



The Hydrocarbons Sector in Bolivia

FACT PACK

Swedish Trade Council in Argentina

November 2007



THE SWEDISH TRADE COUNCIL MAKES IT EASIER FOR SWEDISH COMPANIES TO GROW INTERNATIONALLY

Sweden:

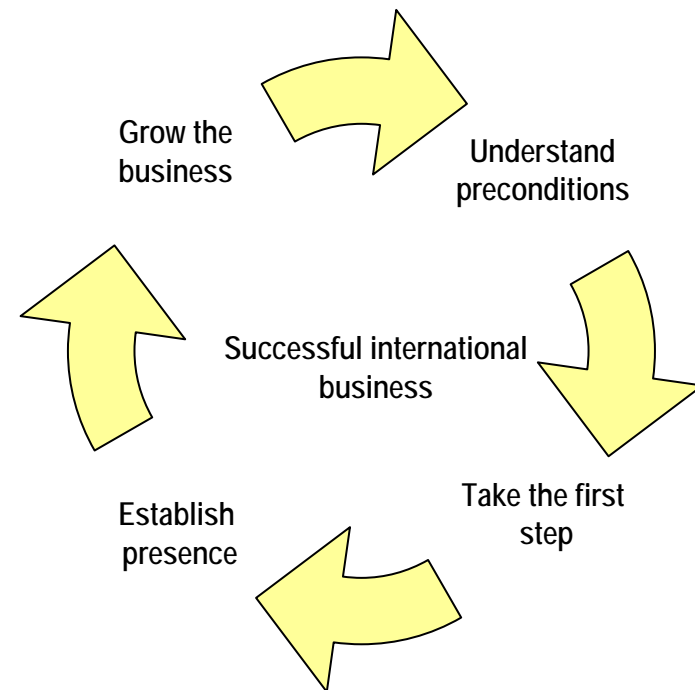
- Headquarters in Stockholm, 80 employees
- 22 regional export advisers
- All Trade Commissioners regularly visit different parts of Sweden

Abroad:

- 60 places, 400 employees in 52 countries
- Through partners and networks we cover more than 100 countries

Argentina:

- Office in Buenos Aires
- 5 employees



Vision of the office:
STC in Buenos Aires is the primary consulting partner for Swedish companies doing business in Bolivia

BOLIVIA IN BRIEF

Area: 1.098.580 km²

Inhabitants: 9.1 million

Constitution: Republic

Head of State: President Evo Morales

Languages: Spanish, Quechua, Aymara (Official)

Inhabitants per km²: 8/km²

Currency: Boliviano

GDP 2006: 10.3 BUSD

GDP per capita 2005: 1132 USD

Inflation(2006): 4.3%

Main exports: Gas, Oil, Lead, Tin, Silver

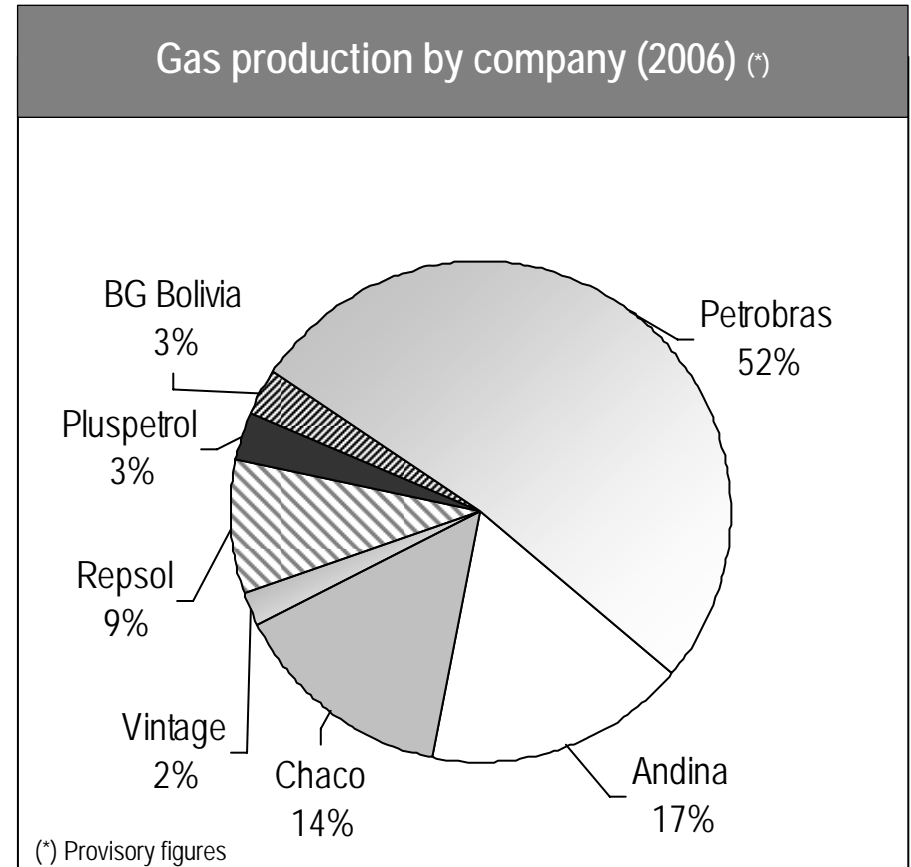
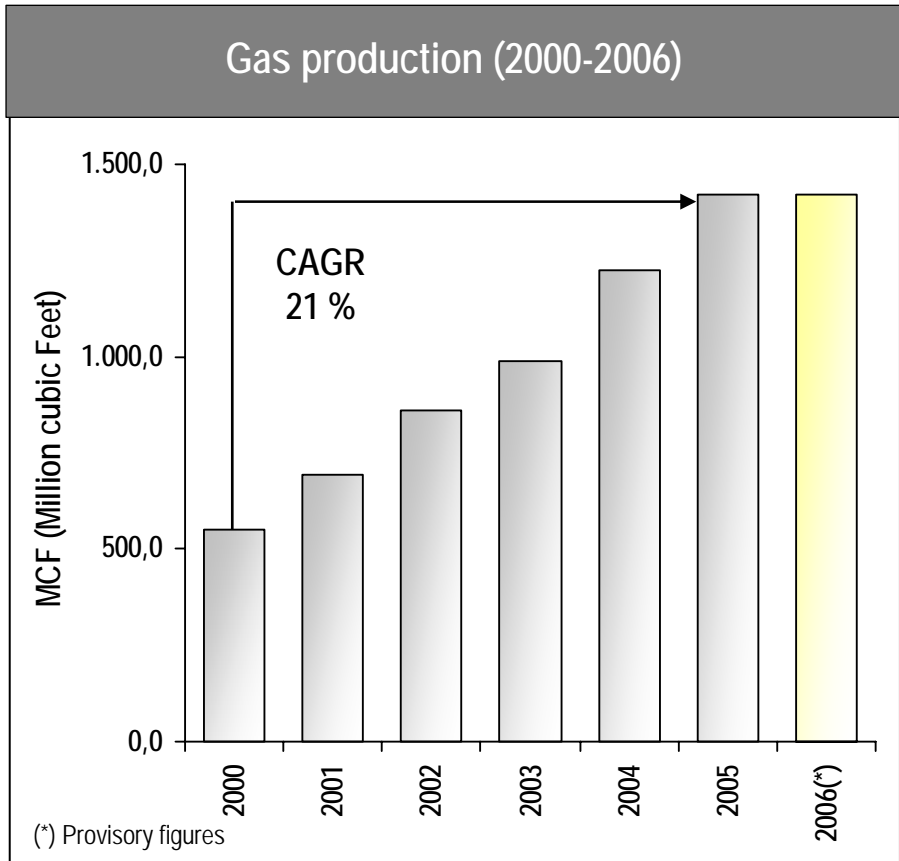
Main imports: Capital goods, Chemical products, Consumer goods

Swedish Exports to Bolivia 2006: 161 MSEK

Swedish imports from Bolivia 2006: 3.2 MSEK



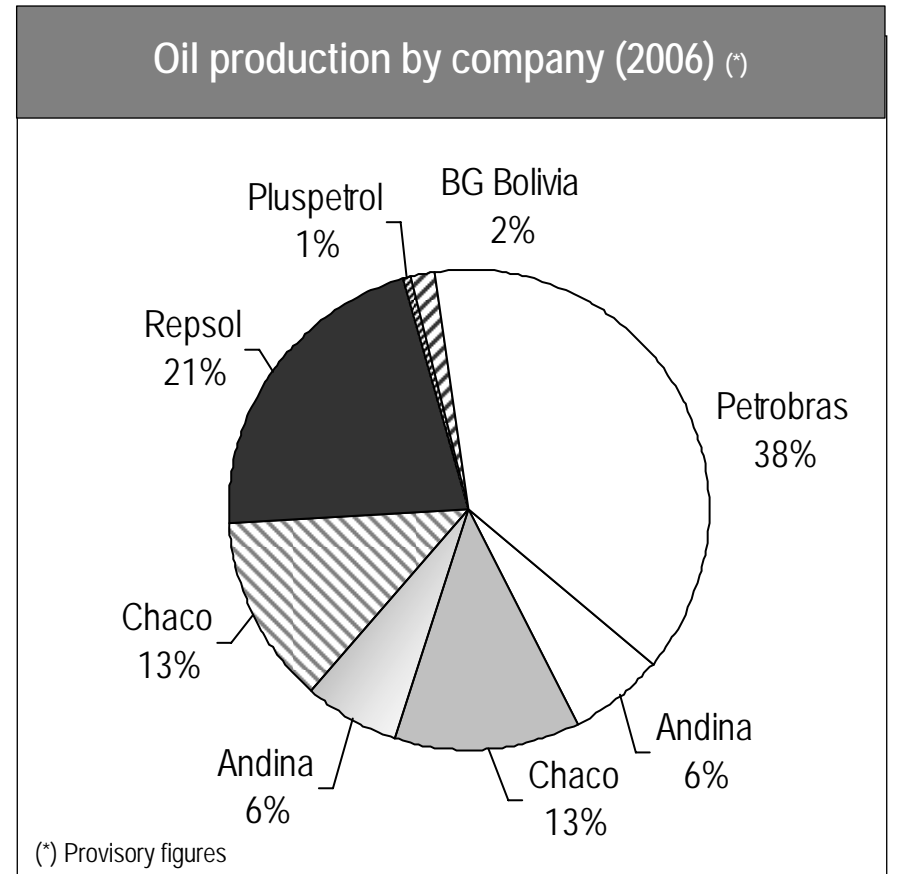
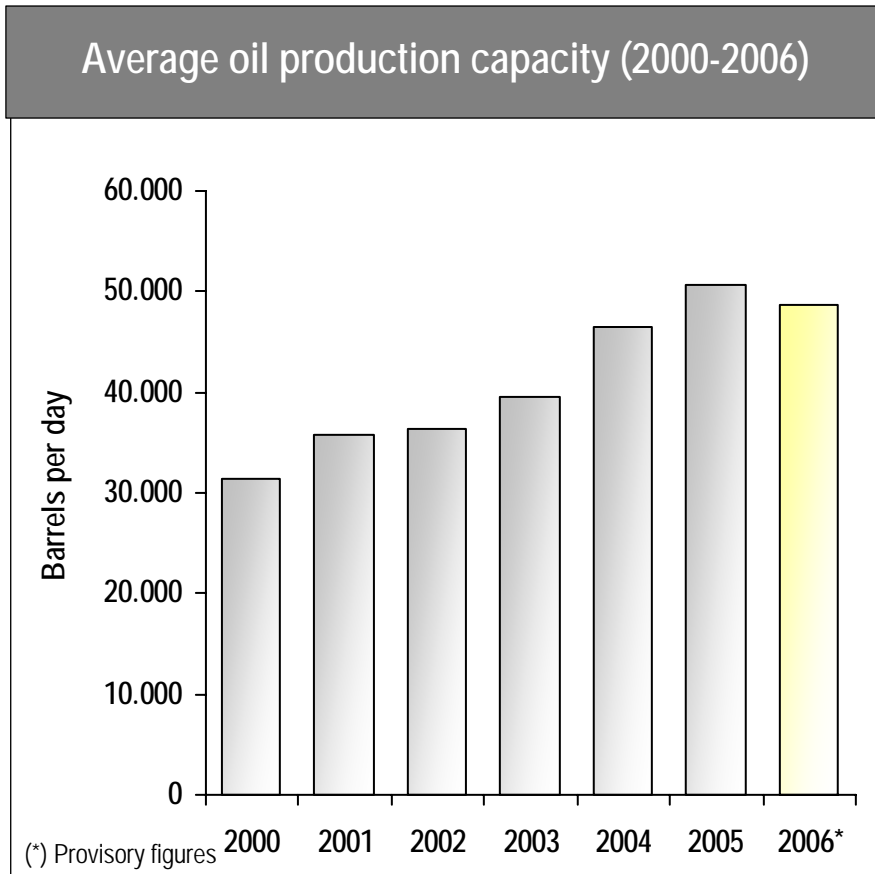
BOLIVIA HAS THE SECOND LARGEST RESERVES OF NATURAL GAS IN SOUTH AMERICA



Petrobras is Petrobras Bolivia and Petrobras Energy

85% of production is exported: 60% to Brazil and 15% to Argentina

PETROBRAS AND REPSOL ARE KEY PLAYERS IN THE BOLIVIAN OIL SECTOR

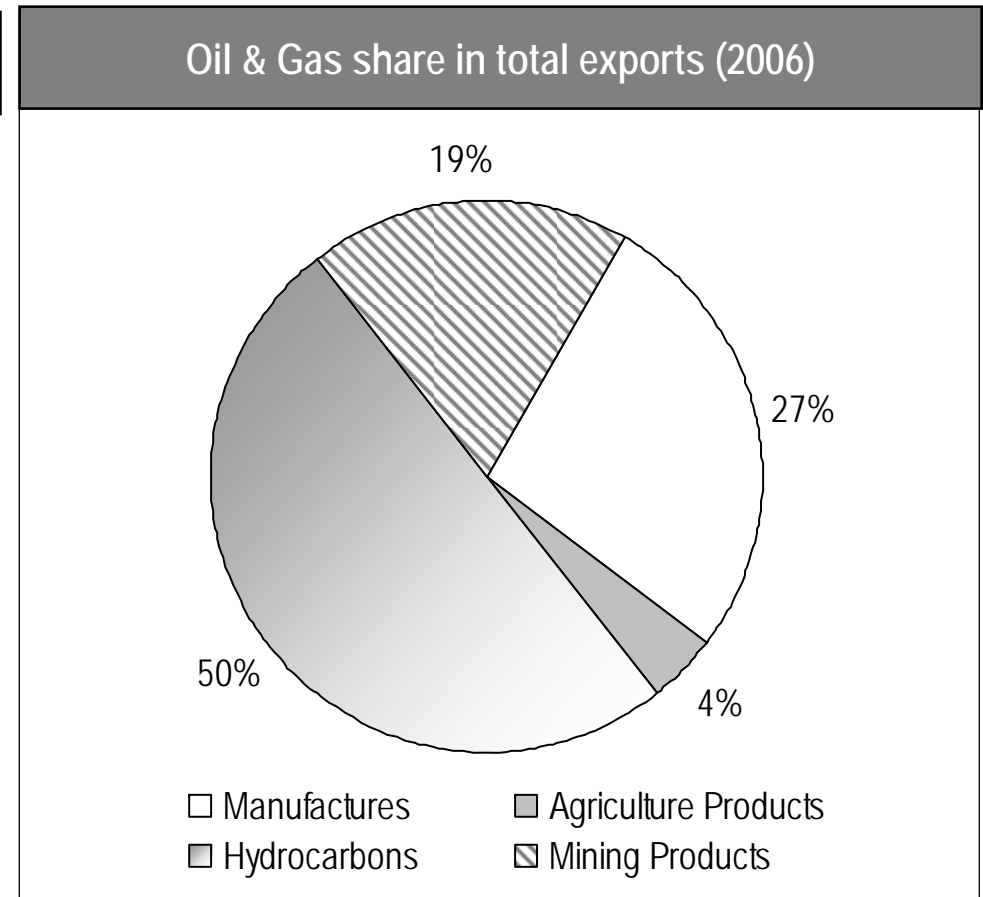
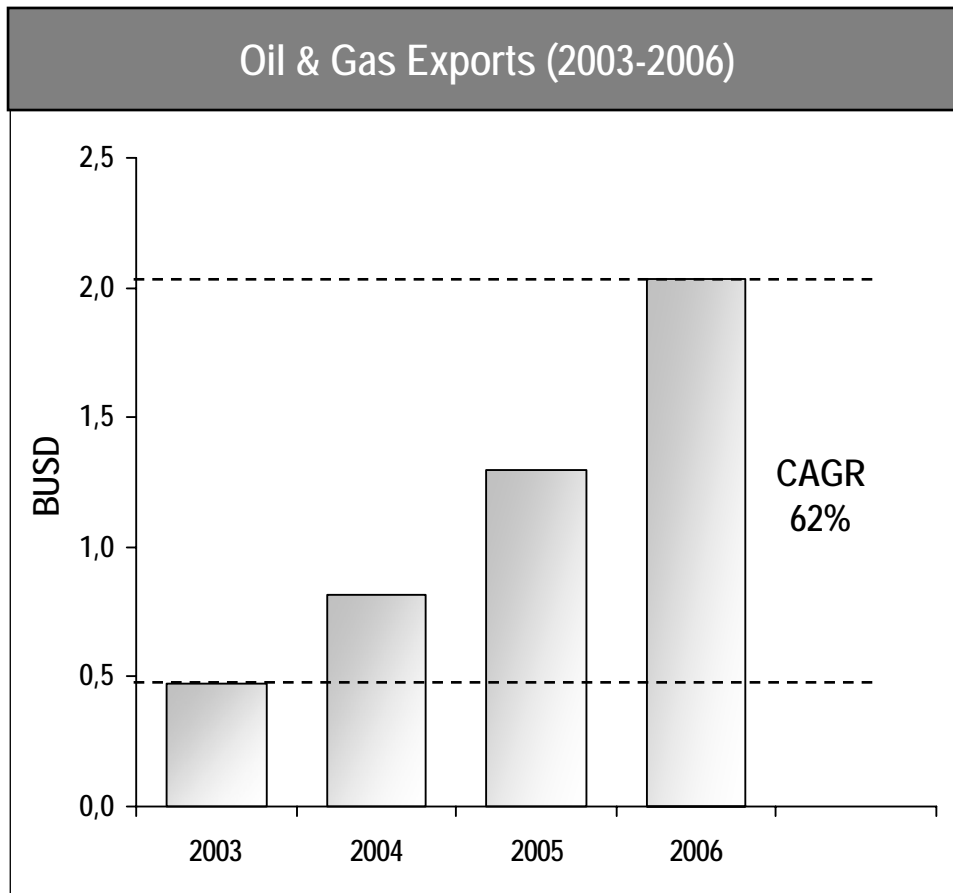


Petrobras is Petrobras Bolivia and Petrobras Energy

Regions of Tarija and Cochabamba explain 85% of total production

HYDROCARBON EXPORTS INCREASE IN VOLUMEN AND PRICE

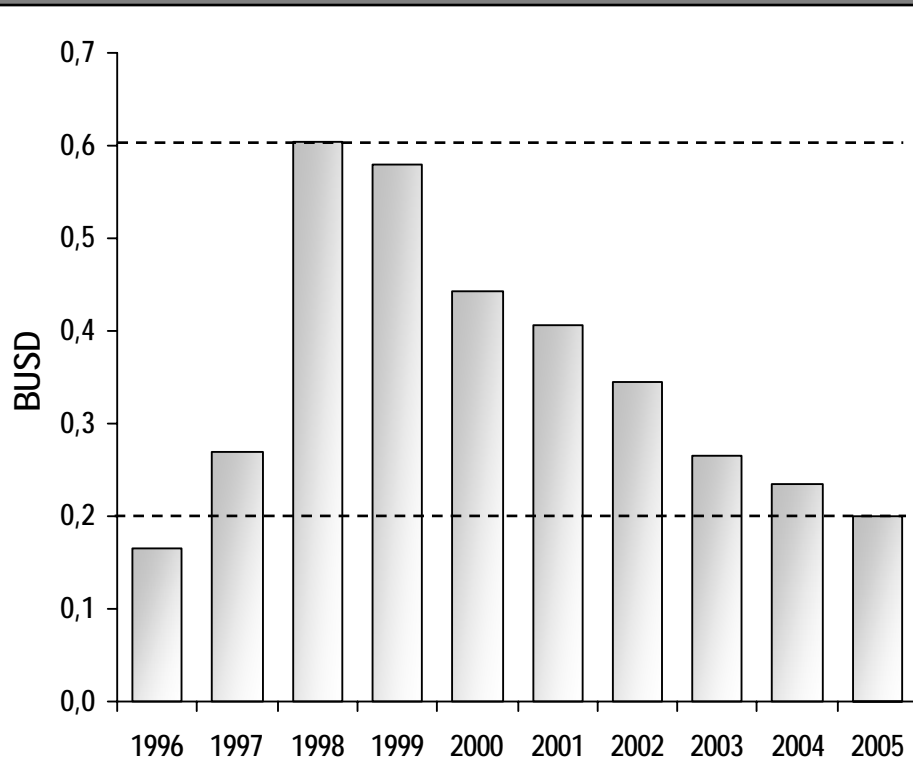
- Recent nationalization affected foreign companies sales



Natural gas drives the increase in Hydrocarbon exports

INVESTMENTS BOOSTED WITH COMPANY CAPITALIZATION AND BOLIVIA-BRAZIL PIPELINE

Investment in hydrocarbon sector (1996-2005)



Government aims to promote new investments

- Oil companies who renewed their contracts after nationalization announced 587 MUSD in investment in the Oil & Gas sector for 2007, and have assured investments up to 2010.
- Bolivia and Brazil are developing an energetic agenda which involves increasing investments through Petrobras in the gas sector. Bolivia provides nearly 50% of Brazilian total natural gas demand
- Bolivia and Norway are developing an agreement by which the latter will provide technical and institutional assistance in the hydrocarbon sector.

Investment in the sector mostly reflect in imports of machinery and equipment

OPPORTUNITIES IN THE OIL & GAS SECTOR IN BOLIVIA

Oil	Gas
<ul style="list-style-type: none"> • Further investment from oil companies who renewed their contracts with YPFB • Infrastructure investment in related segments: petro chemistry (for polyethylene production), Urea fertilizers. 	<ul style="list-style-type: none"> • Further investments from the companies in the natural gas activity to assure domestic and foreign provision • Investment in gas to liquid infrastructure and technology (for synthetic diesel fuel) and liquefied gas

Good prospects for some Oil & Gas machinery and equipment	
<ul style="list-style-type: none"> • Pipelines for oil & gas • Other pipelines, casing and tubing • Other tubes, pipes of iron steel • Self-propelled boring or sinking machinery • Machinery, tools and accessories for maintenance of oil & gas facilities 	<p>Exploration and Exploitation Activity</p>

USEFUL CONTACTS

- Chamber of Hydrocarbon www.cbh.org.bo
- Hydrocarbon Superintendence www.superhid.gov.bo
- Ministry of Hydrocarbon and Energy www.hidrocarburos.gov.bo
- Bolivian Fiscal Oilfields Company www.ypfb.gov.bo
- Regulation of Hydrocarbons www.sirese.gov.bo
- Private Enterprise Confederation www.cepb.org.bo
- National Chamber of Commerce www.boliviacomercio.org.bo

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