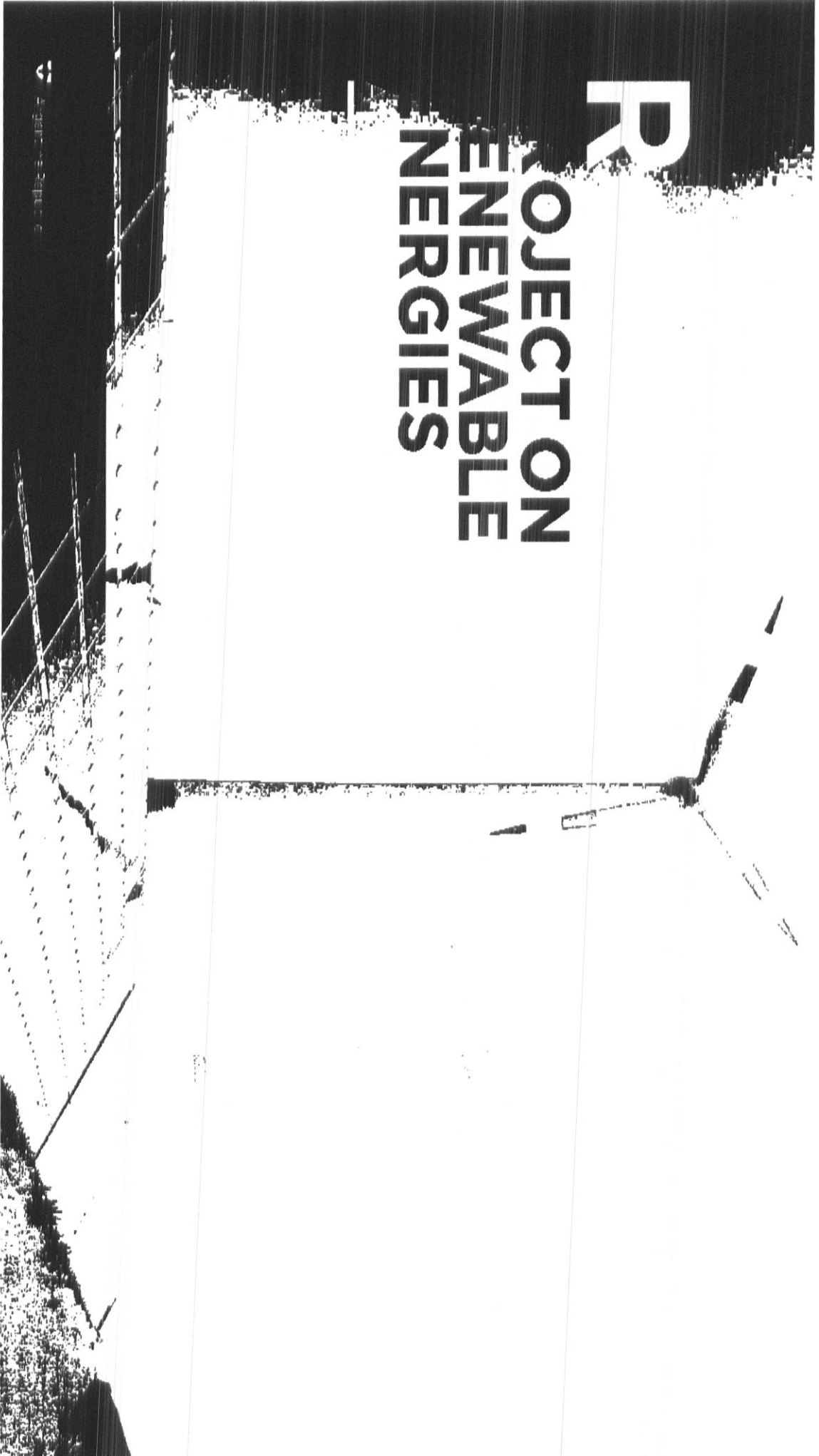


PROJECTION RENEWABLE ENERGIES



THE ACT ON RENEWABLE ENERGIES SETS A NEW STAGE IN THE ARGENTINIAN RENEWABLE

It is a historic event in Argentina since the development of renewable energies is now considered a state policy. Act 27 191 on Legal Regulations on National Promotion for the Use of Sources of Renewable Energy was passed and enacted in 2015. In order to extend the legal framework, the current Government has passed the regulations of this Act by means of Resolution 531 issued by the Ministry of Energy and Mining. The contribution to the development of clean energies is **widely accepted by society.**

This Act declares a **national interest the generation of electric power from the use of sources of renewable energy so as to supply the public service, as well as the research for technological development and the manufacture of equipment** for that purpose.

At present, the Argentine Republic has an installed capacity of almost 800 megawatts for the generation of renewable energy.

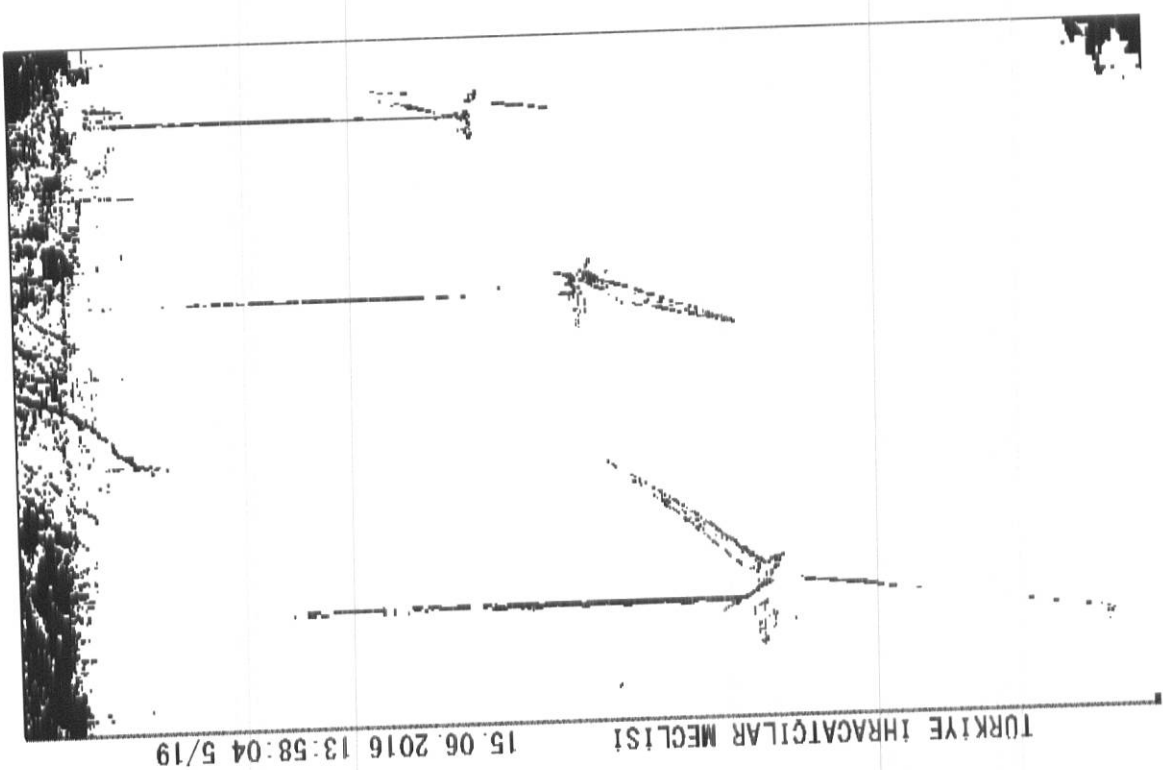
Act 27 191 aims at reaching a contribution of sources of renewable energy equal to **8 % of the total national consumption of electric power** by 2018 and reaching a contribution of sources of renewable energy equal to 20 % of the total national consumption of electric power by 2025.

In this way, Argentina aims at reaching 10 thousand megawatts generated from sources of renewable energy in ten years.

● SCOPE OF ENFORCEMENT

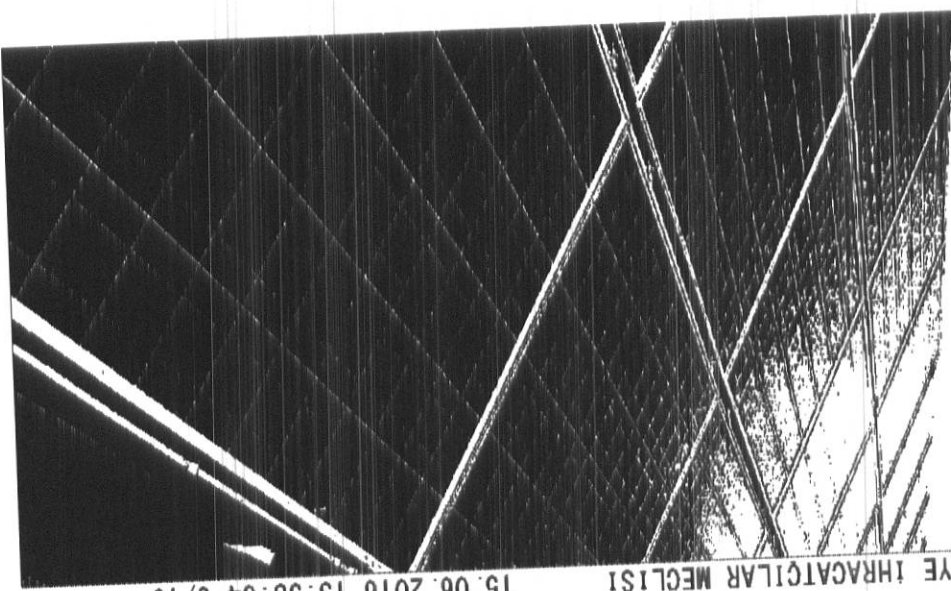
The whole national territory.

Building of civil works, electromechanic works, assembly works, manufacture and/or import of component parts for their inclusion in locally manufactured equipment and commercial operation.



● SOURCES OF RENEWABLE ENERGY

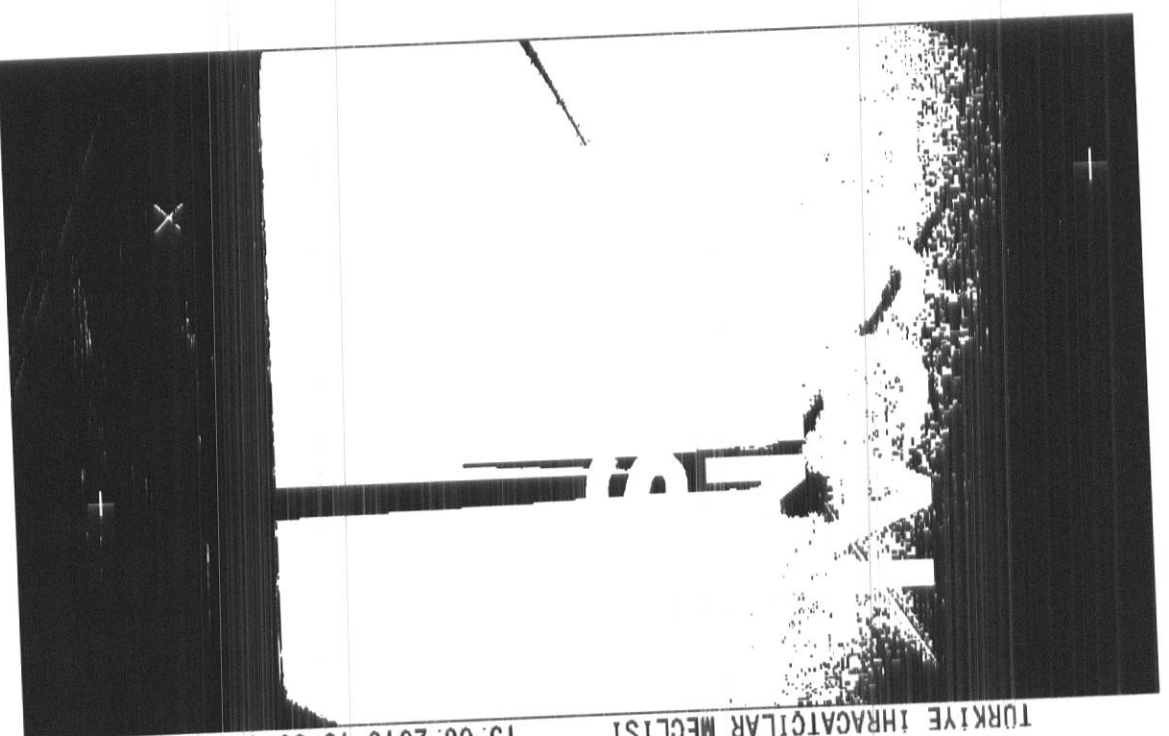
Sources of renewable energy are non-fossil sources of renewable energy suitable to be used in a sustainable way in the short-, medium- and long-term: wind energy, solar thermal energy, solar photovoltaic energy, geothermic energy, tidal energy, energy from ocean currents, hydraulic energy, biomass, landfill gas, treatment plant gas, biogas and biofuels.



KEEP OPPOR & TUN TIES

- The new legal framework allows for the long-term planning of the market development and offers **predictability for investment**.
- Besides, it adapts and improves the existing **legal framework** so as to increase the share of renewable energy, diversify the national energy mix and reduce the dependence of fossil fuels.
- The new Act sets **national mandatory targets** to all consumers and instructs the Ministry of Energy and Mining (MİNEM) to set the necessary contracting mechanisms so as to achieve such targets and to promote the **technological and geographical diversification** for the development of energy sector.
- Besides, it allows **major consumers** (>300 kW) to directly enter into agreements with manufacturers.

- **Exemption of Import Duties** for equipment, pieces, replacement parts, component parts and raw materials until December 31st 2017.
- **Accelerated Fiscal Depreciation.**
- **Advance VAT Return.**
- **Exemption of Minimum Presumed Income Tax.**
- **Exemption of Dividend Tax for the re-investment in infrastructure.**
- **Tax deduction of all financial expenses when calculating the Income Tax.**
- **Issuing of Fiscal Certificate** subject to the proving of the inclusion of domestic goods.



INCENTIVES FOR GENERATION PROJECTS SO AS TO INCLUDE DOMESTIC GOODS

Priority Access to project financing by means of the **Trust Fund for the Development of Renewable Energies (FODER)**. The **National Treasury** will allocate **TWELVE THOUSAND MILLION ARGENTINE PESOS (\$12.000.000.000)** to the FODER in 2016, an unprecedented figure over the course of renewable energies history in our country.

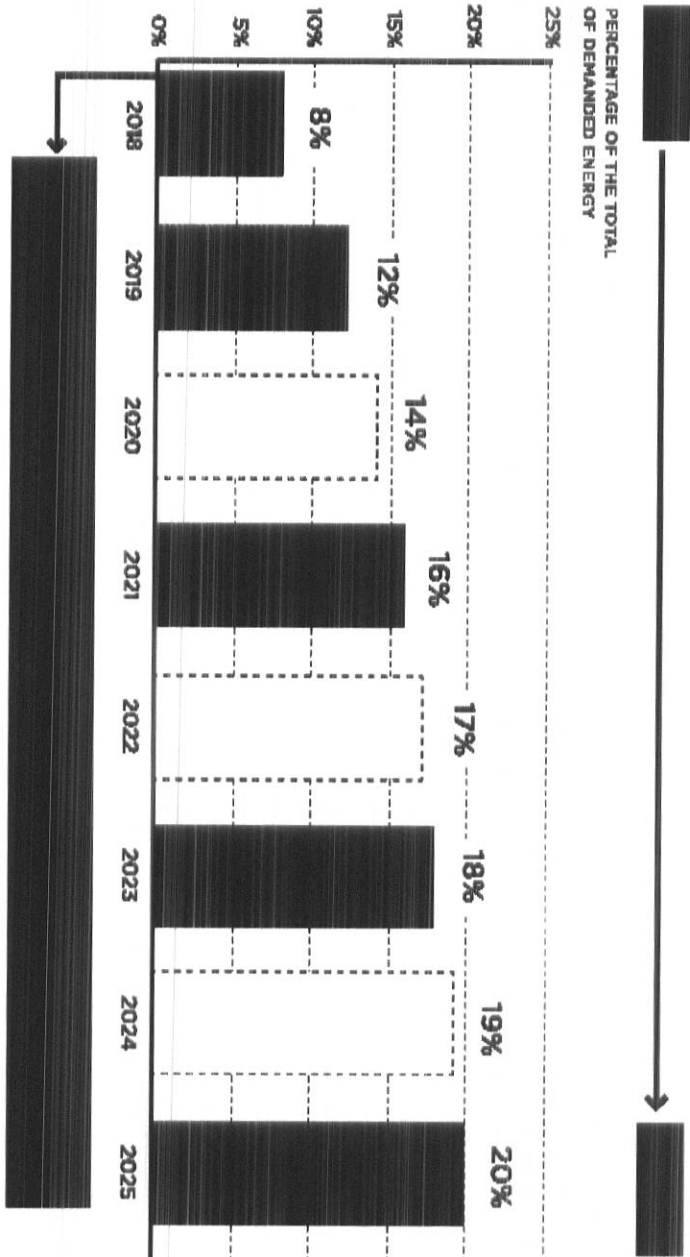
Issuing of a Tax Credit Certificate for a value equivalent to twenty percent of domestic goods included. The inclusion of domestic goods shall never be less than thirty percent.

Incentives for local suppliers.

Exemption of import duties for capital goods, pieces, component parts and raw materials.

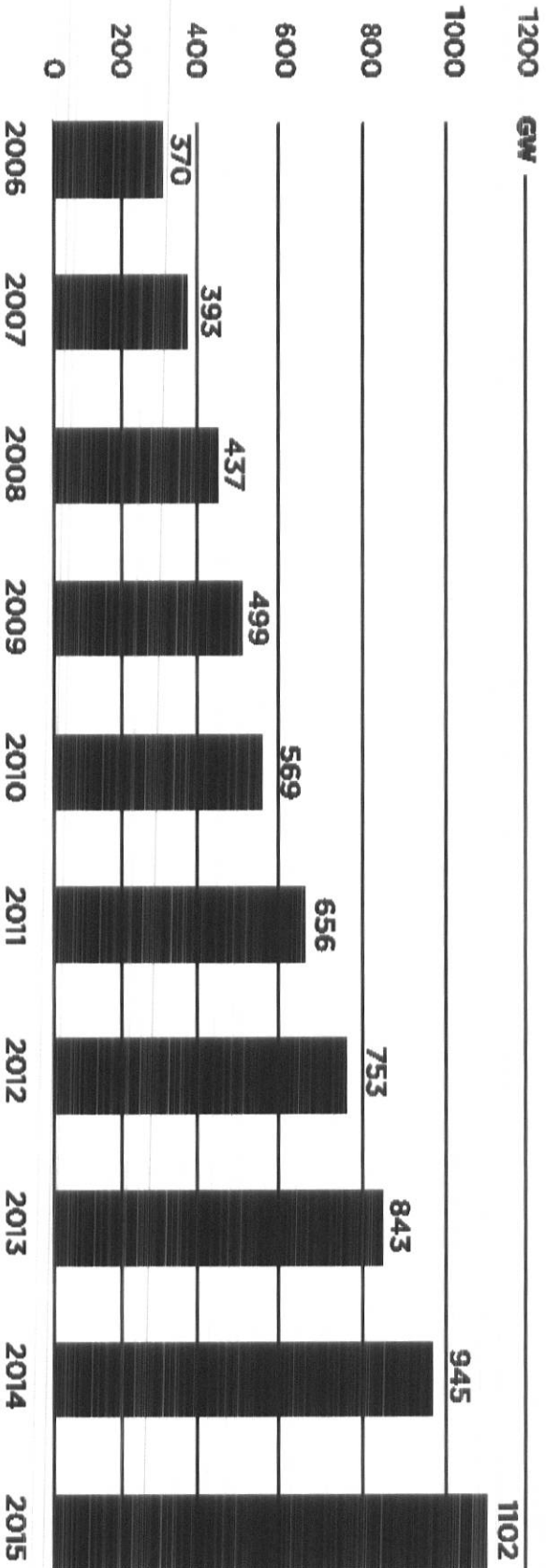
SUPPLY CHAIN INCENTIVES

RENEWABLE ENERGIES NATIONAL TARGETS 2018-2025

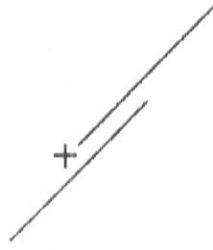


RENEWABLE ENERGIES WORLD CAPACITY INSTALLED

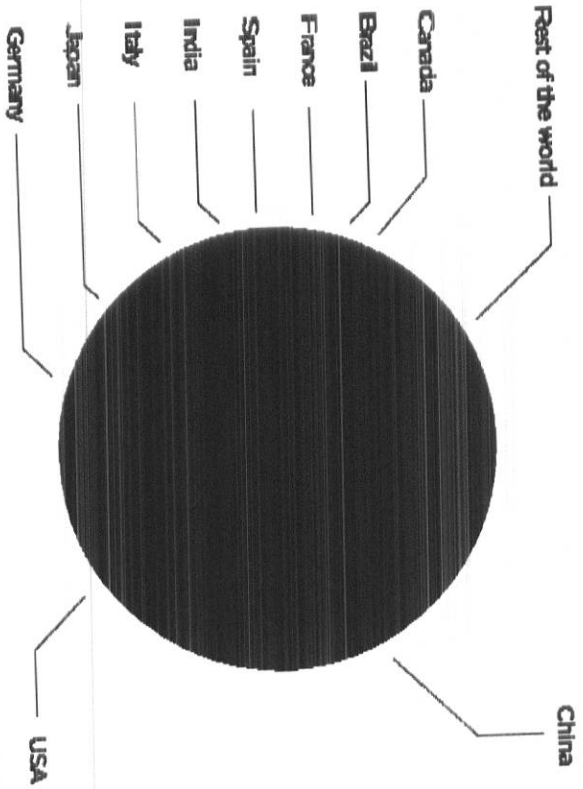
2006-2015



Note: Wind energy, solar thermal energy, solar photovoltaic energy, geothermal energy, tidal energy, energy from ocean currents, hydraulic energy (<10MW), biomass, landfill gas, treatment plant gas, biogas, biofuels are considered RE sources.



TOP 10 OF RE INSTALLED CAPACITY DEC 2015

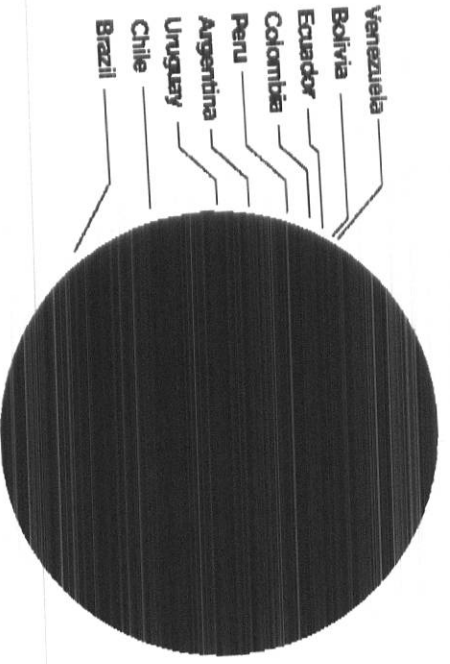


COUNTRY	GW	% OF THE TOTAL
China	331	30.04
USA	151	13.70
Germany	102	9.26
Japan	72	6.53
Italy	55	4.99
India	42	3.81
Spain	39	3.54
France	28	2.54
Brazil	27	2.45
Canada	16	1.45
Rest of the world	239	21.69

TOTAL TOP 10	863	78.51
TOTAL IN THE WORLD	1102	100

Note: Wind energy, solar thermal energy, solar photovoltaic energy, geothermic energy, tidal energy, energy from ocean currents, hydraulic energy (<10MW), biomass, landfill gas, treatment plant gas, biogas are considered RE sources.

RE INSTALLED CAPACITY IN SOUTHAMERICA DEC 2015

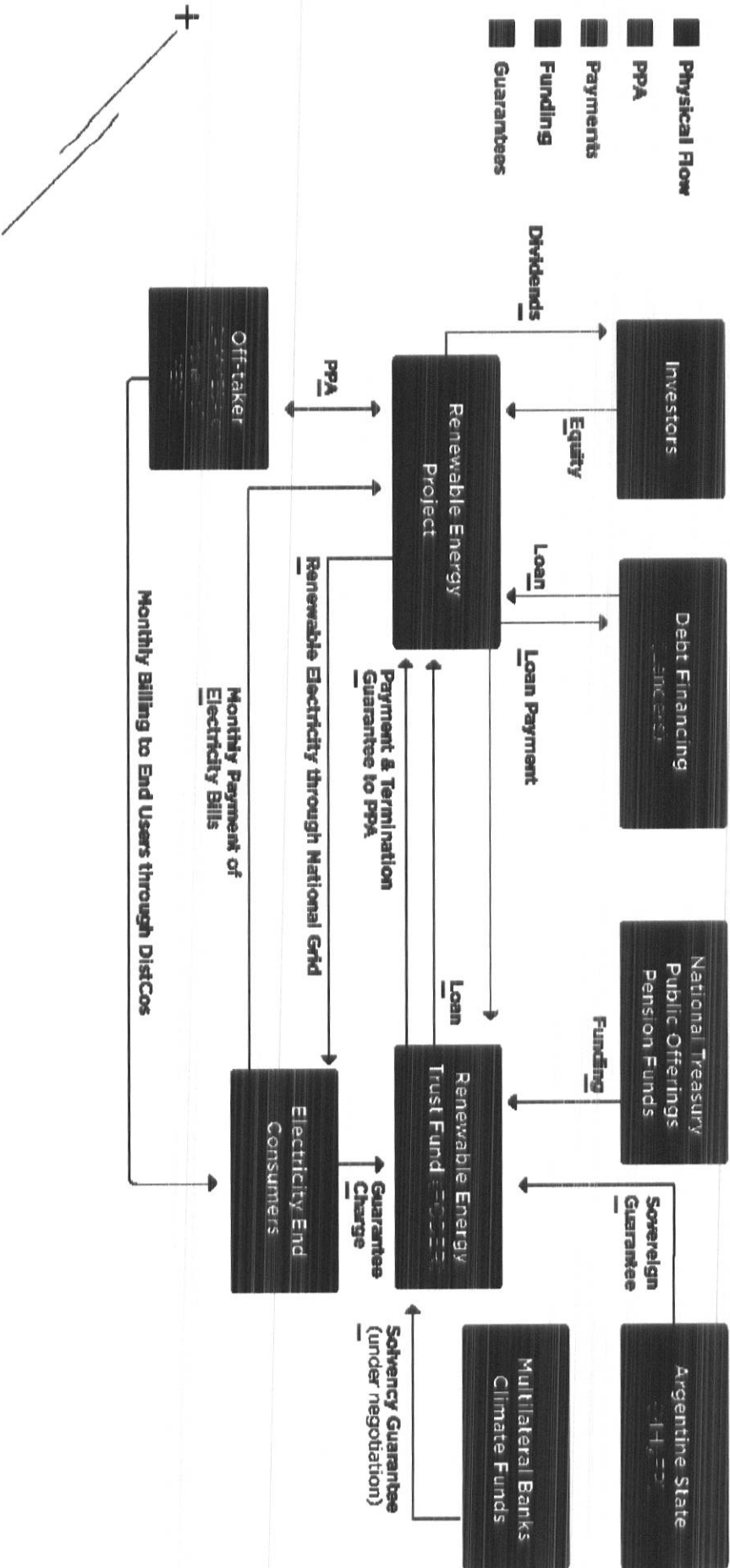


PAÍS	GW	% OF THE TOTAL
Brazil	27.4	81.91
Chile	2.4	7.17
Uruguay	1.2	3.59
Argentina	0.8	2.39
Peru	0.8	2.39
Colombia	0.4	1.20
Ecuador	0.3	0.90
Bolivia	0.1	0.30
Venezuela	0.05	0.15
TOTAL	33.45	100.00

Note: Wind energy, solar thermal energy, solar photovoltaic energy, geothermic energy, tidal energy, energy from ocean currents, hydraulic energy (<10MW), biomass, landfill gas, treatment plant gas, biogas are considered RE sources.

TENDERED PPAS

CASH FLOWS DIAGRAM

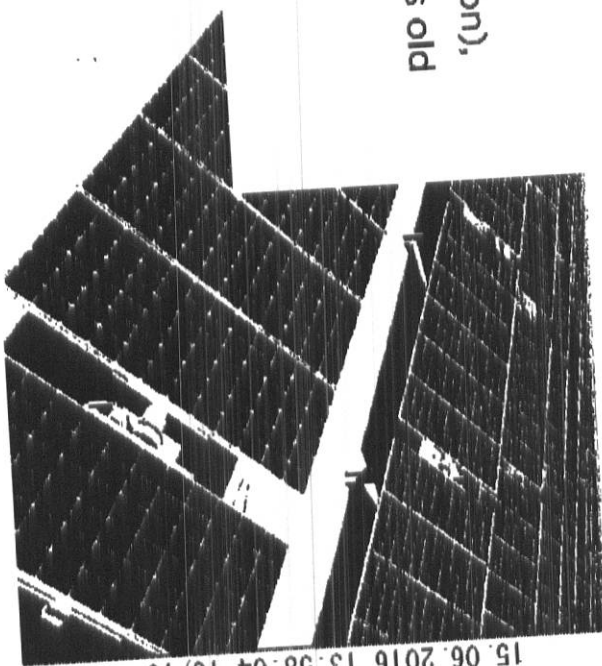


COMPARATIVE ADVANTAGES



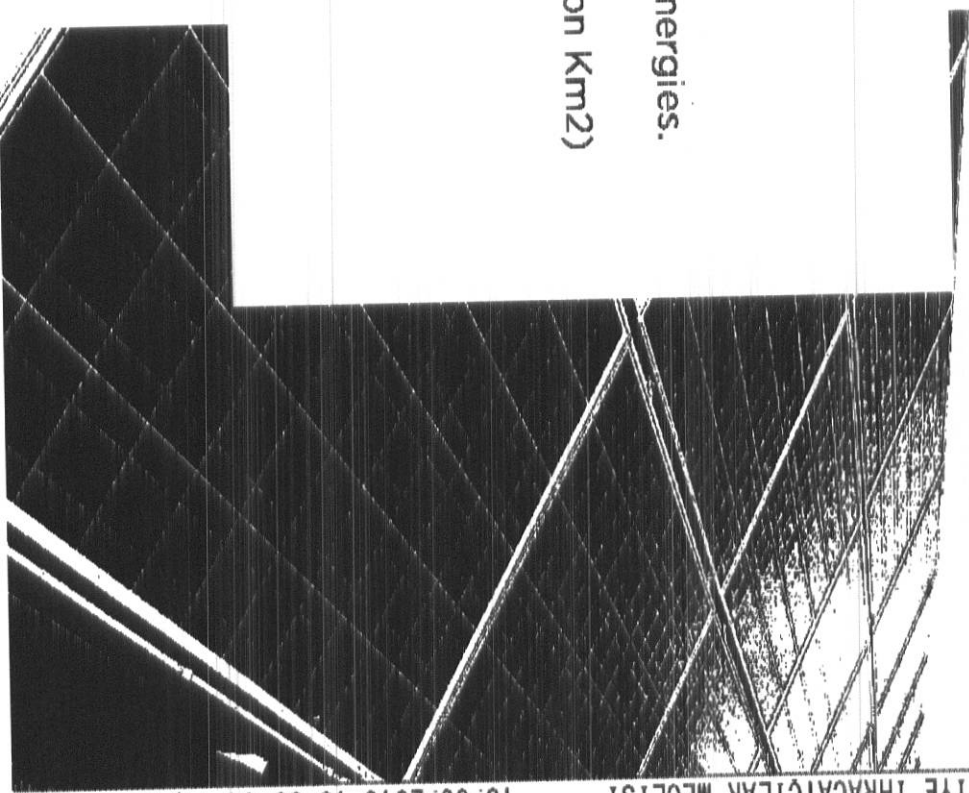
ARGENTINA IS AMONG THE TOP 25 ECONOMIES IN THE WORLD

- It is the third largest economy in the region with a GDP of 500 thousand million dollars (after Brazil and Mexico).
- It is the fourth country in the region regarding population (43 million), with a 93 % of it located in urban areas, an average age of 30 years old and an annual population growth of 0.9 %.



ARGENTINA, A COUNTRY WITH VAST NATURAL RESOURCES

- Ideal conditions for the development of renewable energies.
- It is the eighth largest country in the world (2.8 million Km2) and it features 53 % of arable land.
- Large coastline (4,700 Km).



HUGE OPPORTUNITIES TO INVEST

- Removal of restrictions on capital repatriation.
- Floating exchange rate and return of reserves amounts of the Central Bank.
- Reintegration into the global capital market.
- Removal of the government deficit.
- Removal of export liens (except for soy beans, whose applicable liens were reduced to 30 %) and issuing of import licenses.
- Gradual reduction of subsidies to public services and tariff increase so as to promote investment in energy sector.
- Recovery of trust in national statistics (National Institute for Statistics and Censuses).
- The country risk has significantly decreased. In fact, in April 2016, it was equivalent to 383 basis points.

WHY YOU SHOULD CHOOSE CHINA

Argentina Republic

