COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

Condensed interim consolidated financial statements as of March 31, 2018

(Comparatively with those of 2017)

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2018

Contents

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

Overview for the first quarter ended March 31, 2018

This Overview, prepared in compliance with the CNV rules (Periodic Reporting Regime – Title IV – Chapter III – Section 4), supplements the consolidated financial statements of the Company for the quarter started on January 1, 2018 and ended March 31, 2018.

1. Brief description of the Company's activities during the first quarter, ended March 31, 2018, including reference to any relevant events occurring after the end of the period.

Adjusted EBITDA for the first quarter of 2018 amounted to AR$ 895,591 thousands, which represents an increase of AR$ 747,898 thousands as compared to the first quarter of 2017. This increase is mainly due to an increase in gas and crude oil prices expressed in pesos and a 46% increase in gas production.

The production of oil, natural gas, liquefied petroleum gas and gasoline during the first quarter of 2018 was 396 Mm3 of oil equivalent, representing an increase of 95 Mm3 (32%) as compared to the same period of 2017.

Liquid hydrocarbons accounted for 21% and natural gas accounted for 81% of the total production.

The Company has a significant presence in the natural gas transportation business through trunk pipelines as a result of its interest in the companies Transportadora de Gas del Norte S.A. (23.07%), Gasoducto GasAndes (Argentina) S.A. (40%), Gasoducto GasAndes S.A.-Chile- (40%), and Transportadora de Gas del Mercosur S.A. (10.9%). Transported gas volumes by these companies in the first quarter of 2018 amounted to 5,501 million cubic meters, a 7% increase as compared to the same period of 2017.

Changes in Company indicators

	Q1 2018	Q1 2017	Q1 2016	Q1 2015
Adjusted EBITDA (thousands of pesos)	895,591	147,693	390,269	15,272
Oil production (m3/day) (1) (2)	820.92	904.20	1,208.6	602.4
Gas production (Mm3/day) (2)	3,583.18	2,440.50	2,620.4	771.4
Transported gas (MMm3)	5,501	5,143	5,727	6,075

(1) It includes liquefied petroleum gas and gasoline.
(2) Argentine areas only.

Relevant events during the first quarter ended March 31, 2018, including events occurring after such date.

Merger with of Unitec Energy S.A. (the absorbed company)

On March 8, 2018, the Board of Directors of Compañía General de Combustibles S.A. approved the merger of the Company, as the absorbing company, with its 100% controlled company Unitec Energy S.A., as the absorbed company, on the terms of Section 82 of General Business Companies Law No. 19,550, as amended. Such merger is effective as from January 1, 2018 and allows to optimize resources, taking advantage of the larger business scale and the experience of the absorbing company.

Issuance of Class 10 Notes

On January 12, 2018, Class "10" Notes ("*Obligaciones Negociables*") for USD 100 million were issued without recourse against CGC, with guarantee (see Note 17). Class "10" Notes are simple notes, not convertible into shares and accrue interest at an annual nominal rate of 9.7%. Principal amortization and maturity shall take place in a single payment 42 months after the issue date (July 12, 2021). Interest shall be paid semi-annually, on January 12 and July 12. The first interest payment date shall be July 12, 2018.

Agreement with Echo Energy Plc. ("Echo Energy")

On October 31, 2017, the Company executed with Echo Energy Plc. ("Echo Energy") the following joint investment agreements for the exploration of four blocks in the Austral Basin in the Province of Santa Cruz (Fractions C and D of the Santa Cruz I area, the Laguna de los Capones area and Tapi Aike) (See Note 23.1) (2)).

The Joint Operating Agreements were executed during this quarter and joint ventures were created to carry out the joint operations in the area.

Dividends of associated companies during the quarter

During the quarter ended March 31, 2018, Gasoducto Gasandes S.A. (Chile) and Compañía Gasoducto Gasandes (Argentina) S.A. approved the distribution of cash dividends to its associated company CGC in the amount of AR$ 26,425 and AR$ 24,621 thousands, respectively. Dividends were paid on April 5, 2018.

On March 26, 2018, the associated company Transportadora de Gas del Mercosur S.A. approved the distribution of cash dividends to its associated company CGC in the amount of AR$ 125,685 thousands. Dividends were paid on April 12, 2018.

After the end of the period, on April 12, 2018, the associated company Transportadora de Gas del Norte S.A. approved the distribution of cash dividends to its associated company CGC in the amount of AR$ 172 thousands. Dividends were paid on April 26, 2018.

2. **Consolidated balance sheet as of March 31, 2018, as compared with the same period of fiscal years 2017, 2016 and 2015**
(In thousands of pesos)

	3.31.2018	3.31.2017	3.31.2016	3.31.2015
Non-current assets	8,320,857	4,847,657	3,748,675	2,119,822
Current assets	4,626,272	3,697,009	1,736,790	475,632
Total assets	**12,947,129**	**8,544,666**	**5,485,465**	**2,595,454**
Equity attributable to the Company's shareholders	878,307	1,059,449	1,250,067	1,136,007
Non-controlling interests	-	6,169	7,331	-
Total shareholders' equity	**878,307**	**1,065,618**	**1,257,398**	**1,136,007**
Non-current liabilities	9,119,721	6,194,535	3,130,713	1,067,835
Current liabilities	2,949,101	1,284,513	1,097,354	391,612
Total liabilities	**12,068,822**	**7,479,048**	**4,228,067**	**1,459,447**
Total shareholders' equity and liabilities	**12,947,129**	**8,544,666**	**5,485,465**	**2,595,454**

The increase in figures as of March 31, 2018 as compared with those as of March 31, 2017 is mainly due to an increase in Property, plant and equipment and an increase in Cash and cash equivalents, generated by the financing obtained mainly by the issue in January 12, 2018 of Class 10 Notes for US$ 100 million.

3. **Consolidated statement of income for the quarter ended March 31, 2018, as compared with the same period of fiscal years 2017, 2016 and 2015**
(In thousands of pesos)

	3.31.2018	3.31.2017	3.31.2016	3.31.2015
Net sales	2,155,926	1,182,276	678,107	256,097
Cost of sales	(1,449,218)	(1,209,691)	(408,316)	(198,777)
Gross profit	**706,708**	**(27,415)**	**269,791**	**57,320**
Selling expenses	(41,330)	(28,787)	(13,755)	(7,271)
Administrative expenses	(140,627)	(71,707)	(48,526)	(39,035)
Exploration expenses	-	-	-	(144)
Other operating income and expenses	95,511	14,811	(20,221)	(37,966)
Operating income	**620,262**	**(113,098)**	**187,289**	**(27,096)**
Gains and losses on investments valued under the equity method	134,126	56,279	(50,047)	(29,578)
Financial results, net	(667,642)	(81,997)	(276,635)	38,265
Income before taxes	**86,746**	**(138,816)**	**(139,393)**	**(18,409)**
Income tax	20,246	67,063	29,904	(7,733)
Net income	**106,992**	**(71,753)**	**(109,489)**	**(26,142)**
Other comprehensive income	**4,696**	**(8,020)**	**11,185**	**3,824**
Comprehensive income	**111,688**	**(79,773)**	**(98,304)**	**(22,318)**

The increase registered in the gross profit in the quarter ended March 31, 2018 is mainly due to an increase in the sale prices of gas and crude oil expressed in pesos and to a 46% increase in gas production.

4. **Consolidated statement of cash flows for the quarter ended March 31, 2018, as compared with the same period of fiscal years 2017, 2016 and 2015**
(In thousands of pesos)

	3.31.2018	3.31.2017	3.31.2016	3.31.2015
Net cash from operating activities	89,510	286,249	285,312	54,056
Net cash used in investment activities	(757,053)	(283,596)	(232,519)	(827,921)
Net cash from (used in) financing activities	1,837,163	(245,254)	(164,455)	792,562
Increase (decrease) in cash, cash equivalents, and bank overdraft facilities, net	**1,169,620**	**(242,601)**	**(111,662)**	**18,697**
Cash at the beginning of year	231,962	1,873,185	199,522	20,402
Financial results generated by cash	122,623	(54,904)	15,988	1,651
Cash at the end of the period	**1,524,205**	**1,575,680**	**103,848**	**40,750**

Changes in cash flows for the quarter ended March 31, 2018 are mainly due to the issue on January 12, 2018 of Class 10 Notes for US$ 100 million.

5. **Statistical data for the quarter ended March 31, 2018 as compared with the same period of fiscal years 2017, 2016 and 2015**

See data on the production of crude oil and gas and gas transportation for the quarter ended March 31, 2018, as compared with the same period of fiscal years 2017, 2016 and 2015 in item of this Overview.

6. **Ratios for the quarter ended March 31, 2018,a s compared with the same period of fiscal years 2017, 2016 and 2015**

		3.31.2018	3.31.2017	3.31.2016	3.31.2015
Liquidity	(a)	1.57	2.88	1.58	1.21
Solvency	(b)	0.07	0.14	0.30	0.78
Immobilized assets	(c)	0.64	0.57	0.68	0.82

(a) Current assets over current liabilities

(b) Shareholders’ equity over total liabilities

(c) Non-current assets over total assets

The profitability index is included only for annual financial statements.

7. Prospects

There is a positive outlook for the Oil & Gas sector, primarily due to the Government's decision to normalize the gas market and bringing the local crude oil price into line with the international price. The Government has also implemented a new program to encourage natural gas production for unconventional gas projects which will be in effect until December 31, 2021. Companies joining the program will receive a minimum price of US$ 7.5 per million of BTU in 2018, US$ 7 in 2019, US$ 6.5 in 2020 and US$ 6 in 2021.

Under the agreement entered into with the Province of Santa Cruz for hydrocarbon investments, the Company holds all rights and obligations of the concession for the exploitation of unconventional hydrocarbons in the area "Campo Indio Este-El Cerrito". This unconventional gas project, the first and only granted up to the moment outside the Neuquén basin, will be focused on the development of tight gas. For this purpose, state-of-the-art technologies will be used, including horizontal, directional wells, without tubing and large-scale fractures.

We will continue working to obtain new discoveries, through the continuous exploration and development of the areas where we operate. The Company will continue giving priority to short-cycle production and exploration projects.

Regarding financing, our efforts are still focused on optimizing our financing structure, reducing financial costs and finding additional financing sources in line with our investment objectives.

City of Buenos Aires, May 10, 2018

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2018

(Comparatively with those of 2017)

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

Legal address: Bonpland 1745 - City of Buenos Aires, Argentina

FISCAL YEAR No. 99

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2018

Company's main line of business:	Exploration and exploitation of hydrocarbons and byproducts
Date of registration with the Public Registry of Commerce:	October 15, 1920
Latest three amendments to Bylaws:	April 18, 2007, September 12, 2007, December 19, 2013 and April 17, 2015
Registration number with the Superintendency of Commercial Companies:	1648
Date of termination of the incorporation agreement:	September 1, 2100
Name of parent company:	Latin Exploration S.L. (1)
Parent company's main line of business:	Investment and financial activities

Equity interest held by the parent company in capital stock and votes: 70.00% (1)

CAPITAL STATUS (1)- In pesos -

	Subscribed, issued and paid-up
Ordinary shares with a par value of 1 per share:	
Class A shares entitled to 1 vote	279,396,499
Class B shares entitled to 1 vote	119,741,357
	399,137,856

(1) Note 13 to the consolidated financial statements

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2018 AND DECEMBER 31, 2017
(presented in comparative format)
(In thousands of pesos)

	Note	3.31.2018	12.31.2017
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	6,116,779	5,692,527
Investments in subsidiaries and associates	7	684,976	715,378
Deferred tax assets	22	349,976	329,730
Other receivables	8	1,099,146	134,667
Trade receivables	10	69,980	60,965
Total Non-Current Assets		**8,320,857**	**6,933,267**
CURRENT ASSETS			
Inventories	9	400,087	422,583
Other receivables	8	1,242,027	1,566,894
Trade receivables	10	1,252,845	788,782
Other investments	4 and 11	1,211,572	202,552
Cash and other equivalent liquid assets	12	519,741	222,719
Total Current Assets		**4,626,272**	**3,203,530**
TOTAL ASSETS		**12,947,129**	**10,136,797**
EQUITY			
Capital stock	13	399,138	399,138
Reserves		610,259	610,259
Retained earnings		(302,897)	(409,889)
Other comprehensive income		171,807	167,111
Total equity attributable to the Company's shareholders		**878,307**	**766,619**
Non-controlling interests		**-**	**-**
TOTAL EQUITY		**878,307**	**766,619**
LIABILITIES			
NON-CURRENT LIABILITIES			
Contigent liabilities for lawsuits and other legal proceedings	14	35,984	32,688
Provisions	15	813,154	871,931
Tax payables	16	36,496	39,968
Financial debts	17	8,234,087	5,811,248
Trade payables	19	-	55,947
Total Non-Current Liabilities		**9,119,721**	**6,811,782**
CURRENT LIABILITIES			
Provisions	15	12,532	11,836
Other liabilities	18	69,782	101,642
Tax payables	16	68,351	50,066
Salaries and social security contributions		30,848	26,975
Financial debts	17	1,485,595	1,149,272
Trade payables	19	1,281,993	1,218,605
Total Current Liabilities		**2,949,101**	**2,558,396**
TOTAL LIABILITIES		**12,068,822**	**9,370,178**
TOTAL EQUITY AND LIABILITIES		**12,947,129**	**10,136,797**

The accompanying notes 1 to 25 are an integral part of these consolidated financial statements.

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 AND 2017
(presented in comparative format)
(In thousands of pesos)

	Note	3.31.2018	3.31.2017
Net income	20 a)	2,155,926	1,182,276
Cost of sales	20 b)	(1,449,218)	(1,209,691)
Gross profit		**706,708**	**(27,415)**
Selling expenses	20 c)	(41,330)	(28,787)
Administrative expenses	20 d)	(140,627)	(71,707)
Other operating income and expenses	20 e)	95,511	14,811
Operating income		**620,262**	**(113,098)**
Gain/(loss) on investments valued under the equity method	20 f)	134,126	56,279
Financial income	20 g)	3,975	1,994
Financial costs	20 g)	(181,354)	(156,128)
Other financial results	20 g)	(490,263)	72,137
Income before taxes		**86,746**	**(138,816)**
Income tax	22	20,246	67,063
Net income (loss) for the period		**106,992**	**(71,753)**
OTHER COMPREHENSIVE INCOME			
Income/loss from hedging financial instrument	3	(17,507)	-
Financial statement translation difference		22,203	(8,020)
Total other comprehensive income for the period, net of taxes		**4,696**	**(8,020)**
Comprehensive income (loss) for the period		**111,688**	**(79,773)**
Net income, attributable to:			
Company shareholders		106,992	(71,595)
Non-controlling interests		-	(158)
		106,992	**(71,753)**
Total comprehensive income, attributable to:			
Company shareholders		111,688	(79,615)
Non-controlling interests		-	(158)
		111,688	**(79,773)**
Basic and diluted earnings/(losses) per share		**0.268**	**(0.179)**

The accompanying notes 1 to 25 are an integral part of these consolidated financial statements.

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018
(In thousands of pesos)

	Capital stock (Note 13)	Legal reserve	Discretionary reserve (1)	Others	Retained earnings	Other comprehensive income	Equity attributable to the Company's shareholders	Non-controlling interest	Total
Balances at December 31, 2017	**399,138**	**17,491**	**725,557**	**(132,789)**	**(409,889)**	**167,111**	**766,619**	**-**	**766,619**
Net income for the period	-	-	-	-	106,992	-	106,992	-	106,992
Changes in other comprehensive income for the period	-	-	-	-	-	4,696	4,696	-	4,696
Balances at March 31, 2018	**399,138**	**17,491**	**725,557**	**(132,789)**	**(302,897)**	**171,807**	**878,307**	-	**878,307**

(1) For maintenance of working capital and future dividends

The accompanying notes 1 to 25 are an integral part of these consolidated financial statements.

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017
(In thousands of pesos)

	Capital stock (Note 13)	Legal reserve	Discretionary reserve (1)	Others	Retained earnings	Other comprehensive income	Equity attributable to the Company's shareholders	Non-controlling interest	Total
Balances at December 31, 2016	**399,138**	**17,491**	**956,648**	**(132,789)**	**(231,091)**	**129,667**	**1,139,064**	**6,327**	**1,145,391**
Net loss for the period	-	-	-	-	(71,595)	-	(71,595)	(158)	(71,753)
Changes in other comprehensive income for the period	-	-	-	-	-	(8,020)	(8,020)	-	(8,020)
Balances at March 31, 2017	**399,138**	**17,491**	**956,648**	**(132,789)**	**(302,686)**	**121,647**	**1,059,449**	**6,169**	**1,065,618**

(1) For maintenance of working capital and future dividends

The accompanying notes 1 to 25 are an integral part of these consolidated financial statements.

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 AND 2017
(presented in comparative format)
(In thousands of pesos)

	Note	3.31.2018	3.31.2017
Cash flow from operating activities			
Net income/(loss) for the period		106,992	(71,753)
Adjustments to arrive at net cash flow from operating activities:			
Depreciation of property, plant and equipment	6	312,276	191,155
Gain/(loss) on deletions of property, plant and equipment	6	114	144
Gain/(loss) on investments valued under the equity method	20 f)	(134,126)	(56,279)
Financial results, net	20 g)	569,542	43,984
Impairment allowance for non-financial assets	20 e)	-	(11,038)
Increase in allowances for receivables, net	20 e)	2,094	3,489
Increase (decrease) in provision for lawsuits and contingencies, net	20 e)	3,310	(8,826)
Gas imbalance charges	20 b)	(431)	(455)
Interest accrued net of collections under Gas Plan and Propane Gas Plan Programs, and incentives for investments from unconventional reservoirs		(345,805)	(126,439)
Gain/(loss) on assignment of 50% of La Maggie concession	20 e)	(70,776)	-
Accrued income tax	22	(20,246)	(67,063)
Changes in operating assets and liabilities:			
Receivables		(533,212)	(32,415)
Inventory		22,496	352,814
Non-financial debts		188,411	102,883
Income tax paid		(11,129)	(33,952)
Net cash flow provided by operating activities		**89,510**	**286,249**
Net cash flow provided by investment activities			
Acquisition of property, plant and equipment	6	(773,998)	(442,031)
Variance in investments in companies	7 b)	10,000	26,935
Decrease in placements of funds - current		6,945	69,991
Dividends collected	7 b)	-	61,509
Net cash flow used in investment activities		**(757,053)**	**(283,596)**
Net cash flow provided by financing activities			
Interest paid on financial debts	17	(34,917)	(37,097)
Financial debts incurred	17	2,157,920	1,119,480
Financial debts settled	17	(285,840)	(1,327,637)
Net cash flow provided by / (used in) financing activities		**1,837,163**	**(245,254)**
Net increase (Net decrease) in cash, cash equivalents, and bank overdraft facilities		**1,169,620**	**(242,601)**
Cash, cash equivalents and bank overdraft facilities at the beginning year		231,962	1,873,185
Financial results generated by cash, cash equivalents, and bank overdraft facilities		122,623	(54,904)
Cash, cash equivalents and bank overdraft facilities at the end of the period (Note 12)		**1,524,205**	**1,575,680**
Changes not entailing movements of funds:			
Payments of property, plant and equipment previously acquired		(37,260)	(31,920)
Capitalization of financial costs		89,863	-
Cost of wells abandonment capitalized in property, plant and equipment		56,249	(6,833)

The accompanying notes 1 to 25 are an integral part of these consolidated financial statements.

NOTE 1 – GENERAL INFORMATION

1.1 - The Company

Compañía General de Combustibles S.A. ("CGC" or "the Company", or jointly with its subsidiaries "the Group") is a corporation organized under the laws of the Republic of Argentina, registered with the Public Registry of Commerce on October 15, 1920. The incorporation agreement will expire on September 1, 2100 and its legal address is Bonpland 1745, Autonomous City of Buenos Aires, Argentina.

CGC business activities are focused on the energy sector, specifically consisting of the exploration and production of oil and gas (upstream) and gas transportation. Upstream activities are carried out both individually and through joint ventures, and gas transportation activities through Company associates. Company business extends to Argentina, Chile and Venezuela.

These consolidated condensed interim financial statements of CGC were approved for issuance by the Company's Board of Directors on May 10, 2018.

1.2 - Control Group

The Company is controlled by Latin Exploration S.L.U. ("LE"), a Spanish company.

In April 2013 Corporación América acquired through Cedicor S.A. 100% of the corporate capital of LE, which was controlled by CGC (see Note 13).

This implied a change of Company control by a local Group with interests in energy, construction and infrastructure, airport operation, agribusiness, financial and other services.

1.3 - Merger through absorption of Unitec Energy S.A. (the merged company) and Compañía General de Combustibles S.A. (the merging and 100% holding company) at December 31, 2017

On March 8, 2018, the Board of Directors of Compañía General de Combustibles S.A. approved the merger through absorption between the Company, as the merging company and its 100%-controlled company Unitec Energy S.A., as the merged company, under the terms of Section 82 of General Commercial Companies Law No. 19550 and its amendments, by means of a preliminary merger agreement. The merger is effective as from January 1, 2018 and enables more efficient resources, taking advantage of a higher business scale and experience of the merging company. As from that date, all of the rights, obligations, assets and liabilities of the merged company are added to the merging company's assets, subject to corporate approvals, as required by applicable regulations, and to registration of the merger and dissolution with the Public Registry of Commerce.

The Board of Directors have resolved that the merged company shall continue operating and carrying out certain business activities by means of the merging company until obtainment of the pertinent approvals, authorizations and registrations necessary for Compañía General de Combustibles S.A. to be able to operate as the continuing company upon the merger.

NOTE 2 - BASIS FOR PREPARATION AND PRESENTATION

These interim consolidated financial statements of the Company for the three-month period ended March 31, 2018 have been prepared in accordance with IAS 34 “Interim Financial Reporting”, issued by the International Accounting Standards Board (IASB).

These financial statements have been prepared in compliance with Technical Pronouncements No. 26 and No. 29 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), adopting the International Financing Reporting Standards (IFRS) issued by the IASB, for entities included in the public offering regime under Law No.17811 and its amendments, either due to their capital or their negotiable obligations, or entities that have requested authorization to be included in the aforementioned regime. According to the professional accounting standard and regulatory provisions mentioned above, IFRS are of mandatory application by the Company as from its inclusion in the public offering regime.

These consolidated financial statements are stated in thousands of pesos ($), legal tender in Argentina, and were prepared based on the accounting records of CGC. They have been stated at historical cost, except for the revaluation of some financial assets and some non-current assets.

Under IAS 29 *Financial Reporting in Hyperinflationary Economies*, an entity's functional currency is that of a hyperinflationary economy, irrespective of whether the financial statements are based on a historical cost or current cost approach. Financial statements of an entity that reports in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current at the balance sheet date. To this end, in general terms, non-monetary items include inflation from the acquisition date of the item or the restatement date, as applicable. To determine whether there is a hyperinflationary economy, the standard provides a series of factors to be taken into account, among others, a cumulative inflation rate over three years that is approaching, or exceeds, 100%. At March 31, 2018, the Board of Directors considers that due to the lack of consistent data published on inflation and other indicators that can lead to a final conclusion on the matter, there is no evidence to affirm that Argentina is a hyperinflationary economy. Therefore, these financial statements have not been restated as would otherwise be required under IAS 29.

However, over the last years, some macroeconomic variables affecting the Company’s business, like salaries and input prices, have changed significantly. This situation must be considered when assessing and interpreting the Company’s financial situation and results disclosed in these financial statements.

These interim consolidated financial statements must be read jointly with the Company's consolidated financial statements at December 31, 2017, prepared in accordance with International Financing Reporting Standards (IFRS) and issued on March 8, 2018.

The Company’s activities are not subject to significant seasonality changes.

2.1 - Deposit of corporate and accounting documentation

Pursuant to General Resolution No. 629/14 of the National Securities Commission, we report that the documentation supporting the Company's accounting and management operations and the accounts books and corporate books of CGC are deposited in the offices located at Bonpland 1745, City of Buenos Aires, and in the warehouses of the supplier Iron Mountain Argentina S.A., with business address at Amancio Alcorta 2482, City of Buenos Aires.

2.2.1 - New mandatory standards, modifications and interpretations for years commenced on January 1, 2018 that have not been early adopted

IFRS 9 - Financial Instruments
The Company adopted IFRS 9 "Financial Instruments" as from January 1, 2018, which caused changes to the accounting policies, but they are not significant in these financial statements.
The new impairment model requires the recognition of impairment allowances based more on expected credit losses than on incurred credit losses. The Company has not determined any significant effects as a result of the application of this standard.
As from January 1, 2018, the Company classifies its financial instruments according to the following measurement categories: Amortized cost: Assets kept for collection of contractual cash flows where those cash flows only represent payments of principal and interest. Income from interest of these financial assets included in the financial income using the method of effective interest rate.
Fair value through other comprehensive income (FVTOCI): Assets kept for the collection of contractual cash flows and to sell financial assets, where assets only represent payments of principal and interest. Interest earned from these financial assets is included under Financial income using the effective interest rate method. Unrealized profits or losses are recorded as an adjustment to the fair value in the consolidated statement of comprehensive income and are transferred to the consolidated statement of income when the financial asset is sold. Exchange profits and losses and impairment expenses related to the financial assets are immediately recognized in the consolidated statement of income.
Fair value through profit or loss (FVTPL): Assets that do not comply with the criteria of amortized cost or FVTOCI. Changes in the fair value of financial instruments at FVTPL are immediately recognized in the consolidated statement of income.
This classification depends on the business model of the Company to manage its financial instruments and the contractual terms of cash flows.

IFRS 15 - Revenue from Contracts with Customers
The Company has adopted IFRS 15 Revenue from Contracts with Customers as from January 1, 2018 which did not cause changes in the accounting policies and has not generated significant changes in these financial statements. The policy establishes the requirements for the accounting of revenue from contracts with customers and is based on the principle that revenue is recognized when the control of the asset or service is transferred to the customer.

2.2.2 New mandatory standards, modifications and interpretations not yet effective at March 31, 2018 and not early adopted by the Company

In January 2016, IASB issued IFRS 16 Leases. The new standard will recognize almost all leases recognized in the statement of financial position, as it eliminates the distinction between operating and financial assets. The Company is analyzing the possible impact that the adoption of this standard could have on its financial position and the results of its operations.

2.2.3 - Financial statements used

For the purpose of preparing these financial statements, the financial statements of the subsidiaries and associates at March 31, 2018 and 2017 and at December 31, 2017 were used, or the best financial information available at these dates.

2.3 - Estimates

The preparation of the condensed interim consolidated financial statements requires the Company's Management to make estimates and evaluations relating to the future, to apply critical judgment and to determine assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

In preparing these condensed interim consolidated financial statements, the critical judgments made by Management when applying the Company's accounting policies and the information sources used for the respective estimates are the same as those applied to the financial statements as for the year ended December 31, 2017.

These estimates and judgments are continually evaluated and are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual future results may differ from those estimates and assessments made at the date these condensed interim consolidated financial statements were prepared.

2.4 - Segment reporting

The Board of Directors has determined the operating segments based on reports reviewed and used to make strategical decisions. Segment reporting is presented in a manner consistent with the internal reporting. The Board of the Company as well as management are responsible for allocating resources and assessing the performance of operating segments. This detailed information is disclosed in Note 5.

2.5 - Consolidation – Subsidiaries

The financial statements of CGC at March 31, 2018 were consolidated with the financial statements or management reports at these dates of the following companies:

Company	Country	Functional currency	Number of shares (direct and indirect participation)	% of participation (direct and indirect)	Number of voting rights
Compañía General de Combustibles Chile Ltda.	Chile	Chile	100	100%	100
Compañía General de Combustibles Internacional Corp.	Panama	United States dollar	100	100%	100
Unitec Energy S.A. (1)					

(1) At December 31, 2017, CGC's interest in Unitec Energy S.A. accounted for 100% of capital and votes and has been consolidated. On March 8, 2018, the Board of Directors of Compañía General de Combustibles S.A. approved the merger through absorption between the Company, as the merging company and its 100%-controlled company Unitec Energy S.A., as the merged company, under the terms of Section 82 of General Commercial Companies Law No. 19550 and its amendments, by means of a preliminary merger agreement. The merger is effective as from January 1, 2018 and enables more efficient resources, taking advantage of a higher business scale and experience of the merging company. As from that date, all of the rights, obligations, assets and liabilities of the merged company are added to the merging company's assets, subject to corporate approvals, as required by applicable regulations, and to registration of the merger and dissolution with the Public Registry of Commerce.

NOTE 3 - CAPITAL AND FINANCIAL RISKS MANAGEMENT

In the course of its operations, the Company is exposed to various risks associated to the markets in which it operates.

The Company's Board of Directors approves the policies for risk management, which were consistently applied during the periods under analysis included in these financial statements. At December 31, 2017 and 2016, the Company had no futures contracts or financial derivatives of commodities prices. In the three-month period ended March 31, 2018 put hedge instruments were arranged which cover the lower price of Oil Brent below USD 65/bbl in the international markets for the period from February 1, 2018 to October 31, 2018, as broken down below:

Date of arrangement	Period of coverage	Volume hired	Option price	Value of premium	Fair value (*)
2/8/2018	From 2/1/2018 to 10/31/2018	534,633 bbl	USD 65/bbl Oil Brent	USD 1,744,161	15,843
3/26/2018	From 6/1/2018 to 8/31/2018	157,250 bbl	USD 65/bbl Oil Brent	USD 571,132	8,298
				Total	**24,141**

(*) Fair value of open positions in thousands of pesos at March 31, 2018

The Company's policy with respect to the financial instruments entered into during the first quarter of 2018 is to apply hedge accounting to cash flows that has been determined as effective hedge, in accordance with IFRS 9. The Board of Directors of the Company does not use derivative financial instruments for speculative purposes. Derivative financial instruments are accounted for at fair value, determined on the basis of the cash receivable or payable necessary to cancel the instrument at the measurement date. Changes in the measurement of derivative instruments that qualify as cash flow hedges, which have been determined as effective hedges, are recognized in equity under Other comprehensive income. The effects generated by the contracts ended in the period are recognized in the profit/loss for the year under Financial results. Changes in the measurement of derivative instruments that do not qualify as hedge accounting are recognized in profit or loss.

In the three-month period ended March 31, 2018, the Company recognized a loss for $ 17,507 in Other Comprehensive Income and a loss for $ 1,340 in the profit/loss for the period.

NOTE 4 - FAIR VALUE MEASUREMENT

IFRS 13 requires disclosure of fair value into levels, for financial instruments measured at fair value.

The Company classifies the measurements of financial instruments at fair value using a fair value hierarchy, which reflects the relevance of the variables used to carry out such measurements. The fair value hierarchy has the following levels:

- Level 1: (Unadjusted) quoted prices in active markets for identical assets or liabilities.
- Level 2: data other than the quoted prices included in Level 1 observable for assets or liabilities, whether directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: data on assets and liabilities not based on information observable in the market (i.e. not observable information).

The following table shows the financial assets measured at fair value at March 31, 2018 and December 31, 2017. There are no financial liabilities measured at fair value.

At 3.31.2018	Level 1	Level 2	Level 3	Total
Assets				
Other short-term investments:				
Mutual funds	994,314	-	-	994,314
Government securities	205,609	-	-	205,609
Other current receivables:				
Hedging financial instruments	-	24,141	-	24,141
Total current assets	**1,199,923**	**24,141**	-	**1,224,064**
Investments in companies:				
Petronado S.A. (Venezuela) (Note 7)	-	-	11,064	11,064
Total non-current assets	-	-	**11,064**	**11,064**

At 12.31.2017	Level 1	Level 2	Level 3	Total
Assets				
Other short-term investments:				
Government securities	190,092	-	-	190,092
Total current assets	**190,092**	-	-	**190,092**
Investments in companies:				
Petronado S.A. (Venezuela) (Note 7)	-	-	11,064	11,064
Total non-current assets	-	-	**11,064**	**11,064**

During the period ended March 31, 2018, there were neither transfers between levels nor changes in the way to determine the fair values of financial assets and liabilities.

Specific valuation techniques used to determine the fair values include:

- Quotation prices in active markets for similar instruments. These values are included in Level 1.
- The fair values of the hedge financial instruments are determined using specific price models which are observable in the market or can be derived from or checked with observable data. The fair value of hedge contracts are calculated as the net present value of estimated future cash flows, based on the future quotation price in active markets. These values are included in Level 2.
- The fair value of the remaining financial instruments are determined using discounted cash flow values. These values are included in Level 3.

NOTE 5 – INFORMATION BY SEGMENTS

The business segments were defined in the usual manner with which management analyzes the information during the decision making process.

The representative manner followed by management for decision-making purposes has been determined as the "adjusted EBITDA". The adjusted EBITDA is the Company's ordinary income before interest, income tax, depreciation and amortization of all tangible and intangible assets of the Company, and before any other income/loss not implying movement of funds in cash, plus cash dividends collected by the Company. It includes sales revenue and net income from operations plus cash dividends collected by the Company less (i) operating expenses (without including amortization charges), exploration (without including dry exploration wells and exploration and evaluation expenses), production and transportation, and (ii) business and administrative expenses and other taxes, including withholdings on exports.

Management information used for decision-making purposes is prepared monthly and includes the breakdown of the following segments of the Company:

1) Oil and gas exploration and production ("Oil and gas"), made up by investments in oil and gas areas and investments in the public private partnership Petronado S.A. of Venezuela.

2) Natural gas transportation made up by the direct and indirect investments in the related companies TGN, TGM and Gas Andes.

3) Net income from operations corresponding to the Central Structure, those not identified with any business segment, and intra-segment deletions are disclosed together.

The Central Structure includes expenses common to the various business segments, such as administrative expenses, tax on financial transactions, interest on financial liabilities and income tax, incurred by the Company during the normal course of its operations and which for control purposes are managed from the Central Structure and are not reallocated among the operating segments.

Below is a detail of the information on each business segment identified by Company Management:

	At 3.31.2018			
	Oil and gas exploration and production	**Gas transportation**	**Central structure**	**TOTAL**
Net income	2,155,926	-	-	2,155,926
Cost of sales	(1,124,118)	-	-	(1,124,118)
Gross profit	**1,031,808**	**-**	**-**	**1,031,808**
Selling expenses	(41,330)	-	-	(41,330)
Central structure expenses	-	-	(129,300)	(129,300)
Other operating income and expenses	(790)	35,203	-	34,413
Adjusted EBITDA	**989,688**	**35,203**	**(129,300)**	**895,591**
Other operating income and expenses	70,776	-	(9,678)	61,098
Depreciation and amortization	(310,650)	-	(1,626)	(312,276)
Tax on financial transactions	(14,450)	-	(9,701)	(24,151)
Gains/losses on long-term investments	-	134,126	-	134,126
Subtotal	**735,364**	**169,329**	**(150,305)**	**754,388**
Financial income	-	-	3,975	3,975
Financial costs	-	-	(181,354)	(181,354)
Other financial results	-	-	(490,263)	(490,263)
Income before taxes	**735,364**	**169,329**	**(817,947)**	**86,746**
Income tax	(175,440)	(8,801)	204,487	20,246
Income (Loss) for the period	**559,924**	**160,528**	**(613,460)**	**106,992**
Adjusted EBITDA				**895,591**
Dividends collected in this period				-
Adjusted EBITDA as per dividends collected				**895,591**

	At 3.31.2017			
	Oil and gas exploration and production	**Gas transportation**	**Central structure**	**TOTAL**
Net income	1,182,276	-	-	1,182,276
Cost of sales	(1,015,206)	-	-	(1,015,206)
Gross profit	**167,070**	**-**	**-**	**167,070**
Selling expenses	(28,787)	-	-	(28,787)
Central structure expenses	-	-	(63,288)	(63,288)
Other operating income and expenses	5,541	5,648	-	11,189
Adjusted EBITDA	**143,824**	**5,648**	**(63,288)**	**86,184**
Other operating income and expenses	-	-	(7,416)	(7,416)
Depreciation and amortization	(189,148)	-	(2,007)	(191,155)
Tax on financial transactions	(5,337)	-	(6,412)	(11,749)
Impairment allowance for non-financial assets	11,038	-	-	11,038
Gains/losses on long-term investments	-	56,279	-	56,279
Subtotal	**(39,623)**	**61,927**	**(79,123)**	**(56,819)**
Financial income	-	-	183,224	183,224
Financial costs	-	-	(265,221)	(265,221)
Income before taxes	**(39,623)**	**61,927**	**(161,120)**	**(138,816)**
Income tax	12,647	(1,976)	56,392	67,063
Income (Loss) for the period	**(26,976)**	**59,951**	**(104,728)**	**(71,753)**
Adjusted EBITDA				**86,184**
Dividends collected in this period				61,509
Adjusted EBITDA as per dividends collected				**147,693**

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Changes in this caption are as follows:

Main account	Original values					Depreciation				Net	Net
	Value at the beginning of the year	Additions	Reclassifications	Deletions (2)	Value at period end	Accumulated at the beginning of the year	Deletions (2)	For the period	Accumulated at period end	book value at 3.31.2018	book value at 12.31.2017
DEVELOPMENT AND PRODUCTION ASSETS											
Wells and production facilities	6,823,241	67,023	939,197	(260,406)	7,569,055	2,681,067	(90,935)	280,544	2,870,676	4,698,379	4,142,174
Other production-related assets	23,249	14	(148)	-	23,115	14,735	(214)	659	15,180	7,935	8,514
Mining property	1,040,690	24,038	2,994	(82,429)	985,293	426,146	(74,208)	29,432	381,370	603,923	614,544
Materials and spare parts	5,070	44	-	(112)	5,002	-	-	-	-	5,002	5,070
Works in progress (1)	590,009	622,073	(837,504)	-	374,578	-	-	-	-	374,578	590,009
Subtotal	**8,482,259**	**713,192**	**104,539**	**(342,947)**	**8,957,043**	**3,121,948**	**(165,357)**	**310,635**	**3,267,226**	**5,689,817**	**5,360,311**
EXPLORATION AND EVALUATION ASSETS	**361,318**	**161,974**	**(65,961)**	**-**	**457,331**	**-**	**-**	**-**	**-**	**457,331**	**361,318**
CENTRAL MANAGEMENT ASSETS	**95,444**	**7,684**	**(38,578)**	**(2)**	**64,548**	**37,074**	**(7,598)**	**1,641**	**31,117**	**33,431**	**58,370**
TOTAL AT 03.31.2018	**8,939,021**	**882,850**	**-**	**(342,949)**	**9,478,922**	**3,159,022**	**(172,955)**	**312,276**	**3,298,343**	**6,180,579**	**5,779,999**
Impairment allowance for non-financial assets										**(63,800)**	**(87,472)**
TOTAL										**6,116,779**	**5,692,527**

(1) The cost of works in progress the construction of which extends over time includes, where applicable, financial costs accrued from financing through third party capital. In the period ended March 31, 2018 financial costs amounting to $ 89,863 were capitalized while in the fiscal year ended December 31, 2017 $ 307,218 were registered for the capitalization of financial costs.

(2) It includes $ 169,880 from original values net of depreciations, and withdrawal resulting from the assignment of 50% of La Maggie concession (Note 23a) (2)

Main account	Original values					Depreciation				Net	Net
	Value at the beginning of the year	Additions	Transfers	Deletions	Value at period end	Accumulated at the beginning of the year	Deletions	For the period	Accumulated at period end	book value at 3.31.2017	book value at 12.31.2016
DEVELOPMENT AND PRODUCTION ASSETS											
Wells and production facilities	4,232,820	3,751	7,679	(10,585)	4,233,665	1,853,200	-	159,518	2,012,718	2,220,947	2,379,620
Other production-related assets	23,293	-	-	-	23,293	11,864	-	1,072	12,936	10,357	11,429
Mining property	1,054,571	1,418	-	-	1,055,989	319,975	-	28,531	348,506	707,483	734,596
Materials and spare parts	7,832	141	-	(40)	7,933	-	-	-	-	7,933	7,832
Works in progress (1)	555,201	404,219	(7,679)	(104)	951,637	-	-	-	-	951,637	555,201
Subtotal	**5,873,717**	**409,529**	**-**	**(10,729)**	**6,272,517**	**2,185,039**	**-**	**189,121**	**2,374,160**	**3,898,357**	**3,688,678**
EXPLORATION AND EVALUATION ASSETS	**237,227**	**4,165**	**-**	**-**	**241,392**	**-**	**-**	**-**	**-**	**241,392**	**237,227**
CENTRAL MANAGEMENT ASSETS	**35,891**	**169**	**-**	**-**	**36,060**	**21,103**	**-**	**2,034**	**23,137**	**12,923**	**14,788**
TOTAL AT 03.31.2017	**6,146,835**	**413,863**	**-**	**(10,729)**	**6,549,969**	**2,206,142**	**-**	**191,155**	**2,397,297**	**4,152,672**	**3,940,693**
Impairment allowance for non-financial assets										**(116,514)**	**(127,552)**
TOTAL										**4,036,158**	**3,813,141**

(1) The cost of works in progress the construction of which extends over time includes, where applicable, financial costs accrued from financing through third party capital. In the period ended March 31, 2017 financial costs were not capitalized while in the year ended December 31, 2016 $113,873 were registered for the capitalization of financial costs.

The changes in the allowance for non-financial assets impairment are as follows:

	3.31.2018	3.31.2017
Balance at the beginning of year	87,472	127,552
Decreases (1)	(23,672)	(11,038)
Balance at period end	**63,800**	**116,514**

(1) At March 31, 2018 it includes ($ 23,672) from withdrawal resulting from the assignment of 50% of La Maggie concession (Note 23a) (2)

NOTE 7 - INVESTMENTS IN COMPANIES

a) Below is a detail of the investments in companies at March 31, 2018 and December 31, 2017:

Company	3.31.2018	12.31.2017
Associate companies		
Gasinvest S.A.	387,103	272,502
Gasoducto GasAndes (Argentina) S.A.	140,976	148,757
Gasoducto GasAndes S.A. (Chile)	100,337	112,950
Transportadora de Gas del Norte S.A. (3)	657	423
Transportadora de Gas del Mercosur S.A. (2)	21,108	137,833
Andes Operaciones y Servicios S.A. (Chile)	15,155	13,273
Subtotal	**665,336**	**685,738**
Other companies		
Petronado S.A. (Venezuela)	11,064	11,064
Other investments	-	10,000
Subtotal	**11,064**	**21,064**
Goodwill (1)	8,576	8,576
Total investments in companies	**684,976**	**715,378**

(1) Originated in the acquisition of an interest in Gasandes Chile on October 7, 2014.
(2) See Note 24 (2)
(3) See Note 24 (3)

b) Below are the changes in the investments in associates as of March 31, 2018 and 2017:

	3.31.2018	3.31.2017
At the beginning of the year	715,378	390,819
Translation differences	22,203	(8,020)
Capital decrease	(10,000)	(26,935)
Gains and losses on investments (Note 20 f))	134,126	56,279
Dividends approved (1)	(176,731)	(64,229)
At period end	**684,976**	**347,914**

(1) Dividends approved at March 31, 2018 were collected following the end of the period. At March 31, 2017, it includes dividends for $ 61,509 collected before March 31, 2017 and $ 2,720 collected on April 4, 2017.

NOTE 8 - OTHER RECEIVABLES

The breakdown of other receivables is as follows:

	3.31.2018	12.31.2017
Non-current:		
Related parties (Note 21 a))	130,780	122,493
Value added tax	6,518	24,293
Receivables under the incentive program for Gas Injection (1)	1,071,247	-
Allowance for impairment (1)	(137,893)	-
Minimum notional income tax	95,622	96,346
Echo Energy CDL OP Ltd (Note 23.a)(2)	50,123	-
Sundry	28	40
Allowance for other receivables	(117,279)	(108,505)
Total	**1,099,146**	**134,667**
Current:		
Tax credits under the Incentive Program for Investments from Unconventional Reservoirs	334,066	-
Receivables under the incentive program for Gas Injection (1)	119,027	1,043,389
Allowance for impairment (1)	(6,780)	-
Receivables from the propane gas supply agreement	32,034	20,296
Receivables from export refunds from Patagonia ports	13,894	12,855
Related parties (Note 21 a))	179,225	3,010
Value added tax	297,391	305,878
Income tax	121,827	116,507
Other tax credits	21,945	13,514
Advances to suppliers	3,689	4,275
Expenses to be recovered	31,685	28,861
Pre-paid insurance	2,497	2,791
Hedging financial instruments (Note 3)	24,141	-
Echo Energy CDL OP Ltd (Note 23.a)(2)	33,716	-
Prepaid mining fee	24,176	-
Sundry	9,494	15,518
Total	**1,242,027**	**1,566,894**

(1) On March 28, 2018, the Ministry of Energy and Mining approved through Resolution No. 97/2018 the procedure for the collection of receivables under the Incentive Program for Gas Injection. That resolution established the collection in 30 equal and consecutive installments as from January 2019. The receivable is stated in dollars for USD 59,368,287. At March 31, 2018, its present value was recorded considering the conditions established in the Resolution.

Activity in the allowance for other receivables is as follows:

	3.31.2018	12.31.2017
Non-Current		
Balance at the beginning of year	108,505	90,073
Increases (1)	8,774	18,432
Balance at period end	**117,279**	**108,505**

(1) $ 488 and $ (13,918) were charged to Other operating income and expenses, and $ 8,286 and $ 32,350 to Financial results in 2018 and 2017, respectively.

NOTE 9 - INVENTORIES

The breakdown of inventories is as follows:

	3.31.2018	12.31.2017
Oil and byproducts	251,781	267,610
Materials and spare parts	148,306	154,973
Total	**400,087**	**422,583**

NOTE 10 - TRADE RECEIVABLES

The breakdown of trade receivables is as follows:

	3.31.2018	12.31.2017
Non-Current		
Ordinary	31,915	24,688
Reorganization-proceeding (1)	84,879	80,125
Less: Allowance for expected losses	(46,814)	(43,848)
Total	**69,980**	**60,965**
Current		
Ordinary	1,293,899	822,505
Less: Allowance for expected losses	(41,054)	(33,723)
Total	**1,252,845**	**788,782**

(1) At March 31, 2018 corresponds to balances related to the reorganization proceeding of Oil Combustibles S.A., disclosed at present value.

Activity in the allowance for bad debts is as follows:

	3.31.2018	3.31.2017
Balance at the beginning of year	77,571	90,073
Increases (1)	10,297	(2,041)
Balance at period end	**87,868**	**88,032**

(1) $ 1,606 and $ 2,891 were charged to Other operating income and expenses in 2018 and 2017, $ 2,966 to Financial results in 2018 and $ 5,725 to merger with Unitec Energy S.A. in 2018 (Note 1.3).

NOTE 11 - OTHER INVESTMENTS

The breakdown of other investments is as follows:

Current:	3.31.2018	12.31.2017
Related parties (Note 21 a))	11,649	10,596
Negotiable Obligations	-	1,864
Government securities (1)	205,609	190,092
Mutual funds (2)	994,314	-
Total	**1,211,572**	**202,552**

(1) At March 31, 2018 and December 31, 2017, they include 9,073,648 Argentine Bonds denominated in US dollars 8% due in 2020 (Bonar 2020 US dollars), received as provided for by Decree No. 704/2016. The bonds were subject to the restrictions indicated in said Decree until December 31, 2017.

(2) At March 31, 2018 it includes 54,879,780 units of the mutual fund "Alpha Pesos", 4,950,588 units of the mutual fund "Galileo Income Clase B en dólares", 5,000,000 units of the mutual fund "Axis Argentina Local Markets Plus – Clase E en dólares", and 29,066,514 units of the mutual fund "Toronto Trust Abierto Ley 27260 – Clase C en dólares".

NOTE 12 - CASH AND OTHER EQUIVALENT LIQUID ASSETS

	3.31.2018	12.31.2017
Cash, imprest fund and checks to be deposited	315	243
Banks	519,426	222,476
Total	**519,741**	**222,719**

For purposes of the statement of cash flows, cash, cash equivalents and bank overdrafts include:

	3.31.2018	12.31.2017
Cash and cash equivalents	519,741	222,719
Mutual funds	994,314	-
Placements of funds	11,649	10,596
Overdraft facilities	(1,499)	(1,353)
Total	**1,524,205**	**231,962**

NOTE 13 - CAPITAL STOCK AND IRREVOCABLE CONTRIBUTIONS

Capital stock

The Extraordinary Shareholders' Meeting held on December 19, 2013 decided to modify the number of Class "A" and "B" shares, due to the transfer of shares of Latin Exploration, S.L. to Sociedad Comercial del Plata S.A. (see Note 21); as a result, the capital stock was set in the amount of $ 70,000, represented by 70,000,000 ordinary, registered, non-endorsable shares of one (1) vote per share, of which 49,000,000 are Class "A" shares and 21,000,000 are Class "B" shares, in the same proportion as the 70% ownership of Latin Exploration S.L. and 30% ownership of Sociedad Comercial del Plata S.A.

At December 31, 2014 the capital stock amounted to $ 70,000 and has been fully subscribed, paid-up and registered with the Superintendency of Commercial Companies.

At March 31, 2018 and December 31, 2017, 2016 and 2015, the capital stock amounts to $ 399,138 and has been fully subscribed, paid-up and registered.

NOTE 14 - PROVISIONS

The provision for lawsuits, administrative claims and contingencies was determined considering the opinion of the legal advisors, based on the amounts estimated to face contingent situations that would probably create obligations for the Company, taking into account the likelihood of the amounts involved and their possibility of occurrence.

At the date of issuance of these financial statements, the Company and the regulatory authorities have interpretation differences referred to the calculation of hydrocarbon royalties. It is estimated that the resolution of these situations will not cause significant impacts not considered in these financial statements.

Furthermore, the Company is facing tax claims in Venezuela related to income tax and municipal duties, which to date are still pending resolution. The Company's Board of Directors and Management, based on the elements available to date, believe that the final resolution of this situation will not significantly affect the Company's equity and financial position or the results of its operations.

Reorganization Plan: On June 28, 2012, the Court of First Instance declared CGC's reorganization plan fulfilled. On May 17, 2016, Argentina's Supreme Court dismissed the ordinary appeal filed by AFIP in re. Cía. General de Combustibles S.A. s/ concurso s/ incidente de revisión por AFIP. Payment of this tax liability is secured by a bond insurance policy taken out by CGC, which will be maintained until CGC settles the receivable recognized in favor of AFIP, and included in an installment payment plan regulated by Law No. 26476.

The changes in the provision for lawsuits and contingencies are as follows:

	3.31.2018	**3.31.2017**
Non-Current		
Balance at the beginning of year	32,688	11,048
Increases (1)	3,296	165
Balance at period end	**35,984**	**11,213**
Current		
Balance at the beginning of year	-	31,324
Decreases (1)	-	(8,996)
Balance at period end	-	**22,328**

(1) $ 3,310 and $ (8,826) allocated to Other operating income and expenses in 2018 and 2017, respectively, and ($ 14) and ($ 5) to Financial results in 2018 and 2017.

NOTE 15 - PROVISIONS

The breakdown of provisions is as follows:

	3.31.2018	12.31.2017
Non-current:		
Gas imbalance	13,421	13,691
Asset retirement obligation and provision for environmental remediation	796,977	855,484
Sundry	2,756	2,756
Total	**813,154**	**871,931**
Current:		
Gas imbalance	1,644	1,684
Fees for reorganization trustees	2,051	1,976
Provisions Guatemala Branch	8,837	8,176
Total	**12,532**	**11,836**

The changes in the provision for gas imbalance and asset retirement obligation are as follows:

	Balance at the beginning of year	Increases	Decreases	Balance at period end
Non-current:				
Gas balancing (1)	13,691	-	(270)	13,421
Asset retirement obligation and provision for environmental remediation (2)	855,484	66,753	(125,260)	796,977
Current:				
Gas balancing (1)	1,684	-	(40)	1,644
Total at 03.31.2018	**870,859**	**66,753**	**(125,570)**	**812,042**

(1) $ 121 correspond to exchange differences and interest, charged to financial costs; ($ 431) correspond to the return of gas, charged to cost of sales.

(2) $ 10,505 correspond to present value, charged to financial costs; $ 56,249 correspond to adjustment of future cost, charged to property, plant and equipment, and ($ 125,260) to a withdrawal resulting from the assignment of 50% of La Maggie concession (Note 23a) (2))

	Balance at the beginning of year	Increases	Decreases	Balance at period end
Non-current:				
Gas balancing (1)	15,371	105	-	15,476
Asset retirement obligation and provision for environmental remediation (2)	640,530	-	(8,815)	631,715
Current:				
Gas balancing (1)	1,345	-	(453)	892
Total at 03.31.2017	**657,246**	**105**	**(9,268)**	**648,083**

(1) $107 correspond to exchange differences and interest, charged to financial costs; ($455) correspond to the return of gas, charged to cost of sales.

(2) ($1,982) correspond to current value, charged to financial costs; ($6,833) correspond to adjustment of future cost, charged to property, plant and equipment.

NOTE 16 - TAX PAYABLES

The breakdown of tax payables is as follows:

	3.31.2018	12.31.2017
Non-current:		
Payment plan, Section 32 Law No. 11683	32,249	35,298
Payment plan Law No. 26476	483	763
Payment plan - AFIP General Resolution No. 3451	3,764	3,907
Total	**36,496**	**39,968**
Current:		
Provision for turnover tax	6,759	770
Other taxes	9,880	521
Tax withholdings and collections	38,169	35,809
Payment plan, Section 32 Law No. 11683	11,491	11,038
Payment plan Law No. 26476	1,079	1,051
Payment plan - AFIP General Resolution No. 3451	540	519
Sundry	433	358
Total	**68,351**	**50,066**

NOTE 17 - FINANCIAL DEBTS

The breakdown of financial debts is as follows:

	3.31.2018	12.31.2017
Non-current:		
Bank loans	229,699	268,114
Negotiable Obligations	8,004,388	5,543,134
Total	**8,234,087**	**5,811,248**

	3.31.2018	12.31.2017
Current:		
Overdraft facilities	1,499	1,353
Bank loans	1,227,278	1,080,352
Negotiable Obligations	256,818	67,567
Total	**1,485,595**	**1,149,272**

The activity in financial debts at March 31, 2018 and 2017 is shown below:

	3.31.2018	3.31.2017
Balance at the beginning	6,960,520	6,110,417
Short-term bank overdraft facilities, net	146	(1,167)
Interest accrued	212,696	147,742
Exchange difference	709,157	(192,304)
Loans obtained	2,157,920	1,119,480
Payments of principal	(285,840)	(1,327,637)
Payments of interest	(34,917)	(37,097)
Balance at period end	**9,719,682**	**5,819,434**

Due dates of financial debts at March 31, 2018 and at December 31, 2017 are as follows:

	3.31.2018	12.31.2017
Less than 1 year	1,485,595	1,149,272
From 1 to 2 years	186,423	268,114
From 2 to 3 years	-	-
After 3 years	8,047,664	5,543,134
Total	**9,719,682**	**6,960,520**

International Program of Negotiable Obligations

On November 7, 2016, Class "A" Negotiable Obligations for USD 300,000,000 were issued and settled at a nominal annual fixed rate of 9.5%, expiring on November 7, 2021 under the simple (non-convertible) Negotiable Obligations Program for a maximum nominal value of up to USD 300,000,000, outstanding at any time, authorized by CNV on April 21, 2016. Interest is paid semi-annually, on May 7 and November 7.

Syndicated Loan Agreement in US Dollars executed on February 20, 2017 and disbursed on February 21 and March 15, 2017

On February 20, 2017, the Company executed a Syndicated Loan Agreement in US Dollars with Industrial and Commercial Bank of China (Argentina) S.A. (ICBC), as administrative agent, for an amount of up to USD 72,000,000. Funds for USD 64,000,000 were received on February 21, 2017 and USD 8,000,000 on March 15, 2017 and will be applied to capital expenditures and working capital. The syndicated loan in US dollars accrues interest at a fixed annual rate of 6.25%. Interest will be paid on a quarterly basis, and the first interest installment will fall due on May 21, 2017. Principal will be repaid in five equal and consecutive quarterly installments, with the first one falling due on February 21, 2018 and the last installment, on February 21, 2019.

Below is a description of the main variations in the Company's financing structure during the three-month period ended March 31, 2018, and until the date of issue of these condensed interim financial statements.

- **Issuance of Class 10 Negotiable Obligation**

On January 12, 2018, Class "10" Negotiable Obligations for USD 100 million were issued and settled at a nominal annual fixed rate of 9.7%, under the Negotiable Obligation Issue Program for a maximum nominal value of up to USD 250 million, outstanding at any time, authorized by CNV Resolution 17570 dated December 10, 2014. Principal amortization and maturity shall be in a sole payment within 42 months counted as from the issue date (July 12, 2021). Interest is paid semi-annually, on January 12 and July 12. The first interest payment date shall be July 12, 2018.

Class 10 Negotiable Obligations are simple Negotiable Obligations, not convertible into shares, issued pursuant to Negotiable Obligations Law No. 23575 (jointly with its amendments, the "Negotiable Obligations Law") without recourse to CGC and with guarantee. The Negotiable Obligations are without recourse because the only source of payment will be the funds obtained from (i) dividend payments and/or other distributions under shares in Gasinvest S.A., Gasoducto Gasandes (Argentina) S.A. and Gasoducto Gasandes S.A. owned by the Company ("the encumbered shares"), and/or (ii) the sale and/or public auction of those shares. Principal, interest and other items owed under the Negotiable Obligations shall be paid exclusively with the Available Funds (as defined hereinbelow). If on any interest payment date there are not sufficient available funds to pay, in whole or in part, the amounts for compensatory interest owed under the Negotiable Obligations and payable on that Interest Payment Date, compensatory interest payable in whole or in part on that Interest Payment Date exceeding the amount of the Available Funds existing on that Interest Payment Date shall be automatically capitalized on that Interest Payment Date. If for any reason the Available Funds are not sufficient to pay all of the amounts of principal, interest and other items owed under the Negotiable Obligations, the holders may not claim from the Company payment of the unpaid balances for principal, interest and/or other items under the Negotiable Obligations that have not been paid with the Available Funds for not being sufficient. Company's obligation regarding payments that are to be made under the Negotiable Obligations shall be limited exclusively to apply and/or cause to apply the Available Funds to the payment of principal, interest and other items owed under the Negotiable Obligations, as prescribed herein, and the Company will assume no responsibility in case that the Available Funds are not sufficient, for any reason, to fully repay the amounts of principal, interest and other items owed under the Negotiable Obligations. If, after all of the amounts of principal, interest and other items owed under the Negotiable Obligations have been paid, any remainder of Encumbered Shares and/or Available Funds still exists, those Encumbered Shares and/or Available Funds shall be the exclusive property of the Company.

To guarantee that the Available Funds will be applied exclusively to the payment of principal, interest and other items owed under the Negotiable Obligations, on December 27, 2017 the Company and the Collateral Agent (Banco de Valores S.A.) entered into: (i) a share pledge agreement, whereby the Company will grant in favor of the Collateral Agent, to the benefit of the holders, a first priority security interest on the Gasinvest Shares; and (ii) a trust agreement, whereby the Company will create a trust to the benefit of the holders of class 10 Negotiable Obligations, whose trust assets will be the Available Funds, which will be received and kept by the Collateral Agent, as trustee, in one or more trust accounts in dollars and/or pesos, and used by the trustee to make the payments of principal, interest and other items under the Negotiable Obligations. The Shares in Gasoducto Gasandes (Argentina) S.A. and Gasoducto Gasandes S.A. (Chile) will not be pledged under the Pledge Contract or under any other document.

The net proceeds from the placement of the Negotiable Obligations shall be applied by the Company, as prescribed by Section 36 of the Negotiable Obligations Law, in particular, as follows: (i) the investment in physical assets situated in Argentina, particularly to investments in the exploration and exploitation of hydrocarbons in the province of Santa Cruz (Austral basin); (ii) the refinancing of liabilities; and (iii) the supply of working capital in Argentina. The Company may temporarily invest the funds not yet applied in Permitted Investments.

Under the terms and conditions set out in relation to the issuance of these Negotiable Obligations under the international program, CGC will be required to comply with certain restrictions on indebtedness, restricted payments (including dividends), the setting up of liens, and other requirements.

NOTE 18 - OTHER LIABILITIES

The breakdown of other liabilities is as follows:

	3.31.2018	12.31.2017
Current:		
Oil and gas royalties	69,782	57,505
Sundry (1)	-	44,137
Total	**69,782**	**101,642**

(1) Includes 44,137 in 2017, corresponding to an advance payment to Echo Energy Plc. for the joint investment agreements in exploration (Note 23a (2))

NOTE 19 - TRADE PAYABLES

The breakdown of trade payables is as follows:

	3.31.2018	12.31.2017
Non-current:		
Ordinary suppliers (1)	-	55,947
Total	**-**	**55,947**
Current:		
Ordinary suppliers (1)	752,086	690,190
Ordinary suppliers of joint ventures	25,815	20,441
Related parties (Note 21 a))	93,454	115,292
Invoices to be received	410,638	392,682
Total	**1,281,993**	**1,218,605**

(1) At March 31, 2018 and December 31, 2017, USD 3,000,000 and USD 5,000,000, respectively, are pending settlement due to the agreement for the acquisition of a gas compression plan in Campo Boleadoras, province of Santa Cruz. Out of this balance, $ 0 and $ 55,947 is disclosed under ordinary suppliers - non-current and $ 60,447 and $ 37,298 under ordinary suppliers - current.

NOTE 20 - BREAKDOWN OF MAIN INCOME STATEMENT CAPTIONS

a) Net income

	3.31.2018	3.31.2017
Crude oil delivered	558,013	718,278
Gas	1,206,714	308,197
Others	45,395	34,923
Government subsidies	345,804	120,878
Total	**2,155,926**	**1,182,276**

b) Cost of sales

	3.31.2018	3.31.2017
Stocks at the beginning	422,583	675,337
Purchases	230,442	33,693
Inventory consumption	(65,952)	(47,567)
Expenses attributable to cost of sales (1)	1,262,232	870,752
Stocks at period-end	(400,087)	(322,524)
Cost of sales	**1,449,218**	**1,209,691**

(1) Expenses attributable to cost of sales

	3.31.2018	3.31.2017
Fees and compensation for services	1,226	1,260
Outsourced services	413,576	341,925
Salaries, wages and social security contributions	63,775	38,548
Other expenses on personnel	5,165	4,143
Depreciation of property, plant and equipment	310,650	189,148
Taxes, duties and contributions	14,903	5,590
Fuel, gas and electricity	20,152	12,648
General insurance	1,467	6,794
Spare parts and repairs	81,017	51,427
Wells maintenance	46,581	41,174
Office expenses	17,175	11,683
Travel and per diem	-	1,225
Royalties, fee and easements	250,880	136,748
Gas imbalance	(431)	(455)
Environmental control	35,906	28,894
Others	190	-
Total	**1,262,232**	**870,752**

c) Selling expenses

	3.31.2018	3.31.2017
Turnover tax	41,330	28,787
Total	**41,330**	**28,787**

d) Administrative expenses

	3.31.2018	3.31.2017
Fees and compensation for services	26,045	19,454
Salaries, wages and social security contributions	77,322	26,880
Other expenses on personnel	988	1,540
Depreciation of property, plant and equipment	1,626	2,007
Taxes, duties and contributions	12,146	7,351
General insurance	1,245	415
Spare parts and repairs	11,918	6,540
Office expenses	2,729	2,292
Travel and per diem	3,090	2,679
Communications	1,486	885
Others	2,032	1,664
Total	**140,627**	**71,707**

e) Other operating income and expenses

	3.31.2018	3.31.2017
Fees for services rendered	35,312	5,648
Outsourced services	(790)	(20)
Incentives under Petróleo Plus program	-	5,561
Charge for allowance for other receivables (Note 8)	(488)	(598)
Recovery of non-financial asset impairment (Note 6)	-	11,038
Gain/(loss) on assignment of 50% of La Maggie concession (Note 23 a) (2))	70,776	-
Charge for allowance for trade receivables (Note 10)	(1,606)	(2,891)
(Charge) recovery of provision for lawsuits (Note 14)	(3,310)	8,826
Sundry	(4,383)	(12,753)
Total	**95,511**	**14,811**

f) Gains and losses on investments valued under the equity method

Associate	3.31.2018	3.31.2017
Gasinvest S.A.	114,329	44,185
Gasoducto GasAndes (Argentina) S.A.	5,181	6,650
Gasoducto GasAndes S.A. (Chile)	4,625	5,112
Andes Operaciones y Servicios S.A. (Chile)	797	237
Transportadora de Gas del Norte S.A.	234	95
Transportadora de Gas del Mercosur S.A.	8,960	-
Total	**134,126**	**56,279**

g) Financial results

	3.31.2018	3.31.2017
Financial income		
Interest	3,975	1,994
Total	**3,975**	**1,994**
Financial costs		
Interest	(181,354)	(156,128)
Total	**(181,354)**	**(156,128)**
Other financial results		
Income from measurement of financial instruments at fair value	19,287	(19,788)
Exchange differences, net	(501,312)	129,938
Other financial expenses	(8,238)	(38,013)
Total	**(490,263)**	**72,137**

NOTE 21 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

At March 31, 2018 and December 31, 2017 the Company was controlled by Latin Exploration S.L.U., a company based in Spain. The ultimate parent company of the Group is Southern Cone Foundation, a foundation set up in Liechtenstein.

In February, 2013, Cedicor S.A. acquired 100% of the capital stock of Latin Exploration S.L.U., a company that held 81% of CGC's share capital. As a result of that acquisition, Cedicor S.A. granted Sociedad Comercial del Plata S.A. (SCP) an irrevocable, unconditioned and exclusive option to purchase up to an 11% of CGC shares; the term for SCP to exercise the purchase option was one year. SCP exercised the option in December, 2013. At March 31, 2018 and December 31, 2017, LE holds 70% of CGC's shares and voting rights, and SCP the remaining 30%.

a) Balances with related parties at March 31, 2018 and December 31, 2017 are included below:

	3.31.2018	12.31.2017
Other investments		
Current:		
Transportadora Gas del Mercosur S.A.	**11,649**	**10,596**
Other receivables		
Non-Current:		
Latin Exploration SL	20,019	20,019
Petronado S.A.	110,761	102,474
Total	**130,780**	**122,493**
Current:		
Gasoducto GasAndes (Argentina) S.A.	27,115	3,010
Gasoducto GasAndes S.A. (Chile)	26,425	-
Transportadora Gas del Mercosur S.A.	125,685	-
Total	**179,225**	**3,010**
Trade payables		
Corredor Americano S.A.	93,454	115,292
Total	**93,454**	**115,292**

b) The main transactions with related parties for the three-month periods ended March 31, 2018 and 2017 are included below:

Company	3.31.2018		
	Sale of services	**Interest earned**	**Outsourced services**
Associated companies			
Gasoducto GasAndes (Argentina) S.A.	6,928	-	-
Other companies			
Corredor Americano S.A. (1)	-	-	145,981
Transportadora Gas del Mercosur S.A.	-	195	-

(1) Corredor Americano S.A. is a related entity since it is under the indirect control of the same shareholders as CGC

Company	3.31.2017			
	Sale of services	**Interest earned**	**Dividends approved**	**Outsourced services**
Associated companies				
Transportadora Gas del Norte S.A.	625	-	-	-
Gasoducto GasAndes (Argentina) S.A.	4,792	-	35,520	-
Gasoducto GasAndes S.A. (Chile)	-	-	28,709	-
Other companies				
Corredor Americano S.A. (1)	-	-	-	104,950
Transportadora Gas del Mercosur S.A.	-	152	-	-

(1) Corredor Americano S.A. is a related entity since it is under the indirect control of the same shareholders as CGC

NOTE 22 - INCOME TAX

Accounting standards require income tax to be accounted for under the deferred tax method. This criterion implies recognizing assets and liabilities items for deferred tax, in the cases in which there are temporary differences between the accounting valuation and the tax valuation of assets and liabilities and also for the recoverable tax losses.

	3.31.2018	12.31.2017
Deferred tax is as follows:		
Deferred tax assets	660,196	600,670
Deferred tax liabilities	(310,220)	(270,940)
Net deferred tax assets	**349,976**	**329,730**

The breakdown of the income tax included in the Separate Statement of Income and the breakdown of deferred tax is the following:

	3.31.2018	3.31.2017
Income tax for the period		
Current tax - Income (Loss)	-	(744)
Deferred tax - Income (Loss)	20,246	67,807
Total income tax	**20,246**	**67,063**

Reconciliation between the income tax charge and what would result from applying the tax rate imposed by the legislation in force on the accounting income for the period is as follows:

	3.31.2018	3.31.2017
Income before income tax	86,746	(138,816)
Tax rate in effect, applied on income For the period	30%	35%
Subtotal	(26,024)	48,586
Effect of permanent differences and provisions	46,270	18,477
Total income tax	**20,246**	**67,063**

NOTE 23 - PARTICIPATION IN OIL AND GAS AREAS

The Company recognizes in its financial statements the assets, liabilities, revenue from ordinary activities and expenses relating to its participation in joint operations of the various consortia and joint ventures for hydrocarbon exploration and production. At March 31, 2018 and December 31, 2017 the financial statements and management reports of joint ventures at those dates were used.

a) The areas and joint ventures in which CGC participated during the periods ended on March 31, 2018 and December 31, 2017 are shown below.

Basin	Area	Participation %		Operator	Term Until	Activity
Argentina						
Northwestern	Aguaragüe	5.00		Tecpetrol S.A.	2027	Exploration and exploitation
	Palmar Largo	17.85		High Luck	2017	Exploitation
Austral	El Cerrito	100.00	(1)	CGC	2052	Exploration and exploitation
	Dos Hermanos	100.00	(1)	CGC	2027 / 2034 / 2037	Exploration and exploitation
	Campo Boleadoras	100.00	(1)	CGC	2027 / 2033 / 2034	Exploration and exploitation
	Campo Indio / El Cerrito Este	100.00	(1)	CGC	2028 / 2058	Exploration and exploitation
	María Inés	100.00	(1)	CGC	2027 / 2028	Exploration and exploitation
	Cóndor	100.00	(1)	CGC	2027	Exploration and exploitation
	La Maggie	50.00	(1) (2)	CGC	2026 / 2027	Exploration and exploitation
	Glencross	87.00		CGC	2033	Exploitation
	Estancia Chiripa	87.00		CGC	2033	Exploitation
	Tapi Aike	50.00	(2)	CGC	23 d)	Exploration
	Piedrabuena	100.00		CGC	23 d)	Exploration
	Mata Amarilla	100.00		CGC	23 d)	Exploration
Neuquina	Angostura	100.00		CGC	23 e)	Exploration
Golfo San Jorge	Sarmiento	100.00		CGC	23 d)	Production
Venezuela	Campo Onado	26.004		Petronado S.A.	2026	Exploitation
Guatemala	A-9-96	100.00		CGC	23 d)	Exploration

(1) With effect January 1, 2018, the company has begun to consider these areas in the Austral Basin instead of the Santa Cruz I, Santa Cruz I Oeste, Santa Cruz II and Laguna de los Capones areas, considered until December 31, 2017.
This change was made with the objective of updating the areas on which CGC operates. Considering that the Company depreciates the assets allocated to the development of hydrocarbons (plants, wells and exploitation and production facilities) through the application of the ratio between the hydrocarbons produced and estimated developed and proven reserves.area by area, the modification in the areas was made prospectively since January 1, 2018.

(2) On October 31, 2017, the Company executed with Echo Energy Plc. (“Echo Energy”) the following joint investment agreements for the exploration of four blocks in the Austral Basin in the Province of Santa Cruz:

a) Farm-out agreement for the concessions to exploit Fractions C and D of the Santa Cruz I area and Laguna de los Capones area (corresponds to La Maggie area). Under this agreement, the Company transferred to an Argentine branch of Echo Energy Plc, effective January 1, 2018, 50% of the rights and obligations arising from the concessions to exploit Fractions C and D of the Santa Cruz I area and Laguna de los Capones area, and Echo Energy agrees to pay 100% of the cost and investments of the work plan for an amount of up to USD 70 million. Additionally, Echo Energy agreed to pay the Company up to USD 10 million in three installments, subject to completion of two stages. Payment of the first installment of USD 2.5 million was received on November 1, 2017. Upon completion of the first stage estimated in 18 months, the payment of USD 2.5 million shall be received and twelve months after the beginning of the second stage, a payment of USD 5 million shall be received.

b) Farm-out agreement for the Tapi Aike area. Under this agreement, and subject to certain conditions, the Company assigned to an Argentine branch of Echo Energy 50% of all the rights and obligations arising from the exploration permit in the Tapi Aike area, effective January 1, 2018. As consideration for the assignment of Company's rights and obligations over the Tapi Aike area, Echo Energy agrees to pay 65% of the costs and investments of the basic exploration plan for the first exploration period.

In the two agreements, the Company will be the area operator. Those agreements, effective since January 1, 2018, have led to the execution of Joint Operating Agreements and to the creation of joint ventures to carry out the joint operations in the area. In the event of noncompliance with any obligation by Echo Energy, the Company may rescind the agreements and recover the assigned interests.

In the period ended March 31, 2018 farm-out agreements entered into force, generating profits for the period amounting to $ 70,776, registered under Other income and expenses, net.

b) The amounts of the statements of financial position relating to the participation of the Company in joint operations at March 31, 2018 and December 31, 2017 and the income statements for the three-month periods ended March 31, 2018 and 2017 are shown below:

	3.31.2018	**12.31.2017**
Non-current assets	66,629	56,531
Current assets	7,977	5,643
Total assets	**74,606**	**62,174**
Non-current liabilities	36,836	34,587
Current liabilities	26,402	20,830
Total liabilities	**63,238**	**55,417**

	3.31.2018	**3.31.2017**
Operating loss (*)	12,926	32,940
Net loss (*)	15,778	49,478

(*) Sales in joint ventures are not included since production is directly assigned to each of the participants.

c) Investment commitments: at March 31, 2018 the Company's participation in minimum commitments in these areas amounted to USD 182.5 million approximately, USD 18.2 million of which correspond to the Angostura area, USD 76.4 to the Tapi Aike area, and USD 87.9 correspond to the concession of the unconventional exploitation of the area Campo Indio Este-El Cerrito.

d) Subsequent to December 31, 2017 there have been no significant changes in the status of the concession contracts for the oil and gas areas.

e) On May 8, 2018, through Decree No. 482/18 of the Province of Río Negro the addendum to the contract was approved for the area Angostura dated November 13, 2017. As from that date, CGC has an 18-month extension to complete the agreed upon schedule of investments.

NOTE 24 - SITUATION OF ASSOCIATES AND OTHER COMPANIES

Investments in companies where CGC does not have a controlling interest are mainly investments in companies engaged in natural gas transportation. The list of investments is included below:

Company	Ref.	Participation % 3.31.2018	12.31.2017
Associated companies			
Gasinvest S.A.	(1) (5)	40.8574	40.8574
Gasoducto GasAndes (Argentina) S.A.		39.9999	39.9999
Gasoducto GasAndes S.A. (Chile)		39.9999	39.9999
Andes Operaciones y Servicios S.A. (Chile) (formerly - Total Gas y Electricidad Chile S.A.)		50.0000	50.0000
Transportadora de Gas del Norte S.A.	(3)	0.0465	0.0465
Transportadora de Gas del Mercosur S.A.	(2) (5)	10.8988	10.8988
Other companies			
Petronado S.A. (Venezuela)	(4)	26.0040	26.0040

(1) Parent company of Transportadora de Gas de Norte S.A. holding 56.3538% of equity interests.

(2) On December 20, 2017, the Extraordinary Meeting of Shareholders of TGM resolved by majority vote to approve the execution of a settlement agreement with YPF (the "Settlement Agreement"), which put an end to the dispute between the parties.

In essence, the Settlement Agreement, which was also approved by the Board of Directors of YPF, is in full force and effect and there has been contract performance, sets forth YPF's obligation to pay TGM as compensation the sum of USD 107 million in January 2018, plus USD 7 million in seven (7) equal annual installments between February 2018 and February 2024, as full and final payment for all legal and arbitration proceedings, and claims TGM might enforce against YPF under the arbitration awards.

YPF paid the USD 107 million compensatory installment under the Settlement Agreement on January 2, 2018. Additionally, on February 1, 2018, YPF paid the first annual installment for said compensation in an amount of USD 1 million.

TGM and YPF entered into an interruptible gas transportation contract for export. In December 2017, the Company and YPF entered into a transportation contract under the special conditions of the Interruptible Transportation Service for Export ("STI", its Spanish acronym) for a maximum volume of 2.8 MMm3/day, from Aldea Brasilera, Province of Entre Ríos, to the locality of Paso de los Libres, Province of Corrientes. This contract will remain in effect from December 29, 2017 to December 28, 2027. As consideration for the STI, YPF will pay the Company USD 32 per one thousand cubic meters carried, in accordance with the provisions of Decree 689/2002. YPF irrevocably undertakes to pay TGM annually, per each year from 2018 up to and including 2024, as non-refundable payment on account of the contractual price, the amount of USD 1,857,143 per annum, as payment on account, whether it has made use of the STI or not. This payment on account entitles YPF to exercise a make up gas right between 2018 and 2024.

Considering the settlement agreement reached by YPF and TGM, the Company has reversed the obsolescence allowance that covered the investment in TGM at December 31, 2017, and has recorded the investment by the equity method at March 31, 2018 and December 31, 2017.

(3) The financial statements of Transportadora Gas del Norte S.A. (TGN) show that in January 2002 the Emergency Public Law No. 25561 ("LEP") was passed establishing the pesification of natural gas transport tariffs for the local market and repealed the six-month adjustment mechanism based on the Producer Price Index ("PPI"). In addition, the LEP authorized the Executive Branch to renegotiate tariffs and works and public utilities contracts. In March 2017, TGN entered into a License Renegotiation Agreement (the "Comprehensive Agreement") with the National State, which was confirmed and became effective upon the issuance of Decree No. 251 of March 27, 2018. This brought the renegotiation process carried out in the framework of the LEP to an end. The provisions of the Comprehensive Agreement cover the period starting January 6, 2002 and ending on the date of termination of the License.

The Comprehensive Agreement contains an indemnity clause for the benefit of the National State. On the one hand, TGN agrees to hold the National State harmless in the event that any of TGN's and/or Gasinvest S.A.'s shareholders and/or controlling shareholder and/or any of their possible assignees obtain a final and conclusive award or judgment, in the Argentine Republic or abroad, consisting of any type of economic indemnity, relief or compensation whether based on or related to facts or legal measures ordered with respect to the License, under the emergency situation established by the LEP and/or the cancellation of the PPI, including costs and fees. In such a case, the Company will not be entitled to seek any relief, indemnity or compensation from the National State, and the costs and expenses that TGN incurs shall in no case be passed on to the users of the transportaion service.

Further, in relation to arbitration awards obtained prior to the signing of the Comprehensive Agreement by the former shareholders CMS and Total, the Company agrees to hold the National State harmless. The amount of the indemnity, to be determined, will not include the pro rata percentage of reduction that would have been established or will be established in the related payment agreements, will exclude the amount of default interest payable by the National State and will be calculated at present value. As a reference, we include the amounts established in some awards: CMS Gas Transmission Company v. Argentine Republic (case ARB/01/8, award in favor of CMS of USD 133.2 million dated May 12, 2005), and Total S.A. v. Argentine Republic (case ARB/04/1, award in favor of Total of USD 85.2 million dated November 27, 2013).

TGN shall be liable for those amounts, only through sustainable investments, additional to those established by the ENARGAS as mandatory investments, in gas pipelines and complementary installations in the Neuquina Basin. These investments shall not be included in the Company’s rate base.

The Comprehensive Agreement also fixed the rules for TGN’s tariff review. Between April 2014 and December 2017, TGN was allowed several temporary tariff increases. It was not until March 2018 that ENARGAS implemented the tariff schedules resulting from the Integral Tariff Review (“ITR”) this agency has been performing since March 2016. From April 1, 2017 to March 31, 2022, the Company must implement a Mandatory Investment Plan for approximately $ 5,600 million, which will be adjusted in the same proportion as the tariffs charged by TGN.

In order for the tariffs to remain at real values over time and thus be able to meet the demands of the operation and maintenance of the gas pipeline system, the comprehensive tariff review conducted by the ENARGAS introduces non-automatic semi-annual transportation tariff adjustments, between five-year reviews, regarding observable variations in the prices related to the cost of the service, so as to maintain the economic and financial sustainability of the rendered service and its quality.

CGC's direct and indirect interest in TGN accounts for 23.07% at March 31, 2018.

(4) Subsequent to December 31, 2017 there have been no significant changes in the situation of Petronado S.A.

(5) There were no significant changes after December 31, 2017, in the situation reported in the financial statements as of December 31, 2017, regarding CGC's interests in TGM and Gasinvest.

NOTE 25 - SUBSEQUENT EVENTS

After March 31, 2018, no event, situation or circumstance that is not publicly known and that affects or may significantly affect the Company's financial or economic position has occurred in addition to those mentioned in the notes to these financial statements.

"Free translation from the original in Spanish for publication in Argentina"

REVIEW REPORT ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Compañía General de Combustibles S.A.
Legal address: Bonpland 1745
City of Buenos Aires
Tax Code No. 30-50673393-2

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Compañía General de Combustibles S.A. and its subsidiaries (the "Company"), including the interim consolidated statement of financial position at March 31, 2018, the interim consolidated statement of comprehensive income for the three-month period ended March 31, 2018, the interim consolidated statements of changes in equity and of cash flows for the three-month period then ended, and the selected explanatory notes.

The balances and other information corresponding to the fiscal year 2017 and to its interim periods are an integral part of the financial statements mentioned above; therefore, they must be considered in connection with these financial statements.

Responsibility of the Board of Directors

The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and included by the National Securities Commission (CNV) in its regulations, as approved by the International Accounting Standards Board (IASB), and is therefore responsible for the preparation and presentation of the condensed interim consolidated financial statements mentioned in the first paragraph, in accordance with International Accounting Standard 34 "Interim Financial Information" (IAS 34).

Scope of our review

Our review was limited to the application of the procedures established by International Standard on Review Engagements (ISRE) 2410 "Review of interim financial information performed by the independent auditor of the entity", adopted as a review standard in Argentina through Technical Pronouncement No. 33 of the FACPCE, as approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries of the Company's personnel responsible for preparing the information included in the condensed interim consolidated financial statements and performing analytical and other review procedures.

Such a review is substantially less in scope than an audit conducted in accordance with international standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated financial position, the consolidated comprehensive income, or the consolidated cash flows of the Company.

Conclusion

On the basis of our review, nothing has come to our attention that make us think that the condensed interim consolidated financial statements mentioned in the first paragraph of this report have not been prepared, in all material respects, in accordance with International Accounting Standard 34.

Report on compliance with current regulations

In accordance with current regulations, we report that, in connection with Compañía General de Combustibles S.A.:

a) the condensed interim consolidated financial statements of Compañía General de Combustibles S.A. have been transcribed into the Inventory and Balance Sheet book and as regards those matters that are within our competence, they are in compliance with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;

b) the condensed interim separate financial statements of Compañía General de Combustibles S.A. stem from accounting records kept in all formal respects in conformity with legal regulations;

c) we have read the summary of activity, on which, as regards those matters that are within our competence, we have no observations to make;

d) at March 31, 2018, the debt accrued by Compañía General de Combustibles S.A. in favor of the Argentine Integrated Social Security System, according to the Company's accounting records and calculations, amounted to $ 2,601,166, none of which was claimable at that date.

City of Buenos Aires, May 10, 2018

PRICE WATERHOUSE & CO. S.R.L.

by (Partner)
Hernán Rodríguez Cancelo

SUPERVISORY COMMITTEE'S REPORT

To the Shareholders of
Compañía General de Combustibles S.A.

In our capacity as members of the Supervisory Committee of Compañía General de Combustibles S.A., as called for sub-section 5 of section 294 of the General Companies Law No. 19550 and regulatory provisions on accounting information of the National Securities Commission and the Buenos Aires Stock Exchange, we have performed a review of the documents detailed in section I below, with the scope mentioned in section II. Preparation and issuance of those documents is the responsibility of the Company Board of Directors in the exercise of their exclusive functions. Our responsibility is to report on those documents based on the work done with the scope mentioned in section II.

I. DOCUMENTS REVIEWED

a) Interim separate and consolidated statement of financial position as of March 31, 2018.
b) Interim separate and consolidated statement of comprehensive income for the three-month period ended March 31, 2018.
c) Interim separate and consolidated statement of changes in equity for the three-month period ended March 31, 2018.
d) Interim separate and consolidated statement of cash flows for the three-month period ended March 31, 2018.
e) Notes to the condensed interim separate and consolidated financial statements for the three-month period ended March 31, 2018.
f) Summary of Activity and Additional Information on the Notes to the March 31, 2018 condensed interim financial statements required by article 1, paragraph b.2), of Chapter I, Title IV of the National Securities Commission regulations (N.T. 2013) and by article 12 of Chapter III, Title IV of the National Securities Commission regulations (N.T. 2013), respectively.

II. SCOPE OF THE REVIEW

We conducted our work in accordance with the standards applicable to supervisorys in effect in Argentina, which require that the review of the financial statements be performed in accordance with auditing standards for the review of financial statements for interim periods established by Technical Pronouncement No. 33 of the Argentine Federation of Professional Councils in Economic Sciences; therefore, they do not include all the procedures required to express an opinion on the Company's financial position, comprehensive income, changes in its equity and cash flows.

To perform our professional work on the documents detailed in section I, we have considered the limited review conducted by the external auditors, Price Waterhouse & Co. S.R.L., who issued their report on May 10, 2018. Our task included the review of the work, the nature, scope and timeliness of the procedures applied and the conclusions of the review performed by those professionals.

The standards for limited reviews consist principally in applying analytical procedures to the figures included in the financial statements, performing global validations and requesting information from the personnel in charge of preparing the information included in the financial statements. The provisions of these standards are substantially less in scope than applying all the audit procedures required for the issuance of a professional opinion on the financial statements taken as a whole. Accordingly, we express no such opinion.

In relation to the Summary of Activity and Additional Information on the Notes to the condensed interim financial statements required by article 1, paragraph b.2), of Chapter I, Title IV of the National Securities Commission regulations (N.T. 2013) and by article 12 of Chapter III, Title IV of the National Securities Commission regulations (N.T. 2013), we verified that these documents contain, respectively, the information required by article 1, paragraph b.2), of Chapter I, Title IV of the National Securities Commission regulations (N.T. 2013), and by Section 12 of Chapter III, Title IV of the National Securities Commission regulations, with all the assertions on the economic environment in which the Company has operated, the corporate management and future events, all of them included in those documents, falling under the exclusive responsibility of the Company's Board of Directors. In addition, we have verified that insofar as concerns our field of competence, the numerical data contained in the above-mentioned documents arise from the Company's accounting records and other relevant documentation.

Further, our review did not include an assessment of the business criteria regarding the administrative, marketing or production areas, as they are the exclusive responsibility of the Board of Directors.

III. REPRESENTATION BY THE SUPERVISORY' COMMITTEE

Based on the work performed, as stated in section II of this report, which did not include the application of all the procedures required for the issuance of an opinion on the reasonableness of the financial statements subject to review, taken as a whole, we are able to report that:

a) The significant facts and circumstances which are known to us and are not affected by uncertainties, have been considered in the financial statements;

b) We are not aware of any significant changes that should be made to the condensed interim financial statements of Compañía General de Combustibles S.A. described in paragraphs a) to e) of section I of this report, for their presentation in accordance with International Accounting Standard 34; and

c) In relation to the Summary of Activity and Additional Information on the notes to the condensed interim financial statements required by article 1, paragraph b.2), of Chapter I, Title IV of the National Securities Commission regulations (N.T. 2013) and by article 12 of Chapter III, Title IV of the National Securities Commission regulations (N.T. 2013), mentioned in Chapter I, paragraph f), on which we have no observations to make regarding matters that are within our competence.

IV. REPORT ON COMPLIANCE WITH CURRENT REGULATIONS

In compliance with regulations in force, we report that:

a) The accompanying financial statements are based on the provisions of General Companies Law No. 19550, have been transcribed to the Inventory and Balance Sheet book and arise from accounting records of the Company, which are kept in all formal respects, in conformity with current legal provisions.

b) In performance of the legality control that is part of our field of competence, during this year we have applied all the procedures described in Section 294 of Law No. 19550 which we deemed necessary according to the circumstances, and we have no observations to make in this regard.

City of Buenos Aires, May 10, 2018

CARLOS OSCAR BIANCHI
Supervisory Committee