

ANNUAL REPORT
2020



PERU  **LNG**

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MESSAGE FROM THE MANAGEMENT





The past year has been characterized by the many challenges we have faced, aware of the importance of our role as one of the motors of the country's economy and our efforts to benefit our society.

PERU LNG and the sector in general have shown great resilience during this crisis and we are proud of our company's efficiency in designing an integral response that enabled us to achieve our goals while continuing to operate. It has been enormously satisfying to the whole team that we have contributed to the country's welfare by working normally in such an exceptional situation.

Our priority was health, safety, and the welfare of our collaborators, which is why we implemented home-working programs and redefined certain protocols.

In 2020 the PERU LNG plant was one of the first in Peru to introduce measures to prevent the propagation and spread of the COVID-19 virus. The working hours of our personnel were modified, we provided personal protection equipment and intensified disinfection and deep cleaning of our installations; we adopted social distancing policies in accordance with official guidelines and made important operating adjustments to enable us to continue working with strict health checks in place, both for our own personnel and those of our contractors. Thanks to these actions, the impact on our operations was such that we could continue to dispatch shipments of LNG.

In this complicated context, the 26th of March saw some unplanned maintenance required by an increase in vibration from one of the bearings of the low pressure mixed refrigerant compressor, which was replaced and the programmed work successfully completed. The plant started production on the 1st of April without incident; a great achievement considering the number of restrictions in place, including closure of the country's borders.

It is also important to note that in the same context and after more than a year of planning, an internal pipeline inspection was completed in December 2020 without incident and with no effect on plant operations; evaluating the condition of the pipeline was another enormous challenge under the prevailing conditions.

In April 2020, PERU LNG signed a contract with Dutch company ShoreTension B.V., as part of a renewal and improvement program for the port facility mooring system, the aim of which is to make loading operations safer in the event of anomalous heavy swell.

The PERU LNG terminal is the first in the world to use this new mooring technology, keeping us at the forefront of new technology and innovation.

The plant achieved 91.4 % efficiency during 2020. Despite the circumstances, stoppages, and long periods of bad weather affecting the port facility, we were able to produce 208.9 TBtu of LNG, compared with 211.7 TBtu in 2019. This represents a reduction of only 1% in spite of the circumstances.

The LNG produced this year went mainly to South Korea, China, Japan and Spain, among other European destinations. Despite the long distances involved, PERU LNG remains attractive for European and Asian markets.

Today, sustainability is even more of a priority in our strategy and objectives. This year we have concentrated above all on our professionals and their health and welfare -both physical and psychological- and our commitment to quality employment has been our principal priority.

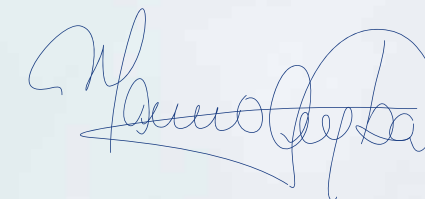
I would like to highlight another of our priorities in PERU LNG, which is to do our bit to mitigate the social and economic impact of the current health crisis. The company has donated a total of one hundred and ten thousand personal protection kits to hospitals in our area of influence, as well as three thousand face masks, which were distributed among twelve health centers in Ayacucho, Chíncha and Cañete. In addition we have distributed more than eleven thousand packs of basic necessities to the communities of Ayacucho, Huancavelica and Ica, as well as independent fishermen and fishermen's associations in Chíncha and Cañete; in collaboration with INDECI and the association 'Soluciones Empresariales contra la Pobreza' (Business Solutions to Poverty) we have donated food to those families that have been hardest-hit by the pandemic.

In spite of the circumstances we have strengthened our relationship with local communities by adapting our sustainability projects to strengthen our response to the pandemic without affecting our prior commitments to them. In a context that has affected everyone, and in a very personal way, the results were achieved by a responsible and coordinated effort.

One particular example of how we have adapted to the circumstances is our "Reading is Progress" program, which was adjusted in response to the health crisis and measures imposed by the government. In this context the government launched its "Learning at Home" distance learning initiative and with this in mind we began using telephone and radio as means of facilitating connectivity between pupils and teachers. More than three hundred students from twenty four schools were able to listen to the programs, continue their education, and improve their reading comprehension.

It is worth noting that this project was awarded first place in the National Institute of Mining, Petroleum and Energy's Sustainable Development awards, in the 'Together Against COVID-19 – Joining Forces' category.

We are very proud of the leadership shown by all our collaborators, who have contributed ideas, talent, time, resources, and resilience to achieve our goals in a challenging and uncertain environment, and in particular the fact that in a time of overwhelming worldwide uncertainty, in PERU LNG we have met our goals set at the beginning of the year and also completed ten years contributing to our country and our environment.

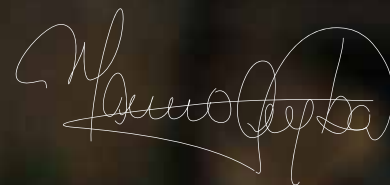


María Julia Aybar
VP & General Manager
PERU LNG

DECLARATION OF RESPONSIBILITY



This annual report was completed March 31, 2021. It contains accurate and sufficient information on the performance of the business of PERU LNG S.R.L. (hereinafter PERU LNG) during 2020. Without prejudice to the PERU LNG's responsibility, the undersigned are responsible for its contents in accordance with applicable legislation.



María Julia Aybar
VP & General Manager
Officer responsible for the financial affairs of PERU LNG

PERU LNG is a limited liability corporation having its registered office at Calle Las Palmeras 435, edificio PAL 400, oficina 302, San Isidro, province and department of Lima, Peru. Its telephone number is (511) 707-2000 and its fax (511) 707-2099. The company was incorporated by public deed on the 24th of March 2003, in the presence of notary public of Lima Ricardo Fernandini Barreda, and is registered under electronic entry N° 11500968 in the Companies Registry at the Public Records Office for Lima and Callao (Lima office).



FUNDAMENTAL PRINCIPLES

Vision

To be world-class producers of LNG in the spheres of operational efficiency, environmental and social performance and industrial safety.

Mission

To be the most efficient world-class LNG producer providing a workplace free from accidents and environmental incidents, which acts as a responsible investor contributing to the local community, supported by the most talented workforce and employing best practices to achieve continual operational improvements whilst maximizing value for its shareholders.

OUR ORGANIZATION



AIMS, TIME-FRAME AND ECONOMIC GROUP

The economic group is responsible for the operation and maintenance of a liquefied natural gas plant, as well as other related activities.

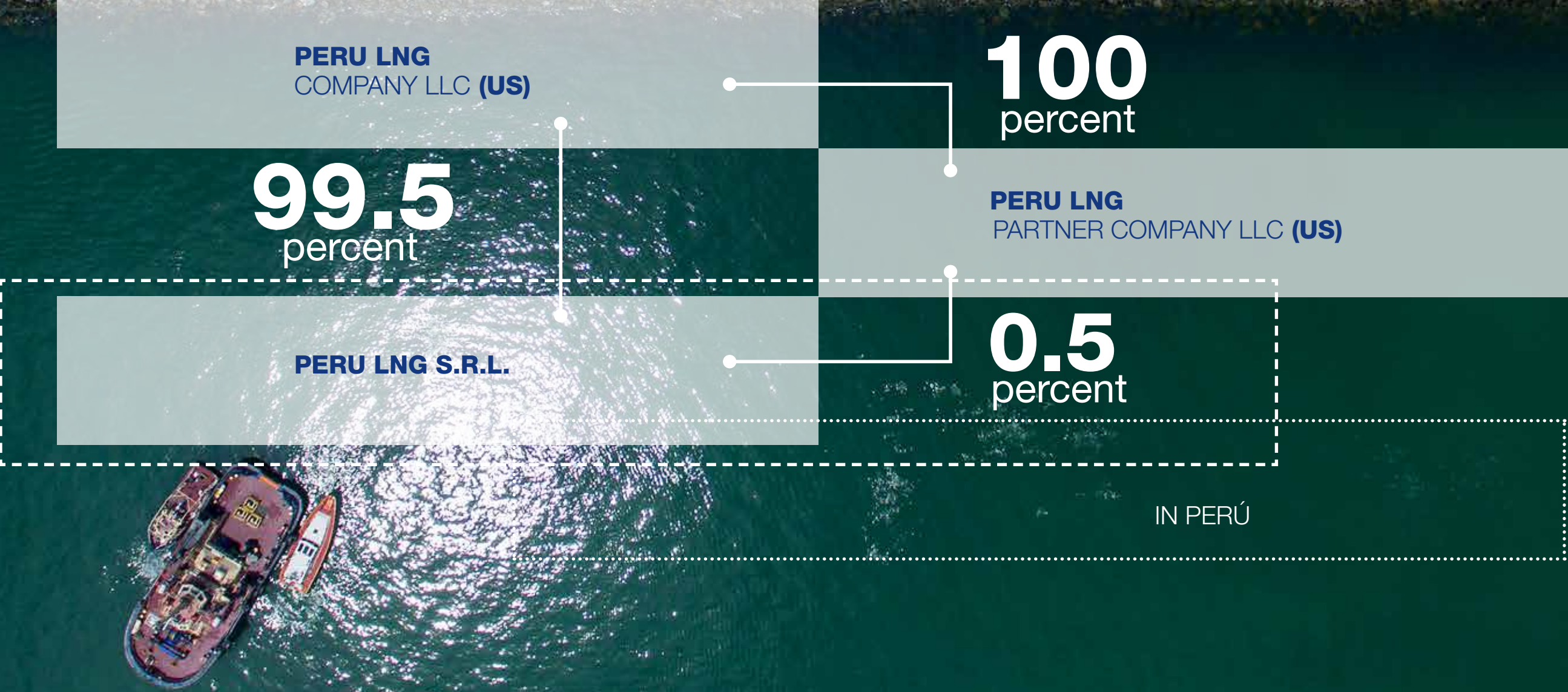
PERU LNG was created on March 24, 2003 to develop, build, and operate a liquefied natural gas (LNG) plant. Its infrastructure includes a plant and related installations, port facilities for methane tankers, and a gas pipeline (ISIC 1110). According to

PERU LNG's articles of incorporation, the duration of the company is unlimited.

PERU LNG Company LLC owns 99.5 percent of the company's shares and PERU LNG Partner Company LLC owns 0.5 percent.

The principal activities of the group made up of PERU LNG, PERU LNG Company LLC and PERU LNG Partner Company LLC include the development, design, engineering, procurement, construction, commissioning, financing, ownership, operation, and maintenance of a liquid natural gas plant in Peru, as well as a gas export terminal.

The following illustration shows the economic group made up of the three companies:





PERU LNG is registered under electronic entry N° 11500968 in the companies register at the Public Records Office for Lima and Callao (Lima office). The company's business includes hydrocarbons activities, transport, distribution, treatment, processing, refining, separation, compression, pumping, storage, dispatch, sales, importing and exporting of hydrocarbons and derivatives. It also includes all activities necessary to operate liquefaction plants, gas and oil pipelines, aqueducts, ore pipelines, multi-product pipelines, cabling, and associated installations; among other similar activities



PERU LNG Partner Company LLC, a company incorporated and existing under the laws of the State of Delaware, United States of America, is not registered with the RPMV and has no securities registered in any stock market.



PERU LNG Company LLC, a company incorporated and existing under the laws of the State of Delaware, United States of America, is not registered with the RPMV and has no securities registered in any stock market.





CAPITAL SOCIAL

The capital of PERU LNG as of December 31, 2020 is USD 1 461 435 077, represented by 1 461 435 077 fully subscribed and paid up shares having a nominal value of USD 1.00 each. This capital is duly registered under item B00012 of the company’s registry entry. PERU LNG Company LLC is the holder, both directly and indirectly, of 100percent of the shares in PERU LNG.

SHAREHOLDINGS IN PERU LNG

SHAREHOLDING	NUMBER OF SHAREHOLDERS	SHAREHOLDERS (PERCENT)
Less than 1percent	1	0.5
Between 1percent and 5percent	-	-
Between 5percent and 10percent	-	-
More than 10percent	1	99.5
Total	2	100

THE PROMOTERS

The promoters are companies with indirect shareholdings in PERU LNG but they do not form part of the economic group. This group consists of: Hunt Oil Company, with a 50percent holding; Shell Gas B.V., with 20percent; SK Innovation Co. Ltd. with 20 percent; and Marubeni Corporation with 10percent.

During the construction stage the promoters provided USD 1 571 435 077, which represents more than 40percent of the total cost of the project (USD 3 874 597 513).

PERU LNG is operated by Hunt LNG Operating Company S.A.C. (hereinafter Hunt LNG), a Peruvian company 100percent owned by Hunt Oil Company.



CAPITAL CONTRIBUTIONS, FINANCING AND WORKING CAPITAL

CAPITAL CONTRIBUTIONS

During the construction stage the promoters contributed USD 1 571 435 077. This represents, proportionally, all the capital necessary to cover the project's construction costs. Loans and local bond issues were also used to finance the project.

FINANCING

To finance the project, on June 26, 2008 PERU LNG entered into a common terms agreement with lenders for a total sum of USD 2 050 000 000. Those taking part in financing the project were: IADB (USD 800 000 000), US EXIM (USD 400 000 000), IFC (USD 300 000 000), K EXIM (USD 300 000 000) and SACE (USD 250 000 000). This debt is being repaid at a rate of approximately USD 100 000 000 000 a year, from 2011 to 2024. As of December 31, 2017, PERU LNG had repaid USD1 000 000 000.

PERU LNG also obtained some financing from the Peruvian securities market through the first PERU LNG corporate bond program valued at USD 200 000 000, which was approved by Ruling N° 064-2009-EF/94.06.3. The program consisted of four simultaneous issues by the Companies and Securities Supervisory Commission (now the Stock Exchange Regulatory Authority, SMV).

PERU LNG FIRST CORPORATE BOND PROGRAM

	FIRST⁽²⁾ ISSUE	SECOND⁽³⁾ ISSUE	THIRD ISSUE	FOURTH ISSUE
Value of the issue (thousands of USD)	10 000	40 000	160 000	160 000
Demand (thousands of USD)	32 068	53 722	341 799	33 080
Amount placed (thousands of USD)	10 000	30 000	135 325	24 675
Term (years)	2.5	5.0	15.0	15.0
Period of grace	2.0	2.5	5.0	5.0
Coupon	Semestral	Semestral	Semestral	Semestral
Currency	USD	USD	USD	USD
Interest rate	3.44 percent	4.66 percent	Libor (6M) + 3.65625 per- cent	7.16 percent
Spread ⁽¹⁾	1.39 percent	1.22 percent	2.27 percent	2.27 percent

(1) Spread vs. global Peruvian bonds.

(2) The first issue was paid in full in May 2012.

(3) The second issue was paid in full in November 2014.

Source: Own figures.

On March 22, 2018, PERU LNG issued an international bond totaling USD 940 000 000 under Rule 144W and Regulation S of the United States Securities Act 1933, with a fixed interest rate of 5.375 percent, maturing in 2030. The bond was rated Baa3 (Moody's), BBB- (S&P) and BBB - (Fitch); the prospect is stable.

The total value of the bond issue plus approximately USD 280 000 000 that the company had in reserve accounts, was used to refinance the USD 1 221 000 000 balance of the original financing obtained in 2008, including local bonds. Consequently, on May 17, 2018, in accordance with Ruling N° 036-2018-SMV/11.1, the Stock Exchange Regulatory Authority excluded the whole of the PERU LNG first corporate bond program from the Stock Market Public Registry.

The international bond issue, with its six-year period of grace, modified repayment of the debt and extended the repayment period from 2024 to 200.

As of March 22, 2018, the date of the refinancing, the total balance of the debt was USD 1 221 079. The balance broken down by institution is shown below:

BALANCE OWED AS AT THE 22ND MARCH 2018

	BALANCE (THOUSANDS OF USD)
IADB A	245 491
IADB B	204 466
US EXIM	200 002
IFC	184 118
K EXIM	150 001
SACE	125 001
Bonos locales	112 000
Total	1 221 079

As of December 31, 2020, the new balance owed was USD 940 000 000, resulting from the international bond issue described above.

In compliance with the six-monthly payment schedule, March and September 2020 saw the fourth and fifth interest coupon payments of USD 25 262 500 each. The next payment is scheduled for March 2021.

As far as PERU LNGs credit ratings are concerned, in March, September, and October 2020, the company received reports from ratings agencies Moody's, Fitch

and Standard & Poor's (S&P), respectively. PERU LNG's rating was changed due to a fall in the world price of LNG, reduced ebitda and an increase in indebtedness ratios. As a result, S&P reduced the company's rating from "B" to "B-", with a negative outlook; Fitch confirmed its "BB-" rating and changed the outlook from stable to negative; meanwhile Moody's reduced its rating from "Ba3" to "B1" with a negative outlook.

On December 28, 2020, S&P announced that it was withdrawing the "B-" and negative outlook it had given PERU LNG S.R.L., after a request from the company, based on cost efficiencies achieved over the year. Thereafter, PERU LNG decided that it will only use ratings agencies Fitch and Moody's.

WORKING CAPITAL

On March 7, 2018, PERU LNG entered into a Working Capital Financing Agreement with Bank Guarantees, with the Banco de Credito del Peru (BCP) valued at USD 75 000 000 over a three-year period. This line includes letters of guarantee and letters of credit, in addition to short-term disbursements. Capital disbursements have a maximum term of 12 twelve months. As of December 31, 2019, no short-term disbursements from the working capital facility were necessary.



CONTRACTS WITH THE PERUVIAN STATE

January 12, 2006 saw the celebration of an investment agreement for the installation, operation and maintenance of a natural gas processing plant (hereinafter the investment agreement). This agreement is governed by the legal regime that prohibits unilateral modification or amendment of its terms.

The Agreement was signed by representatives of PERU LNG and the Peruvian State, represented by the Hydrocarbons Bureau (DGH) of the Ministry of Energy and Mining and the Central Reserve Bank of Peru (BCR). The agreement contains the following terms, among others: (i) PERU LNG shall be the exclusive owner of the liquefied natural gas (LNG) plant and its related installations (including the gas pipeline) and shall be free to sell and export the LNG produced; (ii) provisions concerning investment by PERU LNG in the construction and operation of the LNG plant and related installations; and, (iii) guarantees to PERU LNG and its shareholders concerning taxes, import duties and foreign currency.

This agreement, approved by Supreme Decree N° 005-2006-EM in accordance with the terms of the Promotion of Investment in Natural Gas Processing Plants Act gives PERU LNG the right to a stable tax and exchange rate regime, as well as other guarantees established in the Act, for a period of forty years.

Later, on July 5, 2010, the investment agreement was modified by public deed to include Annex D to the agreement, known as the “Agreement to Expand and Use the Carrying Capacity of the Main Pipeline”. This was entered into by Transportadora del Gas del Peru S.A. and PERU LNG, according to the provisions of Article 81 of the Regulations for the Carriage of Hydrocarbons through Pipelines, approved by Supreme Decree N° 081-2007-EM.



SUPPLY OF NATURAL GAS

In accordance with the supply contract, the Plant will receive natural gas from the Camisea fields for eighteen years.

August 6, 2014 saw the commencement of a Modified and Re-drafted Natural Gas Sales Contract for Block 88, entered into by PERU LNG and the holders of the block, who undertake to provide natural gas to PERU LNG solely for local consumption or when it is to be used or consumed in the PERU LNG production process.

A Modified and Re-drafted Contract for the Sale of Natural Gas from Block 56, entered into by PERU LNG and the holders of Block 56, took effect on the same date. This contract permits the holders of Block 56 to acquire gas from the holders of Block 57 for inclusion in their obligation to supply PERU LNG.

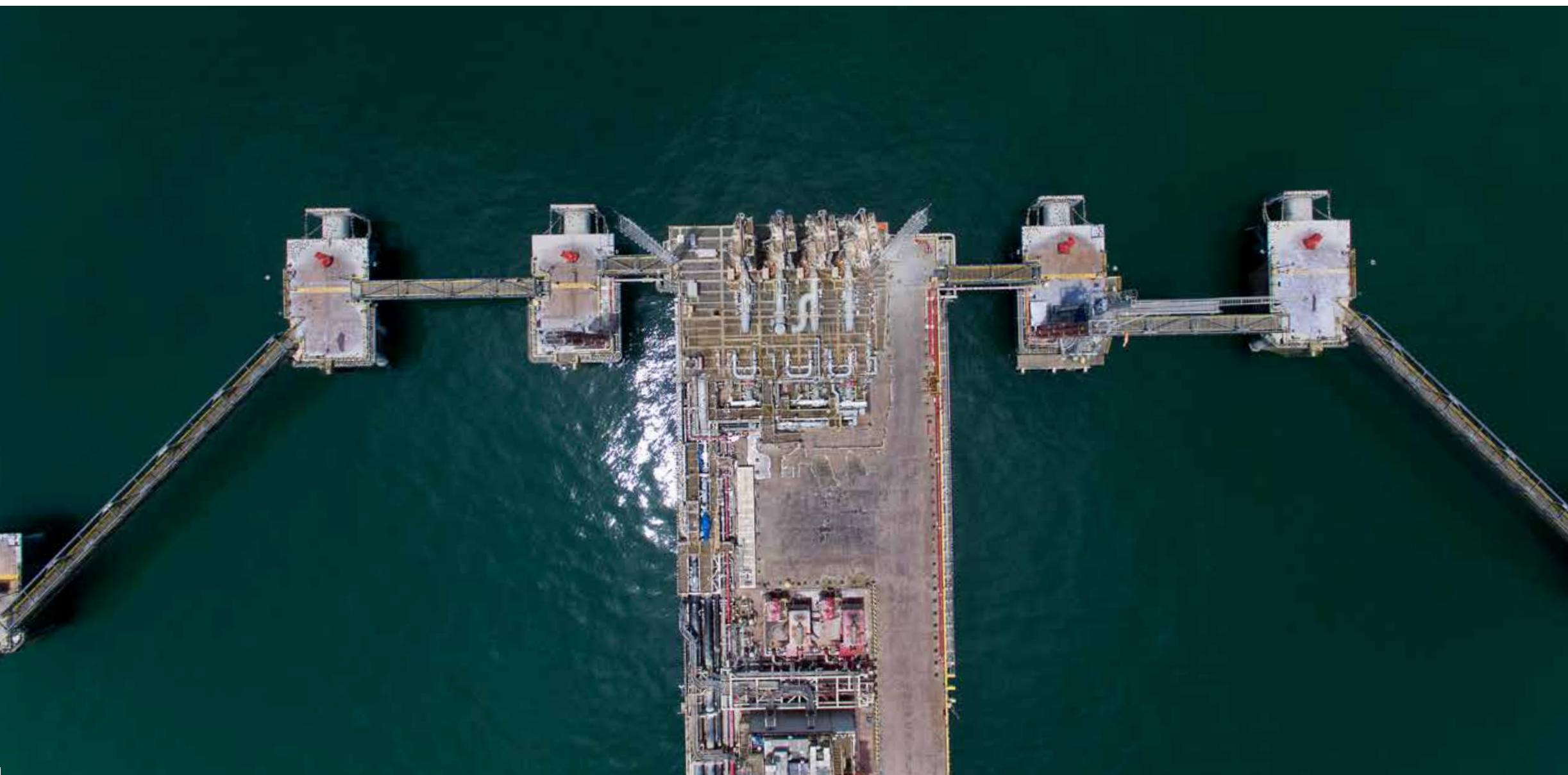
The contractual changes guarantee a firm commitment to supply 4.2 trillion cubic feet of gas to PERU LNG over the period stipulated in the contracts, at a rate of 670 000 million BTU (British Thermal Units) per day, in accordance with the daily quantity required (CDR).



COMPETITION AND POSITIONING IN THE MARKET

The main factors influencing this increase in demand are the replacement of coal by natural gas and local energy policies. It is also expected that the use of the latest technology will make a significant contribution to this growth. For example, floating storage and regasification units (FSRU) enable the regasification infrastructure to be deployed more quickly and at highly competitive prices.

In this context, international gas prices fell in 2020 compared with the previous year. On the one hand, the Henry Hub spot price fell by approximately 21 percent and in contrast, NBP and JKM spot prices fell by 27 percent and 20 percent, respectively in the same period.



TARGET MARKETS

On January 1, 2014, Shell International Trading Middle East (SITME) replaced Repsol Comercializadora de Gas S.A. as the off-taker for PERU LNG, by means of the Third Amended and Restated LNG Sale and Purchase Agreement, entered into on December 31, 2013. SITME is part of the Royal Dutch Shell (RDS) group, one of the largest oil companies in the world. Shell's LNG businesses include trading and one of the largest fleets in the industry.

The LNG produced in 2020 by PERU LNG and sold by SITME went principally to South Korea (44percent), China (28percent), Japan (19percent), Spain (3percent, other European destinations (4percent) and Mexico (2percent).

Despite the long distances involved, PERU LNG remains attractive for European and Asian markets. Monthly sales during 2020 are shown below:

MONTHLY SALES IN 2020



Source: own data.



THE HYDROCARBONS SECTOR IN PERU

PERU LNG's activities are subject to current Peruvian law. The Hydrocarbons Act N° 26221, which regulates the sector in Peru says that the Peruvian State encourages the development of hydrocarbons on the basis of free competition and free access to economic activities. For this purpose, it guarantees the legal stability of contracts, as established in article 62 of the Peruvian Constitution, as well as a stable tax and exchange rate regime.

The Hydrocarbons Act also states that exploration and extraction of hydrocarbons must take place through license and services contracts, as well as other types of contract governed by private law and authorized by the Ministry of Energy and Mining (MEM). Contracts that have been approved and signed can be modified by written agreement between the parties, subject to approval by supreme decree.

The legal framework for the hydrocarbons sector, which regulates and supports the activities of PERU LNG, consists of the following principal legislation:

- Law N° 26221, Hydrocarbons Act;
- Supreme Decree N° 051-93-EM: Regulations Concerning Hydrocarbons Refining and Processing;
- Law N° 28176: Promotion of Investment in Natural Gas Processing Plants Act;
- Supreme Decree N° 031-2004-EM: Executive Regulations to the Promotion of Investment in Natural Gas Processing Plants Act;
- Supreme Decree N° 032-2004-EM: Regulations Concerning Hydrocarbons Exploration and Extraction;
- Supreme Decree N° 042-2005-EM: Approved Text of the Hydrocarbons Act;
- Supreme Decree N° 081-2007-EM: Regulation for the Carriage of Hydrocarbons through Pipelines;
- Supreme Decree N° 043-2007-EM: Hydrocarbons Activities Safety Regulations.

The government authorities having a fundamental role in the hydrocarbons sector are the Ministry of Energy and Mining (MEM) and two regulatory authorities: the Supervising Body for Investment in Energy and Mining (OSINERGMIN) and



the Environmental Monitoring and Evaluation Authority (OEFA).

The MEM is responsible for designing general policies for the sector and, as the grantor, for awarding concessions. Osinergmin answers to the Prime Minister's Office and is responsible for establishing gas transport and

distribution tariffs. It also monitors compliance with the obligations assumed by concessionaires, which are stipulated in the respective contracts and applicable legislation, as well as supervising the quality of the service provided, specifically the safety regulations and standards applicable to these activities.

The OEFA, a dependency of the Environment Ministry, is responsible for ensuring that individuals and public and private entities comply with environmental legislation. It carries out checks, supervision, control and monitoring, and imposes sanctions in environmental matters.

WORLD-BEATING INFRASTRUCTURE

GAS PIPELINE

The PERU LNG gas pipeline is an impressive piece of infrastructure that represents a milestone in the history of engineering in Peru. One of its most notable characteristics is its high operating pressure, which averages 1800 psig (124 barg). It is thirty-four inches in diameter and can carry 1290 million cubic feet per day (MMcfd) of dry natural gas.

The gas pipeline runs for 408 kilometers through some of the world's most varied geography, including mountains and gorges where access is difficult, as well as crossing numerous rivers and the coastal desert. Its highest point is more than 4900 meters above sea level, earning it an entry in the

Guinness Book of Records as the highest gas pipeline in the world.

It has 14 shut-off valves for emergencies, six pig launching and receiving trap, one metering station and one pressure regulating station to control the delivery pressure at the coast.

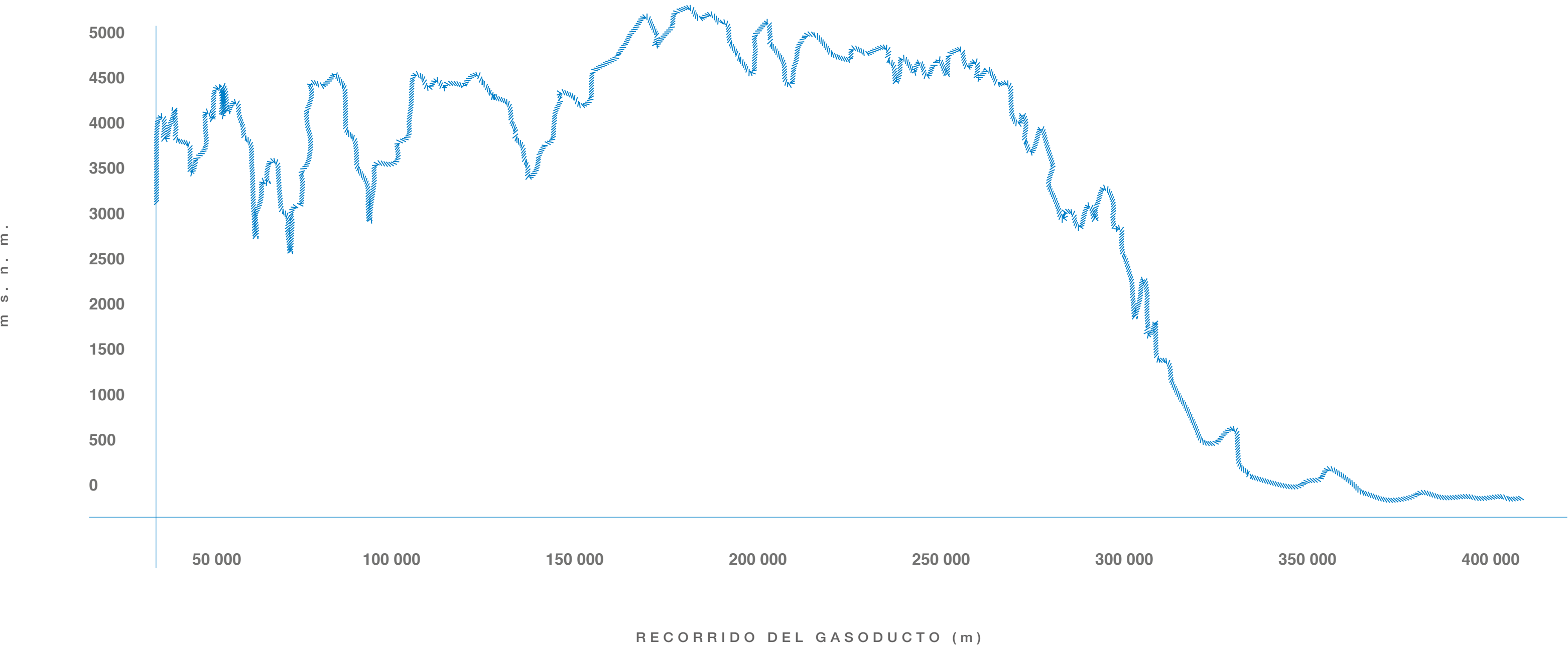
The starting point is at approximately kilometer 211 of the Transportadora del Gas del Peru S.A. (TGP) gas pipeline, in the village of Chiquintirca, Ayacucho Region, in the central highlands. It ends at the PERU LNG natural gas liquefaction Plant on the Peruvian coast.

During 2020, PERU LNG successfully completed an internal inspection of the 408-kilometer gas pipeline. The tools used enabled us to detect changes in the pipeline's position due to movements in the terrain, possible loss of wall thickness caused by corrosion and deformation resulting from the actions of third parties or the forces of nature. This work was undertaken to comply with the requirements of the Regulation for the Carriage of Hydrocarbons through Pipelines as well as PERU LNG internal policies for managing the integrity of the gas pipeline.

The inspection took place between November and December 2020 after more than a year

of planning, and without interrupting gas supplies to the plant and local market. There were no accidents and the challenge posed by COVID-19 in the gas pipeline's area of influence was met successfully.

PERFIL DE RUTA DEL GASODUCTO





LIQUEFACTION PLANT

The PERU LNG plant transforms natural gas into liquid to facilitate transport. It is the first liquefaction plant in South America and was built on 521 hectares of land, 163 kilometers south of Lima on the Southern Pan-American Highway.

The site posed engineering challenges for PERU LNG and therefore required exhaustive and detailed study. Although Pampa Melchorita met certain specific requirements, such as a low level of environmental sensitivity, low population density, soil stability and stable sea conditions, roads had to be built to reach the shore and optimize the site's altitude of 135 m.a.s.l. to build the port facilities.

The liquefaction plant has an installed capacity of 4.45 million tons per year (MMtpy) and processes approximately 626 million cubic feet per day (MMcfd), which covers the 4.2 MMtpy of LNG established in the contract.

The industrial process begins with the reception of dry natural gas from the Block 56 and 57 fields in Camisea and the removal of the liquids it contains. The natural gas is first measured and is pressure controlled, and which carbon dioxide (CO₂) is removed by the acid gas removal unit.

Next, the gas is dried in molecular sieves and passes through an activated charcoal

mercury absorption cell before liquefaction. In the final stage, the natural gas is cooled with propane refrigerant and then further cooled and liquefied in the main cryogenic heat exchanger. The LNG is then stored before shipment on board methane tankers in two tanks of 130 000 cubic meters each.

It should be noted that the plant is self-sufficient; it produces its own electricity and other services. It has three generators, one control center, offices, warehouses, workshops, training facilities and housing.

PERU LNG continued producing liquefied natural gas in 2020 despite restrictions

imposed because of the COVID-19 pandemic. This challenge was met entirely by our Peruvian collaborators because of air travel restrictions affecting people from abroad. The results obtained mean that from now on the operation will be run by Peruvians.



PORT FACILITY

The PERU LNG port facility can handle methane tankers carrying from 90 000 to 174 200 cubic meters of LNG, with a full-load displacement of 118 388 tons and a draft of up to twelve meters.

The terminal consists of an access bridge or jetty built of steel and reinforced concrete supported by 308 steel piles driven into the sea bed. It is 1388 meters long and the LNG loading platform is at the outer end, equipped with four loading arms sixteen inches in diameter (three for LNG and one return line for steam).

The terminal is also fitted with mooring infrastructure for LNG vessels, specifically, six mooring dolphins and four dolphins for ship handling. These structures are provided with four fenders protecting an area of thirty square meters to prevent contact between a ship's hull and the installations, as well as quick-release double or triple mooring hooks. Their characteristics mean that the structures can withstand the forces exerted on them by current, wind and waves while vessels are berthing.

The port facility is protected from the swell by a breakwater eight hundred meters long built parallel to the coast and three hundred and fifty meters off the loading platform. The facility has three navigable channels that are dredged every year to maintain an adequate depth. Four tugs with a bollard pull of eighty tons are available to assist with the berthing and unberthing of methane tankers.

As well as its marine infrastructure, the PERU LNG terminal is equipped with the latest generation of systems to ensure that loading operations are programmed and carried out safely. The principal items of equipment are two weather buoys with wave sensors located inside and outside of the breakwater; laser approximation sensors that measure the speed and angle of approach of vessels to the berth; a Pilot Portable Unit, that facilitates entry and exit when the visibility is limited.

Since 2015, the PERU LNG terminal has used bespoke software that provides a fourteen-day forecast of sea conditions, wind,



visibility, swell and other characteristics. Furthermore, since the end of 2016 this forecast has included a tool for predicting the movement of berthed vessels and the load on their mooring lines.

In 2020, the PERU LNG terminal was one of the first in Peru to introduce measures to prevent the propagation and spread of the SARS-CoV-2 virus. Thanks to this action, maritime operations were unaffected and shipments proceeded as planned. It should be noted that no cases of contagion were found on board visiting vessels or among the port facility's personnel.

In April 2020, PERU LNG signed a contract with Dutch firm ShoreTension B.V. for the manufacture and acquisition of six integrated vertical ShoreTension units. This is part of a project to renew and improve the terminal's berthing system to make cargo operations safer when an unusual swell occurs. The PERU LNG terminal is the first in the world to use this new mooring technology, keeping us at the forefront of new technology and innovation.

Later, in July 2020, we completed installation of the final version of the under keel clearance (UKC) prediction system, the

purpose of which is to guarantee the safety of vessels transiting the navigable channels. This system makes the PERU LNG port facility a pioneer in the use of forecasting technology.

It should also be noted that the terminal had its ISO 9001:2015 certification renewed by TÜV Rheinland in 2018 to cover its quality assurance systems for LNG shipments and the provision of basic port services: berthing, unberthing, pilotage and towing. In 2020 Peru's National Port Authority renewed the facility's International Ship and Port Facility Security Code (ISPS) certification together

with its Peruvian Special Port Facility (IPE) and port security certificates, both for a further five years.



ROAD TANKER LIQUEFIED GAS LOADING TERMINAL

In March 2018, road tanker LNG loading terminal (located inside the PERU LNG plant) was given its final permits by Osinergmin enabling it to start operating, ending the previous trial period for tanker loading. Commercial operations began July 9, 2018, in compliance with the contractual requirements for official inauguration.

The road tanker LNG loading terminal includes a control center, depressurization station, pipelines bringing gas from the plant, safety mechanisms, electrical and control systems, communications and closed-circuit television, among others.

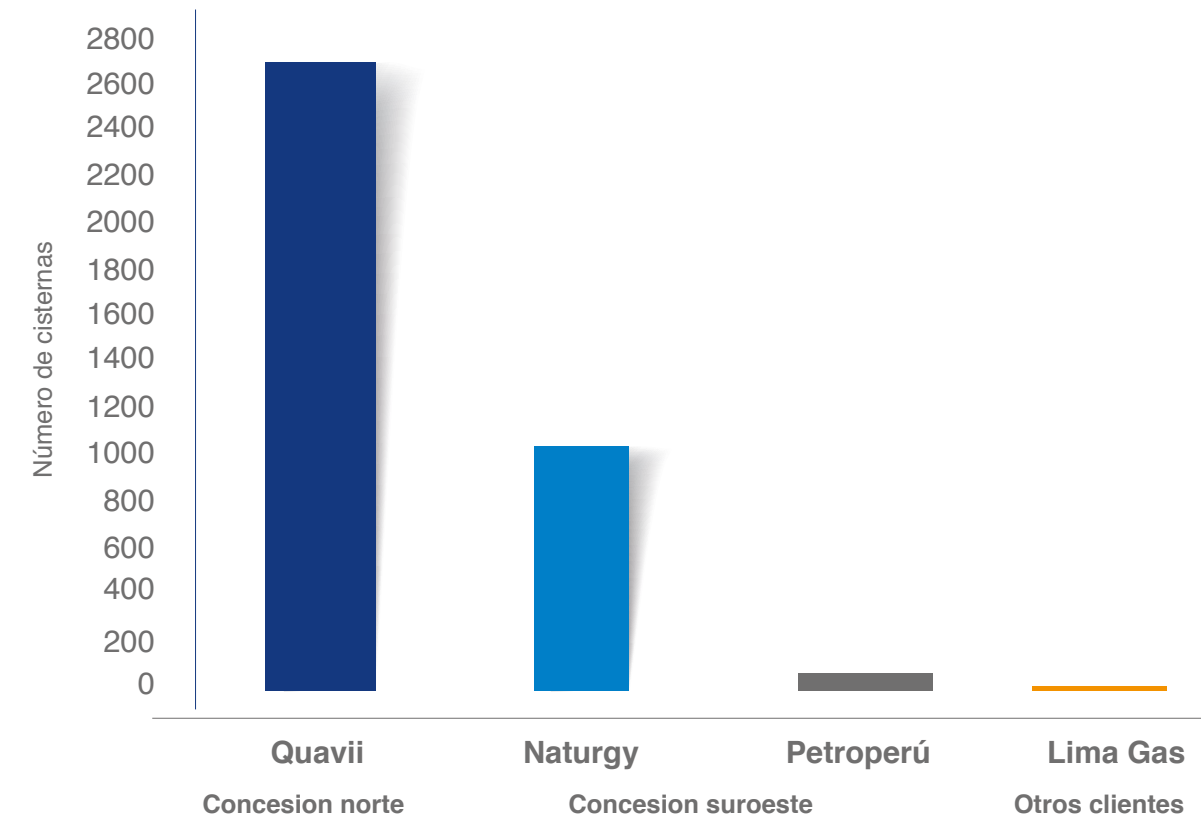
From then on, the loading terminal has guaranteed the supply of LNG by road to re-gasifying stations in the north and south west of the country. The system uses Shell GNL concessionaires: Quavii, supplying the

north and cities of Cajamarca, Lambayeque, Chiclayo, Pacasmayo, Trujillo, Chimbote and Huaraz, and Petroperu in the south, Arequipa, Moquegua, Ilo and Tacna.

The southern concessionaire changed in 2020, with Naturgy operating until December 18, 2020 before being replaced by Petroperu, which started operations on the 19th of December that same year. 2020 also saw the appearance of a new client, Lima Gas, responsible for LNG supplies to Cuzco region, which carried out only one operation on the 13th of December.

During 2020, 3,689 tankers were dispatched, to 4 215 548 MMBtu (4.22 TBtu).

Road tankers loaded



WORKING WITH RESPONSIBILITY AND COMMITMENT



The liquefaction plant started up in June 2010 and is one of the most important projects ever developed in Peru. The PERU LNG plant is the first in South America producing LNG gas, it is supplied by a gas pipeline 408 kilometers long carrying natural gas from Ayacucho, through Huancavelica, Ica and Lima.

OPERATION TO HIGH QUALITY STANDARDS

PERU LNG operates to the highest industry standards to guarantee strict compliance with Peruvian and international legislation, but also seeks to achieve its vision and mission as a world-class organization, technically, operationally and economically efficient and with a high degree of environmental and social responsibility. During 2020, PERU LNG carried an average of 813 MMcfd of natural gas through its pipeline.

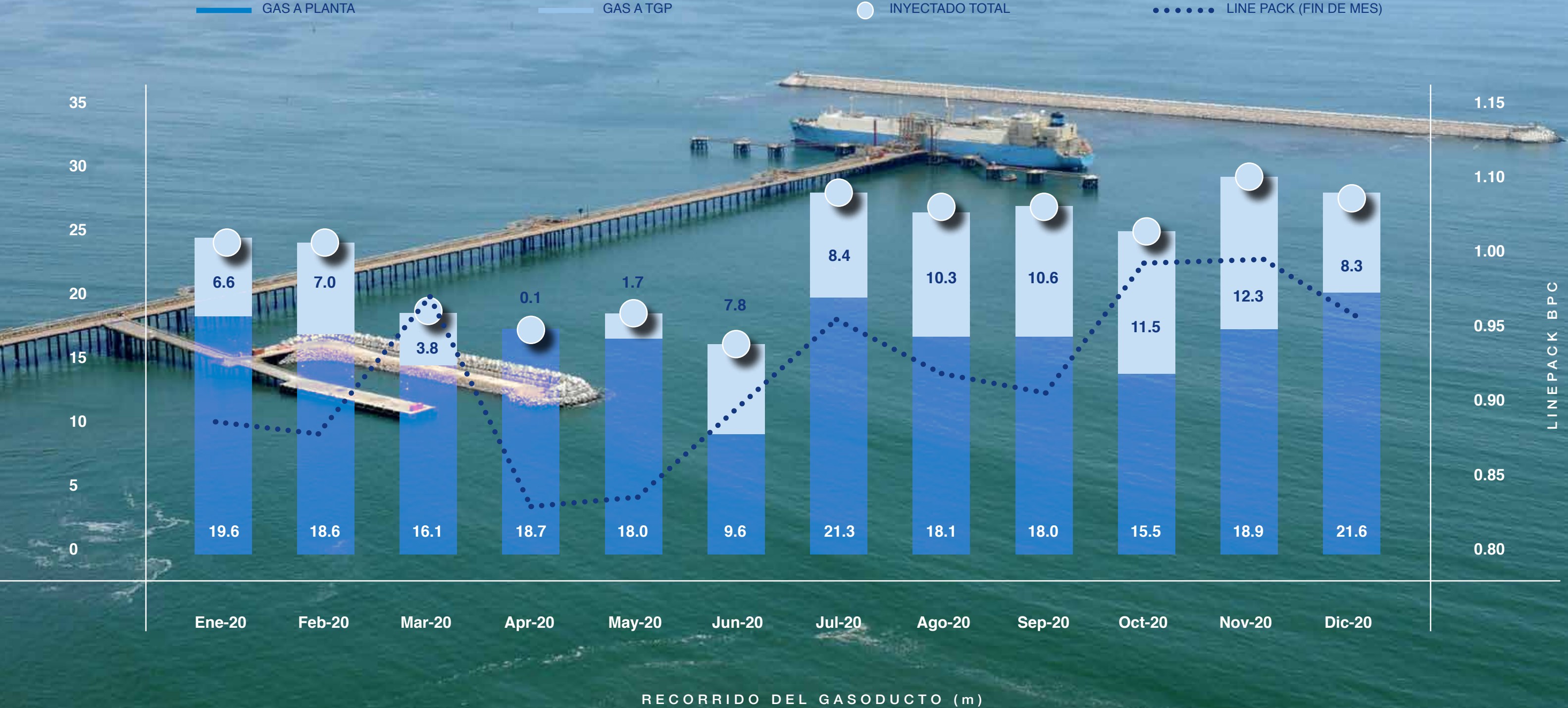
It is worth noting that expansions carried out by TGP in 2016 increased the transport capacity of the system from 1150 to 1540 MMcfd in the jungle zone. The capacity increase provided PERU LNG with permanent additional volumes of gas and flexibility in the pipeline system.

GAS PIPELINE

During 2020, PERU LNG sent a total of 213 952.55 MMcf to the LNG plant and 88 294.41 MMcf to the domestic market, in accordance with the agreement for the Expansion and Use of the Main Pipeline Carrying capacity. This took place in a difficult context, as local demand was affected by the government's COVID-19 emergency response measures from March to June.

As far as Transportadora de Gas del Peru (TGP) was concerned, the volume of gas carried by the PERU LNG gas pipeline for the local market remained stable at an average of 241 MMcfd with peaks of up to 486 MMcfd.

VOLUMES CARRIED IN 2020



LIQUEFACTION PLANT AND PORT FACILITY

The plant achieved 91.4 percent efficiency during 2020. Despite down times, long periods of poor weather affecting the port facility and force majeure events, it proved possible to produce 208.9 TBtu of LNG compared with 211.7 TBtu in 2019. This represents a 1percent reduction.

VOLUMES PRODUCED IN 2020



THE DESTINATIONS OF THE FIFTY-FIVE METHANE TANKERS IN 2020 WERE AS FOLLOWS

LNG SHIPMENTS

Fifty-five methane tankers berthed at PERU LNG's port facility in 2020. These tankers were loaded with 204.8 TBtu of LNG, representing a 5percent drop in the number of ships and a 2percent fall in the volume carried compared with the previous year, when fifty-eight vessels were loaded with 209.3 TBtu.

In 2018, fifty-seven vessels called at the terminal (196.1 Tbtu); in 2017, sixty-four vessels (213.9 TBtu); in 2016, seventy (225.1 TBtu); in 2015, fifty-six (187.8 TBtu); in 2014, sixty (214.4 TBtu); in 2013, fifty-seven (222.4 TBtu); in 2012, fifty-three (203.6 TBtu); and in 2011, fifty-five (209.2 TBtu). Operations commenced in June 2010, and therefore only twenty-three vessels used the facility that year.

SITME was the company responsible for purchasing, carrying and selling the LNG produced in the plant during 2020. LNG is sold on a FOB basis at a contractual sale price indexed to natural gas prices at the shipment destination.

DESTINATION	NUMBER OF VESSELS	TBtu	PERCENT
South Korea	24	92.3	45 percent
China	16	57.2	28 percent
Japan	10	37.5	18 percent
Spain	2	6.8	3 percent
Netherlands	1	3.9	2 percent
Mexico	1	3.5	2 percent
France	1	3.5	2 percent
Total	55	204.8	100 percent

VESSELS LOADED IN 2020 - VOLUME IN MMBtu AND IN m³

MONTH	VESSELS	MMBtu	m ³
January	4	15 658 205	674 751
February	5	18 453 843	795 577
March	5	18 760 326	809 193
April	4	14 109 358	608 332
May	5	18 214 650	785 773
June	2	7 057 760	304 505
July	6	21 418 911	923 104
August	5	18 965 311	817 045
September	4	15 359 156	662 113
October	4	15 179 339	654 010
November	5	18 965 378	817 274
December	6	22 610 651	974 889
Total	55	204 752 888	8 826 567

VESSELS LOADED AND QUANTITY OF LNG (TBtu) BY DESTINATION





HUMAN RESOURCES

The distribution of PERU LNG collaborators in December 2020 is given below:

PERSONNEL	DECEMBER 2020		TOTAL
	TEMPORARY	PERMANENT	
Senior staff	-	3	3
Employees	2	9	6
Total	2	12	9

Source: Own figures.

BUSINESS CONTINUITY

In 2020, the company made every effort to ensure the continuity of its operations amid global uncertainty and the COVID-19 pandemic.

On March 16th, after the Peruvian government declared a state of emergency, the Human Resources department prioritized effort on two fronts: to safeguard the health of our collaborators and their families and to ensure business continuity.

A multi-discipline committee was formed to meet this challenge; its aim was to establish protocols, directives, procedures and changes in working methods to reduce the risks of COVID-19. The main action taken was:

- To implement remote working: this change was applied to the majority of collaborators in the Lima and Ayacucho offices and in the plant.
- To establish a system of working for our collaborators in the plant and on the pipeline, based on 14 working days followed by 14 rest days.
- Because of the reorganization of the production staff we selected and hired new operators with experience

in order to strengthen the team and shorten the learning curve. Priority was given to hiring Peruvians; for that reason, production is now in the hands of Peruvians.

CHANGE MANAGEMENT

The Human Resources Department worked to provide the training needed for our collaborators to adapt to remote working. Training sessions were given in Office 365 and the Teams virtual platform, to enable meetings and real-time interaction between teams to take place. Training in the use of One Drive, the individual and shared storage platform, was also given.

The company's leaders took part in various workshops on management, communication channels, leadership and remote organization of their teams.

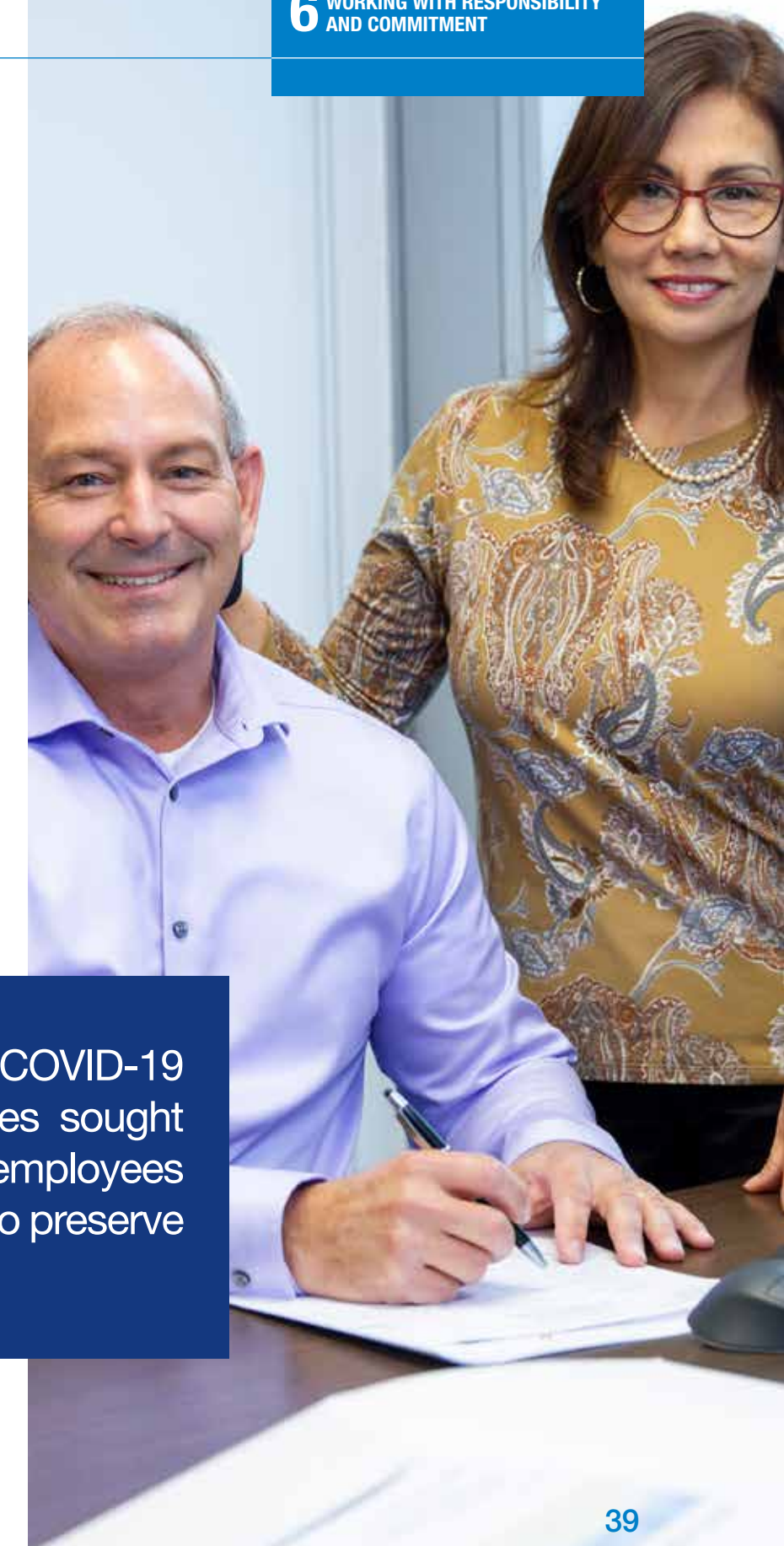
STRENGTHENING THE CULTURE

Our Embajadores program was re-launched to help new collaborators to adapt to PERU LNG's culture through close mentoring by a collaborator with wide experience of the company. We also continued with celebrations to reinforce

the company's culture, which moved to a virtual environment using platforms that enabled the joy and warmth of a face-to-face encounter to continue. The milestones included birthdays, anniversaries, Mother's Day, Father's Day, Independence Day and our end-of-year celebration.

We have also established and implemented a strategy of emphasizing the human factor in our industrial safety management, which seeks to reduce the risk of incidents and/or accidents at work.

In the context of the COVID-19 pandemic, Human Resources sought to safeguard the health of employees and their families, as well as to preserve business continuity.





PERU LNG ADMINISTRATION

Since September 2018, the company has been in the PAL 400 building on Las Palmeras 435, San Isidro. The offices are open-plan in order to facilitate communication between members of the organization.

The company's senior management personnel are:

María Julia Aybar
GENERAL MANAGER

Solange Cuadros
GENERAL COUNSEL

Jaime Risco
COMMERCIAL AND PLANNING
MANAGER

Wei Wong (*)
PLANNING MANAGER

(*) Left in May 2020.

María Julia Aybar

GENERAL MANAGER

Mrs Aybar studied at the Catholic University of Peru’s Faculty of Law and pursued postgraduate at the University of Lima. She taught specialist courses hydrocarbons sector legislation, including regulations applicable to natural gas. She started working in the oil and gas sector in the legal department of PeruPetro (the government body that administers oil exploration and extraction in Peru). She worked as an associate for nearly ten years and later as a partner in Estudio Muñiz law firm, where her experience in different aspects of the hydrocarbons business proved valuable. She was an adviser to the companies involved in the Camisea Project in all its phases: extraction, transport and distribution, and financing. She was General Counsel of PERU LNG from February 2006 to December 2016. She currently occupies the post of VP and CEO.

Solange Cuadros

GENERAL COUNSEL

Studied at the Catholic University of Peru’s Faculty of Law and pursued postgraduate studies at Duke University (USA.). She has more than fourteen years of experience in energy and corporate law and has taken various specialist courses in hydrocarbons and electricity. She began in the energy and mining department of Estudio Muñiz law firm before moving to the Peruvian ombudsman’s office. From 2008 to 2012 she worked on the PERU LNG legal team and between 2013 and 2015 was Legal Manager and Head of Regulatory and Legal Affairs for the GCZ Energía group. In 2016, she held the same position at EDC Peru Holdings, a renewable energy company. She has been the General Counsel of PERU LNG since January 2017.

Jaime Risco

COMMERCIAL AND PLANNING MANAGER

Studied Industrial Engineering in the Faculty of Science and Engineering of the Catholic University of Peru before obtaining an MBA from the University of Virginia (USA). He worked in the Camisea project commercial department of Pluspetrol as an analyst from 2006 to 2010. He was financial manager in the planning department of Microsoft’s sales, marketing and services group.

He joined PERU LNG in 2014 and held the post of Planning Manager from February 2016 to the June 30, 2017. He has been Commercial and Planning Manager since July 1, 2017.

Wei Wong

PLANNING MANAGER

Wei Wong studied at Baylor University, where he obtained an undergraduate degree in administration and a master’s in accountancy. He began his career with ConocoPhillips as a financial analyst and then joined Hunt Oil in the corporate strategic planning department. In 2015, he obtained a master’s degree in business administration from the University of Texas. He then worked for the Hunt Oil business unit in the Middle East, during the initial stage of a production and company development project in Kurdistan and Yemen LNG. He is a certified public accountant and internal auditor. He held the position of Planning Manager in PERU LNG from July 1, 2017 until May 31, 2020.

PERU LNG is committed to spreading its corporate practices, which are based mainly on maintaining strict standards of excellence and ethics throughout our business. Furthermore, the company is subject to anti-corruption legislation in both Peru and the United States of America, including the U.S. Foreign Corrupt Practices Act or FCPA.

ANTI-CORRUPTION FRAMEWORK

PERU LNG is committed to spreading its corporate practices, which are based mainly on maintaining strict standards of excellence and ethics throughout our business. Furthermore, the company is subject to anti-corruption legislation in both Peru and the United States of America, including the U.S. Foreign Corrupt Practices Act or FCPA. Applicable Peruvian law sanctions public and private companies for corruption, money laundering and terrorist financing with administrative penalties that vary from fines to closure and/or dissolving the company.

PERU LNG has a corruption prevention policy aimed at creating zero tolerance of corruption. By means of this policy, the company has approved a system for preventing corruption, which sets the criteria, assumptions, guidelines, procedures and controls applicable in PERU LNG to the prevention of and fight against corruption in compliance with the relevant legislation.

It has also developed a number of instruments as part of an integral anti-corruption framework to further promote and disseminate the complete rejection of corrupt practices, money laundering and other crimes. This process has incorporated United States legislation on the subject, such

as guidelines for preventing corruption and the economic sanctions that apply in the USA. Also included are the due diligence procedures for corruption prevention and sanctions, compliance with which is compulsory for all collaborators, representatives, directors and officers, as well as commercial partners and others having an interest in the company.

PERU LNG has a prevention officer responsible for ensuring proper implementation, supervision and monitoring of the prevention system. PERU LNG has also concentrated on training for its collaborators so that they have up to date information available on the applicable legal framework and channels through which they can make complaints.

During 2020, PERU LNG continued working to update and improve the corruption prevention system.

JUDICIAL AND ADMINISTRATIVE PROCEDURES AND ARBITRATION

CONTESTED ADMINISTRATIVE PROCEDURES

At the close of 2019 the status of the court case brought in March 2011 by PERU LNG against Osinergmin arising from fines imposed by the latter (case 01130-2011), was as follows: Ruling N° 36, by the fourteenth administrative court ordered the case to be sent to the next highest instance – the second administrative court. Consequently, ruling N° 2 issued on May 23, 2019 and set March 11, 2020 as the date for the hearing. On July 17, 2020 the second administrative court upheld the ruling of first instance that declared the claim to be groundless. PERU LNG then submitted an appeal to the Supreme Court and is waiting for it to be admitted.

In the administrative claim, PERU LNG questions the validity and demands the annulment of rulings N° 004458 and 004666, as well as rulings N° 030-2010-OS/TASTEM-S2 and N° 007-2010-OS/TASTEM-S2. These imposed fines of approximately USD 912 635 for an alleged non-compliance with environmental management commitments.

ARBITRATION PROCEEDINGS

On the October 6, 2016, after the parties had agreed the terms of reference applicable to the proceedings, the arbitration panel consisting of two arbitrators and one president, established the procedural timetable that will govern the arbitration. These proceedings took place before the International Arbitration Panel of the International Chamber of Commerce, between PERU LNG and the companies Pluspetrol Peru Corporation S.A., Pluspetrol Block 56 S.A., Tecpetrol Block 56 S.A.C. and Sonatrach Peru Corporation S.A.C. (hereinafter “the companies”). In this arbitration process PERU LNG is questioning invoices issued by the above companies in July and August 2015 for alleged additional payments for gas sold in 2010 and 2011.

Furthermore, in October 2019, two arbitration proceedings against PERU LNG were brought before the international arbitration tribunal of the International Chamber of Commerce. The first arbitration was brought by Pluspetrol Peru

Corporation S.A., Pluspetrol Camisea S.A., Tecpetrol del Peru S.A.C. and Sonatrach Peru Corporation S.A.C; these companies are demanding additional payments of invoices for gas sold to PERU LNG during 2015 and 2018. The second arbitration case was brought by Pluspetrol Peru Corporation S.A., Pluspetrol Lote 56 S.A., Tecpetrol Block 56 S.A.C. and Sonatrach Peru Corporation S.A.C. demanding additional payments of invoices for gas sold to PERU LNG during 2011 and 2018. These cases have been consolidated into a single arbitration proceeding.

PERU LNG has a corruption prevention policy, the purpose of which is to promote zero tolerance for corruption.



PERU LNG is implementing to improve the living conditions and productive skills of communities adjacent to the gas pipeline and plant. This has strengthened confidence and respect between the company and communities in its direct area of influence.

OUR COMMITMENT TO THE COMMUNITY

PERU LNG is committed to the development of communities throughout its direct area of influence in Ayacucho, Huancavelica, Ica and Lima regions. To do so it has defined three forms of social investment on which it will concentrate its community-based action: strengthening skills, education and health.

These core areas are not only aligned with the sustainable development aims promoted by the United Nations, but also with the public policy of the Peruvian Government. It should be noted that to ensure the success of social investment in these areas, PERU LNG has created strategic alliances with public and/or private operators with proven experience.

PERU LNG is implementing to improve the living conditions and productive

skills of communities adjacent to the gas pipeline and plant. This has strengthened confidence and respect between the company and communities in its direct area of influence.

The projects are designed to generate sustainable growth of the communities and are implemented in coordination with them, through continual and transparent dialog. A number of initiatives were developed in 2020, including the following:

TRAINING PROGRAM FOR PUBLIC INVESTMENT MANAGEMENT

OUR COMMITMENT TO THE COMMUNITY



TRAINING PROGRAM FOR PUBLIC INVESTMENT MANAGEMENT

This program began in March 2012, jointly with the Universidad del Pacífico Center for Mining and Sustainability Studies and aims to strengthen the skills of technicians working for local councils; specifically preparing technical dossiers and designing strategies to enable access to public funds. This initiative is a direct response to the deeds of officials responsible for drawing up and managing strategic public investment projects and meeting the population’s basic health, education and hygiene needs.

Thank to this program, specialists from the Universidad del Pacífico assist and advise public officials in drawing up profile studies and technical reports. They also answer queries on public administration and facilitate contact with government bodies responsible for promoting public investment, particularly the Ministry of Finance.

This program has helped to strengthen relationships with rural communities in the area of influence of the PERU LNG gas pipeline, through construction work carried out by the municipal authorities. The result was that between 2016 and 2019, more than

31 million dollars of state funds were obtained for social projects to meet people’s basic needs. This is a clear example of how local governments can be helped to gain access to public funds.

In 2020, thanks to contributions by PERU LNG, approval was obtained for financing a project entitled “Improvement and Extension of the Potable Water Service and Creation of Basic Public Health Units” in sixteen rural areas of the community of Vinchos in the district of Vinchos, province of Huamanga, department of Ayacucho. This project is currently under way and the investment amounts to approximately four million dollars.

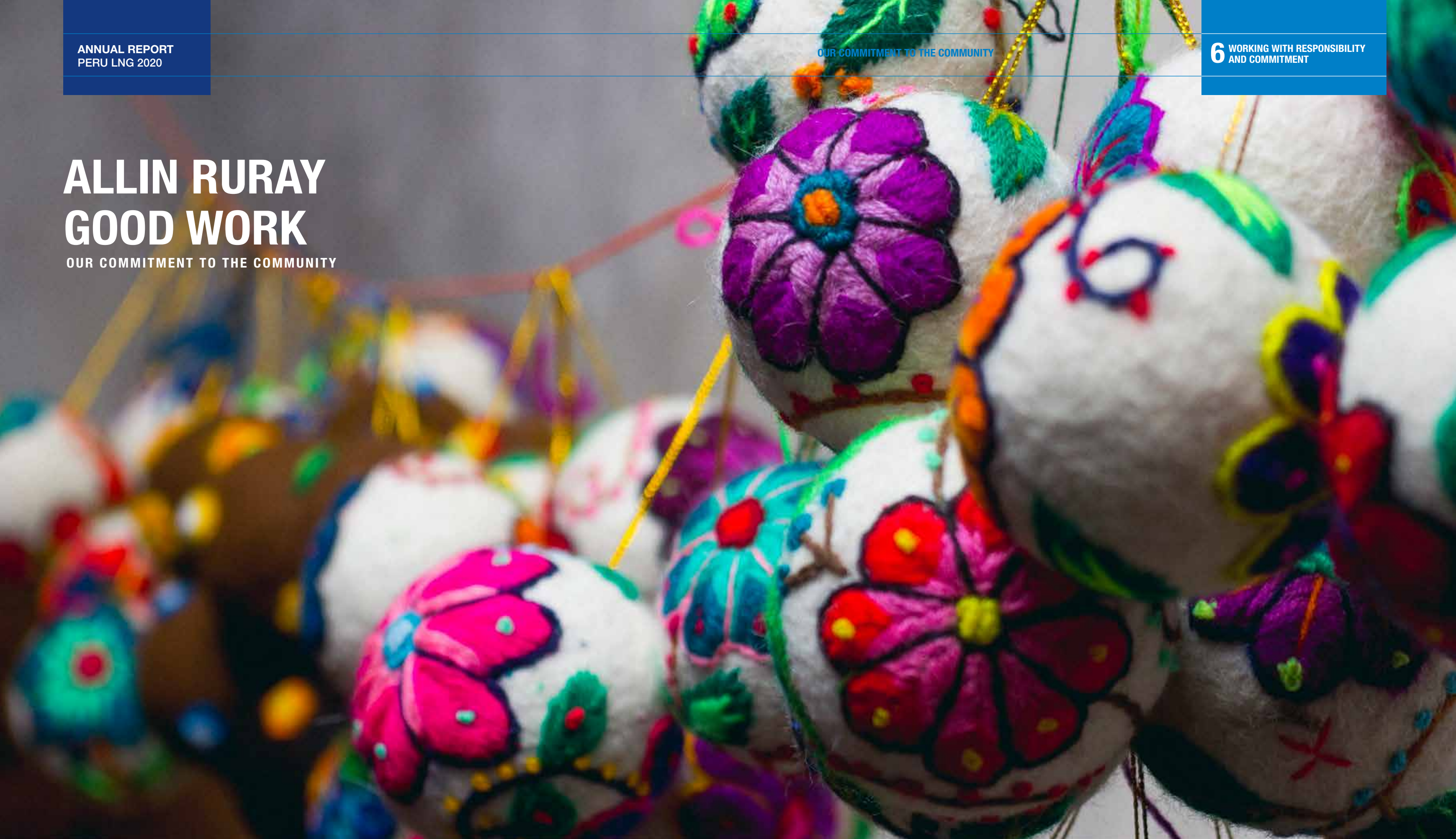
The technical studies of four projects have also been completed and the population are being helped to seek state financing to implement them.



MUNICIPALITIES	STUDY OF PROJECTS UNDER DEVELOPMENT	ESTIMATED VALUE (S/ THOUSANDS OF MILLIONS)
Vinchos	Improved secondary education at Jose de San Martin school in the district of Vinchos, Huamanga, Ayacucho.	2.6
Acocro	Improved initial education at schools N° 432-70 in Parccahuanca, N° 310-General Trinidad Morán in Acocro, N° 408 in Seccelambras, N° 407-Hermilio Valdizán in Pampamarca and N° 432-112 in Pomapuquio, district of Acocro, Huamanga, Ayacucho.	3.7
Chiara	Improvement and expansion of the drinking water and sewage system in the communities of Vanapiruro, Ichubamba, Motoy Alta, San Miguel de Motoy, Hualccapucro and Maray Vilca, in the district of Chiara, province of Huamanga, department of Ayacucho.	2.7
Anco	Improvements to health services at the following healthcare posts: Chiquintirca i-2, Pacobamba i-1 in the Sacharaccay micro-network, district of Anco, province of La Mar, department of Ayacucho.	3.1
	Total	12.1

ALLIN RURAY GOOD WORK

OUR COMMITMENT TO THE COMMUNITY



ALLIN RURAY – GOOD WORK

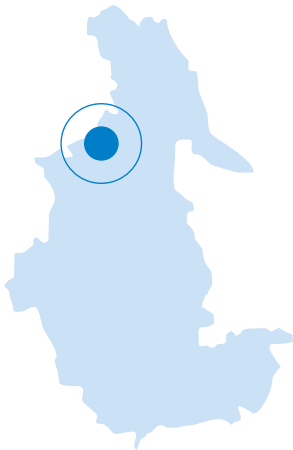


THE OBJECTIVE OF THE PROGRAM IS TO TRAIN THE FAMILIES OF ALPACA-BREEDING COMMUNITIES IN PERU LNG’S DIRECT AREA OF INFLUENCE IN THE PRODUCTION, MANAGEMENT AND MARKETING OF THEIR VALUE-ADDED PRODUCTS.

THIS PROGRAM HELPS TO IMPROVE THE ECONOMY OF THE POPULATIONS.



THE REGION THAT BENEFITS FROM THIS PROJECT IS AYACUCHO.



PROMOTES WOMEN’S EMPLOYMENT, EMPOWERING WOMEN AND ENABLING THEM TO EARN THEIR OWN INCOME.

SALES GENERATED FROM FIBER THAT WAS TRANSFORMED INTO FELTS, YARNS, GARMENTS AND ORNAMENTS, AMOUNTED TO.

S/ 12 639



One of the most difficult challenges facing PERU LNG was to find sustainable projects that would improve the quality of life for people living in extreme poverty in the high-altitude parts of the gas pipeline route, whose economy is based on subsistence farming - principally the rearing of alpacas.

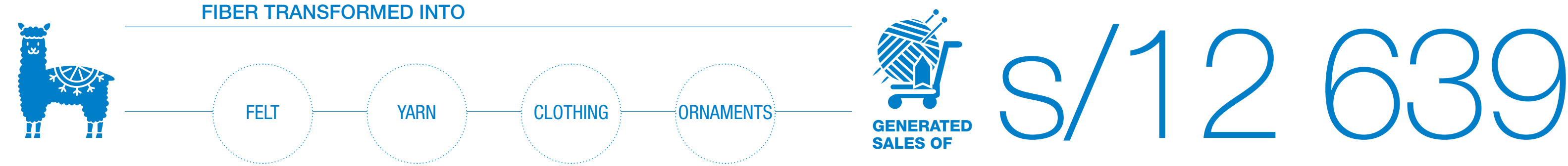
The Allin Ruray program (translated from Quechua as 'learning by doing') is being implemented as part of a strategic alliance with Prosynergy and concentrates on the Minas Corral, Cayramayo and Huayraccasa annexes to the community of Paccha, more than four thousand meters above sea level in Ayacucho region.

The purpose of the program is to consolidate production skills, management and sales of added value products from alpaca fiber, made by the three cooperatives in the community of Paccha. Its aim is to provide the cooperatives with management skills with which to plan, organize and direct the production and commercial processes in order to transform and sell 80percent of their alpaca fiber. They are also expected to develop a diversified range of products designed to respond to market trends and requirements, to be sold via agents, fairs and the Eco Alpaca website.

With this in mind, PERU LNG's strategy in 2020 sought to strengthen commercial skills and to take into account the designs required by the market. The principal activities carried out were aimed at formalizing the cooperatives and to boost their sales and sustainability, as well as to consolidate product quality through standardization.

This program improves the economy of the communities and a further benefit is that it is highly inclusive. It provides jobs for women, empowering them and giving them an independent income, as well as encouraging the employment of senior citizens, vulnerable and marginalized individuals and young people regardless of gender. All learn the techniques of yarn spinning, dyeing, embroidery and weaving, as well as handicrafts to add value to the alpaca fiber.

In 2020, sales of fiber transformed into felt, yarn, clothing and ornaments were valued at 12 639 soles, despite restrictions imposed by the health emergency. This caused a contraction of 57 percent compared with 2019 (19 804 soles), which represents sustainability in adverse circumstances.



MONTEREY PINE PLANTING AND PRODUCTION

OUR STORY AND THE HISTORY OF OUR COMMUNITY



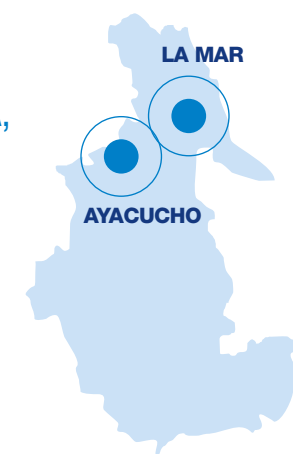


MONTEREY PINE PLANTING AND PRODUCTION



THE OBJECTIVE IS TO PROMOTE AND INSTALL 100,000 TREE SAPLINGS IN THE RURAL COMMUNITIES THAT HAVE DIRECT INFLUENCE WITH PERU LNG.

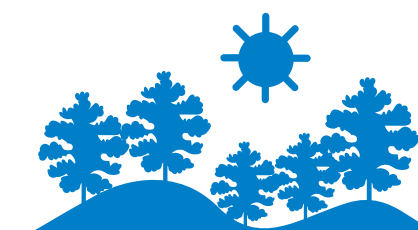
THE BENEFITING DISTRICTS ARE: CHIARA, SOCOS, ACOS VINCHOS, VINCHOS AND ANCHIHUAY SIERRA, LOCATED IN THE PROVINCES OF AYACUCHO AND LA MAR.



THIS ACTION SEEKS TO CREATE MEDIUM AND LONG-TERM ENVIRONMENTAL BENEFITS FOR FARMERS IN THESE COMMUNITIES, AS WELL AS TIMBER AND OTHER FOREST PRODUCTS TO IMPROVE THEIR LIVING CONDITIONS.



ACTIVITIES CARRIED OUT:
A. VERIFICATION OF AREAS
B. GEOREFERENCE
C. TRAINING IN FORESTRY PLANTATION
D. DELIVERY OF SEEDLINGS
E. FOREST PLANTATION



BY COMMUNITY MEMBERS, AS A COMMUNAL CONTRIBUTION.



In 2020 PERU LNG signed an agreement with Agro Rural y Taller de Promoción Andina (Tadepa) to plant 100 000 tree saplings in rural communities in the direct area of influence of PERU LNG, specifically in the districts of Chiara, Socos, Acos Vinchos, Vinchos and Anchiuay Sierra, in the provinces of Ayacucho and La Mar. This action seeks to create medium and long-term environmental benefits for farmers in these communities, as well as timber and other forest products to improve their living conditions and help to make Peruvian forestry more competitive.

Agro Rural produced 100 000 high-quality pinus radiata seedlings in its high-technology plant nursery and with technical aid, planted them on communal land in the area of influence of PERU LNG; this took place during the 2020 - 2021 forestry season. It should be pointed out that the inputs and materials required were provided to Agro Rural by Tadepa.

The seedlings were grown between March and November 2020 and the principal activities were: technical assistance, cleaning, preparation of

the plant nursery, acquisition and provision of inputs and materials, sowing the pine seeds, transferring the seedlings to the growing area, weeding, selection of seedlings, fertilization, treatment against pests and diseases and transfer for hardening off. The areas to be planted were then examined and georeferenced,

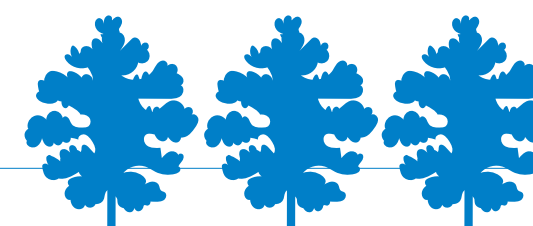
PERU LNG seeks that in the medium and long term, agricultural producers improve their quality of life and contribute to the country's forestry competitiveness.

training was provided in tree planting and the seedlings delivered and planted by members of the community as a joint contribution.

AGRO RURAL PRODUCED

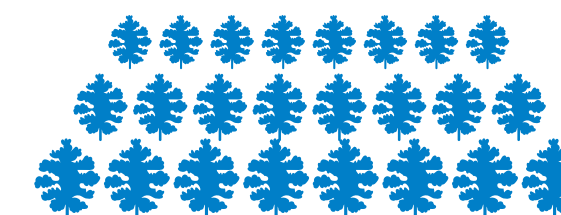
100 000

HIGH-QUALITY



PINUS RADIATA

EN SU



HIGH TECHNOLOGY PLANT NURSERY

IMPROVEMENTS IN READING COMPREHENSION

OUR STORY IN THE PERU LNG COMMUNITY

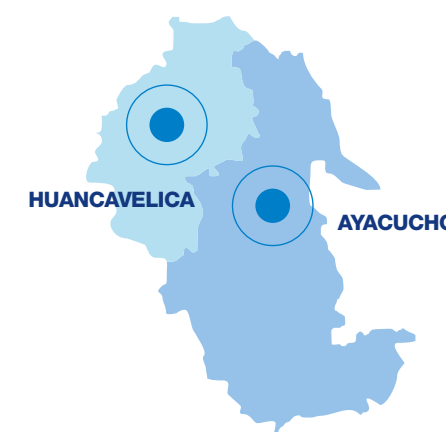


IMPROVEMENTS IN READING COMPREHENSION



THE “READING IS PROGRESS” (LEEA) PROJECT STARTED IN 2014 IN ALLIANCE WITH THE FUNDACION BBVA PERU, TO IMPROVE READING COMPREHENSION. IN 2020, THIS PROGRAM WAS ADAPTED BY PERU LNG TO RESPOND TO THE HEALTH EMERGENCY AND MEASURES IMPOSED BY THE GOVERNMENT; PRINCIPALLY THE CLOSURE OF SCHOOLS.

AYACUCHO AND HUANCAMELICA
ARE THE BENEFICIARY REGIONS.



24 EDUCATIONAL
INSTITUTIONS
BENEFITED.

300
STUDENTS
BENEFITED



PEDAGOGICAL SUPPORT WAS PROVIDED TO TEACHERS VIA TELEPHONE AND WHATSAPP. IN ADDITION, 84 TEACHERS PARTICIPATED IN 5 VIRTUAL PEDAGOGICAL WORKSHOPS.



Due to the health emergency, the project was reconsidered and telephone and radio were used as the main means of communication.

PERU LNG understands that education is a fundamental component of development for the country and for that reason is committed to promoting education.

The “Reading is Progress” (LEEA) project started in 2014 in alliance with the Fundacion BBVA Peru, to improve reading comprehension among third, fourth, fifth and sixth grade pupils in state primary schools. In 2020, this program was adapted by PERU LNG to respond to the health emergency and measures imposed by the government; principally the closure of schools.

In this context the government launched an initiative called “Learning at Home” as part of its strategy to encourage distance learning. This, however, is proving difficult to consolidate in rural areas where access

to TV, Internet or cell phones is limited. Indeed, telephone and radio are the media with the greatest coverage in zones where the LEEA project is being implemented and for that reason the project was adapted to make more effective use of these media.

In order to facilitate connectivity between teachers and students, seventeen thirty-minute radio programs were created to be broadcast on four radio stations in Huaytara, La Mar and Huamanga. Each program contained twenty-five minutes teaching aimed at students and their families and five minutes for direct contact between the teachers and students. The programs also provided information on COVID-19 prevention, care for our heritage, the manufacture of Ecobricks (bricks made from solid waste) and composting (vegetable waste processing), as well as messages about the importance and care for biodiversity.

Around three hundred students from twenty-four state schools were able to listen to these radio programs that included learning activities, care for the environment and COVID-19 prevention advice.

Support for teachers was provided by a specially designed strategy of virtual meetings using Zoom. These meetings enabled strategies and activities to be

planned and then implemented with the students; emotional support and care were also given.

The project's education experts were in continual contact with participating head teachers and teachers by telephone and

part, raising queries about their teaching and asking for advice.

Eight hundred and ninety-one exercise books for students were distributed to parents and eighty-four teaching guides to teachers in each of the twenty-four schools benefiting from the project. Use of the books was monitored using WhatsApp messages and radio programs.

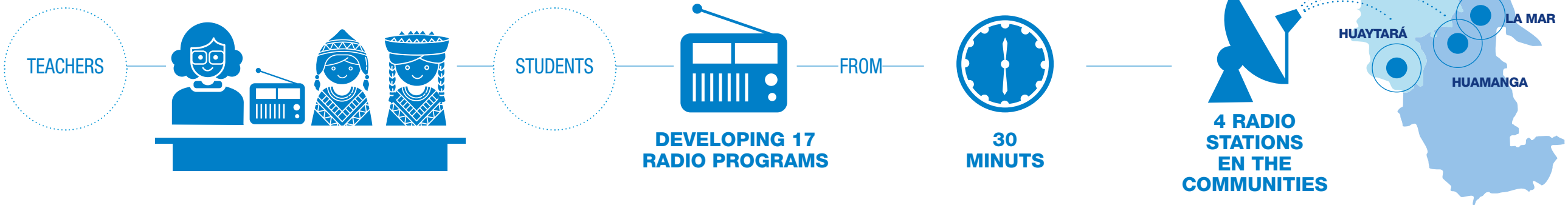
This project took first place in the 2020 Sustainable Development Awards in the 'United Against COVID – Joining Forces' category, organized by the National Mining, Petroleum and Energy Society.



Due to the context of the health emergency, the project developed a strategy of pedagogical, emotional and care support for teachers.

the WhatsApp application. In addition, five teacher training days were held on Zoom, in which a total of eighty-four teachers from Ayacucho and Huancavelica took

LEEA, FACILITATED CONNECTIVITY BETWEEN



THE PROJECT INVOLVED

25' OF EDUCATIONAL CONTENT

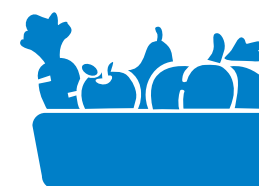
5' TEACHERS GIVING MESSAGES TO THEIR STUDENTS

WORKING TOGETHER TO REDUCE ANEMIA

OUR COMMITMENT TO THE COMMUNITY

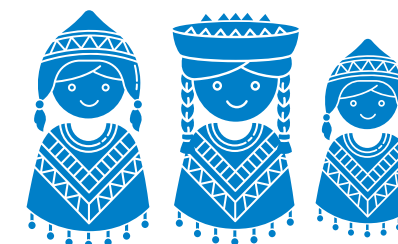
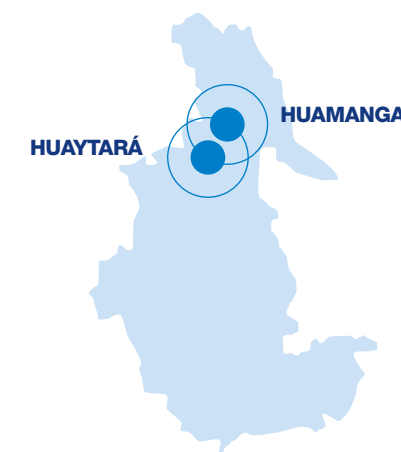


WORKING TOGETHER TO REDUCE ANEMIA



THE OBJECTIVE IS TO CONTRIBUTE TO THE IMPROVEMENT OF THE HEALTH CONDITIONS OF PRESCHOOL AND SCHOOL-AGE CHILDREN.

THE BENEFICIARY PROVINCES
ARE HUAMANGA AND HUAYTARÁ.



290
FAMILIES WITH
CHILDREN FROM 3
TO 11 YEARS OLD.

13 COMMUNITIES OF HUAMANGA AND
HUAYTARÁ



IN 2020, HAND WASHING, FOOD HANDLING, DRINKING SAFE WATER, AND IRON-RICH FOODS WERE PROMOTED. IN THE SAME WAY, THE HYGIENE OF THE HOME AND THE IMPLEMENTATION OF ACTIONS TO PREVENT COVID-19 WERE ALSO PROMOTED.



Anemia affects health and development, especially among young children, causing disadvantage and inequality society that can prove to be irreversible. That is why the fight against anemia has been declared public policy by the Peruvian government.

PERU LNG joins Caritas del Peru on this crusade in a project entitled “Working together to reduce anemia” for the second consecutive year. The aim is to help to improve the health of pre-school children in the provinces of Huamanga and Cangallo; the scheme originally benefited fourteen kindergartens and sixteen primary schools, with a total of seven hundred and forty pupils in seventeen districts of Huamanga.

However, when schools were closed because of the COVID-19 pandemic, the project was adapted to cope with the crisis and gave priority to two hundred and ninety families with children between three and eleven in thirteen districts of Huamanga and Huaytara, in Ayacucho and Huancavelica, respectively.

The intervention by Caritas del Peru aimed to provide technology and materials to improve personal and domestic hygiene. The project also involves making families aware of the importance of hand washing, care in handling food, safe water and of eating foods rich in iron, as well as domestic hygiene and action to prevent the spread of COVID-19. This was achieved thanks to the interest and commitment of local and community institutions.

Visits were also made by community healthcare promoters to homes to encourage healthy practices and the prevention of anemia. These promoters are chosen and trained by the technical team of Caritas del Peru as part of the project’s sustainability effort.

THE INTERVENTION OF CARITAS DEL PERU WAS ORIENTED TOWARDS THE PROVISION OF



IMPACTING LIVES PROGRAM - TABLE TENNIS

OUR COMMITMENT TO THE COMMUNITY





IMPACTING LIVES PROGRAM - TABLE TENNIS

PERU LNG supports sports through the Asociacion Mónica Liyau, which encourages recreational table tennis among pupils from seven to fourteen in eleven states schools in Ica and Cañete. Table tennis provides beneficiaries with a tool that can transform attitudes and aptitudes and enhance their values.

In 2020, the Impacting Lives program was adapted to the context of the COVID-19 pandemic and prepared a series of distanced physical and psychological activities. PERU LNG arranged timetables with head teachers, teachers and parents at each school. Three hours of training were given each week; two

hours of physical activities and techniques (warm-up exercises, how to hold the racket, basic position, serving and strokes) and a one-hour talk aimed at developing new soft skills (communication, team work, emotion management, stress management, empathy, self-assessment - self-knowledge, decision taking, problem solving and adaptability). All of this took place using Zoom.

This initiative benefited four hundred and eighty students, who were given a kit consisting of a backpack, a Liyau racket, another racket for an opponent, two table tennis balls, a guidebook and an exercise book.



PROMOTES
THE PRACTICE
OF PING-PONG
IN STUDENTS
FROM 7 TO 14
YEARS OLD.



11

PUBLIC
SCHOOLS
IN ICA AND
CAÑETE.



STUDENTS RECEIVED:
1 BACKPACK
2 LIYAU RACKETS
2 TABLE TENNIS BALLS
1 GUIDE BOOKLET
1 WORKBOOK

480

DONATIONS OF BIOSAFETY MATERIALS TO HOSPITALS AND HEALTH CENTERS TO COMBAT COVID-19

OUR COMMITMENT TO THE COMMUNITY





DONATIONS OF BIOSAFETY MATERIALS TO HOSPITALS AND HEALTH CENTERS TO COMBAT COVID-19

PERU LNG DONATED A TOTAL OF 1,100 PERSONAL PROTECTION KITS TO HOSPITALS IN ITS DIRECT AREA OF INFLUENCE.



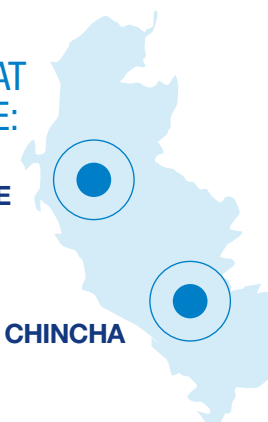
PERU LNG donated a total of one thousand one hundred personal protection kits to hospitals in its direct area of influence; specifically the Rezola and San Jose regional hospitals in Cañete and Chinchá, respectively, as well as the COVID-19 healthcare headquarters in Huamanga. Kits contained aprons, shoe covers, surgical caps, overalls and face masks.

Later, 3000 face masks were donated and distributed among twelve health centers in the Ayacucho Health Network, three in Chinchá and two in Cañete.

THE REGIONAL HOSPITALS THAT BENEFITED ARE:

CAÑETE

CHINCHA



DONATED

1000 MASKS

12 TO HEALTH CENTERS

3 TO HEALTH CENTERS CHINCHA

2 TO HEALTH CENTERS CAÑETE



DONATIONS OF GROCERIES AND OTHER PRODUCTS TO COMMUNITIES IN OUR DIRECT AREA OF INFLUENCE

OUR COMMITMENT TO THE COMMUNITY





DONATIONS OF GROCERIES AND OTHER PRODUCTS TO COMMUNITIES IN OUR DIRECT AREA OF INFLUENCE

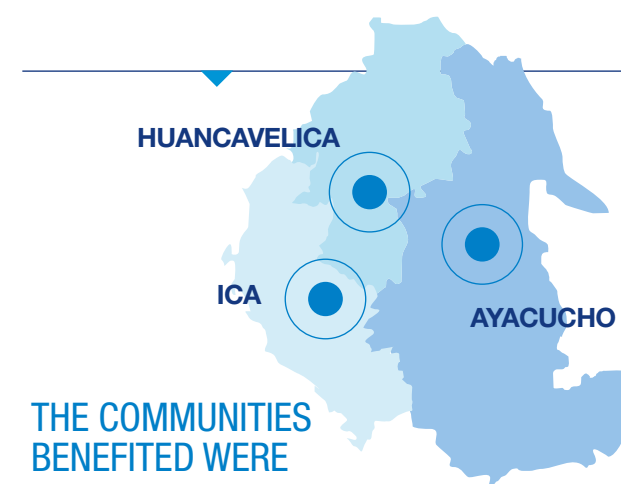
PERU LNG PREPARED AND DISTRIBUTED



8100
PACKAGES
WITH BASIC
NECESSITIES

PERU LNG's humanitarian aid in the COVID-19 crisis included the preparation and distribution of eight thousand one hundred packages of basic necessities for communities in Ayacucho, Huancavelica and Ica.

3000 packages of food were also given to fishermen -both association members and independents- in Chincha and Cañete.



DONATED
3000
FOOD PACKAGES
WERE DONATED TO
THE FISHERMEN
OF CHINCHA Y
CAÑETE.



In line with its policy of responsibility and commitment to conservation of the environment and natural resources, PERU LNG carries out its activities to the highest industry standards, and guarantees strict compliance with Peruvian and international legislation.

HEALTH, SAFETY AND THE ENVIRONMENT

PERU LNG has developed and applies a set of practices and requirements on all its sites aimed at protecting its contractors, consultants and visitors, as well as guaranteeing the safety and occupational health of its collaborators. It ensures the preservation of the environment and prevents impacts on communities in the direct area of influence of the gas pipeline, the liquefaction plant and the port facility.

In line with its policy of responsibility and commitment to conservation of the environment and natural resources, PERU LNG carries out its activities to the highest industry standards, and guarantees strict compliance with Peruvian and international legislation. This is demonstrated by the fact that its Integrated Management System (IMS) holds ISO 14001 and OHSAS 18001 certification, having been externally audited every year by TÜV Rheinland.

The annual validation audit in 2020 was carried out remotely because of the COVID-19 pandemic emergency. This is how we verify that the environmental and safety management systems are properly implemented throughout PERU LNG's operations from KP 0 (the starting point) of the gas pipeline at Chiquintirca, to the LNG plant and the port facility.

The scope of the certification covers all activities, processes and premises of PERU LNG, including the offices. The IMS is designed to create safe working conditions for employees and contractors of PERU LNG and, furthermore, to establish a commitment to serve as social and environmental guardians for the communities in which it operates.

ENVIRONMENTAL MANAGEMENT IN THE PLANT

RESPONSIBLE WASTE MANAGEMENT

Waste management in the plant and on the pipeline aims to reduce waste and encourage recycling and re-use; it has enabled PERU LNG to reduce its solid waste generation substantially, from 1514.8 tons in 2019 to 1276.6 tons in 2020. In order to make better use of waste generated, in 2020 the company also increased the percentage recycled to 11percent, which represents an increase of 3percent compared with 8percent the previous year.

It should be noted that waste management was not interrupted by the state of emergency declared by the government.

RESPONSIBLE WATER MANAGEMENT

PERU LNG does not use water from rivers or local wells and does not generate impacts on water sources in the zone. It creates potable water from seawater using a reverse osmosis plant. It thus reduces any possible effect on the environment to a minimum.

In 2020, this self-sufficiency in water enabled PERU LNG to maintain a high-quality water supply despite the state of emergency arising from the COVID-19 pandemic.

Furthermore, in 2020, PERU LNG continued treating all wastewater from the camps and plant offices (40 887 cubic meters) in the wastewater treatment plant, using activated sludge. Treated water was used to irrigate green areas and for dust suppression on the plant's internal roadways, in other words it was used rather than discharged into the sea. Effluent from this plant is monitored frequently and compared with established environmental standards using environmental management instruments approved by the competent authority.

This is evidence of PERU LNG's sustainable water management and its commitment as a socially and environmentally responsible company to carry on its business caring for its surroundings and the people who live in its direct area of influence.





PERU LNG has three environmental monitoring programs: discharges and emissions, monitoring of the environmental quality of the receiving bodies, and biodiversity monitoring. Its objective is to preserve the environment and mitigate any impact that could be caused by the operation.

ENVIRONMENTAL AND SAFETY STANDARD ASSURANCE INSPECTIONS

To guarantee compliance with quality, occupational safety and environmental protection standards, during 2020 the PERU LNG plant installations were inspected one hundred and seventy-five times, producing one hundred and thirty observations that were duly dealt with.

The resulting actions are both corrective and preventive. The aim is to guarantee that the risks and potential impacts of the operations are managed opportunely and in accordance with PERU LNG standards and procedures, as well as to contribute to the process of continual improvement.

GUARANTEEING COMPLIANCE WITH THE HIGHEST INDUSTRY STANDARDS

PERU LNG has three environmental monitoring programs: discharges and emissions, environmental monitoring of receiving water bodies and biodiversity monitoring; this latter applies to all the company's activities.

The environmental monitoring programs gather information on the effects that PERU LNG's operations may have on the environment, as well as mitigating any environmental effects and preserving the nature of its areas of influence.

During 2020, the program of monthly effluent monitoring activities was interrupted in April and May due to the state of emergency decreed by the Peruvian government.

This work restarted in June and continued satisfactorily until the end of the year except for water ballast monitoring, which was postponed throughout 2020. The monitoring results obtained during the year are shown below:

MONITORING DISCHARGES AND EMISSIONS

MONITORING	NUMBER OF SAMPLES TAKEN ANNUALLY	RESULTS
1 annual emissions sample: 8 chimneys	24	All meet the standards
10 effluent samples: 4 monitoring points	230	All meet the standards
12 vessels (water ballast)	60	All meet the standards
2 environmental noise measurements: 6 monitoring points	24	All meet the standards
1 environmental noise measurement: 41 monitoring points at 17 stations on the outside of the pipeline	84	All meet the standards

ENVIRONMENTAL MONITORING OF RECEIVING WATER BODIES

MONITORING	NUMBER OF SAMPLES TAKEN ANNUALLY	RESULTS
2 air quality: 4 monitoring points in the plant	72	All meet the standards
4 samples of sea water: 2 stations	16	No invasive or new species were found
2 sea water quality samples: 24 stations 2 sea water quality samples: 8 stations	960	The resulting values are similar to those reported in the environmental baselines of 2002 and 2005
2 marine sediment quality samples: 10 stations	180	The resulting values are similar to those reported in the environmental baselines of 2002 and 2005
5 samples tested: 13 river crossings by the pipeline right of way	65 monitoring actions	Stability was assessed and no evidence of erosion was found



In addition to these controls, two participatory monitoring campaigns of the marine ecosystem were conducted with representatives of fishermen's associations; two of the coastal morphology on eight kilometers of beach and two topographic surveys.

MONITORING BIO-RESTORATION

PERU LNG works continually at bio-restoration to recreate the natural condition of areas affected during construction of the gas pipeline.

The 2020 - 2021 bio-restoration campaign addressed 8.76 km of the RoW (right of way), relocating native species and improving the soil by removing stones. Fences have also been erected to enclose areas in which pasture can recover from overgrazing on the right of way. This work has re-established the native vegetation over most of the distance disturbed during construction.

BIODIVERSITY MONITORING AND ASSESSMENT PROGRAM (BMAP)

This program was conceived by PERU LNG together with the Center for Conservation, Education and Sustainability (CCSE) of the Smithsonian Conservation Biology Institute (SCBI), with the aim of preserving biodiversity during construction work and operation of the gas pipeline, plant and port facility.

The BMAP uses biological evaluations and monitoring to determine the condition of species, their habitats and changes over time. This information was used to draw up guidelines so that PERU LNG can take decisions that help to mitigate any impact on biodiversity.

Fewer monitoring campaigns than were contained in the annual BMAP plan were carried out in 2020 due to the COVID-19 state of emergency. The research protocols that were implemented are given below:

- Wetland vegetation,
- Marine benthos,
- Sea fish,
- Sea birds.

PARTICIPATORY SOCIO-ENVIRONMENTAL MONITORING PROGRAM (PMSAP)

The Participatory Socio-Environmental Monitoring Program (PMSAP) guarantees active participation by the communities and settlements in PERU LNG's direct area of influence. The communities nominate their own representatives (monitors), who are responsible for supervising and monitoring possible social and environmental impacts arising from the operation of the gas pipeline. If the monitors find anything, they are recorded and reported to their communities and to the company. When PERU LNG receives such reports, it analyzes them and takes prompt corrective action, thus enabling its operations to continually improve.

Due to the COVID-19 state of emergency declared by the Peruvian government, PERU LNG reduced its field evaluations in 2020. There were forty-seven findings; of these, thirteen were resolved appropriately and the rest were flagged for future attention as part of our maintenance programs.

AUDITS AND RELATIONSHIP WITH THE STATE

Audits of PERU LNG by the environmental authorities help to maintain high operating standards and to confirm compliance with legal requirements. In 2020 the Environmental Evaluation and Supervision Authority (OEFA) carried out two audits of our operations (one of the plant and one of the pipeline). Furthermore, the Supervising Body for Investment in Energy and Mining (Osinerghmin) carried out four audits of our training program (two on the pipeline in the highlands and two on the coast). The auditors made no observations.

INDUSTRIAL HYGIENE PROGRAM

In accordance with the Annual Hygiene Monitoring Program, in 2020 we continued to monitor exposure to occupational hazards, as shown in the following table:

	OCCUPATIONAL HAZARD	LOCATION	TOTAL MONITORING POINTS / AREAS
CHEMICAL	Inhalable dust	Confipetrol - INGESAC	4
	Silica	Confipetrol - INGESAC	4
	Heavy metals	Pond R1 - plant	1
	Volatile organic components	Paint	4
		Sodexo, Confipetrol and Edeco	
ERGONOMICS	Dysergonomic risks	TLF, CCR and K2	4
PHYSICAL	Noise (sonometry)	Offices in Ayacucho	8
	Noise (dosimetry)	Plant operators, electricians, instrument technicians, mechanics	9
	Vertical vibration	Pipeline	2
	Lighting	Offices in Lima	2
	Lighting	Ayacucho	8
	Comfortable temperature	Ayacucho	4
	Psycho-social risks	Lima, plant and pipeline	1

BIOLOGICAL AGENTS

- Potable water: the obligatory control parameters were monitored on a daily basis, with monthly monitoring of additional parameters applicable to the quality of water from the reverse osmosis plant and to potable water treatment. Monitoring was carried out by the plant laboratory and an external laboratory accredited by the National Quality Institute.

- Mess rooms: an accredited external laboratory carried out monthly monitoring of biological agents on inert surfaces and the hands of people working with food prepared in the plant.

Monitoring of potable water and mess rooms by the external laboratory was suspended in April, May, and June 2020, because of the restrictions imposed in response to the COVID-19 pandemic.

EMERGENCY RESPONSE PREPARATION

In 2020, first aid training was given to three hundred and sixty-four collaborators working in the plant, on the pipeline and in Lima. 100percent of planned emergency drills in the plant and on the pipeline were also carried out.

Monthly training sessions for collaborators were also held in the plant medical center aimed at preventing and treating COVID-19 and the pathologies most often encountered in our

operations. Furthermore, the medical center implemented a monthly program of emergency drills to address emergencies in the plant.

OCCUPATIONAL HEALTH CONTROL & VIGILANCE PROGRAMS

PERU LNG uses the following tools to monitor the health of its own employees and those of contractors:

- [Occupational medical examinations](#)
In 2020, fifty initial and fifty-seven final medical examinations were carried out on collaborators who had changed jobs or rejoined the company.

Due to the health emergency risk evaluations were carried out to determine whether our collaborators were at risk of complications arising from COVID-19, in compliance with legal requirements. Furthermore, periodic medical examinations were suspended in March 2020 in accordance with legislative requirements.

As far as occupational medical examinations are concerned, in 2020, all of our collaborators were examined, and no occupational illnesses reported. It should be noted that the results were made available confidentially on a new virtual platform and developed especially for that purpose (EMO Delivery).

- **Health control and vigilance of contractors and visitors**
PERU LNG uses occupational health certificates (CAMO) to ensure that its contractors are monitoring the health of their collaborators and that they meet PERU LNG's medical standards for those working in its installations.
- **Control and vigilance of COVID-19**
SARS-CoV-2 preventive and control measures were implemented in March 2020 and remained in force for the rest of the year, as part of a plan approved by Peru's Ministry of Health. The action taken by PERU LNG is described below:

Before entry to our installations:

- Two thousand and twenty-two telephone calls were made to collaborators when entering and leaving work, to identify COVID-19 symptoms or contact risks and this enabled us to pick up eleven suspected cases.
- 5209 rapid tests for COVID-19 were carried out on collaborators and contractors, producing ninety-six positive results (ninety one in operations and five in Lima) prior to their entering the installations.
- Records of symptoms and epidemiological data from collaborators and contractors were kept.

During time in our installations:

- A system of triage was established, obligatory on entering the premises and carried out at random within the plant. The process measured temperature, heart rate and blood oxygen saturation. Records of COVID-19 symptoms during 2020 are given below:

COLLABORATORS' COVID-19 CONTROL DATA

LOCATION	HUNT LNG	CONTRACTORS
Plant (interior)	19 029	28 430
Plant (on entry)	8106	3057
Lima	360	0
Ayacucho office	1790	1528
Pipeline	0	506

- Information was provided on preventive measures, such as the use of foot baths prior to entering the premises, social distancing in the workplace (mess rooms and vehicles for collaborators and contractors), the use of face masks, frequent hand washing and/or the use of hand gel. This information was broadcast on the radio, in notices and in electronic bulletins.

We also carried out medical and psychological surveillance of patients with COVID-19 until they were given the all-clear. This initiative was applied to collaborators and their families, with a total of 120 people being monitored.

- **Time lost through illness**

Every month checks are carried out on workforce absenteeism, to produce an epidemiological indicator of employee health that can be used to design intervention programs for at-risk groups to prevent illness and injury and reduce the rate of absenteeism.

- **Medical treatment**

PERU LNG has a medical center in the plant to treat collaborators, contractors and visitors in the event of a medical emergency. In 2020 one thousand five hundred and forty-five medical treatments were given, of which one required emergency evacuation by ambulance to Lima, where the person in question was successfully treated.

A marquee was erected outside the medical center, containing the equipment necessary for collaborators and contractors suspected of having COVID-19, in accordance with current legislation.

These actions enabled us to diagnose four cases of COVID-19 in the medical center in 2020; one from Hunt LNG and three from contractors, who were referred to Lima for diagnosis and treatment. These four people later returned to the plant and were still working at the end of 2020.

Medical examinations were carried out on collaborators and contractors who had recovered from COVID-19 when they returned to work, in order to guarantee that they were in a condition to do so.

ILLNESS PREVENTION PROGRAMS

The following programs and activities were undertaken in 2020 to safeguard and encourage good health among our collaborators and contractors, as part of the health risks at work prevention and control program.

- Respiratory protection program: thirteen fit tests were carried out on collaborators and contractors during the first quarter of 2020. Nevertheless, from March onwards fit testing on collaborators and contractors was suspended because of the COVID-19 pandemic.
- Sun protection program: information was provided and talks held from January 2020 onwards, to encourage good protection practices at work and home.
- Welfare and health program: Three principal campaigns were designed in 2020 aimed at keeping our collaborators in the best of health and to prevent the appearance of common illnesses or chronic metabolic conditions from worsening. We encouraged hand washing as an effective method of preventing the transmission of illnesses, and

implemented a nutrition campaign involving one hundred and ninety two interventions and nutrition advice, including diet regimes tailored to the medical requirements of our collaborators, such as low-salt, low-calorie or low-fat diets. This helped twenty-one of our collaborators to lose weight. The third campaign (massages) was suspended because of the COVID-19 emergency.



COMMUNICATIONS

The COVID-19 pandemic in 2020 brought with it challenges and changes to the Corporate Affairs and Communications Department. The face-to-face events that had been planned could not take place and, instead, radio programs were made to further strengthen the relationship between local people and the authorities, especially in places close to the gas pipeline and PERU LNG’s plant; this became even more important because of the difficulties afflicting communities due to the pandemic.

CYCLE OF CONFERENCES AND RADIO PROGRAMS

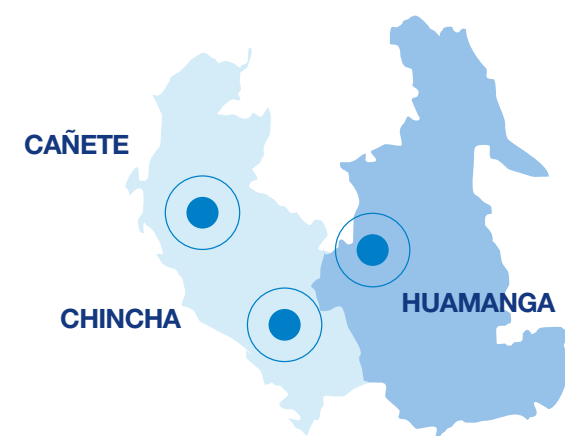
THE PERU LNG CONFERENCE CYCLE BEGAN IN SEPTEMBER 2020, TO ADDRESS THE FOLLOWING TOPICS: ANXIETY AND DEPRESSION IN CHILDREN AND ADOLESCENTS BY COVID-19.



INFORMATION WAS ALSO SHARED ON “NUTRITION, DISINFECTION AND FOOD PRESERVATION THAT STRENGTHEN YOUR IMMUNE SYSTEM”.



THE COMMUNITIES BENEFITED WERE



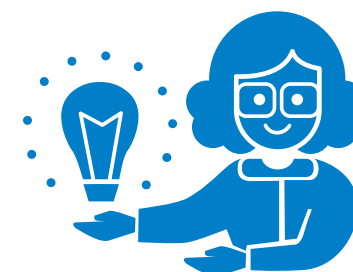
THE RADIO INITIATIVE CONTRIBUTED TO THEIR WELLBEING AND DEVELOPMENT BY PROVIDING RELEVANT INFORMATION IN A SPACE FOR DEBATE AND DIALOGUE WITH TOPICS OF INTEREST FOR THE POPULATION IN ACCORDANCE WITH THE CURRENT SITUATION.



THE 'LET'S DO BUSINESS' (HAGAMOS NEGOCIO) RADIO PROGRAM



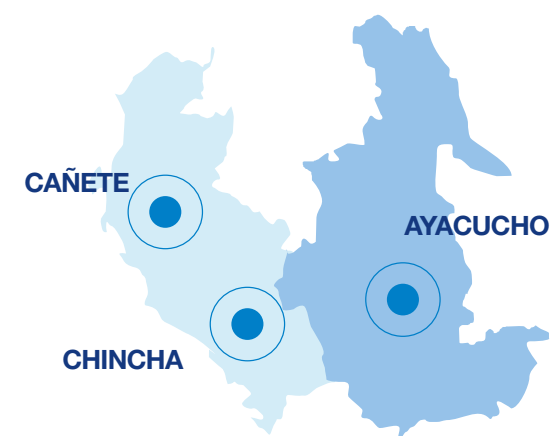
THE PROGRAM
LET'S DO
BUSINESS WAS
RELAUNCHED,
AIMED AT
ENTREPRENEURS,
WHO MAY HAVE
BEEN AFFECTED
BY THE CRISIS
CAUSED BY THE
PANDEMIC.



THIS PROPOSAL
TOOK INTO
ACCOUNT THE NEW
CLIENT, SECURITY
PROTOCOLS AND
NEW FORMS OF
COMMERCE.



THE COMMUNITIES
THAT BENEFITED WERE



12
RADIO
PROGRAMS
WERE
BROADCAST
(FOUR PER
CITY) FOR ONE
MONTH.





STRENGTHENING PERUVIAN TALENT

PERU LNG
CONTRIBUTES TO
THE FORMATION
OF NEW LEADERS
THROUGH THE
GENERATION AND
STRENGTHENING OF
THE CAPACITIES OF
TALENTED YOUNG
PEOPLE.



PERU LNG
AWARDS THIS
SCHOLARSHIP
ANNUALLY
TO PROVIDE
FINANCIAL
SUPPORT TO
YOUNG UNI
STUDENTS.



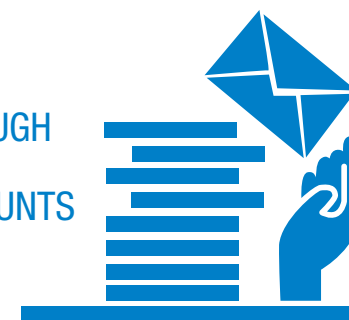
2020 WAS THE
NINTH YEAR OF
THE PROGRAM'S
IMPLEMENTATION.
THE EVALUATION
PROCESS





VOLUNTARY SERVICE

IN 2020, THE VOLUNTEERS CONTINUED TO SUPPORT THE BIENAVENTURANZAS ASSOCIATION, DIRECTED BY FATHER OMAR SANCHEZ, THROUGH CONTRIBUTIONS MADE VIA DISCOUNTS BY PAYROLL.



IN JANUARY, A DONATION CAMPAIGN WAS CARRIED OUT TO SUPPORT THE VICTIMS OF A FIRE THAT TOOK PLACE IN THE DISTRICT OF VILLA EL SALVADOR, LIMA.



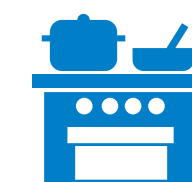
IN MARCH, VOLUNTEERING FOCUSED ON FAMILIES LIVING IN EXTREME POVERTY, WHO WERE AFFECTED BY THE RESTRICTIVE MEASURES AGAINST COVID-19.



IN JUNE, WE COLLABORATED WITH THE “POR UN PERÚ SIN HAMBRE” (FOR A HUNGER-FREE PERU) CAMPAIGN OF CÁRITAS DEL PERÚ.



IN OCTOBER, FUNDS WERE COLLECTED FOR THE SAN VICENTE DE CAÑETE PARISH SOUP KITCHENS, ORGANIZED BY CARITAS DEL PERÚ AND THE YAUYOS PRELATURE.



IN DECEMBER, A RAFFLE WAS ORGANIZED AMONG EMPLOYEES, THEIR FAMILIES AND FRIENDS TO RAISE FUNDS. THE PRIZES WERE DONATED.



FINANCIAL INFORMATION



Executive summary for 2020

2020 was a year without precedent and full of challenges for the LNG market, especially in the second quarter and beginning of the third when the main spot prices -Japan Korea Marker (JKM), National Balancing Point (NBP) and Henry Hub (HH)- fell to historic lows. This was principally due to climate effects and the COVID-19 pandemic, which caused the world economy to contract, reducing demand for LNG.

Because PERU LNG's business is considered an essential activity, operations continued without interruption after the central government declared a national state of emergency in March 2020. Strict COVID-19 prevention and detection protocols were implemented in the plant throughout the year in order to reduce risks for collaborators and contractors. Administrative work also continued without interruption, although based on working from home.

As a result of the impacts mentioned, the EBITDA as December 2020 was USD 52 million, a value USD 36 million (41percent) lower than the USD 88 million reported in December 2019.

During 2020, total LNG sales were 205 TBtus (trillion British Thermal Units), represented by fifty-five shipments to the markets of Europe, Asia and Mexico. In contrast, at the close of 2019, the total volume sold was greater at 209 TBtus, represented by fifty-eight shipments.

Total earnings at the close of 2020 amounted to USD 457 million, a figure 8percent lower than total earnings in 2019, which were USD 496 million. This reduction can be explained principally by a fall in the average sale price of LNG, which fell from an annual average of

USD 2.36 per MMBtu in 2019 to an annual average of USD 2.18 per MMBtu in 2020. Furthermore, the sales cost increased by USD 2 million, from USD 498 million in 2019 to USD 500 million in 2020 because of a rise in the JKM spot price in December.

The annual minimum delivery to Manzanillo was adjusted upwards to USD 131 million in December 2020, compared to USD 130 million in December 2019, in spite of the downward adjustment in TBtus in 2020 (143.1 TBtus) compared with the same period of the previous year (146.7 TBtus). This variation is related to the 23percent fall in the Henry Hub spot (HH) LNG spot price, from an average of US\$ 4.97 per MMBtu in 2019 to an average of USD 3.81 per MMBtu in 2020. The HH spot price also fell from an average of USD 2.52 per MMBtu in 2019 to USD 2.00 per MMBtu in 2020.

At the close of 2020, PERU LNG was continuing with its two main projects, which seek to mitigate price volatility. The first seeks to increase the stability of cargo shipments using infrastructure that will enable an increased sales volume of LNG at times when the weather is unfavorable. The total investment will be approximately USD 26 million and the project is expected to be completed in the last quarter of 2021. As of December 31, 2020, 32percent progress had been made.

The second project seeks to replace ethylene (the refrigerant currently used in the liquefaction process) with ethane, which will optimize the process and reduce part of the production costs. The total investment will be approximately USD 8 million, and this project is expected to be completed in the last quarter of 2021. As of December 31, 2020, 25percent progress had been made.

Other projects are also planned for 2021, together with optimization of operating costs and investments in smaller projects, provided that the safety and continuity of plant operations are not affected.

As far as the road tanker liquified gas loading terminal is concerned, as of December 31, 2020 3689 trucks had been dispatched, representing a total sales volume of 4 215 548 MMBtus, 52percent more than the volume sold in 2019. The terminal was operating at an average of 70percent of its capacity in the last quarter of 2020; in other words, 15percent more than the highest average achieved in the third quarter of 2019, which was 55percent. It should be mentioned that around 76percent of total demand in the last quarter of 2020 came from the north of the country, during the fishing season.

On November 12, 2020, PERU LNG's shareholders approved the implementation of ISDA Schedules with Citibank N.A., JP Morgan and Bank of America N.A., which will enable the company to use derivatives for hedging purposes given risk exposure from the Henry Hub spot price. To date the company is examining the most appropriate hedging strategy, which will be submitted to the shareholders for approval before implementation. No hedging contracts had been entered into as of December 31, 2020.

Cash and cash equivalents as at year end 2020 amounted to USD 139 million, a solid liquidity position compared to the figure at the close of 2019 (USD 140 million). Furthermore, and in accordance with the company's dividends policy, PERU LNG's shareholders recently agreed not to pay a dividend from the 2020 results.

As mentioned previously, the company received its credit rating reports in March, September, and October of 2020 from ratings agencies Moody's, Fitch and Standard & Poor's, respectively, which made adjustments to PERU LNG's previous ratings. This was due principally to a fall in international LNG prices, a reduced EBITDA and an increase in indebtedness ratios. As a result, Moody's reduced its rating from "Ba3" to "B1", with a negative outlook; Fitch reduced its rating from "BBB-" to "BB-", with a negative outlook; and Standard & Poor's (S&P) reduced the company's rating from "B" to "B-", with a negative outlook.

On December 28, 2020, and at the company's request, S & P announced that it was withdrawing its "B-" rating and negative outlook for PERU LNG S.R.L. This was the result of an evaluation and cost efficiencies in the company. Nevertheless, it is important to note that from now on PERU LNG will only use ratings agencies Fitch and Moody's.

Financial information

The financial information on PERU LNG given below was obtained from the audited financial statements of PERU LNG and respective explanatory notes. The financial statements cover annual periods ending on December 31, 2020 and 2019, respectively, which were audited by Caipo y Asociados Sociedad Civil, a member firm of KPMG International.

This financial information has been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) in force as December 31, 2020. The following financial statements are for the year ending on December 31, 2020.

Independent auditors' opinion

To the shareholders of PERU LNG S.R.L.

We have audited the attached financial statements of PERU LNG S.R.L., a subsidiary of PERU LNG Company L.L.C. of the United States of America, consisting of the statement of financial position as of December 31, 2020 and 2019, the statement of income and other integral results, changes in equity and cash flow for the financial years ending on those dates, as well as significant accounting policies and notes 1 to 28 attached hereto.

Management responsibility for the financial statements

The management is responsible for the preparation and reasonable presentation of the individual financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and internal controls implemented by the management to ensure that the individual financial statements are free from material inaccuracies, whether deliberate or erroneous.

Auditor's responsibility

Our responsibility consists in giving an opinion on the financial statements based on our audits. Our audit was carried out in accordance with international audit standards approved for use in Peru by the Board of Rectors of the Professional Associations of Public Accountants of Peru. These rules demand that we meet ethical requirements and plan and carry out our audit such that we are reasonably certain that the financial statements do not contain significant errors.

An audit consists of procedures to obtain audit evidence of the balances and information contained in the financial statements. The procedures chosen

depend on the auditor's judgment and include an evaluation of the risk that material inaccuracies may exist in the financial statements, whether through fraud or error. On carrying out this evaluation of risk, the auditor takes into consideration the company's internal controls used in the preparation and presentation of the financial statements in order to design audit procedures appropriate to the circumstances but not in order to express an opinion on the effectiveness of the company's internal controls. An audit also includes an evaluation of whether the accounting principles used are appropriate and whether the accounting estimates made by the management are reasonable, as well as an evaluation of the general presentation of the financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to support our auditors' opinion.

Opinion

In our opinion the above financial statements reasonably represent, in all significant aspects, the financial position of PERU LNG S.R.L. as of December 31, 2020 and 2019, its financial performance and cash flows for the years ending on those dates, in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

Lima, Peru
February 26, 2021

Countersigned by:

Juan José Córdova V. (Partner)
C.P.C.C. Registration N° 01-18869

Statement of financial position

In thousands of United States dollars	2020	2019
Assets		
Current assets		
Cash and cash equivalents	138 740	140 357
Tax assets	17 951	24 313
Other accounts receivable	1 738	1 590
Accounts receivable from non-arms-length entities	122 465	47 957
Inventories	23 363	17 897
Other non-financial assets	19 963	7 281
Total current assets	324 220	239 395
Non-current assets		
Real estate, plant and equipment,	1 957 333	2 101 579
Deferred tax assets	161 048	117 175
Non-current part of tax assets	-	10 940
Current part of other non-financial financial	6 987	11 277
Total non-current assets	2 125 368	2 240 971
Total assets	2 449 588	2 480 366

Liabilities

Current liabilities		
Trade accounts payable	117 383	36 072
Other accounts payable	4 387	4 085
Accounts payable to non-arms-length entities	133 974	136 814
Other financial liabilities	13 753	13 753
Leasing liabilities	913	1 455
Total current liabilities	270 410	192 179
Non-current liabilities		
Other financial liabilities	933 532	932 714
Accounts payable to non-arms-length entities	110 000	110 000
Leasing liability	440	1 259
Total non-current liabilities	1 043 972	1 043 973
Total liabilities	1 314 382	1 236 152
Equity		
Capital issued	1 461 435	1 461 435
Accumulated results	(326 229)	(217 221)
Total equity	1 135 206	1 244 214
Total liabilities and equity	2 449 588	2 480 366

Results

In thousands of United States dollars	2020	2019
Earnings from ordinary activities	456 910	495 866
Sales cost	(499 638)	(497 820)
Gross Margin	(42 728)	(1954)
Sale and distribution costs	(27 558)	(28 075)
Management costs	(26 602)	(30 714)
Other operating income	8	723
Operating results	(96 880)	(60 020)
Financial income	1574	2295
Financial expenses	(54 495)	(54 033)
Exchange rate difference, net	(3009)	412
Loss before taxes	(152 810)	(111 346)
Corporation tax	43 802	31 423
Results of the fiscal year	(109 008)	(79 923)
Other integral results		
Other integral results, net of tax	-	-
Total integral results for the fiscal year	(109 008)	(79 923)

Results - 2020

Total earnings as at year end 2020 amounted to USD 457 million, a figure 8percent lower (USD 39 million) than that for 2019, which was USD 496 million. This reduction is explained by the fall in the main LNG spot prices, as explained in the previous section.

Sales cost increased from USD 498 million at the close of 2019 to USD 500 million in the same period of 2020 due to an increase in the JKM spot price in December. Fixed costs and depreciation over the year make up a significant percentage of this figure.

Management costs in 2020 totaled USD 27 million, a drop of USD 4 million in comparison with the previous year (USD 31 million) because of fixed costs and other costs incurred during an unplanned plant stoppage in 2019.

Financial costs as of December 31, 2020 remained at USD 54 million.

Cash and cash equivalents at year end 2020 amounted to USD 139 million, a solid liquidity position compared to the figure at the close of 2019, which was USD 140 million. As at the date of issue of the audited financial statements, the company forecasts that it will have sufficient cash to meet its undertakings in 2021 and maintain its working capital commitment to the Banco de Credito del Peru

(BCP), which was renewed in March and amounts to USD 40 million.

Total assets at the close of 2020 amounted to USD 2 450 million, 1percent lower (USD 30 million) than the USD 2480 million figure for 2019. This variation is explained principally by the net effect of an increase of USD 75 million in accounts receivable from non-arms-length parties, as well as by a USD 144 million reduction in property, plant & equipment, net of depreciation during the year.

Total liabilities as of December 31, 2020 were USD 1314 million, 6percent more (USD 78 million) than the figure of USD 1236 million in the same period of 2019. This explained mainly by an increase in trade accounts payable due to an increase in the JKM spot price at the year end, as noted previously.