

OFFSHORE

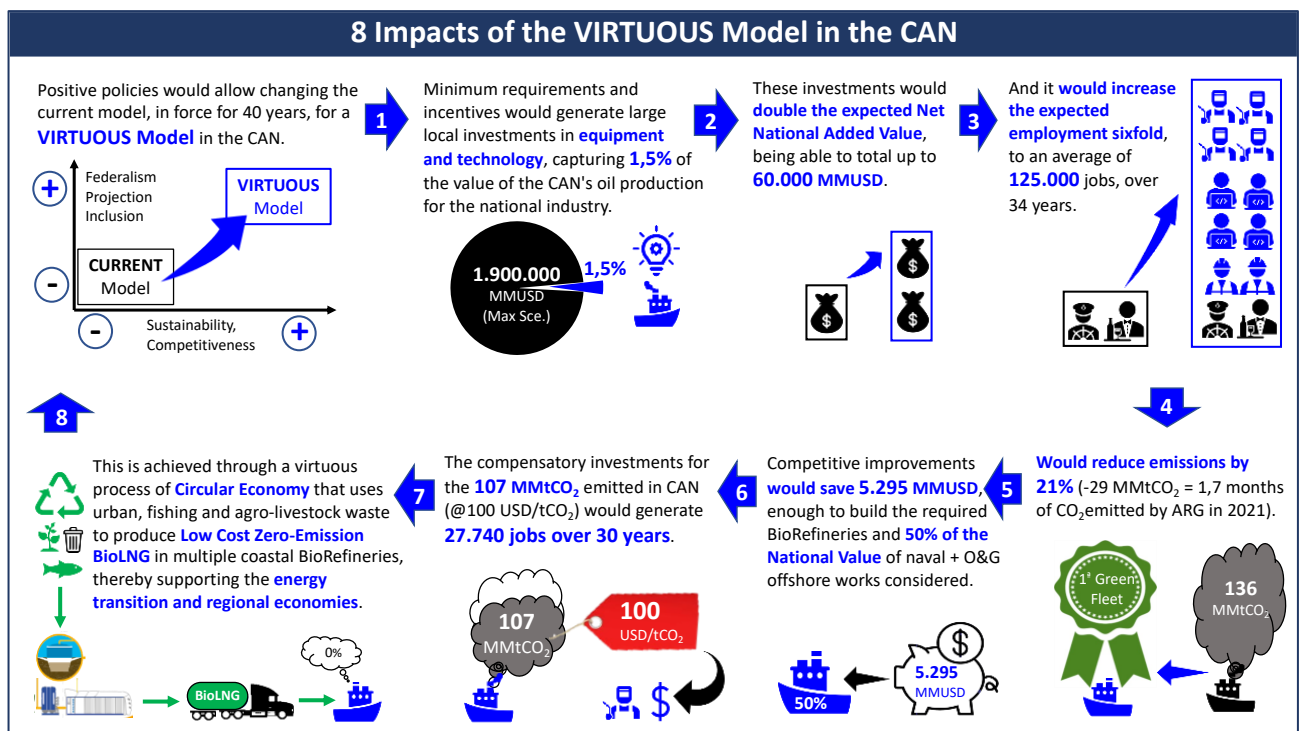
Sustainable, Inclusive and Competitive Cuenca Argentina Norte Potential Impacts

EXECUTIVE SUMMARY

It is presented the study on the potential impacts of the *Cuenca Argentina Norte* (CAN) offshore development conducted in first quarter 2023 by FIUBA for YPF SA.

The main conclusion is that in order to achieve a significant impact on employment and national added value, it is necessary to change the Current Model, which has been in force for the last 40 years. This study proposes and quantifies impacts of an alternative Virtuous Model much more ambitious, competitive, sustainable, inclusive and federal. To achieve this, better sectoral policies are required, which will allow Argentina to aspire to the development level of Norway or Brazil, moving away from its current fate, aligned with that of W.Africa. The following image summarises eight impacts of the proposed Virtuous Model. It is suggested that, with appropriate measures, an "extra" 1.5% of the total value of CAN production (Maximum Scenario) could be retained for the national economy. Applied to technological development and offshore equipment construction, this extra value could achieve significant results. Comparing to the Current Model, the impact on National Added Value would double, reaching 60.000 MMUSD, and Employment would increase sixfold, reaching an average of 125.000 jobs over 34 years. Additionally, CO₂ emissions would be reduced by 21% and 5.295 MMUSD would be saved, which would be enough financial resources to cover 50% of the national part of the proposed offshore constructions. The compensatory investments for the emitted CO₂ would generate more than 27.000 jobs, decarbonising important regional marine activities.

This is possible thanks to Argentina's still significant industrial and scientific base, as well as the economic production capacity of bioLNG (zero emissions) to replace part of the fuels to be used in the CAN. This generates a circular economy virtuous process that uses urban, fishing, and agro-livestock waste to feed biorefineries, activating the energy transition and supporting regional economies along the Buenos Aires coast.



The potential impact of the CAN is so significant that its development model will actually be a demonstration of the whole country's development model.