



Compañía General de Combustibles S.A. ended the first quarter of 2019 with steady growth trend in production, strong performance and EBITDA generation

Buenos Aires, May 23, 2019 - Compañía General de Combustibles S.A. ("CGC"), a leading energy company with operations in Argentina, announced its unaudited results for the first quarter ended March 31, 2019.

Consolidated financial figures are expressed in Pesos, and presented in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standard Board (IASB).

Financial information prepared in accordance with IAS 29 is not comparable with financial information prepared for prior periods in nominal terms.¹ The Company presents certain figures in U.S. dollars in this release solely for the convenience of the reader.²

For more information, please see CGC's unaudited consolidated Financial Statements for the first quarter of 2019.

First Quarter 2019 Key Highlights³

- Daily average gas production amounted to 4,922.6 Mm³ in 1Q19, which represented an increase of 37.4% compared to 1Q18. In turn, daily average crude oil production reached 870.7 m³ in 1Q19, an increase of 18.9% compared to 1Q18.
- Revenues totaled AR\$5,207.6 million in 1Q19 compared with AR\$3,420.2 million in 1Q18. Revenues were up 52.3% year-over-year in 1Q19.
- Total Adjusted EBITDA (including dividends collected for investments in Associates) amounted to AR\$3,062.5 million in 1Q19, which represents an increase of 81.7% compared to AR\$1,685.1 in 1Q18.
- CapEx reached AR\$1,658.8 million in 1Q19, compared with AR\$1,218.3 million in 1Q18.

¹ CGC's unaudited results are disclosed in constant currency as of March 31, 2019, including the comparative figures of the first quarter of 2018, in accordance with the IAS 29 regarding financial information in hyperinflationary economies and General Res. No. 777/2018, issued by the Argentine National Securities and Exchange Commission ("CNV").

² For further details, please refer to note "AR\$ / USD Conversion" on page 4.

³ Figures were converted to USD using the following EoP exchange rate per USD 1.00: AR\$43.35 for 1Q19.



- As of March 31, 2019, Cash & Cash Equivalents amounted to AR\$1,275.4 million (approximately USD29.4 million), with short-term investments of USD7.9 million.
- Net Leverage Ratio as of March 31, 2019 improved significantly to 0.85x.¹
- First Quarter 2019 Highlights in dollars: Revenues totaled approximately USD120.1 million, Adjusted EBITDA reached approximately USD70.6 million and CapEx amounted to approximately USD38.3 million.

	1Q19 IAS 29
Exchange Rate AR\$/USD	
Average	39,02
End of Period (EoP)	43,35
Figures in USD million	
Revenues	120,1
Adjusted EBITDA	70,6
CAPEX	38,3
Cash & Equivalents	29,4

¹ Net Leverage Ratio calculated in accordance with the Indenture for CGC's 2021 Senior Notes.



Brief Overview¹

During the first quarter of 2019, the Company kept focused on the development of its non-conventional reserves and operated with two drilling rigs and one workover rig. CGC drilled 12 wells (one of which was exploratory), with a total success rate of 91.7%.

As a result, total daily average production reached 38.2 Mboe during 1Q19, of which 81% corresponded to natural gas, 14% to crude oil and 5% to LPG. Daily average gas production amounted to 4,922.6 Mm³ in 1Q19, which represented an increase of 37.4% compared to 1Q18. In turn, daily average crude oil production reached 870.7 m³ in 1Q19, an increase of 18.9% compared to 1Q18.

Revenues for 1Q19 amounted to AR\$5,207.6 million, of which 75% corresponded to natural gas, 21% to oil (crude + LPG) and the remainder corresponded to services (related to the storage and port facilities in Punta Loyola). During this period, 58% of CGC's crude oil sales corresponded to exports.

Revenues were up 52.3% year-over-year in 1Q19, mostly because of higher production volumes in gas and crude oil.

Revenue Breakdown	1Q19 (IAS 29)		1Q18 (IAS 29)	
	ARS million	% of total	ARS million	% of total
Crude Oil	1.078,1	21%	887,5	26%
Gas	3.909,3	75%	2.461,2	72%
Other	220,2	4%	71,5	2%
Total	5.207,6	100%	3.420,2	100%

This solid performance was reflected in the Company's margins. Gross profit margin increased to 36% in 1Q19, in comparison with 23% in 1Q18. Net profit margin was 9% in 1Q19, compared to 12% in 1Q18.

Adjusted EBITDA for 1Q19 amounted to AR\$3,062.5, which represented an increase of 81.7% from AR\$1,685.1 in 1Q18. Adjusted EBITDA margin improved to 59% in 1Q19, compared with 49% in 1Q18.

	1Q19	1Q18
	IAS29	IAS29
Gross profit Mg.	36%	23%
Net profit Mg.	9%	12%
Adjusted EBITDA Mg.	59%	49%

CapEx reached AR\$1,658.8 million in 1Q19, compared with AR\$1,218.3 million in 1Q18.

¹ Figures were converted to USD using the following EoP exchange rate per USD 1.00: AR\$43.35 for 1Q19.



Cash & Cash Equivalents as of March 31, 2019 amounted to AR\$1,275.4 million or approximately USD29.4 million. Furthermore, the Company held short-term investments of USD7.9 million.

Additionally, as of March 31, 2019, all the Company's financial debt was denominated in U.S. dollars, and amounted to AR\$14,799.7 million or approximately USD341.4 million. Net Leverage Ratio significantly improved to 0.85x, and Interest Coverage Ratio increased to 11.83x.¹

CGC's limited-recourse local bond ON Clase 10 outstanding as of March 31, 2019 was USD79.8 million. Total Debt including this local bond amounted to AR\$18,258.1 million or approximately USD421.2 million.

2017 Syndicated Loan Repayment

On February 21, 2019, the Company cancelled the last capital instalment of USD14.4 million of its U.S. Dollars Syndicated Loan. This Syndicated Loan had been issued on February 21, 2017, with ICBC, Citibank and Banco Hipotecario/BACS, for a total amount of USD 72 million.

New Term-Loan Agreement

On May 21, 2019, the Company entered into a term-loan agreement with Citibank, ICBC, Santander and Galicia for a total amount of USD 75 million and 9.5% compensatory interest, payable quarterly.

The Loan will be repaid in five quarterly, equal and consecutive instalments, from May 21, 2020 to May 21, 2021. The proceeds will be destined to working capital needs and export financing of the Company.

AR\$ / USD Conversion

The Company presented certain figures converted from pesos to U.S. dollars for comparative purposes. The exchange rate used to convert financial figures disclosed in pesos (as of March 31, 2019) to U.S. dollars was the seller exchange rate for wire transfers (divisas) as of the close of business, as reported by Banco de la Nación Argentina, as of March 31, 2019. The information presented in U.S. dollars is for the convenience of the reader only.

¹ Net Leverage Ratio and Interest Coverage Ratio calculated in accordance with the Indenture for CGC's 2021 Senior Notes.



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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