COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
AT MARCH 31, 2017

(Presented in comparative format with 2016)

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

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

FISCAL YEAR NO. 98

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AT MARCH 31, 2017

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.
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AT MARCH 31, 2017 AND DECEMBER 31, 2016
(Presented in comparative format)
(In thousands of pesos)

	Note	03.31.2017	12.31.2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	4,036,158	3,813,141
Investments in subsidiaries and associates	7	347,914	390,819
Other investments	11	9,779	9,978
Deferred tax assets	22	206,061	138,254
Other receivables	8	190,142	190,364
Trade receivables	10	57,603	63,839
Total Non-Current Assets		**4,847,657**	**4,606,395**
CURRENT ASSETS			
Inventories	9	322,524	675,337
Other receivables	8	884,491	910,556
Trade receivables	10	690,635	480,829
Other investments	4 and 11	1,140,819	926,218
Cash and other equivalent liquid assets	12	658,540	1,261,775
Total Current Assets		**3,697,009**	**4,254,715**
TOTAL ASSETS		**8,544,666**	**8,861,110**
EQUITY			
Capital stock	13	399,138	399,138
Reserves		841,350	841,350
Retained earnings		(302,686)	(231,091)
Other comprehensive income		121,647	129,667
Total equity attributable to the Company's shareholders		**1,059,449**	**1,139,064**
Non-controlling interests		**6,169**	**6,327**
TOTAL EQUITY		**1,065,618**	**1,145,391**
LIABILITIES			
NON-CURRENT LIABILITIES			
Contingent liabilities for lawsuits and other legal proceedings	14	11,213	11,048
Provisions	15	649,946	658,656
Tax payables	16	49,606	52,576
Financial debts	17	5,437,600	4,910,686
Trade payables	19	46,170	79,450
Total Non-Current Liabilities		**6,194,535**	**5,712,416**
CURRENT LIABILITIES			
Contingent liabilities for lawsuits and other legal proceedings	14	22,328	31,324
Provisions	15	11,767	10,432
Other liabilities	18	88,573	97,085
Tax payables	16	46,721	36,727
Salaries and social security contributions		21,985	34,638
Financial debts	17	381,834	1,199,731
Trade payables	19	711,305	593,366
Total Current Liabilities		**1,284,513**	**2,003,303**
TOTAL LIABILITIES		**7,479,048**	**7,715,719**
TOTAL EQUITY AND LIABILITIES		**8,544,666**	**8,861,110**

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

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED March 31, 2017 AND 2016
(Presented in comparative format)
(In thousands of pesos)

	Note	03.31.2017	03.31.2016
Net income	20 a)	1,182,276	678,107
Cost of sales	20 b)	(1,209,691)	(408,316)
Gross profit		**(27,415)**	**269,791**
Selling expenses	20 c)	(28,787)	(13,755)
Administrative expenses	20 d)	(71,707)	(48,526)
Other operating income and expenses	20 e)	14,811	(20,221)
Operating income		**(113,098)**	**187,289**
Gain/(loss) on investments valued under the equity method	20 f)	56,279	(50,047)
Financial income	20 g)	183,224	31,490
Financial costs	20 g)	(265,221)	(308,125)
Income before taxes		**(138,816)**	**(139,393)**
Income tax	22	67,063	29,904
Net loss for the period		**(71,753)**	**(109,489)**
OTHER COMPREHENSIVE INCOME			
Financial statement translation difference		(8,020)	11,185
Total other comprehensive income for the period, net of taxes		(8,020)	11,185
Total comprehensive income for the period - Loss		**(79,773)**	**(98,304)**
Net income, attributable to:			
Company shareholders		(71,595)	(109,365)
Non-controlling interests		(158)	(124)
		(71,753)	**(109,489)**
Total comprehensive income, attributable to:			
Company shareholders		(79,615)	(98,180)
Non-controlling interests		(158)	(124)
		(79,773)	**(98,304)**
Basic and diluted earnings (losses) per share		**(0.179)**	**(0.274)**

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COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
CONSOLIDATED INTERIM 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 Company 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.
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED March 31, 2016
(In thousands of pesos)

	Capital stock (Note 13)	Legal reserve	Discretionary reserve (1)	Others	Retained earnings	Other comprehensive income	Equity attributable to Company shareholders	Non-controlling interest	**Total**
Balances at December 31, 2015	**399,138**	**14,000**	**890,323**	**(132,789)**	**69,816**	**107,759**	**1,348,247**	**7,455**	**1,355,702**
Resolution of the Ordinary Meeting of Shareholders dated March 31, 2016:									
- Allocation of earnings	-	3,491	66,325	-	(69,816)	-	-	-	-
Net loss for the period	-	-	-	-	(109,365)		(109,365)	(124)	(109,489)
Changes in other comprehensive income for the period	-	-	-	-	-	11,185	11,185	-	11,185
Balances at March 31, 2016	**399,138**	**17,491**	**956,648**	**(132,789)**	**(109,365)**	**118,944**	**1,250,067**	**7,331**	**1,257,398**

(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.
CONSOLIDATED INTERIM STATEMENT OF CASH FLOW
FOR THE THREE-MONTH PERIOD ENDED March 31, 2017 AND 2016
(Presented in comparative format)
(In thousands of pesos)

	Note	03.31.2017	03.31.2016
Cash flow from operating activities			
Net loss for the period		(71,753)	(109,489)
Adjustments to arrive at net cash flow from operating activities:			
Depreciation of property, plant and equipment	6	191,155	182,595
Gain/(loss) on deletions of property, plant and equipment	6	144	2,098
Gain/(loss) on investments valued under the equity method	20 f)	(56,279)	50,047
Financial results, net	20 g)	43,984	276,635
Impairment provision for non-financial assets	20 e)	(11,038)	4,743
Increase in allowances for receivables, net	20 e)	3,489	4,397
(Decrease)/Increase in contingent liabilities for lawsuits and contingencies, net	20 e)	(8,826)	96
Gas imbalance charges	20 b)	(455)	(507)
Income accrued net of collections under the Petróleo Plus Program, the Gas Plan and the Propane Gas Plan		(126,439)	(116,440)
Accrued income tax	22	(67,063)	(29,904)
Changes in operating assets and liabilities:			
Receivables		(32,415)	302,239
Inventory		352,814	(317,518)
Non-financial debts		102,883	54,564
Income tax paid		(33,952)	(18,244)
Net cash flow provided by operating activities		**286,249**	**285,312**
Net cash flow provided by investment activities			
Acquisition of property, plant and equipment	6	(442,031)	(235,535)
Variance in investments in companies	7 b)	26,935	(78,608)
Decrease in placements of funds - current		69,991	81,624
Dividends collected	7 b)	61,509	-
Net cash flow used in investment activities		**(283,596)**	**(232,519)**
Net cash flow provided by financing activities			
Interest paid on financial debts	17	(37,097)	(113,682)
Financial debts incurred	17	1,119,480	39,875
Financial debts settled	17	(1,327,637)	(90,648)
Net cash flow used in financing activities		**(245,254)**	**(164,455)**
Decrease in cash, cash equivalents, and bank overdraft facilities, net		**(242,601)**	**(111,662)**
Cash, cash equivalents and bank overdraft facilities at the beginning For the period		1,873,185	199,522
Financial results generated by cash, cash equivalents, and bank overdraft facilities		(54,904)	15,988
Cash, cash equivalents and bank overdraft facilities at the end of the period (Note 12)		**1,575,680**	**103,848**
Changes not entailing movements of funds:			
Payments of property, plant and equipment previously acquired		(31,920)	
Cost of wells retirement capitalized in property, plant and equipment		(6,833)	60,220

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 condensed consolidated interim financial statements of CGC were approved for issuance by the Company's Board of Directors on May 10, 2017.

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 held 81% of CGC capital stock (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.

NOTE 2 - BASIS FOR PREPARATION AND PRESENTATION

These interim consolidated financial statements for the three-month period ended March 31, 2017 are presented in accordance with International Financial Reporting Standards (IFRS), 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 corporate bonds, 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 and its controlled companies. 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, 2017, 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 consolidated interim financial statements must be read jointly with the Company's consolidated financial statements at December 31, 2016, prepared in accordance with International Financing Reporting Standards (IFRS) and issued on March 9, 2017.

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 - Accounting policies and financial statements used

These condensed interim financial statements have been prepared following the same accounting policies used for the preparation of the audited consolidated financial statements at December 31, 2016.

2.2.1 – a) New mandatory standards, modifications and interpretations for years commenced on January 01, 2017 that have not been early adopted

Subsequent to the financial statements at December 31, 2016 there have been no significant changes in the standards applicable for the Company.

2.2.1 – b) New mandatory standards, modifications and interpretations not yet effective at March 31, 2017 and not early adopted by the Company

None of the new standards issued from December 31, 2016 until the date of issuance of these interim condensed financial statements have an adverse effect on the financial position of the Company and the results of its operations.

2.2.2 - Financial statements used

For the purpose of preparing these financial statements, the financial statements of the subsidiaries and associates at March 31, 2017 and 2016 and at December 31, 2016 were used, or the best financial information available at these dates.

2.2.3 - Consolidation – Subsidiaries

The financial statements of CGC at March 31, 2017 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)	Participation % (direct and indirect)	Number of possible votes
Unitec Energy S.A. (1)	Argentina	Argentina	94.47	94.47%	94.47
Compañía General de Combustibles Chile Ltda.	Chile	Chile	100	100%	100
Compañía General de Combustibles Internacional Corp.	Panama	United States dollar	100	100%	100

(1) At December 31, 2016, CGC's interest in Unitec Energy S.A. accounted for 93.26% of capital and votes. On March 23, 2017 the Shareholders of Unitec Energy S.A. decided to capitalize the irrevocable contributions amounting to $24,090 received in 2016. As a result, at March 31, 2017, CGC’s interest in Unitec Energy S.A. accounts to 94.47% of capital and votes, without considering the effects of the irrevocable contributions made by CGC in 2017 amounting to $6,700.

2.3 - Estimates

The preparation of the condensed interim 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 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, 2016.

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 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.

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.

Subsequent to the financial statements at December 31, 2016 there have been no significant changes in the Company's risks management or in the policies related to risk management.

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, 2017 and December 31, 2016. There are no financial liabilities measured at fair value.

At 03.31.2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Other short-term investments:				
Mutual funds	917,537	-	-	917,537
Government securities	223,282	-	-	223,282
Total current assets	**1,140,819**	**-**	**-**	**1,140,819**
Investments in companies:				
Petronado S.A. (Venezuela) (Note 7)	-	-	10,117	10,117
Total non-current assets	**-**	**-**	**10,117**	**10,117**

At 12.31.2016	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Other short-term investments:				
Mutual funds	40,079	-	-	40,079
Government securities	313,244	-	-	313,244
Total current assets	**353,323**	**-**	**-**	**353,323**
Investments in companies:				
Petronado S.A. (Venezuela) (Note 7)	-	-	10,117	10,117
Total non-current assets	**-**	**-**	**10,117**	**10,117**

NOTE 5 – SEGMENT REPORTING

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 carriage, 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 03.31.2017			
	Exploration and production of oil and gas	**Gas carriage**	**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 provision 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**

	At 03.31.2016			
	Exploration and production of oil and gas	**Gas carriage**	**Central structure**	**TOTAL**
Net income	678,107	-	-	678,107
Cost of sales	(223,420)	-	-	(223,420)
Gross profit	**454,687**	**-**	**-**	**454,687**
Selling expenses	(13,755)	-	-	(13,755)
Central structure expenses	-	-	(39,311)	(39,311)
Other operating income and expenses	(9,273)	4,262	(6,341)	(11,352)
Adjusted EBITDA	**431,659**	**4,262**	**(45,652)**	**390,269**
Other operating income and expenses	-	-	(4,126)	(4,126)
Depreciation and amortization	(181,085)	-	(1,510)	(182,595)
Tax on financial transactions	(3,811)	-	(7,705)	(11,516)
Impairment provision for non-financial assets	(4,743)	-	-	(4,743)
Gains/losses on long-term investments	-	(50,047)	-	(50,047)
Subtotal	**242,020**	**(45,785)**	**(58,993)**	**137,242**
Financial income	-	-	31,490	31,490
Financial costs	-	-	(308,125)	(308,125)
Income before taxes	**242,020**	**(45,785)**	**(335,628)**	**(139,393)**
Income tax	(86,074)	(1,492)	117,470	29,904
Income (Loss) for the period	**155,946**	**(47,277)**	**(218,158)**	**(109,489)**
Adjusted EBITDA				**390,269**
Dividends collected in this period				-
Adjusted EBITDA as per dividends collected				**390,269**

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Changes in this caption are as follows:

Main account	Original values					Depreciation					
	Value at the beginning of year	Additions	Transfers --	Deletions	Value at end of period	Accumulated at beginning of the year	Deletions	For the period	Accumulated at end of period	Carrying amount at 03.31.2017	Carrying amount 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 provision 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.

Main account	Original values					Depreciation				Carrying amount at 03.31.2016	Carrying amount at 12.31.2015
	Value at the beginning of year	**Additions**	**Transfers --**	**Deletions**	**Value at end of period**	**Accumulated at beginning of the year**	**Deletions**	**For the period**	**Accumulated at end of period**		
DEVELOPMENT AND PRODUCTION ASSETS											
Wells and production facilities	3,160,696	63,507	50,996	(1,600)	3,273,599	1,161,443	-	163,226	1,324,669	1,948,930	1,999,253
Other production-related assets	15,105	-	-	-	15,105	8,030	-	1,147	9,177	5,928	7,075
Mining property	930,563	-	-	-	930,563	241,081	-	16,712	257,793	672,770	689,482
Materials and spare parts	8,261	19	-	(498)	7,782	-	-	-	-	7,782	8,261
Works in progress (1)	350,602	230,530	(50,996)	-	530,136	-	-	-	-	530,136	350,602
Subtotal	**4,465,227**	**294,056**	**-**	**(2,098)**	**4,757,185**	**1,410,554**	**-**	**181,085**	**1,591,639**	**3,165,546**	**3,054,673**
EXPLORATION AND EVALUATION ASSETS	**184,803**	**154**	**-**	**-**	**184,957**	**-**	**-**	**-**	**-**	**184,957**	**184,803**
CENTRAL MANAGEMENT ASSETS --	**26,784**	**1,545**	**-**	**(90)**	**28,239**	**14,067**	**(90)**	**1,510**	**15,487**	**12,752**	**12,717**
TOTAL AT 03.31.2016	**4,676,814**	**295,755**	-	**(2,188)**	**4,970,381**	**1,424,621**	**(90)**	**182,595**	**1,607,126**	**3,363,255**	**3,252,193**
Impairment provision for non-financial assets										**(103,298)**	**(98,555)**
TOTAL										**3,259,957**	**3,153,638**

(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, 2016 financial costs amounting to $36,540 were capitalized while in the year ended December 31, 2015 $92,953 were registered for the capitalization of financial costs.

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

	03.31.2017	03.31.2016
Balance at the beginning of year	127,552	98,555
(Decreases) Increases	(11,038)	4,743
Balance at period end	**116,514**	**103,298**

NOTE 7 - INVESTMENTS IN COMPANIES

a) Below is a detail of the investments in companies at March 31, 2017 and December 31, 2016:

Company	03.31.2017	12.31.2016
Associate companies		
Gasinvest S.A.	123,487	79,504
Gasoducto GasAndes (Argentina) S.A.	107,189	139,858
Gasoducto GasAndes S.A. (Chile)	77,968	132,181
Transportadora de Gas del Norte S.A.	121	26
Andes Operaciones y Servicios S.A. (Chile)	10,456	10,557
Subtotal	**319,221**	**362,126**
Other companies		
Transportadora de Gas del Mercosur S.A. (2)	-	-
Petronado S.A. (Venezuela) (3)	10,117	10,117
Other investments	10,000	10,000
Subtotal	**20,117**	**20,117**
Goodwill (1)	8,576	8,576
Total investments in companies	**347,914**	**390,819**

(1) Originated in the acquisition of an interest in GasAndes Chile on October 7, 2014.
(2) See Note 24 (2)
(3) See Note 24 (4)

b) Below are the changes in the investments in associates as of March 31, 2017 and 2016:

	03.31.2017	03.31.2016
At the beginning of the year	390,819	268,773
Translation differences	(8,020)	11,185
Acquisition of investments	-	78,608
Capital decrease	(26,935)	-
Gains and losses on investments (Note 20 f))	56,279	(50,047)
Dividends approved (1)	(64,229)	-
At period end	**347,914**	**308,519**

(1) 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:

	03.31.2017	12.31.2016
Non-current:		
Related parties (Note 21 a))	160,064	162,234
Minimum notional income tax	94,913	94,888
Value added tax	22,657	22,776
Sundry	540	539
Allowance for other receivables	(88,032)	(90,073)
Total	**190,142**	**190,364**
Current:		
Receivables under Petróleo Plus Program	30,909	26,177
Receivables under the incentive program for Gas Injection	483,431	567,657
Receivables from the propane gas supply agreement	26,348	19,012
Receivables from export refunds from Patagonia ports	10,596	10,943
Related parties (Note 21 a))	11,697	13,244
Value added tax	148,710	158,212
Income tax	51,877	40,002
Other tax credits	54,316	32,423
Advances to suppliers	383	1,651
Expenses to be recovered	34,096	34,889
Pre-paid insurance	10,303	5,367
Prepaid mining fees	20,427	-
Sundry	1,398	979
Total	**884,491**	**910,556**

Activity in the allowance for other receivables is as follows:

	03.31.2017	03.31.2016
Non-Current		
Balance at the beginning of year	90,073	74,007
(Decreases) Increases (1)	(2,041)	9,341
Balance at period end	**88,032**	**83,348**

(1) $598 and $580 were charged to Other operating income and expenses, and ($2,639) and $8,761 were charged to Financial results in 2017 and 2016, respectively.

NOTE 9 - INVENTORIES

The breakdown of inventories is as follows:

	03.31.2017	12.31.2016
Oil and byproducts	152,231	506,685
Gas held by third parties	15,440	-
Materials and spare parts	154,853	168,652
Total	**322,524**	**675,337**

NOTE 10 - TRADE RECEIVABLES

The breakdown of trade receivables is as follows:

	03.31.2017	12.31.2016
Non-Current		
Ordinary (1)	57,603	63,839
Total	**57,603**	**63,839**
Current		
Ordinary	724,238	511,541
Less: Allowance for doubtful accounts	(33,603)	(30,712)
Total	**690,635**	**480,829**

(1) On April 8, 2016, the First Instance Court No. 1 with jurisdiction over summary proceedings, in and for the city of Comodoro Rivadavia, Office No. 2 of Comodoro Rivadavia, Province of Chubut, ordered that reorganization proceedings of Oil Combustibles S.A. be commenced and established July 25, 2016 as the deadline for creditors holding claims of cause or title prior to March 30, 2016 to file a proof of claims under the terms of section 32 of Law 24522.
On July 21, 2016 the Company filed a proof of claims with the trustee in reorganization for its trade receivables in US dollars and pesos upon cause arising prior to March 30, 2016 for a nominal value of USD 3,954,985 and $14,334, respectively. At March 31, 2017 the Company disclosed these receivables under non-current assets for $57,603.
At the date of these financial statements, the Company continues operating with Oil Combustibles S.A. under certain business conditions, which have been complied in full by the customer.

Activity in the allowance for doubtful accounts is as follows:

	03.31.2017	03.31.2016
Balance at the beginning of year	30,712	4,607
Increases (Note 20 e))	2,891	3,817
Balance at year end	**33,603**	**8,424**

NOTE 11 - OTHER INVESTMENTS

The breakdown of other investments is as follows:

Non-Current:	03.31.2017	12.31.2016
Placements of funds - Related parties (Note 21 a))	8,276	8,392
Negotiable obligations	1,503	1,586
Total	**9,779**	**9,978**

Current:	03.31.2017	12.31.2016
Time deposits	-	572,895
Government securities (2)	223,282	313,244
Mutual funds (1)	917,537	40,079
Total	**1,140,819**	**926,218**

(1) At March 31, 2017 it includes 14,866,676 units of the mutual fund “Toronto Trust Abierto Ley 27260 – Clase C” and 2,307,299 units of the mutual fund “Alpha Renta Fija Global”. At December 31, 2016, it includes 14,260 units of the mutual fund “Alpha Pesos”.

(2) #At March 31, 2017 and December 31, 2016, they include 12,508,792 and 16,314,792 Argentine Bonds denominated in US dollars 8% due in 2020 (Bonar 2020 US dollars). Pursuant to the provisions of Decree No. 704/2016, published in the Official Gazette on May 23, 2016, the subsidies accrued until December 2015 under the Incentive Program for the Excess Natural Gas Injection amounting to $242,486 and accruals as of the same date under the Propane Gas Supply Agreement amounting to $9,290 were paid to the beneficiaries through the delivery of Argentine government bonds denominated in US dollars (Argentine Bonds denominated in US dollars 8% due in 2020, Bonar 2020 US dollars).

NOTE 12 - CASH AND OTHER EQUIVALENT LIQUID ASSETS

	03.31.2017	12.31.2016
Cash, imprest fund and checks to be deposited	214	218
Banks	658,326	1,261,557
Total	**658,540**	**1,261,775**

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

	03.31.2017	03.31.2016
Cash and cash equivalents	658,540	55,468
Mutual funds	917,537	38,076
Time deposits (less than 3 months)	-	26,205
Overdraft facilities	(397)	(15,901)
Total	**1,575,680**	**103,848**

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

NOTE 14 – CONTINGENT LIABILITIES FOR LAWSUITS AND OTHER LEGAL PROCEEDINGS

The contingent liability for lawsuits and other legal proceedings 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, the Argentine Supreme Court of Justice dismissed the appeal by the AFIP in the case captioned *Cia. General de Combustibles S.A. s/ concurso s/ incidente de revisión por AFIP*, thus confirming the judgment of the lower court. 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 contingent liability for lawsuits and contingencies are as follows:

	03.31.2017	03.31.2016
Non-Current		
Balance at the beginning of year	11,048	14,581
Increases (1)	165	64
Balance at period end	**11,213**	**14,645**
Current		
Balance at the beginning of year	31,324	-
(Decreases) (1)	(8,996)	-
Balance at period end	**22,328**	-

(1) ($ 8,826) and $ 96 allocated to Other operating income and expenses in 2017 and 2016, respectively, and ($ 5) and ($ 32) to Financial results in 2017 and 2016.

NOTE 15 - PROVISIONS

The breakdown of provisions is as follows:

	03.31.2017	12.31.2016
Non-current:		
Gas imbalance	15,476	15,371
Asset retirement obligation and provision for environmental remediation	631,715	640,530
Sundry	2,755	2,755
Total	**649,946**	**658,656**
Current:		
Gas imbalance	892	1,345
Fees for reorganization trustees	4,136	2,127
Provisions Guatemala Branch	6,739	6,960
Total	**11,767**	**10,432**

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

	Balance at beginning of year	Increases	Decreases	Balance at period-end
Non-current:				
Gas imbalance (1)	15,371	105	-	15,476
Asset retirement obligation and provision for environmental remediation (2)	640,530	-	(8,815)	631,715
Current:				
Gas imbalance (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.

	Balance at beginning of year	Increases	Decreases	Balance at period-end
Non-current:				
Gas imbalance (1)	16,337	94	(455)	15,976
Asset retirement obligation and provision for environmental remediation (2)	509,534	68,890	-	578,424
Current:				
Gas imbalance (1)	1,958	-	(52)	1,906
Asset retirement obligation and provision for environmental remediation (2)	1,922	-	(73)	1,849
Total at 03.31.2016	**529,751**	**68,984**	**(580)**	**598,155**

(1) $94 correspond to exchange differences and interest, charged to financial costs; ($507) correspond to the return of gas, charged to cost of sales.

(2) $ 8,944 correspond to current value, charged to financial costs, $ 60,220 correspond to the adjustment of future cost, charged to property, plant and equipment, and ($ 347) correspond to applications of funds for the period.

NOTE 16 - TAX PAYABLES

The breakdown of tax payables is as follows:

	03.31.2017	12.31.2016
Non-current:		
Payment plan, Section 32 Law No. 11683	43,740	46,335
Payment plan Law No. 26476	1,562	1,814
Payment plan - AFIP General Resolution No. 3451	4,304	4,427
Total	**49,606**	**52,576**
Current:		
Provision for turnover tax	3,315	2,570
Other taxes	236	375
Tax withholdings and collections	31,660	22,885
Payment plan, Section 32 Law No. 11683	9,783	9,397
Payment plan Law No. 26476	967	939
Payment plan - AFIP General Resolution No. 3451	460	441
Sundry	300	120
Total	**46,721**	**36,727**

NOTE 17 - FINANCIAL DEBTS

The breakdown of financial debts is as follows:

	03.31.2017	12.31.2016
Non-current:		
Bank loans	883,752	-
Negotiable obligations	4,553,848	4,910,686
Total	**5,437,600**	**4,910,686**

	03.31.2017	12.31.2016
Current:		
Overdraft facilities	397	1,564
Bank loans	225,896	560,462
Negotiable obligations	155,541	637,705
Total	**381,834**	**1,199,731**

The activity in financial debts at March 31, 2017 and 2016 is shown below:

	03.31.2017	03.31.2016
Balance at the beginning	6,110,417	2,681,952
Short-term bank overdraft facilities, net	(1,167)	14,177
Interest accrued	147,742	118,528
Exchange difference	(192,304)	203,658
Loans obtained	1,119,480	39,875
Payments of principal	(1,327,637)	(90,648)
Interest payments	(37,097)	(113,682)
Balance at period end	**5,819,434**	**2,853,860**

Due dates of financial debts at March 31, 2017 and at December 31, 2016 are as follows:

	03.31.2017	12.31.2016
Less than 1 year	381,834	1,199,731
From 1 to 2 years	866,250	50,657
From 2 to 3 years	-	125,080
After 3 years	4,571,350	4,734,949
Total	**5,819,434**	**6,110,417**

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.

A description of the main variations in the Company's financing structure during the three-month period ended March 31, 2017 until the date of issue of these condensed interim financial statements is shown below.

Full early redemption of all Class 2, 4, 6, 7 and 8 Negotiable Obligations issued under the local program.

Class 2, 4, 6, 7 and 8 Negotiable Obligations issued under the local program in fiscal year 2015 were fully redeemed on March 7, 2017. As set out in the pricing supplements, the redemption price of the negotiable obligations consisted of the redemption premium that is equivalent to 101% plus accrued and unpaid interest, calculated until the redemption date.

The total principal amount redeemed on the Class 2, 4, 6, 7 and 8 negotiable obligations issued under the local program corresponds to 100% of their residual value.

- Class 4 Negotiable Obligations USD 15,471,025
- Class 6 Negotiable Obligations USD 18,454,300
- Class 2 Negotiable Obligations USD 8,975,849
- Class 7 Negotiable Obligations USD 2,962,000, and
- Class 8 Negotiable Obligations $68,477,272.

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.

Syndicated Loan Agreement in US Dollars amortized on February 3, 2017 and disbursed on October 5, 2016

The syndicated loan in US dollars with ICBC, as administrative agent, was amortized on February 3, 2017 for USD 35 million. The loan was disbursed on October 5, 2016 for USD 127.3 million and was early amortized by the company on November 8, 2016 for USD 92.3 million.

NOTE 18 - OTHER LIABILITIES

The breakdown of other liabilities is as follows:

	03.31.2017	12.31.2016
Current:		
Oil and gas royalties	28,524	34,460
Sundry (1)	60,049	62,625
Total	**88,573**	**97,085**

(1) It includes $60,049 and $62,417 at March 31, 2017 and December 31, 2016, respectively, corresponding to the balance payable under the agreement for the extension of the concession terms (Note 23 a) (2)).

NOTE 19 - TRADE PAYABLES

The breakdown of trade payables is as follows:

	03.31.2017	12.31.2016
Non-current:		
Ordinary suppliers (1)	46,170	79,450
Total	**46,170**	**79,450**
Current:		
Ordinary suppliers (1)	374,580	343,882
Ordinary suppliers of joint ventures	20,694	25,260
Related parties (Note 21 a))	40,281	38,453
Invoices to be received	275,750	185,771
Total	**711,305**	**593,366**

(1) At December 31, 2017 and December 31, 2016, USD 5,000,000 and USD 7,000,000, 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, $46,170 and $79,450 is disclosed under ordinary suppliers - non-current and $30,780 and $31,780 under ordinary suppliers - current.

NOTE 20 - BREAKDOWN OF MAIN INCOME STATEMENT CAPTIONS

a) Net income

	03.31.2017	03.31.2016
Crude oil delivered	718,278	209,958
Gas	308,197	217,516
Other	34,923	55,777
Government subsidies	120,878	194,856
Total	**1,182,276**	**678,107**

b) Cost of sales

	03.31.2017	03.31.2016
Stocks at the beginning	675,337	140,093
Purchases	33,693	32,940
#Inventory consumption	(47,567)	(17,271)
Expenses attributable to cost of sales (1)	870,752	710,165
Stocks at period-end	(322,524)	(457,611)
Cost of sales	**1,209,691**	**408,316**

(1) Expenses attributable to cost of sales

	03.31.2017	03.31.2016
Fees and compensation for services	1,260	1,445
Outsourced services	341,925	259,890
Salaries, wages and social security contributions	38,548	25,701
Other expenses on personnel	4,143	3,503
Depreciation of property, plant and equipment	189,148	181,085
Taxes, duties and contributions	5,590	7,792
Fuel, gas and electricity	12,648	15,434
General insurance	6,794	9,522
Spare parts and repairs	51,427	41,777
Wells maintenance	41,174	17,647
Office expenses	11,683	5,392
Travel and per diem	1,225	650
Royalties, fee and easements	136,748	127,639
Gas imbalance	(455)	(507)
Environmental control	28,894	13,195
Total	**870,752**	**710,165**

c) Selling expenses

	03.31.2017	03.31.2016
Turnover tax	28,787	13,755
Total	**28,787**	**13,755**

d) Administrative expenses

	03.31.2017	03.31.2016
Fees and compensation for services	19,454	14,026
Salaries, wages and social security contributions	26,880	15,686
Other expenses on personnel	1,540	1,329
Depreciation of property, plant and equipment	2,007	1,510
Taxes, duties and contributions	7,351	7,852
General insurance	415	309
Spare parts and repairs	6,540	4,033
Office expenses	2,292	1,760
Travel and per diem	2,679	1,150
Communications	885	260
Other	1,664	611
Total	**71,707**	**48,526**

e) Other operating income and expenses

	03.31.2017	03.31.2016
Fees for services rendered	5,648	4,262
Outsourced services	(20)	(9,273)
Incentives under Petróleo Plus program	5,561	-
Charge for allowance for other receivables (Note 8)	(598)	(580)
Recovery (charge) of impairment provision for non-financial assets (Note 6)	11,038	(4,743)
Charge for allowance for trade receivables (Note 10)	(2,891)	(3,817)
Recovery (charge) of contingent liabilities for lawsuits (Note 14)	8,826	(96)
Sundry	(12,753)	(5,974)
Total	**14,811**	**(20,221)**

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

Associates	03.31.2017	03.31.2016
Gasinvest S.A.	44,185	(61,221)
Gasoducto GasAndes (Argentina) S.A.	6,650	7,169
Gasoducto GasAndes S.A. (Chile)	5,112	3,349
Andes Operaciones y Servicios S.A. (Chile)	237	900
Transportadora de Gas del Norte S.A.	95	(244)
Total	**56,279**	**(50,047)**

g) Financial results

	03.31.2017	03.31.2016
Financial income		
Interest	1,994	2,888
Income from measurement of financial instruments at fair value	(19,788)	(1,967)
Exchange differences	201,018	30,569
Total	**183,224**	**31,490**

	03.31.2017	03.31.2016
Financial costs		
Interest	(156,128)	(121,446)
Exchange differences	(71,080)	(185,372)
Other financial expenses	(38,013)	(1,307)
Total	**(265,221)**	**(308,125)**

NOTE 21 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

At March 31, 2017 and December 31, 2016 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, 2017 and December 31, 2016, LE holds 70% of CGC's shares and voting rights, and SCP the remaining 30%.

a) Balances with related parties at March 31, 2017 and December 31, 2016 are included below:

	03.31.2017	12.31.2016
Other investments		
Non-Current:		
Transportadora Gas del Mercosur S.A.	8,276	8,392
Total	**8,276**	**8,392**
Other receivables		
Non-Current:		
Latin Exploration SL	20,019	20,019
Petronado S.A.	55,396	57,207
Transportadora Gas del Norte S.A.	84,649	85,008
Total	**160,064**	**162,234**
Current:		
Gasoducto GasAndes (Argentina) S.A.	2,859	2,591
Transportadora de Gas del Norte S.A.	-	1,519
Petronado S.A.	8,838	9,134
Total	**11,697**	**13,244**
Trade payables		
Corredor Americano S.A.	40,281	38,453
Total	**40,281**	**38,453**

The main transactions with related parties for the three-month periods ended March 31, 2017 and 2016 are included below:

	03.31.2017			
Company	**Sale of services**	**Interest earned**	**Dividends collected**	**Outsourced services**
Associates				
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	-	-

Company	03.31.2016			
	Sale of services	Interest earned	Dividends collected	Outsourced services
Associates				
Transportadora Gas del Norte S.A.	481	-	-	-
Gasoducto GasAndes S.A.	3,190	-	-	-
Other companies				
Corredor Americano S.A. (1)	-	-	-	9,530
Transportadora Gas del Mercosur S.A.	-	146	-	-

(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.

	03.31.2017	12.31.2016
Deferred tax is as follows:		
Deferred tax assets	558,867	497,389
Deferred tax liabilities	(352,806)	(359,135)
Net deferred tax assets	**206,061**	**138,254**

	03.31.2017	12.31.2016
Classification of deferred tax:		
Deferred tax asset (Unitec Energy S.A.)	55,435	53,844
Deferred tax asset (CGC)	150,626	84,410
Net deferred tax assets, consolidated	**206,061**	**138,254**

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

	03.31.2017	03.31.2016
Income tax for the period		
Current tax - Income (Loss)	(744)	(31,070)
Deferred tax - Income (Loss)	67,807	60,974
Total income tax	**67,063**	**29,904**

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:

	03.31.2017	03.31.2016
Income before income tax	(138,816)	(139,393)
Tax rate in effect, applied on income For the period	35%	35%
Subtotal	48,586	48,788
Effect of permanent differences and provisions	18,477	(18,884)
Total income tax	**67,063**	**29,904**

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 consortiums and joint ventures for hydrocarbon exploration and production. At March 31, 2017 and December 31, 2016 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, 2017 and December 31, 2016 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
Southern	Santa Cruz I	100.00	(2)	CGC	2023/35	Exploration and exploitation
	Santa Cruz I Oeste	100.00		CGC	2033	Exploitation
	Santa Cruz II	100.00	(2)	CGC	2027/33	Exploitation
	Glencross	87.00		CGC	2033	Exploitation
	Estancia Chiripa	87.00		CGC	2033	Exploitation
	CA2-Laguna de los Capones	100.00	(2)	CGC	2026	Exploration and exploitation
	Piedrabuena	100.00	(1)	Unitec Energy S.A.	23 d)	Exploration
	Mata Amarilla	100.00	(1)	Unitec Energy S.A.	23 d)	Exploration
Neuquén	Angostura	100.00		CGC	23 d)	Exploration
	CNQ6-El Sauce	50.00		Central International LLC. Suc. Argentina (3)	2025	Exploration and exploitation
Golfo San Jorge	Sarmiento	100.00	(1)	Unitec Energy S.A.	2017	Production
Venezuela	Campo Onado	26.004		Petronado S.A.	2026	Exploitation
Guatemala	A-9-96	100.00		CGC	23 d)	Exploration

(1) Consolidated areas of Unitec Energy S.A. (see Note 2.2.3.(1))
(2) On June 27, 2016 an agreement for the extension of the concession terms of Santa Cruz I Fractions A, B, C and D, Santa Cruz II Fraction A and B and Laguna de los Capones was entered into with the Energy Institute of Santa Cruz. The agreement was ratified on July 5, 2016 by a Decree from the Provincial Executive Branch, and by the Legislative Branch for the Province of Santa Cruz through Law No. 3500, published in the Official Gazette in the Province of Santa Cruz on November 22, 2016.
(3) On March 29, 2017 CGC agreed with Central International LLC. Suc. Argentina to appoint Compañía General de Combustibles S.A. as the new operator of the "El Sauce" area effective April 1, 2017.

b) The total amounts of the consolidated statements of financial position relating to the participation of the Company in joint operations at March 31, 2017 and December 31, 2016 and the income statements for the three-month periods ended March 31, 2017 and 2016 are shown below:

	03.31.2017	12.31.2016
Non-current assets	42,886	71,744
Current assets	10,297	2,557
Total assets	**53,183**	**74,301**
Non-current liabilities	38,691	35,271
Current liabilities	21,140	25,537
Total liabilities	**59,831**	**60,808**

	03.31.2017	03.31.2016
Operating loss (*)	32,940	21,688
Net loss (*)	49,478	24,906

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

c) Investment commitments: at March 31, 2017 the Company's participation in minimum commitments in these areas amounted to USD 21.4 million approximately, USD 16.5 million of which correspond to the Angostura area.

d) Subsequent to December 31, 2016 there have been no significant changes in the status of the concession contracts for the oil and gas areas.

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 %	
		03.31.2017	12.31.2016
Associates			
Gasinvest S.A.	(1) (5)	40.8574	40.8574
Gasoducto GasAndes (Argentina) S.A.	(6)	39.9999	39.9999
Gasoducto GasAndes S.A. (Chile)		39.9999	39.9999
Andes Operaciones y Servicios S.A. (Chile)		50.0000	50.0000
Transportadora de Gas del Norte S.A.	(3)	0.0465	0.0465
Other companies			
Transportadora de Gas del Mercosur S.A.	(2) (5)	10.8988	10.8988
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) Subsequent to December 31, 2016 there have been no significant changes in the situation of Transportadora de Gas del Mercosur S.A. (TGM). For this reason, Compañía General de Combustibles S.A. has recorded an impairment of its direct investment in TGM, so its valuation at March 31, 2017 is zero.

(3) Following December 31, 2016, the significant changes in the situation of Transportadora de Gas del Norte S.A. (TGN) are the following: On March 30, 2017, TGN entered into an agreement with the Ministry of Finance and the MINEM for the comprehensive renegotiation of the License (the "Comprehensive Agreement"), whose effective date is subject to the PEN's approval, after intervention of the Federal Treasury Attorney's Office, Argentina's General Accounting Office, and both chambers of the National Congress following the opinion of a bicameral commission. On the same date, TGN was granted a new temporary average rate increase of 49% on account of a higher increase to be applied as a result of a comprehensive rate review carried out by the ENARGAS and tied to the execution of mandatory investments.

The Comprehensive Agreement ends a fifteen-year period of legal and regulatory instability that started in 2002 with the LEP. It sets forth the terms and conditions agreed to between the PEN and TGN to adapt the License, establishes the guidelines under which the ENARGAS conducted the CRR for the period 2017-2022 and concludes the renegotiation process developed within the framework of the LEP. Once this agreement comes into force after having been ratified by the PEN and by the Company´s extraordinary shareholders meeting to be held on May 31, 2017, its provisions will cover the contract period from January 6, 2002 to the termination date of the License.

Between April 1, 2017 and March 31, 2022, the Company must implement a Mandatory Investment Plan for approximately $ 5.6 billion. The Comprehensive Agreement also established the guidelines under which the ENARGAS carried out the CRR for the period 2017-2022.

As a condition precedent to the ratification of the Comprehensive Agreement, TGN must stay the suit filed against the National State claiming damages suffered by the Company as a result of the pesification and subsequent freeze of its rates (see Note 18.1.6 to the Financial Statements of TGN as of December 31, 2016). Additionally, within ninety calendar days counted from the date on which the ENARGAS resolution that approves the rate schedule resulting from the CRR comes into force and stays effective, or from the last step of the increase, which shall not exceed April 1, 2018, or from the resolutions approving the distribution rate schedules including the aforementioned rate schedules, as appropriate, TGN shall fully and expressly waive the right and dismiss the action brought against the National State, as well as all rights it might invoke or bring against the National State, based on or related to facts or legal measures ordered with respect to the License under the LEP and/or because the Producer Price Index ("PPI") became ineffective due to its cancellation. The same must be done by the Company's controlling shareholder, Gasinvest S.A. ("Gasinvest"), and the shareholders representing at least two thirds of Gasinvest's capital stock.

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 shareholders 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, TGN shall 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 transferred to the users of the carriage service.

On the other hand, and in relation to arbitration awards obtained prior to the signing of the Comprehensive Agreement by 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. TGN shall be liable for those amounts, only through sustainable investments, additional to those established by the ENARGAS as mandatory investments under the CRR, in gas pipelines and complementary installations in the Neuquén Basin. These investments shall not be included in the Company's rate base. The rate increases implemented since 2016 have enabled the Company to break the series of 21 consecutive quarters with negative operating results, finance its operating and maintenance expenses, execute certain works and settle financial debts by the respective maturities. However, in light of the demands of the gas pipeline system operation and maintenance, it is still necessary that the new rate levels resulting from CRR are maintained in real values over time. In this sense, the CRR conducted by the ENARGAS introduces non-automatic bi-annual carriage rate adjustments, between five-year rate reviews, regarding observable variations in the prices related to the cost of the service, in order to maintain the economic-financial balance of the rendered service and its quality.

Once the implementation of tariff increases under the CRR have been completed (December 2017 and April 2018) in accordance with Resolution I 4363/17 of ENARGAS dated March 30, 2017 and the non-automatic bi-annual carriage rates adjustments for observable variations in the prices related to the cost of the service have been applied, TGN would have eliminated the uncertainty as to the generation of future cash flow that allows repayment of the financial debt and the normal course of its business.

CGC has estimated the recoverable value of its direct and indirect investment in TGN whose carrying amount is $123.6 million at March 31, 2017. As mentioned in the preceding paragraphs, the materialization of certain significant estimates made by the Company in order to determine the recoverable value of this asset will depend on future events and actions, some of which are beyond its direct control and might, eventually, affect the carrying amount of this asset. Also, there is uncertainty as to TGN possibility of continuing operating as a going concern.

CGC's direct and indirect interest in TGN accounts for 23.07% at March 31, 2017.

(4) Subsequent to December 31, 2016 there have been no significant changes in the situation of Petronado S.A.

(5) There were no significant changes after December 31, 2016, in the situation reported in the financial statements as of December 31, 2016, regarding CGC's interests in TGM and Gasinvest.

(6) Taking into account that the revenues of Gasoducto Gasandes (Argentina) S.A. come from the export of services, and considering that during the 2016 fiscal year the new government administration in Argentina adopted a series of economic measures aimed at removing the restrictions that had historically affected its economic environment, it was concluded that the functional currency should be US dollar. The effect of this change is shown since January 1, 2017.

NOTE 25 - SUBSEQUENT EVENTS

After March 31, 2017, 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 consolidated financial statements, except for the following:

At the date of approval of these financial statements, the Company is considering several strategic opportunities, including the potential search for acquirers for the gas transportation system (midstream) where the Company has interests through Gasinvest S.A., Transportadora de Gas de Norte S.A., Gasoducto Gasandes (Argentina) S.A., Gasoducto Gasandes S.A. (Chile), Andes Operaciones y Servicios S.A. (Chile) and Transportadora de Gas del Mercosur S.A.

“Free translation from de original in Spanish for publication in Argentina”

REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM 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: 30-50673393-2

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Compañía General de Combustibles S.A. and its subsidiaries (the “Company”) , including the consolidated interim statement of financial position at March 31, 2017, the consolidated interim statement of comprehensive income for the three-month period ended March 31, 2017 and the consolidated interim 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 2016 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 consolidated interim 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 (Argentine Federation of Professional Councils in Economic Sciences), 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 consolidated interim 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 consolidated interim financial statements of Compañía General de Combustibles S.A. have been transcribed into the 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 separated interim 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, 2017, the debt accrued by Compañía General de Combustibles S.A. in favor of the Argentine Integrated Social Security System amounted, according to the Company's accounting records and calculations, to $4,934,747, none of which was claimable at that date.

Autonomous City of Buenos Aires, May 10, 2017

PRICE WATERHOUSE & CO. S.R.L.

By (Partner)

Alejando P. Frechou