



Compañía General de Combustibles Announces Launch of a Consent Solicitation of its US\$100 Million, Limited Recourse Notes, Due 2021

Buenos Aires, September 17, 2018 - Compañía General de Combustibles (“CGC”) announced that it has launched a consent solicitation (the “Consent Solicitation”) to the holders of its US\$100 Million, Limited Recourse Notes, Due 2021 (the “Notes”), in order to reduce the “minimum value ratio” thereunder from 1.75x to 1.40x during a six-month period.

The Notes are limited recourse debt of CGC and are secured and payable with dividends by, or proceeds resulting from the sale of, inter alia, CGC’s stake in Transportadora de Gas del Norte S.A. (“TGN”). Banco de Valores S.A., as trustee (the “Trustee”), holds the security interests granted by CGC in connection with the Notes.

The “minimum value ratio” measures the relation between the market value of CGC’s stake in TGN (i.e., 23.03%) and the outstanding amount of the Notes. If the “minimum value ratio” is below 1.75x for ten consecutive business days, the Notes must be partially prepaid with the funds, if any, available in the trust account opened with the Trustee (the “Trust Account”) for an amount such that the “minimum value ratio” is met. If the funds in the Trust Account are insufficient, CGC is entitled, but not obliged to, fund the Trust Account with its own funds.

If the “minimum value ratio” is not met, the funds in the Trust Account are insufficient to partially prepay the Notes and CGC does not exercise its right to fund the Trust Account, then the Trustee is mandated to begin a competitive sale process of the shares of TGN in order to prepay the Notes in full.

As a result of the current low prices of Argentine assets, including the price of TGN shares, paired with the sharp devaluation of the Argentine Peso, the “minimum value ratio” has not been met in recent weeks and may continue not to be met. On September 10, 2018, CGC deposited funds in the Trust Account to make a voluntary US\$20.2 million prepayment of the Notes in order to comply with the “minimum value ratio.” Such prepayment is a reflection of CGC’s strong liquidity and its strategic view on TGN.

In order to limit the impact on CGC and its investors of the “minimum value ratio,” within a highly volatile context, CGC is asking the holders of the Notes to consent the reduction of the “minimum value ratio”. In consideration therefore, CGC will commit not to distribute dividends during the same six-month period.

The Consent Solicitation is scheduled to expire at 5 pm, Buenos Aires time, on September 28, 2018 unless extended or earlier terminated (such time, as may be extended, the “Expiration Time”). Consents may not be revoked, except if the Expiration Time is extended beyond October 30, 2018.



This press release shall not constitute an offer to purchase or the solicitation of an offer to sell or a solicitation of consents with respect to the Notes. The complete terms and conditions of the Consent Solicitation are described in the Consent Solicitation Statement dated as of September 14, 2018, which is available at the website of the Comisión Nacional de Valores (www.cnv.gob.ar).

CGC has engaged BACS Banco de Crédito y Securitización S.A. to act as the solicitation agent in connection with the Consent Solicitation. Questions regarding the terms of the Consent Solicitation may be directed to BACS Banco de Crédito y Securitización S.A.: Tucumán 1, Piso 19º A (C1049AAA), Ciudad Autónoma de Buenos Aires, República Argentina, attention: Santiago Terra, sterra@bacs.com.ar; (+5411) 4329-4243 e Isaac Fainstein, ifainstein@bacs.com.ar; (+5411) 4329-4286.

About Compañía General de Combustibles S.A.

CGC is a leading energy company with operations in Argentina, engaged principally in the development, production and exploration of natural gas, crude oil, LPG (Upstream business) and with a significant interest in a network of pipelines in northern and central Argentina, with direct and indirect co-controlling stakes in Transportadora de Gas del Norte (“TGN”), Gasoducto GasAndes Argentina, Gasoducto GasAndes (“GasAndes”), and a minority stake in Transportadora de Gas del Mercosur (“TGM”) (Midstream business). For more information, visit <http://cgc.com.ar/>.

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