COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

Condensed interim consolidated financial statements at September 30, 2017

(Presented in comparative format with 2016)

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2017

Contents

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

Summary of Activity for the third quarter ended on September 30, 2017

This Summary of Activity, prepared in compliance with the rules issued by the National Securities Commission (Periodical Information System – Title IV – Chapter III – Section 4), is supplementary to the consolidated financial statements of the Company for the nine-month period commenced on January 1, 2017 and ended on September 30, 2017.

1. Brief description of Company's activities during the third quarter ended on September 30, 2017, including reference to relevant circumstances subsequent to period end.

The adjusted EBITDA for the third quarter of 2017 amounted to $ 320,438 thousand, which represents a decrease of $ 17,343 thousand compared with the third quarter of 2016. This is mainly related to higher costs allocated to sales, net of the increase in the sales price of gas.

The production of oil, natural gas, liquefied petroleum gas and gasoline during the third quarter of 2017 was 343 Mm3 of oil equivalent, reflecting an increase of 28 Mm3 (8%) compared with the amounts produced in the same period of the previous year.

Liquid hydrocarbon accounted for 24% of the total production and natural gas accounted for 76%.

The Company has a significant presence in the activity of natural gas transportation 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 third quarter of 2017 reached 6,356 million cubic meters, 0.3 % higher than in the same period in 2016.

Changes in Company indicators

	Q3 2017	Q3 2016	Q3 2015
Adjusted EBITDA (thousands of pesos)	320,438	337,781	207,821
Oil production (m3/day) (1) (2)	903.4	991.1	1,242.6
Gas production (Mm3/day) (2)	2,829.9	2,438.1	2,368.8
Transported gas (MMm3)	6,356	6,334	6,085

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

Significant events in the third quarter ended September 30, 2017 including subsequent events

Assignment of El Sauce area

CGC assigned Energía Compañía Petrolera S.A. all the rights and obligations corresponding to the participation in the exploitation Concession over the "CNQ-16 El Sauce" area, effective as of September 1, 2017. (See note 23a) (3) to the consolidated financial statements)

Award of the Tapi Aike Area

Decree No. 775/2017 issued by the Executive Branch of the Province of Santa Cruz was published on September 7, 2017, whereby under IESC bid No. 1/17 the Company was awarded the exploration and eventual exploitation of the Tapi Aike area. In view of this, on September 25, 2017, the Company and the Province of Santa Cruz signed a contract regulating the conditions under which the exploration work would be performed in the area. This contract is subject to ratification by the Executive Branch of the Province of Santa Cruz, which is still pending.

Joint venture agreements with Echo Energy PLC

On October 31, 2017, the Company entered into joint venture agreements with Echo Energy Plc. ("Echo Energy") for the exploration under the operating concessions of Fractions C and D of the Santa Cruz I, Laguna de los Capones and Tapi Aike areas in the Austral basin of the Province of Santa Cruz. (See Note 23 (5) to the consolidated financial statements)

Under these agreements, and subject to certain conditions, the Company will assign and transfer to an Argentine branch of Echo Energy the 50% of all its rights and obligations arising under the concessions, effective as of January 1, 2018. The Company will be the operator of the areas under these agreements. In the event of noncompliance with any obligation by Echo Energy, the Company may rescind the agreements and recover the assigned interests.

2. Consolidated balance sheet figures at September 30, 2017, comparative with the same period of the prior years 2016 and 2015

(In thousands of pesos)

	9.30.2017	9.30.2016	9.30.2015
Non-current assets	6,016,595	4,025,736	3,399,036
Current assets	3,116,561	1,905,964	1,347,988
Total assets	**9,133,156**	**5,931,700**	**4,747,024**
Equity attributable to the Company's shareholders	723,836	1,263,630	1,522,271
Non-controlling interests	5,801	6,539	8,896
Total equity	**729,637**	**1,270,169**	**1,531,167**
Non-current liabilities	6,468,495	2,045,528	2,414,093
Current liabilities	1,935,024	2,616,003	801,764
Total liabilities	**8,403,519**	**4,661,531**	**3,215,857**
Total equity and liabilities	**9,133,156**	**5,931,700**	**4,747,024**

The increase in total assets at September 30, 2017 compared with September 30, 2016 is mainly due to the increase in Property, plant and equipment and Cash and other current investments, resulting from the significant funding obtained through the issuance of Class A Negotiable Obligations for US$ 300 million on November 7, 2016 under the international program and the execution of US$ syndicated loan for US$ 72 million on February 20, 2017.

3. **Structure of Company's results for the nine-month period ended September 30, 2017, comparative with the same period of the prior years 2016 and 2015**
(In thousands of pesos)

	9.30.2017	9.30.2016	9.30.2015
Net sales	3,421,099	2,806,818	1,647,494
Cost of sales	(3,336,549)	(2,092,190)	(1,358,787)
Gross profit	**84,550**	**714,628**	**288,707**
Selling expenses	(76,994)	(56,896)	(39,354)
Administrative expenses	(225,351)	(179,322)	(128,973)
Exploration expenses	-	-	(27,938)
Other operating income and expenses	46,445	(71,975)	386,059
Operating (loss) income	**(171,350)**	**406,435**	**478,501**
Gains and losses on investments valued under the equity method	177,443	(10,367)	(96,971)
Financial results, net	(754,111)	(531,942)	(147,226)
(Loss) income before taxes	**(748,018)**	**(135,874)**	**234,304**
Income tax	314,833	34,175	21,570
Net (loss) income	**(433,185)**	**(101,699)**	**255,874**
Other comprehensive income	**17,431**	**16,166**	**9,733**
Consolidated comprehensive income	**(415,754)**	**(85,533)**	**265,607**

The decrease noted in gross profit in the quarter ended September 30, 2017 is mainly due to the decline in the average sale price of oil and the rise in production costs.

4. **Cash flow structure for the nine-month period ended September 30, 2017, comparative with the same period of the prior years 2016 and 2015**
(In thousands of pesos)

	9.30.2017	9.30.2016	9.30.2015
Net cash provided by (used in) operating activities	991,523	831,594	(43,989)
Net cash used in investment activities	(1,271,722)	(965,210)	(1,229,501)
Net cash (used in) provided by financing activities	(504,395)	(74,431)	1,500,473
(Decrease) Increase in cash, cash equivalents, and bank overdraft facilities, net	**(784,594)**	**(208,047)**	**226,983**
Cash at the beginning of year	1,873,185	199,522	20,402
Financial results generated by cash	104,541	52,126	40,330
Cash at period-end	**1,193,132**	**43,601**	**287,715**

The variance in cash flows in the nine-month period ended September 30, 2017 arise mainly from the issuance on November 7, 2016 of Negotiable Obligations for US$ 300 million under the international program, the early settlement of the Negotiable Obligations under the local program and the execution of US$ 72 million syndicated loan on February 20, 2017. (See Note 17 to the consolidated financial statements)

5. Statistical data for the nine-month period ended September 30, 2017 comparative with the same period of the prior years 2016 and 2015

See production of crude oil and gas and gas transportation for the third quarter of the period ended September 30, 2017 comparative with the same period of the prior years 2016 and 2015 in point 1 of this Summary of Activity.

6. Ratios for the nine-month period ended September 30, 2017 comparative with the same period of the prior years 2016 and 2015

		9.30.2017	9.30.2016	9.30.2015
Liquidity	(a)	1.61	0.73	1.68
Solvency	(b)	0.09	0.27	0.48
Lock-up capital	(c)	0.66	0.68	0.72

(a) Current assets/Current liabilities

(b) Shareholders' equity/ Total liabilities

(c) Non-current assets/Total assets

The profitability index is included only for the annual financial statements.

7. Prospects

The Company expects to continue with the development of hydrocarbons and increase of production, in particular, of natural gas. In line with the position adopted in fiscal year 2016, we will work aiming at new discoveries of reserves through exploration, and the development of the areas we operate by improving current production using best practices for the optimization of costs. By the end of 2016, the Company achieved the extension of some concessions in the province of Santa Cruz. This extension improves the Company's possibilities to develop its long term reserves. The Company will continue giving priority to short-cycle production and exploration projects.

Autonomous City of Buenos Aires, November 9, 2017

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

CONDENSED INTERIM CONSOLIDATED

FINANCIAL STATEMENTS

AT SEPTEMBER 30, 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AT SEPTEMBER 30, 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:	September 12, 2007, December 19, 2013 and April 17, 2015 (1)
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. (2)
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% (2)

CAPITAL STATUS (2)- 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) On July 25, 2017 a request for registration of amendment to bylaws was filed with the CNV.
(2) Note 13 to the consolidated financial statements.

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT SEPTEMBER 30, 2017 AND DECEMBER 31, 2016
(presented in comparative format)
(In thousands of pesos)

	Note	9.30.2017	12.31.2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	4,783,594	3,813,141
Investments in subsidiaries and associates	7	494,529	390,819
Other investments	11	11,399	9,978
Deferred tax assets	22	453,831	138,254
Other receivables	8	197,319	190,364
Trade receivables	10	75,923	63,839
Total Non-Current Assets		**6,016,595**	**4,606,395**
CURRENT ASSETS			
Inventories	9	248,033	675,337
Other receivables	8	957,092	910,556
Trade receivables	10	503,060	480,829
Other investments	4 and 11	851,529	926,218
Cash and other equivalent liquid assets	12	556,847	1,261,775
Total Current Assets		**3,116,561**	**4,254,715**
TOTAL ASSETS		**9,133,156**	**8,861,110**
EQUITY			
Capital stock	13	399,138	399,138
Reserves		610,259	841,350
Retained earnings		(432,659)	(231,091)
Other comprehensive income		147,098	129,667
Total equity attributable to the Company's shareholders		**723,836**	**1,139,064**
Non-controlling interests		**5,801**	**6,327**
TOTAL EQUITY		**729,637**	**1,145,391**
LIABILITIES			
NON-CURRENT LIABILITIES			
Contingent liabilities for lawsuits and other legal proceedings	14	11,562	11,048
Provisions	15	727,481	658,656
Tax payables	16	43,307	52,576
Financial debts	17	5,634,215	4,910,686
Trade payables	19	51,930	79,450
Total Non-Current Liabilities		**6,468,495**	**5,712,416**
CURRENT LIABILITIES			
Contingent liabilities for lawsuits and other legal proceedings	14	-	31,324
Provisions	15	11,202	10,432
Other liabilities	18	113,981	97,085
Tax payables	16	45,838	36,727
Salaries and social security contributions		26,197	34,638
Financial debts	17	936,993	1,199,731
Trade payables	19	800,813	593,366
Total Current Liabilities		**1,935,024**	**2,003,303**
TOTAL LIABILITIES		**8,403,519**	**7,715,719**
TOTAL EQUITY AND LIABILITIES		**9,133,156**	**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 STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2016
(presented in comparative format)
(In thousands of pesos)

		Three-month period ended		Nine-month period ended	
	Note	9.30.2017	9.30.2016	9.30.2017	9.30.2016
Net income	20 a)	1,278,295	948,899	3,421,099	2,806,818
Cost of sales	20 b)	(1,179,195)	(785,868)	(3,336,549)	(2,092,190)
Gross profit		**99,100**	**163,031**	**84,550**	**714,628**
Selling expenses	20 c)	(28,996)	(18,048)	(76,994)	(56,896)
Administrative expenses	20 d)	(83,723)	(61,091)	(225,351)	(179,322)
Other operating income and expenses	20 e)	58,488	16,684	46,445	(71,975)
Operating income (loss)		**44,869**	**100,576**	**(171,350)**	**406,435**
Gain/(loss) on investments valued under the equity method	20 f)	86,972	(6,549)	177,443	(10,367)
Financial income	20 g)	3,407	1,852	15,458	6,953
Financial costs	20 g)	(129,491)	(121,545)	(381,358)	(368,514)
Other financial results	20 g)	(155,517)	(17,860)	(388,211)	(170,381)
Income (loss) before taxes		**(149,760)**	**(43,526)**	**(748,018)**	**(135,874)**
Income tax	22	80,000	4,043	314,833	34,175
Net loss for the period		**(69,760)**	**(39,483)**	**(433,185)**	**(101,699)**
OTHER COMPREHENSIVE INCOME					
Financial statement translation difference		9,226	2,186	17,431	16,166
Total other comprehensive income for the period, net of taxes		9,226	2,186	17,431	16,166
Total comprehensive loss for the period		**(60,534)**	**(37,297)**	**(415,754)**	**(85,533)**
Net loss, attributable to:					
Company shareholders		(69,572)	(38,892)	(432,659)	(100,783)
Non-controlling interests		(188)	(591)	(526)	(916)
		(69,760)	**(39,483)**	**(433,185)**	**(101,699)**
Total comprehensive income, attributable to:					
Company shareholders		(60,346)	(36,706)	(415,228)	(84,617)
Non-controlling interests		(188)	(591)	(526)	(916)
		(60,534)	**(37,297)**	**(415,754)**	**(85,533)**
Basic and diluted loss per share		**(0.174)**	**(0.097)**	**(1.084)**	**(0.252)**

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

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017
(In thousands of pesos)

	Capital stock (Note 13)	Legal reserve	Discretionary reserve (1)	Other	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**
Resolution of the Ordinary Meeting of Shareholders dated April 21, 2017:									
- Absorption of accumulated losses	-	-	(231,091)	-	231,091	-	-	-	-
Net loss for the period	-	-	-	-	(432,659)	-	(432,659)	(526)	(433,185)
Changes in other comprehensive income for the period	-	-	-	-	-	17,431	17,431	-	17,431
Balances at September 30, 2017	**399,138**	**17,491**	**725,557**	**(132,789)**	**(432,659)**	**147,098**	**723,836**	**5,801**	**729,637**

(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 STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(In thousands of pesos)

	Capital stock (Note 13)	Legal reserve	Discretionary reserve (1)	Other	Retained earnings	Other comprehensive income	Equity attributable to the Company's 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	-	-	-	-	(100,783)	-	(100,783)	(916)	(101,699)
Changes in other comprehensive income for the period	-	-	-	-	-	16,166	16,166	-	16,166
Balances at September 30, 2016	**399,138**	**17,491**	**956,648**	**(132,789)**	**(100,783)**	**123,925**	**1,263,630**	**6,539**	**1,270,169**

(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 STATEMENT OF CASH FLOW
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017 AND 2016
(presented in comparative format)
(In thousands of pesos)

	Note	9.30.2017	9.30.2016
Cash flow from operating activities			
Net loss for the period		(433,185)	(101,699)
Adjustments to arrive at net cash flow from operating activities:			
Depreciation of property, plant and equipment	6	730,938	602,787
Gain/(loss) on deletions of property, plant and equipment	6	114	1,921
Gain/(loss) on investments valued under the equity method	20 f)	(177,443)	10,367
Financial results, net	20 g)	533,653	531,942
(Decrease)/Increase in allowances for receivables, net	20 e)	(562)	24,187
(Decrease)/Increase in contingent liabilities for lawsuits, net	20 e)	(30,811)	23,493
(Decrease)/Increase in impairment provision for non-financial assets	20 e)	(2,950)	6,117
Gain for the assignment of the CNQ6-El Sauce area	20 e)	(12,916)	-
Gas imbalance charges	20.b)	(1,349)	(1,498)
Income accrued net of collections under the Petróleo Plus Program, the Gas Plan and the Propane Gas Plan		(568,888)	(157,214)
Accrued income tax	22	(314,833)	(34,175)
Changes in operating assets and liabilities:			
Receivables		530,644	242,049
Inventory		427,304	(266,471)
Non-financial debts		370,618	8,104
Income tax paid		(58,811)	(58,316)
Net cash flow provided by operating activities		**991,523**	**831,594**
Net cash flow provided by investment activities			
Acquisition of property, plant and equipment	6	(1,486,441)	(689,428)
Decrease/(Increase) in investments in companies	7 b)	26,936	(78,608)
Variance in placements of funds - current		123,555	(197,174)
Dividends collected	7 b)	64,228	-
Net cash flow used in investment activities		**(1,271,722)**	**(965,210)**
Net cash flow provided by financing activities			
Interest paid on financial debts	17	(295,683)	(360,438)
Financial debts incurred	17	1,119,480	557,950
Financial debts settled	17	(1,328,192)	(271,943)
Net cash flow used in financing activities		**(504,395)**	**(74,431)**
Decrease in cash, cash equivalents, and bank overdraft facilities, net		**(784,594)**	**(208,047)**
Cash, cash equivalents and bank overdraft facilities at the beginning For the period		1,873,185	199,522
Financial results generated by cash and cash equivalents		104,541	52,126
Cash, cash equivalents and bank overdraft facilities at the end of the period (Note 12)		**1,193,132**	**43,601**

Changes not entailing movements of funds:

		9.30.2017	9.30.2016
Cost of wells retirement capitalized in property, plant and equipment		67,839	84,384
Payments of property, plant and equipment previously acquired		(31,920)	-
Capitalization of financial costs		176,195	78,390
Acquisition of property, plant and equipment pending settlement		-	99,050

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, 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 interim consolidated financial statements of CGC were approved for issuance by the Company's Board of Directors on November 9, 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 nine-month period ended September 30, 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 September 30, 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 1, 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 September 30, 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 condensed interim 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 September 30, 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 September 30, 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)	% of participation (direct and indirect)	Number of voting rights
Unitec Energy S.A. (1)	Argentina	Argentine peso	94.47	94.47%	94.47
Compañía General de Combustibles Chile Ltda.	Chile	Chilean peso	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 September 30, 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 $18,600.

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 September 30, 2017 and December 31, 2016. There are no financial liabilities measured at fair value.

9.30.2017	Level 1	Level 2	Level 3	Total
Current assets				
Other short-term investments:				
Mutual funds	638,178	-	-	638,178
Government securities	213,351	-	-	213,351
Total current assets	**851,529**	**-**	**-**	**851,529**
Non-current assets				
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
Current assets				
Other short-term investments:				
Mutual funds	40,079	-	-	40,079
Government securities	313,244	-	-	313,244
Total current assets	**353,323**	**-**	**-**	**353,323**
Non-current assets				
Investments in companies:				
Petronado S.A. (Venezuela) (Note 7)	-	-	10,117	10,117
Total non-current assets	**-**	**-**	**10,117**	**10,117**

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 deletion of capitalized exploration costs), 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:

	9.30.2017			
	Oil and gas exploration and production	**Gas transportation**	**Central structure**	**TOTAL**
Net sales	3,421,099	-	-	3,421,099
Cost of sales	(2,592,956)	-	-	(2,592,956)
Gross profit	**828,143**	**-**	**-**	**828,143**
Selling expenses	(76,994)	-	-	(76,994)
Central structure expenses	-	-	(207,780)	(207,780)
Other operating income and expenses	(1,293)	14,921	-	13,628
Adjusted EBITDA	**749,856**	**14,921**	**(207,780)**	**556,997**
Other operating income and expenses	-	-	29,867	29,867
Depreciation	(720,388)	-	(10,550)	(730,938)
Impairment provision for non-financial assets	2,950	-	-	2,950
Tax on financial transactions	(23,205)	-	(7,021)	(30,226)
Gains/losses on long-term investments	-	177,443	-	177,443
Subtotal	**9,213**	**192,364**	**(195,484)**	**6,093**
Financial income	-	-	15,458	15,458
Financial costs	-	-	(381,358)	(381,358)
Other financial results	-	-	(388,211)	(388,211)
Income (loss) before taxes	**9,213**	**192,364**	**(949,595)**	**(748,018)**
Income tax	(12,303)	(5,222)	332,358	314,833
Income (loss) for the period	**(3,090)**	**187,142**	**(617,237)**	**(433,185)**
Adjusted EBITDA				**556,997**
Dividends collected in this period				**64,228**
Adjusted EBITDA as per dividends collected				**621,225**

	At 9.30.2016			
	Oil and gas exploration and production	**Gas transportation**	**Central structure**	**TOTAL**
Net sales	2,806,818	-	-	2,806,818
Cost of sales	(1,481,706)	-	-	(1,481,706)
Gross profit	**1,325,112**	**-**	**-**	**1,325,112**
Selling expenses	(56,896)	-	-	(56,896)
Central structure expenses	-	-	(152,255)	(152,255)
Other operating income and expenses	(24,252)	17,978	(9,900)	(16,174)
Adjusted EBITDA	**1,243,964**	**17,978**	**(162,155)**	**1,099,787**
Other operating income and expenses	-	-	(49,684)	(49,684)
Depreciation	(597,861)	-	(4,926)	(602,787)
Impairment provision for non-financial assets	(6,117)	-	-	(6,117)
Tax on financial transactions	(12,623)	-	(22,141)	(34,764)
Gains/losses on long-term investments	-	(10,367)	-	(10,367)
Subtotal	**627,363**	**7,611**	**(238,906)**	**396,068**
Financial income	-	-	6,953	6,953
Financial costs	-	-	(368,514)	(368,514)
Other financial results	-	-	(170,381)	(170,381)
Income (loss) before taxes	**627,363**	**7,611**	**(770,848)**	**(135,874)**
Income tax	(229,330)	(6,292)	269,797	34,175
Income (loss) for the period	**398,033**	**1,319**	**(501,051)**	**(101,699)**
Adjusted EBITDA				**1,099,787**
Dividends collected in this period				-
Adjusted EBITDA as per dividends collected				**1,099,787**

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Changes in this caption are as follows:

Main account	Original values: Value at the beginning of the year	Additions	Transfers	Deletions (2)	Value at period end	Depreciation: Accumulated at the beginning of the year	Deletion s (2)	For the period	Accumulated at period end	Carrying amount at 9.30.2017	Carrying amount at 12.31.2016
DEVELOPMENT AND PRODUCTION ASSETS											
Wells and production facilities	4,232,820	66,614	1,485,527	(69,891)	5,715,070	1,853,200	(43,196)	628,147	2,438,151	3,276,919	2,379,620
Other production-related assets	23,293	-	-	(36)	23,257	11,864	(31)	2,374	14,207	9,050	11,429
Mining property	1,054,571	3,950	-	(17,831)	1,040,690	319,975	(8,330)	89,785	401,430	639,260	734,596
Materials and spare parts	7,832	267	-	(2,177)	5,922	-	-	-	-	5,922	7,832
Works in progress (1)	555,201	1,510,212	(1,523,601)	(113)	541,699	-	-	-	-	541,699	555,201
Subtotal	**5,873,717**	**1,581,043**	**(38,074)**	**(90,048)**	**7,326,638**	**2,185,039**	**(51,557)**	**720,306**	**2,853,788**	**4,472,850**	**3,688,678**
EXPLORATION AND EVALUATION ASSETS	**237,227**	**105,741**	**(53)**	**(10,017)**	**332,898**	**-**	**-**	**-**	**-**	**332,898**	**237,227**
CENTRAL MANAGEMENT ASSETS	**35,891**	**11,771**	**38,127**	**(104)**	**85,685**	**21,103**	**(104)**	**10,632**	**31,631**	**54,054**	**14,788**
TOTAL AT 9.30.2017	**6,146,835**	**1,698,555**	**-**	**(100,169)**	**7,745,221**	**2,206,142**	**(51,661)**	**730,938**	**2,885,419**	**4,859,802**	**3,940,693**
Impairment provision for non-financial assets										**(76,208)**	**(127,552)**
TOTAL										**4,783,594**	**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 September 30, 2017 financial costs amounting to $176,195 were capitalized while in the year ended December 31, 2016 $113,873 were registered for the capitalization of financial costs.

(2) It includes in the period ended September 30, 2017, the assets deletions resulting from the assignment of the CNQ6-El Sauce area for $48,394, totally included in the impairment provision for non-financial assets (Note 23.a) (3))

Main account	Original values					Depreciation					
	Value at the beginning of the year	Additions	Transfers	Deletions	Value at period end	Accumulated at the beginning of the year	Deletions and transfers	For the period	Accumulated at period end	Net value at 9.30.2016	Carrying amount at 12.31.2015
DEVELOPMENT AND PRODUCTION ASSETS											
Wells and production facilities	3,160,696	205,198	575,981	(1,599)	3,940,276	1,161,443	60	546,052	1,707,555	2,232,721	1,999,253
Other production-related assets	15,105	14	8,211	-	23,330	8,030	-	3,118	11,148	12,182	7,075
Mining property	930,563	-	-	-	930,563	241,081	-	48,658	289,739	640,824	689,482
Materials and spare parts	8,261	185	-	(322)	8,124	-	-	-	-	8,124	8,261
Works in progress (1)	350,602	617,318	(592,251)	-	375,669	-	-	-	-	375,669	350,602
Subtotal	**4,465,227**	**822,715**	**(8,059)**	**(1,921)**	**5,277,962**	**1,410,554**	**60**	**597,828**	**2,008,442**	**3,269,520**	**3,054,673**
EXPLORATION AND EVALUATION ASSETS	**184,803**	**44,468**	**8,059**	**-**	**237,330**	**-**	**-**	**-**	**-**	**237,330**	**184,803**
CENTRAL MANAGEMENT ASSETS	**26,784**	**5,679**	**-**	**(92)**	**32,371**	**14,067**	**(152)**	**4,959**	**18,874**	**13,497**	**12,717**
TOTAL AT 9.30.2016	**4,676,814**	**872,862**	**-**	**(2,013)**	**5,547,663**	**1,424,621**	**(92)**	**602,787**	**2,027,316**	**3,520,347**	**3,252,193**
Impairment provision for non-financial assets										**(104,672)**	**(98,555)**
TOTAL										**3,415,675**	**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 September 30, 2016 financial costs amounting to $78,390 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:

	9.30.2017	9.30.2016
Balance at the beginning of year	127,552	98,555
(Use)/Increase (1)	(51,344)	6,117
Balance at period end	**76,208**	**104,672**

(1) In the period ended September 30, 2017 it includes the asset deletions resulting from the assignment of the CNQ6-El Sauce area for $48,394 (Note 23.a) (3)).

NOTE 7 - INVESTMENTS IN COMPANIES

a) Below is a detail of the investments in companies at September 30, 2017 and December 31, 2016:

Company	9.30.2017	12.31.2016
Investments in Associates		
Gasinvest S.A.	216,618	79,504
Gasoducto GasAndes Argentina S.A.	131,948	139,858
Gasoducto GasAndes S.A. (Chile)	104,733	132,181
Transportadora de Gas del Norte S.A.	311	26
Andes Operaciones y Servicios S.A. (Chile)	12,226	10,557
Subtotal	**465,836**	**362,126**
Other investments		
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	**494,529**	**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 September 30, 2017 and 2016:

	9.30.2017	9.30.2016
At the beginning of the year	390,819	268,773
Translation differences	17,431	16,166
Acquisition of investments		78,608
Capital decrease	(26,936)	-
Gains and losses on investments (Note 20 f))	177,443	(10,367)
Dividends collected	(64,228)	-
At period end	**494,529**	**353,180**

NOTE 8 - OTHER RECEIVABLES

The breakdown of other receivables is as follows:

	9.30.2017	12.31.2016
Non-current:		
Related parties (Note 21 a))	174,873	162,234
Minimum notional income tax	96,313	94,888
Value added tax	23,607	22,776
Sundry	549	539
Allowance for other receivables	(98,023)	(90,073)
Total	**197,319**	**190,364**

	9.30.2017	12.31.2016
Current:		
Receivables under Petróleo Plus Program	-	26,177
Receivables under the incentive program for Gas Injection	546,177	567,657
Receivables from the propane gas supply agreement	14,250	19,012
Receivables from export refunds from Patagonia ports	11,927	10,943
Related parties (Note 21 a))	12,092	13,244
Value added tax	207,291	158,212
Income tax	110,637	40,002
Other tax credits	11,346	32,423
Advances to suppliers	1,042	1,651
Expenses to be recovered	22,849	34,889
Pre-paid insurance	5,937	5,367
Prepaid mining fees	6,809	-
Sundry	6,735	979
Total	**957,092**	**910,556**

Activity in the allowance for other receivables is as follows:

	9.30.2017	9.30.2016
Non-Current		
Balance at the beginning of year	90,073	74,007
Increases (1)	7,950	12,754
Balance at period end	**98,023**	**86,761**

(1) $456 and $774 were charged to Other operating income and expenses, and $7,494 and $11,980 were charged to Financial results in 2017 and 2016, respectively.

NOTE 9 - INVENTORIES

The breakdown of inventories is as follows:

	9.30.2017	12.31.2016
Oil and byproducts	82,795	506,685
Materials and spare parts	165,238	168,652
Total	**248,033**	**675,337**

NOTE 10 - TRADE RECEIVABLES

The breakdown of trade receivables is as follows:

	9.30.2017	12.31.2016
Non-Current		
Ordinary (1)	75,923	63,839
Total	**75,923**	**63,839**
Current		
Ordinary	532,754	511,541
Less: Allowance for doubtful accounts	(29,694)	(30,712)
Total	**503,060**	**480,829**

(1) It includes $24,687 in 2017 of Camuzzi Gas del Sur at current value and $ 51,236 and $ 63,839 in 2017 and 2016, respectively, of Oil Combustibles S.A., also at current value.
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 US$ 3,954,985 and $14,334 respectively, which was recognized by the Justice in the resolution of verification of the insinuated credits of October 6, 2017.
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:

	9.30.2017	9.30.2016
Balance at the beginning of year	30,712	4,607
(Decreases) / Increases (1)	(1,018)	23,413
Balance at period end	**29,694**	**28,020**

(1) Allocated to other operating income and expenses.

NOTE 11 - OTHER INVESTMENTS

The breakdown of other investments is as follows:

Non-Current:	9.30.2017	12.31.2016
Placements of funds - Related parties (Note 21 a))	9,659	8,392
Negotiable obligations	1,740	1,586
Total	**11,399**	**9,978**

Current:	9.30.2017	12.31.2016
Time deposits	-	572,895
Government securities (2)	231,351	313,244
Mutual funds (1)	638,178	40,079
Total	**851,529**	**926,218**

(1) At September 30, 2017 it includes 18,532,524 units of the mutual fund “Alpha Pesos”, 1,644,405 units of the mutual fund “Alpha Renta Fija Global” and 20,534,739 units of the mutual fund “Axis Ahorro Plus – Clase C”. At December 31, 2016, it includes 14,260,051 units of the mutual fund “Alpha Pesos”.
(2) At September 30, 2017 and December 31, 2016, they include 10,699,648 and 16,314,792 Argentine Bonds denominated in US dollars 8% due in 2020 (Bonar 2020 US dollars) received in accordance with the Decree No. 704/2016. The bonds are subject to the restrictions indicated in the Decree until December 31, 2017.

NOTE 12 - CASH AND OTHER EQUIVALENT LIQUID ASSETS

	9.30.2017	12.31.2016
Cash, imprest fund and checks to be deposited	7,305	218
Banks	549,542	1,261,557
Total	**556,847**	**1,261,775**

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

	9.30.2017	9.30.2016
Cash and cash equivalents	556,847	17,159
Mutual funds	638,178	-
Time deposits (less than 3 months)	-	26,442
Overdraft facilities	(1,893)	-
Total	**1,193,132**	**43,601**

Bank overdrafts at September 30, 2016 are not included because they have been agreed with the under the same conditions as bank loans.

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 million ordinary shares, registered, non-endorsable shares of one (1) vote per share, of which 49 million are Class “A” shares and 21 million 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 September 30, 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, 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, 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 administrative claims are as follows:

	9.30.2017	9.30.2016
Non-Current		
Balance at the beginning of year	11,048	14,581
Increases (1)	514	-
Decreases (2)	-	(4,908)
Balance at period end	**11,562**	**9,673**
Current		
Balance at the beginning of year	31,324	-
(Decreases) Increases (1) (3)	(31,324)	28,284
Balance at period end	**-**	**28,284**

(1) $513 allocated to Other operating income and expenses and $1 to Financial results in 2017.
(2) Allocated to Financial results in 2016.
(3) As of September 30, 2017, considering that a timetable will be followed for the liquidation of Bonar 2020 US$ bonds, following the bond sales restrictions, we recovered $31,324 of the contingent liability.

NOTE 15 - PROVISIONS

The breakdown of provisions is as follows:

	9.30.2017	12.31.2016
Non-current:		
Gas imbalance	13,990	15,371
Asset retirement obligation and provision for environmental remediation	710,735	640,530
Sundry	2,756	2,755
Total	**727,481**	**658,656**
Current:		
Gas imbalance	1,707	1,345
Fees for reorganization trustees	1,909	2,127
Sundry	7,586	6,960
Total	**11,202**	**10,432**

The changes in the provision for gas imbalance and asset retirement obligation at September 30, 2017 and 2016 are as follows:

	Balance at the beginning of year	Increases	Decreases	Balance at period end
Non-current:				
Gas imbalance (1)	15,371	-	(1,381)	13,990
Asset retirement obligation and provision for environmental remediation (2)	640,530	95,747	(25,542)	710,735
Current:				
Gas imbalance (1)	1,345	362	-	1,707
Total at 9.30.2017	**657,246**	**96,109**	**(26,923)**	**726,432**

(1) $330 correspond to exchange differences and interest, charged to financial costs; ($1,349) correspond to the return of gas, charged to cost of sales.
(2) The increases correspond $27,908 to current value, charged to financial costs, $67,839 to adjustment of future cost, charged to property, plant and equipment, and the decrease correspond ($25,542) to the asset deletions resulting from the assignment of the CNQ6-El Sauce area (Note 23.a) (3)).

	Balance at the beginning of year	Increases	Decreases	Balance at period end
Non-current:				
Gas imbalance (1)	16,337	-	(1,068)	15,269
Asset retirement obligation and provision for environmental remediation (2)	509,534	108,861	-	618,395
Current:				
Gas imbalance (1)	1,958	-	(138)	1,820
Asset retirement obligation and provision for environmental remediation (2)	1,922	-	(1,356)	566
Total at 9.30.2016	**529,751**	**108,861**	**(2,562)**	**636,050**

(1) $292 correspond to exchange differences and interest, charged to financial costs; and ($1,498) correspond to the return of gas, charged to cost of sales.
(2) $24,827 correspond to current value, charged to financial costs, $84,384 correspond to the adjustment of future cost, charged to property, plant and equipment, and ($1,706) correspond to applications of funds for the period.

NOTE 16 - TAX PAYABLES

The breakdown of tax payables is as follows:

	9.30.2017	12.31.2016
Non-current:		
Payment plan, Section 32 Law No. 11683	38,226	46,335
Payment plan Law No. 26476	1,036	1,814
Payment plan - AFIP General Resolution No. 3451	4,045	4,427
Total	**43,307**	**52,576**
Current:		
Provision for turnover tax	1,697	2,570
Other taxes	337	375
Tax withholdings and collections	31,399	22,885
Payment plan, Section 32 Law No. 11683	10,602	9,397
Payment plan Law No. 26476	1,023	939
Payment plan - AFIP General Resolution No. 3451	499	441
Sundry	281	120
Total	**45,838**	**36,727**

NOTE 17 - FINANCIAL DEBTS

The breakdown of financial debts is as follows:

	9.30.2017	12.31.2016
Non-current:		
Bank loans	497,334	-
Negotiable obligations	5,136,881	4,910,686
Total	**5,634,215**	**4,910,686**

	9.30.2017	12.31.2016
Current:		
Overdraft facilities	1,893	1,564
Bank loans	753,088	560,462
Negotiable obligations	182,012	637,705
Total	**936,993**	**1,199,731**

The activity in financial debts at September 30, 2017 and 2016 is shown below:

	9.30.2017	9.30.2016
Balance at the beginning	6,110,417	2,681,952
Short-term bank overdraft facilities, net	329	224,209
Interest accrued	436,318	372,686
Effect of quotation variance	528,539	294,359
Loans obtained	1,119,480	332,016
Payments of principal	(1,328,192)	(271,943)
Payments of interest	(295,683)	(360,438)
Balance at period end	**6,571,208**	**3,272,841**

Due dates of financial debts at September 30, 2017 and at December 31, 2016 are as follows:

	9.30.2017	12.31.2016
Less than 1 year	936,993	1,199,731
From 1 to 2 years	479,271	50,657
From 2 to 3 years	-	125,080
After 3 years	5,154,944	4,734,949
Total	**6,571,208**	**6,110,417**

International Program of Negotiable Obligations

On November 7, 2016, Class “A” Negotiable Obligations for US$ 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 US$ 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.

Below is a description of the main variations in the Company's financing structure during the nine-month period ended September 30, 2017, and until the date of issue of these condensed interim financial statements.

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 according to the following detail:

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

Update of the prospectus of the global program for the issuance of simple negotiable obligations (not convertible into shares) for a maximum nominal amount outstanding at any time of up to US$ 250,000,000.

On October 2, 2017, the Board of Directors of the Company approved an update of the prospectus of the global program for the issuance of simple negotiable obligations, not convertible into shares, for a maximum nominal amount outstanding at any time of up to US$ 250,000,000. Additionally, on October 30, 2017, the board of directors approved the terms and conditions for the issuance of class 10 negotiable obligations, to be denominated in US$, for an amount of up to US$ 120,000,000, to be exclusively guaranteed with a pledge in the first degree of privilege over all shares owned by CGC in Gasinvest SA, Gasoducto Gasandes (Argentina) SA and Gasoducto GasAndes S.A. without having another recourse against the company or the rest of its assets. As of the date, the authorization of public offer of these negotiable obligations has not been requested and therefore they have not been issued and their terms may be modified.

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

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 US$ 72,000,000. Funds for US$ 64,000,000 were received on February 21, 2017 and US$ 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.

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

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

NOTE 18 - OTHER LIABILITIES

The breakdown of other liabilities is as follows:

	9.30.2017	12.31.2016
<u>Current</u>:		
Oil and gas royalties	46,441	34,460
Sundry (1)	67,540	62,625
Total	**113,981**	**97,085**

(1) It includes $67,540 and $62,417 at September 30, 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:

	9.30.2017	12.31.2016
<u>Non-current</u>:		
Ordinary suppliers (1)	51,930	79,450
Total	**51,930**	**79,450**
<u>Current</u>:		
Ordinary suppliers (1)	401,810	343,882
Ordinary suppliers of joint ventures	14,082	25,260
Related parties (Note 21 a))	38,960	38,453
Invoices to be received	345,961	185,771
Total	**800,813**	**593,366**

(1) At September 30, 2017 and December 31, 2016, US$ 5,000,000 and US$ 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, $51,930 and $79,450 is disclosed under ordinary suppliers - non-current and $34,620 and $31,780 under ordinary suppliers - current.

NOTE 20 - BREAKDOWN OF MAIN INCOME STATEMENT CAPTIONS

a) Net income

	Three-month period ended		Nine-month period ended	
	9.30.2017	**9.30.2016**	**9.30.2017**	**9.30.2016**
Crude oil delivered	518,932	520,517	1,652,233	1,381,374
Gas	429,371	101,001	1,084,827	581,292
Sundry	42,507	42,427	115,936	160,326
Government subsidies	287,485	284,954	568,103	674,320
Export refunds	-	-	-	10,312
Withholdings from exports of hydrocarbons	-	-	-	(806)
Total	**1,278,295**	**948,899**	**3,421,099**	**2,806,818**

b) Cost of sales

	Three-month period ended		Nine-month period ended	
	9.30.2017	**9.30.2016**	**9.30.2017**	**9.30.2016**
Stocks at the beginning	346,523	381,066	675,337	140,093
Purchases	73,188	51,679	170,324	126,714
Inventory consumption	(75,813)	(33,280)	(173,873)	(61,452)
Expenses attributable to cost of sales (1)	1,083,330	792,967	2,912,794	2,293,399
Closing stocks (Note 9)	(248,033)	(406,564)	(248,033)	(406,564)
Cost of sales	**1,179,195**	**785,868**	**3,336,549**	**2,092,190**

(1) Expenses attributable to cost of sales

	Three-month period ended		Nine-month period ended	
	9.30.2017	**9.30.2016**	**9.30.2017**	**9.30.2016**
Fees and compensation for services	751	1,570	3,826	4,392
Outsourced services	373,632	294,933	1,082,730	847,564
Salaries, wages and social security contributions	40,317	33,352	134,807	96,259
Other expenses on personnel	5,339	5,930	13,886	12,915
Depreciation of property, plant and equipment	318,418	217,909	720,388	597,861
Taxes, duties and contributions	12,091	4,623	24,067	17,263
Fuel, gas and electricity	14,697	13,848	40,526	33,772
General insurance	3,556	7,774	13,683	27,376
Spare parts and repairs	91,782	66,844	209,455	160,094
Wells maintenance	29,201	30,880	118,938	62,115
Office expenses	13,279	7,471	38,543	20,078
Travel and per diem	826	1,033	2,812	2,823
Royalties, fee and easements	157,401	77,201	431,578	349,442
Gas imbalance	(444)	(490)	(1,349)	(1,498)
Sundry	22,484	30,089	78,904	62,943
Total	**1,083,330**	**792,967**	**2,912,794**	**2,293,399**

c) Selling expenses

	Three-month period ended		Nine-month period ended	
	9.30.2017	**9.30.2016**	**9.30.2017**	**9.30.2016**
Turnover tax	28,996	18,048	76,994	56,896
Total	**28,996**	**18,048**	**76,994**	**56,896**

d) Administrative expenses

	Three-month period ended		Nine-month period ended	
	9.30.2017	**9.30.2016**	**9.30.2017**	**9.30.2016**
Fees and compensation for services	26,737	17,153	65,432	52,285
Salaries, wages and social security contributions	26,334	21,890	81,740	69,156
Other expenses on personnel	2,164	1,292	4,708	3,241
Depreciation of property, plant and equipment	6,608	1,841	10,550	4,926
Taxes, duties and contributions	2,429	9,091	16,034	23,162
General insurance	472	282	1,332	1,131
Spare parts and repairs	6,275	1,527	18,262	7,359
Office expenses	1,602	1,821	5,909	5,780
Travel and per diem	2,062	2,961	6,650	5,476
Communications	931	1,064	2,810	2,078
Sundry	8,109	2,169	11,924	4,728
Total	**83,723**	**61,091**	**225,351**	**179,322**

e) Other operating income and expenses

	Three-month period ended		Nine-month period ended	
	9.30.2017	**9.30.2016**	**9.30.2017**	**9.30.2016**
Fees for services rendered	6,179	6,998	19,119	17,978
Outsourced services	(2,859)	16,400	(6,854)	(24,252)
Incentives under Petróleo Plus program	-	-	5,561	-
Charge for allowance for other receivables (Note 8)	1,301	(86)	(456)	(774)
Charge for allowance for trade receivables (Note 10)	18,028	(5,501)	1,018	(23,413)
(Charge) recovery of contingent liabilities for lawsuits and administrative claims (Note 14)	26,739	3,708	30,811	(23,493)
(Charge) recovery of impairment provision for non-financial asset	(2,309)	(525)	2,950	(6,117)
Turnover tax	(287)	(2,065)	(4,198)	(9,900)
Gain for the assignment of the CNQ6-El Sauce area (Note 23.a) (3))	12,916	-	12,916	-
Sundry	(1,220)	(2,245)	(14,422)	(2,004)
Total	**58,488**	**16,684**	**46,445**	**(71,975)**

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

Associate	Three-month period ended		Nine-month period ended	
	9.30.2017	**9.30.2016**	**9.30.2017**	**9.30.2016**
Gasinvest S.A.	69,793	(26,765)	136,894	(58,245)
Gasoducto GasAndes Argentina S.A.	6,986	11,125	17,840	24,069
Gasoducto GasAndes S.A. (Chile)	10,133	8,783	21,781	22,558
Andes Operaciones y Servicios S.A. (Chile)	(82)	363	644	1,490
Transportadora de Gas del Norte S.A.	142	(55)	284	(239)
Total	**86,972**	**(6,549)**	**177,443**	**(10,367)**

g) Financial results

	Three-month period ended		Nine-month period ended	
	9.30.2017	**9.30.2016**	**9.30.2017**	**9.30.2016**
Financial income				
Interest	3,407	1,852	15,458	6,953
Total	**3,407**	**1,852**	**15,458**	**6,953**
Financial costs				
Interest	(129,491)	(121,545)	(381,358)	(368,514)
Total	**(129,491)**	**(121,545)**	**(381,358)**	**(368,514)**

	Three-month period ended		Nine-month period ended	
	9.30.2017	9.30.2016	9.30.2017	9.30.2016
Other financial results				
Income from measurement of financial instruments at fair value	20,025	11,946	25,812	40,360
Exchange differences, net	(171,740)	(23,673)	(369,760)	(203,076)
Other financial expenses	(3,802)	(6,133)	(44,263)	(7,665)
Total	**(155,517)**	**(17,860)**	**(388,211)**	**(170,381)**

NOTE 21 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

a) Balances with related parties at September 30, 2017 and December 31, 2016 are included below:

	9.30.2017	12.31.2016
Other investments		
Non-Current:		
Transportadora Gas del Mercosur S.A.	9,659	8,392
Total	**9,659**	**8,392**
Other receivables		
Non-Current:		
Petronado S.A.	62,352	57,207
Latin Exploration S.L.	20,019	20,019
Transportadora Gas del Norte S.A.	92,502	85,008
Total	**174,873**	**162,234**
Current:		
Gasoducto GasAndes S.A. (Argentina)	2,153	2,591
Transportadora Gas del Norte S.A.	-	1,519
Petronado S.A.	9,939	9,134
Total	**12,092**	**13,244**
Trade payables		
Corredor Americano S.A.	38,960	38,453
Total	**38,960**	**38,453**

b) The main transactions with related parties for the nine-month periods ended September 30, 2017 and 2016 are detailed below:

	9.30.2017			
Company	**Sale of services**	**Dividends collected**	**Interest earned**	**Outsourced services**
Associated companies				
Transportadora Gas del Norte S.A.	3,718	-	-	-
Gasoducto GasAndes Argentina S.A.	15,985	35,519	-	-
Gasoducto GasAndes S.A. (Chile)	-	28,709	-	-
Other companies				
Transportadora Gas del Mercosur S.A.	-	-	483	-
Corredor Americano S.A. (1)	-	-	-	299,508

Company	9.30.2016			
	Sale of services	Fees and compensation for services	Interest earned	Services hired
<u>Associated companies</u>				
Transportadora Gas del Norte S.A.	3,278	-	-	-
Gasoducto GasAndes Argentina S.A.	13,683	-	-	-
<u>Other companies</u>				
Transportadora Gas del Mercosur S.A.	-	-	437	-
Petronado S.A.	1,017	-	-	-
Corredor Americano S.A. (1)		-	-	122,828

(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.

	9.30.2017	12.31.2016
Deferred tax is as follows:		
Deferred tax assets	895,174	497,389
Deferred tax liabilities	(441,343)	(359,135)
Net deferred tax assets	**453,831**	**138,254**

	9.30.2017	12.31.2016
Classification of deferred tax:		
Net deferred tax asset (Unitec Energy S.A.)	59,032	53,844
Net deferred tax asset (CGC)	394,799	84,410
Net deferred tax assets, consolidated	**453,831**	**138,254**

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

	Three-month period ended		Nine-month period ended	
	9.30.2017	9.30.2016	9.30.2017	9.30.2016
Income tax for the period				
Current tax - Income (Loss)	-	(2,988)	(744)	(31,105)
Deferred tax - Income (Loss)	80,000	7,031	315,577	65,280
Total Income tax	**80,000**	**4,043**	**314,833**	**34,175**

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/year is as follows:

	Three-month period ended		Nine-month period ended	
	9.30.2017	9.30.2016	9.30.2017	9.30.2016
Income before income tax	(149,760)	(43,526)	(748,018)	(135,874)
Tax rate in effect, applied on income for the period/year	35%	35%	35%	35%
Subtotal	52,416	15,234	261,806	47,556
Effect of permanent differences and Allowances	27,584	(11,191)	53,027	(13,381)
Total income tax	**80,000**	**4,043**	**314,833**	**34,175**

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 September 30, 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 September 30, 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
Austral	Santa Cruz I	100.00 (2) (5a)	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) (5a)	CGC	2026	Exploration and exploitation
	Tapi Aike	100.00 (4) (5b)	CGC		Exploration
	Piedrabuena	100.00 (1)	Unitec Energy S.A.	23 d)	Exploration
	Mata Amarilla	100.00 (1)	Unitec Energy S.A.	23 d)	Exploration
Neuquina	Angostura	100.00	CGC	23 d)	Exploration
	CNQ6-El Sauce	(3)	CGC	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 July 20, 2017, CGC (as Assignee) and Central Argentina International LLC (Argentine Branch) (as Assignor) appeared before the Energy Secretariat of the province of Neuquén requesting authorization from the Provincial Executive Branch to assign in favor of the Assignee all rights and obligations corresponding to the Assignor's interest in the Operating Concession of the area CNQ6 El Sauce. On August 4, 2017, CGC notified Energía Compañía Petrolera S.A. that it had assumed 100% of the rights and obligations arising under the Operating Concession of the area CNQ6 El Sauce and that it would assign them to Energía Compañía Petrolera S.A., agreeing to transfer the possession and operation of the concession effective September 1, 2017. On August 15. 2017 the Company jointly with Energía Compañía Petrolera S.A., requested authorization of that assignment from the Energy Secretariat of the Province of Neuquén. As of to date, the authorizations of the two assignments under the terms of Section 72 of the Hydrocarbons Law have not been granted.

(4) Decree No. 775/2017 issued by the Executive Branch of the Province of Santa Cruz was published on September 7, 2017, whereby under IESC bid No. 1/17 the Company was awarded the exploration and eventual exploitation of the area Tapi Aike. In view of this, on September 25, 2017, the Company and the Province of Santa Cruz signed a contract regulating the conditions under which the exploration work would be performed in the area. This contract is subject to ratification by the Executive Branch of the Province of Santa Cruz, which is still pending.

(5) On October 31, 2017, the Company and Echo Energy Plc ("Echo Energy") entered into the following joint venture agreements for the exploration of four blocks in the Austral basin in the Province of Santa Cruz:

a) Farmout agreement for the operating concessions of Fractions C and D of the Santa Cruz I and Laguna de los Capones areas. Under the terms of the agreement, the Company will transfer to an Argentine branch of Echo Energy Plc effective on January 1, 2018, the 50% of the rights and obligations under the operating concessions of Fractions C and D of the Santa Cruz I and Laguna de los Capones areas, and Echo Energy undertakes to pay 100% of the costs and investments of the work plan for an amount of up to US$ 70 million, plus VAT. Additionally, Echo Energy undertakes to pay the Company up to US$ 10 million in three installments, subject to compliance with certain milestones. On November 1, 2017, US$ 2.5 million were received corresponding to the first payment.

b) Farmout agreement - Tapí Aike area. Under this farmout agreement, and subject to certain conditions, the Company will assign and transfer to an Argentine branch of Echo Energy 50% of all rights and obligations derived from the Tapi Aike area exploration permit effective on January 1, 2018. In consideration for the assignment of the Company's rights and obligations over the Tapi Aike area, Echo Energy undertakes to pay 65% of the costs and investments of the basic exploration plan for the first exploration period.

The Company will be the operator of the areas under the two agreements. These agreements set forth the signing of Joint Operating Agreements and 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.

b) The total amounts of the consolidated statements of financial position relating to the participation of the Company in joint operations at September 30, 2017 and December 31, 2016 and the income statements for the nine-month periods ended September 30, 2017 and 2016 are shown below:

	9.30.2017	12.31.2016
Non-current assets	43,722	71,744
Current assets	6,756	2,557
Total assets	**50,478**	**74,301**
Non-current liabilities	27,859	35,271
Current liabilities	14,422	25,537
Total liabilities	**42,281**	**60,808**

	9.30.2017	9.30.2016
Operating loss (*)	70,550	65,994
Net loss (*)	91,661	73,247

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

c) Investment commitments: at September 30, 2017 the Company's participation in minimum commitments in these areas amounted to US$ 97.8 million approximately, US$ 16.5 million of which correspond to the Angostura area and US$ 76.4 to the Tapi Aike area (Note 23 a) 4)).

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 %	
		9.30.2017	12.31.2016
Associated companies			
Gasinvest S.A.	(1) (5) (7)	40.8574	40.8574
Gasoducto GasAndes (Argentina) S.A.	(6) (7)	39.9999	39.9999
Gasoducto GasAndes S.A. (Chile)	(7)	39.9999	39.9999
Andes Operaciones y Servicios S.A. (Chile)	(7)	50.0000	50.0000
Transportadora de Gas del Norte S.A.	(3) (7)	0.0465	0.0465
Other companies			
Transportadora de Gas del Mercosur S.A.	(2) (5) (7)	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). Compañía General de Combustibles S.A. has recorded an impairment of its direct investment in TGM, so its valuation at September 30, 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, ratified by the Extraordinary Shareholders' Meeting held on June 14, 2017, 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 Comprehensive Rate Review ("CRR") for the period 2017-2022 and concludes the renegotiation process developed within the framework of the LEP. Once this agreement comes into force, 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, TGN must implement a Mandatory Investment Plan for approximately $ 5,600 million. 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 TGN'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, TGN 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 awars: CMS Gas Transmission Company v. Argentine Republic (case ARB/01/8, award in favor of CMS of US$ 133.2 million dated May 12, 2005), and Total S.A. v. Argentine Republic (case ARB/04/1, award in favor of Total of US$ 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 under the “CRR”, in gas pipelines and complementary installations in the Neuquina Basin. These investments shall not be included in TGN’s rate base.

The rate increases implemented since 2016 have enabled TGN 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.

In October 2017, ENARGAS called a public hearing to be held on November 17, 2017 to discuss a new temporary increase in transport tariff applied by TGN in account of the raise that will correspond once the Comprehensive Agreement has been ratified.

CGC's direct and indirect interest in TGN accounts for 23.07% at September 30, 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.

(7) At the date of approval of these financial statements, the Company is looking 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.

NOTE 25 - SUBSEQUENT EVENTS

After September 30, 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.

“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
Autonomous City of Buenos Aires
Tax Registration 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 consolidated statement of financial position as at September 30, 2017, the consolidated statement of comprehensive income for the three and nine-month periods ended September 30, 2017, the consolidated statements of changes in equity and of cash flows for the nine-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 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 the 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 to the Company's personnel responsible for preparing the information included in the condensed interim consolidated financial statements and performing analytical and other review procedures.
A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) 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 causes us to believe 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 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 separate condensed 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 September 30, 2017, 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 amounted to $5.458.965, none of which was claimable at that date;

Autonomous City of Buenos Aires, November 9, 2017

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. V. 1 F. 17

Alejandro P. Frechou

Public Accountant (UBA)

C.P.C.E.C.A.B.A. V. 156 F. 85

SYNDICS' COMMITTEE REPORT

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

In our capacity as members of the Syndics' 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) Separate and consolidated interim statement of financial position at September 30, 2017.
b) Separate and consolidated interim statement of comprehensive income for the three-month and nine-month periods ended September 30, 2017.
c) Interim statement of changes in equity for the nine-month period ended September 30, 2017.
d) Separate and consolidated interim statement of cash flow for the nine-month period ended September 30, 2017.
e) Notes 1 to 25 to the separate condensed interim financial statements for the six-month period ended September 30, 2017.
f) Notes 1 to 25 to the consolidated condensed interim financial statements for the six-month period ended September 30, 2017.
g) Summary of Activity and Additional Information on the notes to the September 30, 2017 condensed interim financial statements required by article 1, paragraph b.2), of Chapter I, Title IV of the rules of the National Securities Commission (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 syndics 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 November 9, 2017. 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 SYNDICS' 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 f) 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 g), 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.

Autonomous City of Buenos Aires, November 9, 2017

CARLOS OSCAR BIANCHI
Syndics' Committee