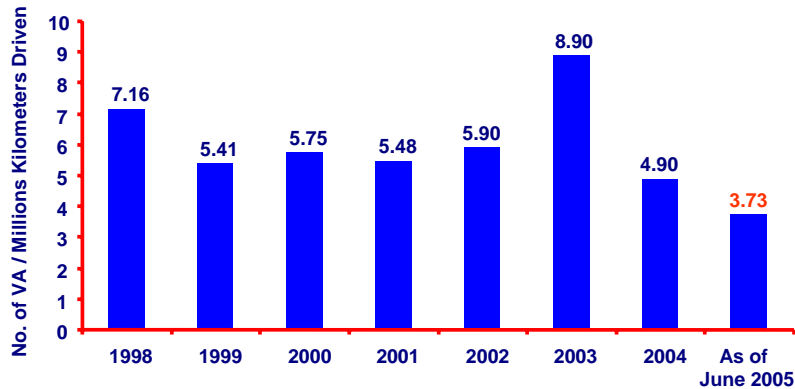
Lost Time Incidents Frequency (LTIF) Transredes S.A. and Contractors

Lost Time Incidents Frequency (LTIF) is calculated as the total number of incidents with lost time (LTI) per million working hours of employees and contractors.

During the second quarter of 2005 Transredes and Contractors achieved a record of more than 10 million man-hours without lost time incidents, including fatalities, which represented more than 2.5 years without LTI's. Regrettably as of June 2005 we registered one lost time incident that affected one contractor worker, increasing the LTIF at 0.22, still well below the 2004 industry average (1.09), as reported by the International Association of Oil & Gas Producers (www.ogp.org.uk).



Vehicle Accidents Frequency (VAF) Transredes S.A. and Contractors



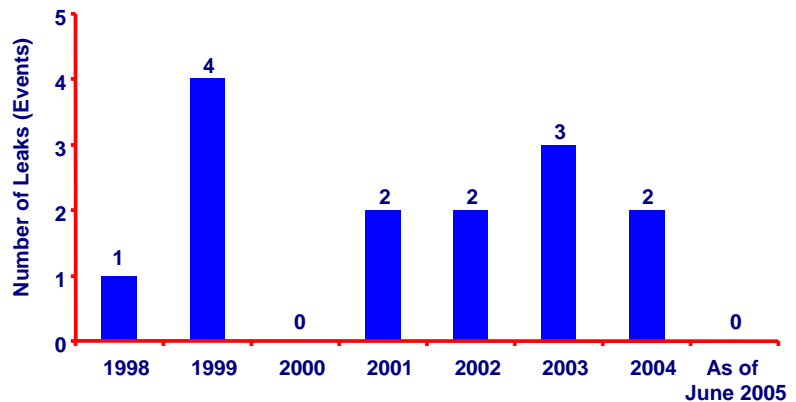
The Vehicle Accidents Frequency (VAF) is calculated as the total number of motor vehicle accidents per million kilometers driven by employees and contractors. This Index includes all Vehicle Accidents irrespective of the amount of resulting damage.

As of the second quarter of 2005, the VAF reached 3.73, the lowest level ever registered. The decrease of the VA Frequency is due to Transredes' internal defensive driving program, implementation of safety measures in vehicles (monitoring system and special protection devices), day light driving only and zero alcohol and drugs allowance

Gas Leaks (Greater than 100.000 Cubic Feet)

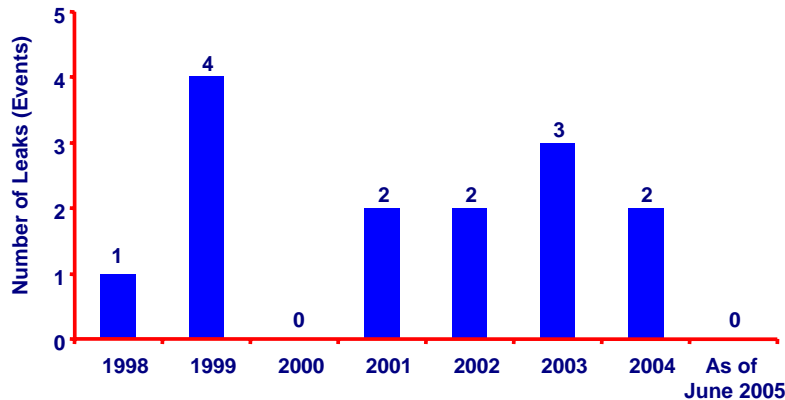
Gas leaks are calculated as the total number of gas leaks per year greater than 100,000 cubic feet, which corresponds to the "M1" class according to ASME classification.

No gas leaks greater than 100.000 cubic feet were reported as of the second quarter of 2005. In order to prevent gas leaks, Transredes continuously implements maintenance programs (burying and line replacement), smart pigging, risk management, corrosion prevention, theft prevention, and cathodic protection.



The average volume corresponding to the gas leaks registered in 2004 is 1.21 mmcf which is significantly lower than the industry average (17 mmcf) as reported by the American Oil Pipeline Organization (www.aopl.org) for gas transportation companies in USA during 2004.

Oil Spills (greater/equal to 12.5 barrels)



Oil Spills are calculated as the total number of events per year greater than 12.5 barrels.

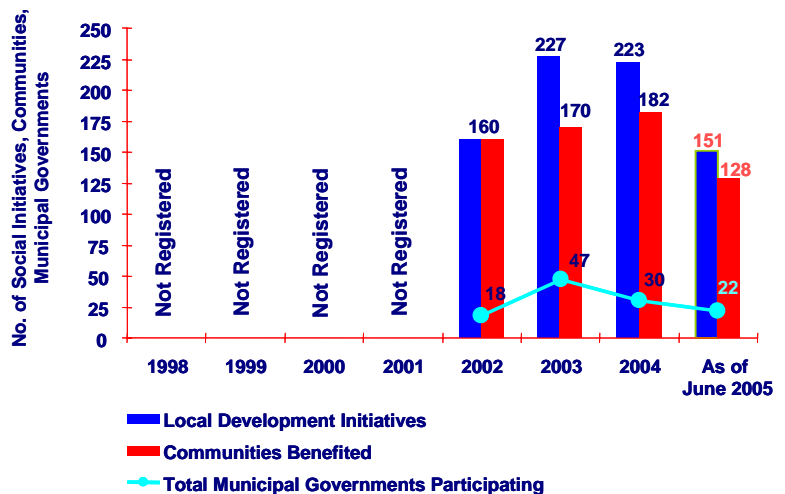
There were no spills greater than 12.5 barrels during 2004 and no reported incidents as of June 2005. The industry average volume of the oil spills registered in 2004 is 45.75 barrels, as reported by the International Association of Oil & Gas Producers (www.ogp.org.uk). Theft and third party damage to pipelines were the main causes of oil spills in the past. The number of oil spills decreased significantly due to the

successful implementation of maintenance programs (burying and line replacement), smart pigging inspections, risk management, corrosion prevention and line patrolling and theft prevention programs.

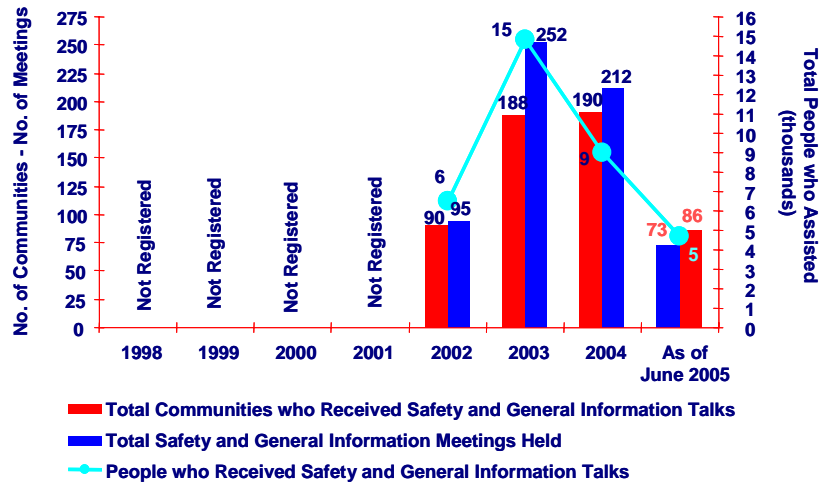
Support to Local Development Initiatives

These projects are implemented jointly with local communities, local authorities and other local institutions (e.g. municipalities and NGOs).

As of the second quarter of 2005, Transredes continued providing support to neighboring communities and institutions. Under our good neighbor policy, requests for assistance are received, analyzed and prioritized on the basis of certain criteria that include: basic needs, sustainability, local participation, community benefits and proximity to Transredes' installations. The majority of initiatives focus on the areas of education, training, health, production and environment.



Safety Education and General Information Program



The aim of the program is to provide information to the public about the company and its pipeline system, looking to prevent situations which could threaten human life or the environment.

During these educational meetings, basic Health, Safety, Environment & Social information about the pipeline system is provided (characteristics of hydrocarbons transported, what to do in case a problem or event occurs close to the pipelines, etc.) along with information about the care that has to be taken when close to the pipelines as well as other topics of mutual interest. This program started in 2002 and prioritizes meetings based on:

new communities (communities where a meeting has not been held before) and communities which need a refresher meeting for operational reasons (new construction projects, special maintenance programs, etc.).