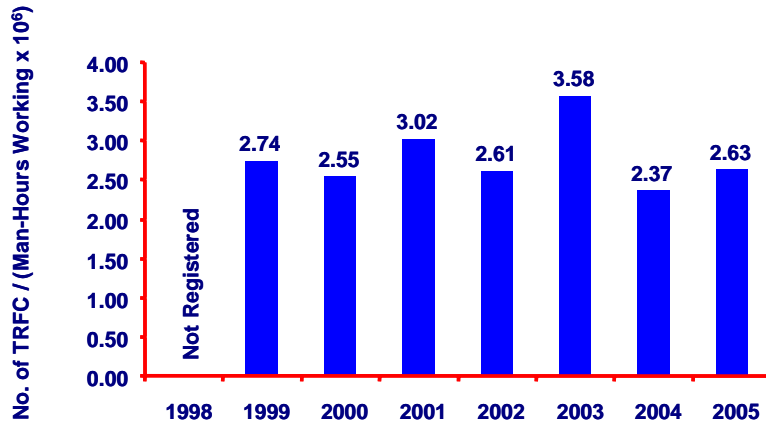


**Total Recordable Case Frequency (TRCF) Transredes S.A. and Contractors**



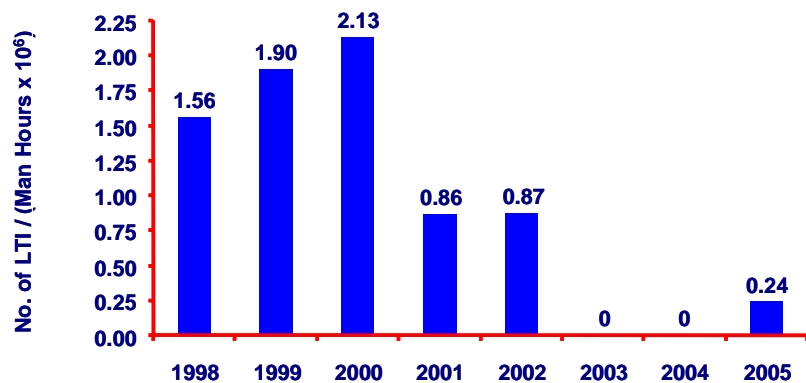
The Total Recordable Case Frequency (TRCF) is calculated as the total number of accidents including lost time incidents (LTI), medical treatment cases (MTC), restricted work cases (RWC) and fatalities (FAT), per million working hours of employees and contractors.

As of December 2005; one LTI, six MTC, four RWC and zero fatalities were registered, both involving Transredes and contractors. Transredes' TRCF reached 2.63 during 2005. This frequency is slightly higher than the one registered during 2004, but still below the average for the industry (3.94), as reported by the International Association of Oil & Gas Producers ([www.ogp.org.uk](http://www.ogp.org.uk)).

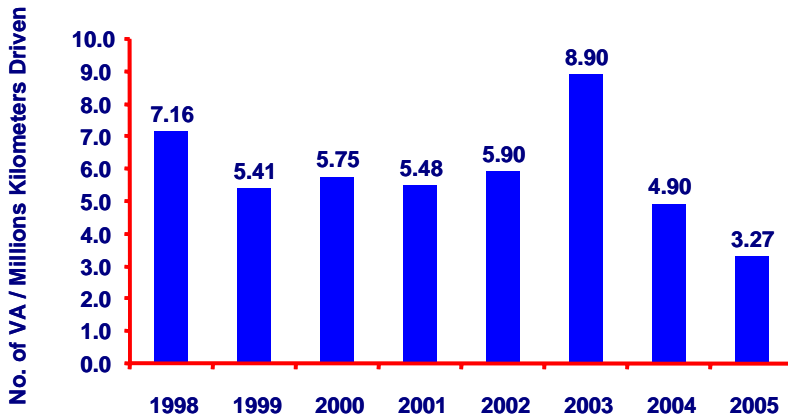
**Lost Time Injuries Frequency (LTIF) Transredes S.A. and Contractors**

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

As of December 2005 Transredes and contractors registered a Lost Time Injury Frequency of 0.24, significantly below the 2004 industry average (1.09) as reported by the International Association of Oil & Gas Producers ([www.ogp.org.uk](http://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.

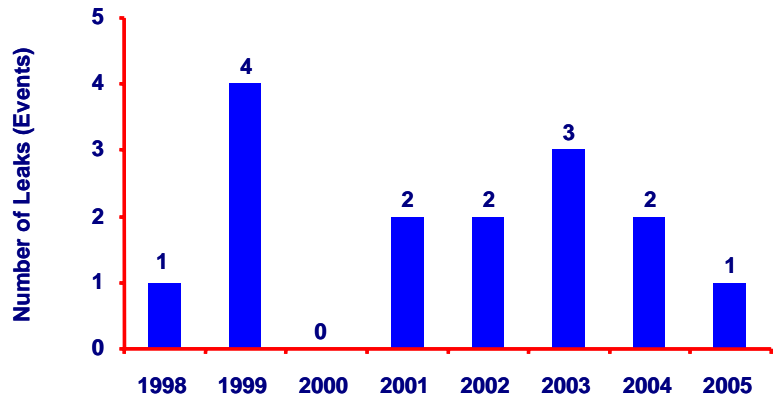
The 2005 Vehicle Accident Frequency reached 3.27, the lowest level ever registered for Transredes S.A. and contractors. The decrease of the VAF is due to the implementation of a successful defensive driving program, the implementation of safety

measures in vehicles (monitoring system and special protection devices), day light driving only and zero alcohol and drugs allowance.

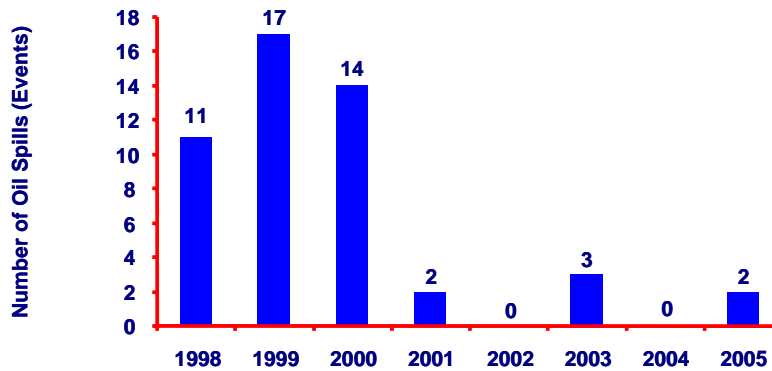
**Gas Leaks (Greater than 100.000 Cubic Feet)**

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.

As of December 2005 we only registered one gas leak greater than 100.000 cubic feet. One of the pipelines in the south was broken due to a large flood of the river (natural causes). In order to prevent leaks, Transredes S.A. continuously implements preventive maintenance programs (burying and line replacement), smart pigging, risk management, corrosion prevention, theft prevention, and cathodic protection.



### Oil Spills (greater/equal to 12.5 barrels)

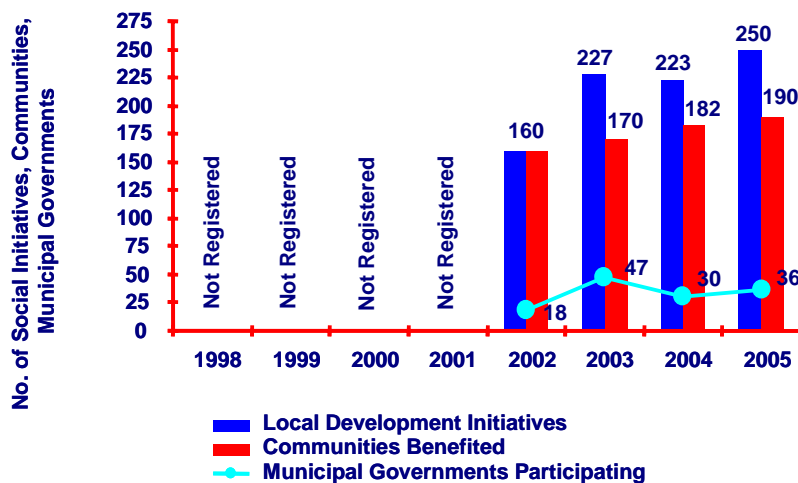


*Oil Spills are calculated as the total number of events per year greater than 12.5 barrels.*

During 2005 we registered two spills with volumes larger than or equal to 12.5 barrels, which were controlled immediately. The main cause of both spills was natural disasters that affected our operations as well. 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

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

### Support to Local Development Initiatives



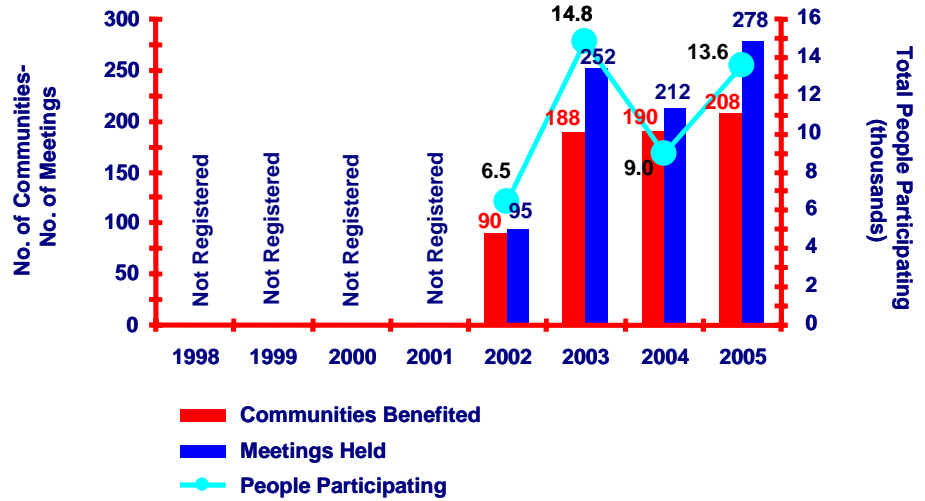
*These projects are implemented jointly with local communities, local authorities and other local institutions (e.g. municipalities and NGOs).*

As of 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.). It is also important to note that during 2005 several presentations were also made to municipal governments.



### PERFORMANCE INDICATORS - SAFETY

INDICATOR	UNITS	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total Recordable Case Frequency (TRCF) (1)	Total number of accidents per million working hours of employees and contractors	-	-	2.74	2.55	3.02	2.61	3.58	2.37	2.63
Lost Time Incidents Frequency (LTIF) (1)	Number of incidents with lost time (LTI) per million working hours of employees and contractors.	-	1.56	1.90	2.13	0.86	0.87	0	0	0.24
Absentee Rate due to Illness (2)	Percentage	-	-	-	-	-	-	0.25%	0.15%	n/a
TROIF(3)	Occupational Illnes per million working hours	-	-	-	-	-	-	-	3.61	1.08
Fatalities (4)	Number of events	0	1	1	4	2	1	0	0	0
Vehicle Accidents Frequency (VAF) (1)	Total number of motor vehicle accidents per million kilometers driven by employees and contractors.	-	7.16	5.41	5.75	5.48	5.90	8.90	4.90	3.27

(1) Transredes and Contractors, 12 month moving average.

(2) Number of absentee days due to non-occupational related illness divided by total working days.

(3) Total Recordable Occupational Illness Frequency, only Transredes employees.

(4) Fatalities related to occupational incidents, Transredes and Contractors.

**PERFORMANCE INDICATORS – ENVIRONMENTAL PERFORMANCE**

INDICATOR	UNITS	1997	1998	1999	2000	2001	2002	2003	2004	2005
Gas leaks	Total number of gas leaks greater than 100,000 cubic feet.	-	1	4	0	2	2	3	2	1
Oil spills	Number of events greater or equal to 12,5 barrels	-	11	17	14	2	0	3	0	2
Energy Use	Kilowatt-Hour (1 KW - Hour = 3,6 million Joules)	-	-	-	-	-	-	-	-	5,736,797
Use of Natural Resources: Water (1)	Cubic meters (m3)	-	-	-	-	-	-	-	-	59,110
Admonitions due to Environmental Regulation Infringement (2)	Number of admonitions	0	0	0	1	4	0	0	0	0
Fines due to Environmental Regulation Infringement (2)	Number of fines	0	0	0	0	2	0	0	0	0
<b>Lubricants</b>										
- Purchased	Barrels (1 Barrel = 205 Liters)	-	-	-	-	-	-	-	-	924
- In Storage or Use	Barrels (1 Barrel = 205 Liters)	-	-	-	-	-	-	-	-	601
<b>Waste</b>										
Sanitary	Kilograms	-	-	-	-	-	-	-	-	82,591
Industrial	Kilograms	-	-	-	-	-	-	-	-	3,750
Recycling	Kilograms	-	-	-	-	-	-	-	-	6,000
Specials	Kilograms	-	-	-	-	-	-	-	-	131,651
Incineration	Kilograms	-	-	-	-	-	-	-	-	23,627
Biodegradable	Kilograms	-	-	-	-	-	-	-	-	230
<b>Emissions (3)</b>										
CO2	Tones equivalent	-	-	-	-	-	-	-	-	82,987
NOX	Tones equivalent	-	-	-	-	-	-	-	-	2,269
N2O	Tones equivalent	-	-	-	-	-	-	-	-	7
SO2	Tones equivalent	-	-	-	-	-	-	-	-	0
CO	Tones equivalent	-	-	-	-	-	-	-	-	287
CH4	Tones equivalent	-	-	-	-	-	-	-	-	26,519
VOC	Tones equivalent	-	-	-	-	-	-	-	-	6,690

(1) Estimated, since not all stations have water measurement systems.

(2) Admonitions and fines received during 2001 were related to the Desaguadero spill, caused by floods in the year 2000. One of the fines is being recalculated and the second is still following the impugnation process.

(3) Estimated theoretically.

## PERFORMANCE INDICATORS – SOCIAL PERFORMANCE

INDICATOR	UNITS	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Support to Local Development Initiatives (1)</b>										
Support to Local Development Initiatives	Number of initiatives	-	-	-	-	-	160	227	223	250
Communities Benefited	Number of communities	-	-	-	-	-	160	170	182	190
Municipal Governments Participating	Number of municipal governments	-	-	-	-	-	18	47	30	36
<b>Safety Education and General Information Program (2)</b>										
Meetings Held	Number of meetings	-	-	-	-	-	95	252	212	278
Communities Benefited	Number of communities	-	-	-	-	-	90	188	190	208
People Participating	Number of people participating (thousands)	-	-	-	-	-	6.5	14.8	9.0	13.6
<b>Requests and Complaints</b>										
Requests Received	Number of requests	-	-	-	-	-	379	525	589	702
Complaints Received	Number of complaints	-	-	-	-	-	23	20	15	22

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

(2) Aimed at populations close to the pipelines.