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# Argentina signs \$500 million shale deal with American Energy Partners

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An oil tank truck fills the pumps petrol at a YPF petrol station in Buenos Aires March 25, 2015. Reuters/Enrique Marcarian

State-run energy firm YPF said on Thursday it had signed a preliminary deal worth more than \$500 million over three years with American Energy Partners LP (AEP) to explore for shale gas in Argentina's vast Vaca Muerta formation.

Argentina sits atop some of the world's largest shale resources but is a net energy importer after years of under-investment in the country's energy sector. YPF says \$200 billion over a decade are needed to reverse the deficit.

That task has been made more complicated by the rout in global oil prices.

The foray into Argentina by American Energy's Aubrey McClendon comes months after the former CEO of Chesapeake Energy Corp hired investment banks to shore up the finances of his Oklahoma-based oil and gas venture.

In a statement, YPF said the joint venture involved a pilot project in the Bajada de Anelo block, located in Argentina's Neuquen province that would run until mid-2018.

If the project is continued, Pluspetrol and the province-owned Neuquen Oil and Gas would join the venture, exploring the southern zone of another block Cerro Arenito. A company affiliated to American Energy Partners would take up to a 50 percent stake in both blocks.

McClendon co-founded Chesapeake Energy in 1989 and turned it into a top U.S. gas producer. He resigned from the company in 2013 following a corporate governance crisis.

McClendon went on to form AEP, whose financial backers have included Houston-based private equity firm Energy and Minerals Group.

(Reporting by [Richard Lough](#); Editing by [Tom Brown](#) and [Alistair Bell](#))