

CGC

2018 Results Presentation

March 2019



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2018 Headlines

Successful drilling campaign resulting in strong growth in gas production, revenues and profitability, together with sharp deleveraging

- CGC more than doubled its gas production since the beginning of 2017. Average production reached 5,085 Mm³/d in December 2018, a 114% increase compared with January 2017.
- CGC drilled a total of 80 wells in the Austral Basin since January 2017: 73 development wells achieving an impressive 92% success rate, plus 7 exploratory wells with positive results.
- CGC became the only producer outside Vaca Muerta to be granted the Incentive Program for “Investments in Production Developments of Unconventional Natural Gas”.
- For the first time after approximately a decade, Argentina resumed natural gas exports to Chile, and CGC played a leading role in this milestone. CGC began its gas exports to Methanex in September and to Colbún in October .
- On February 2019, CGC and YPF were awarded with the exploration permit of the last available concession in Santa Cruz, Paso Fuhr, aiming to explore shale gas reservoirs in the Austral Basin.
- 2018 Net Sales reached AR\$17,708.9 million, an 122% increase from AR\$7,959.9 million in 2017⁽¹⁾.
- 2018 Adjusted EBITDA (including dividends collected for investments in Associates) amounted to AR\$9,576.7 million, an 376% increase from AR\$2,013.2 million in 2017⁽¹⁾.
- 2018 Capex reached AR\$ 5,925.2 million, compared with AR\$4,002.6 million in 2017.

(1) Net Sales and Adjusted EBITDA disclosed in constant currency as of the closing of the fiscal year 2018, including the comparative figures of the previous fiscal year, 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’).

2018 Results Summary



Doubled revenues, increased 375.7% Adjusted EBITDA and sharply deleveraged



2017: AR\$7.9 billion



2017: AR\$2.0 billion



2017: 2,843 Mm³/d



2017: 924 m³/d⁽¹⁾

40/47

Successful wells drilled in
2018 ⁽²⁾

AR\$5.9 billion

Capex in 2018

0.98x

Net Leverage Ratio⁽³⁾⁽⁴⁾

US\$334.4 MM

Net Debt as of December,
2018⁽⁴⁾⁽⁵⁾

(1) Includes crude oil and LPG production.

(2) 40/41 successful development wells

(3) Net Debt to Adjusted EBITDA

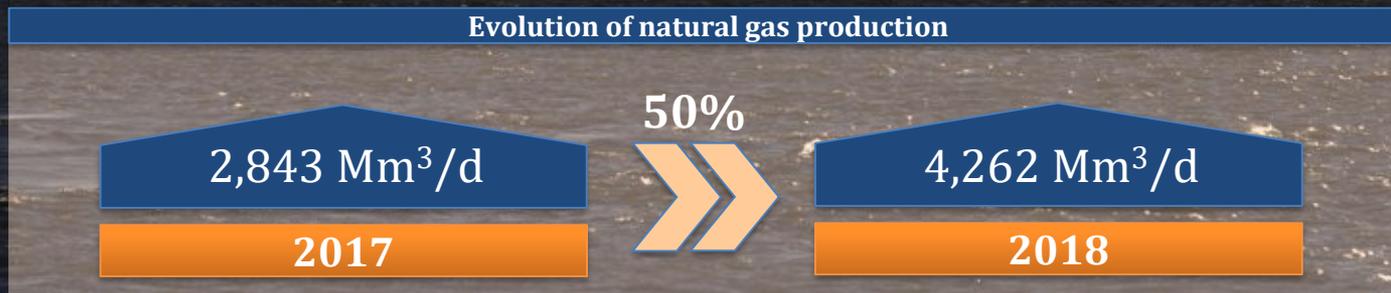
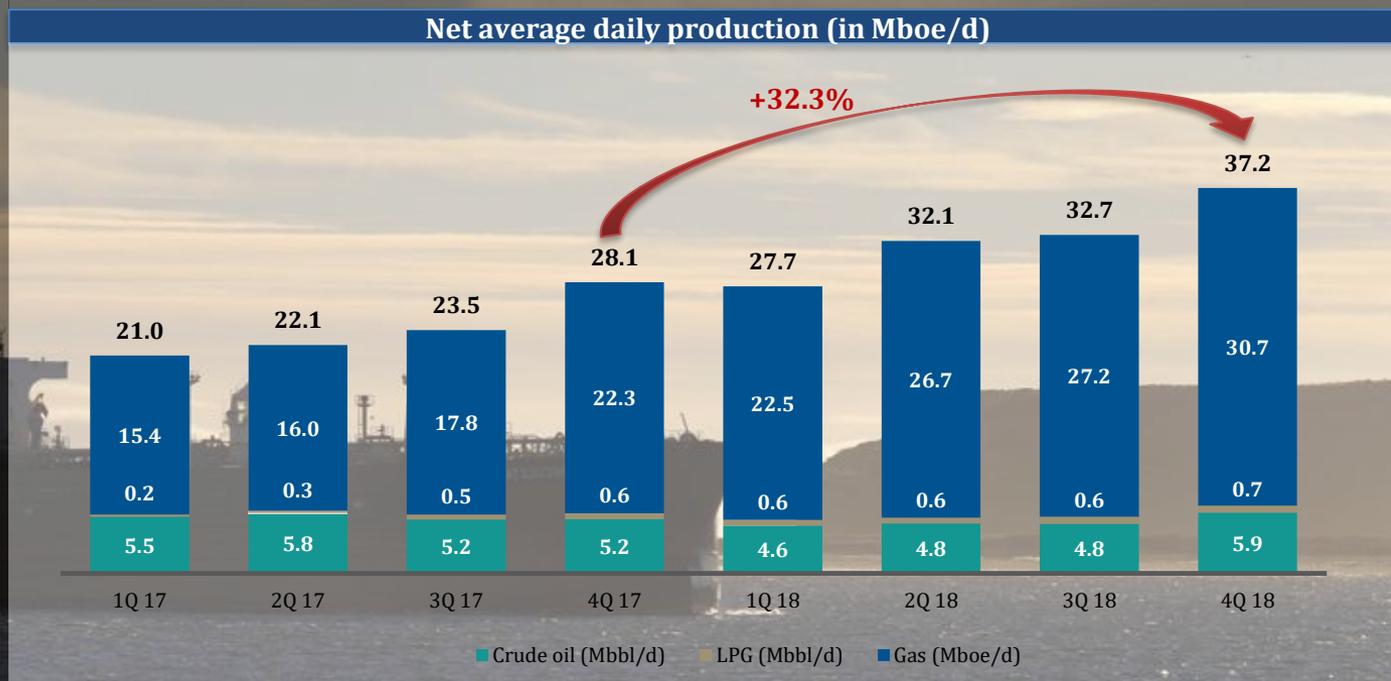
(4) Non-recourse ON Clause 10 is not included. Considering this facility, Net Leverage Ratio is 1.21x.

(5) Figures converted to US\$ using the following EoP exchange rate per US\$ 1.00: AR\$37.7, as of December 2018.

2018 Production

CGC's Total Production reached 37.2 Mboe/d in 4Q18, which represents an increase of 32.3% in comparison with 4Q17, and of 77.4% compared to 4Q16

- Average gas production was 4,875 Mm³ per day during 4Q18, which represented an increase of 37% in comparison with 3Q17.
- Unconventional gas production represented 55% of CGC's total gas sales during 4Q 2018.
- Average oil production (crude + LPG) reached 1,040.8 m³ per day during 4Q18, an increase of 12.6% in comparison with 4Q17, and of 19.9% compared to 3Q18.



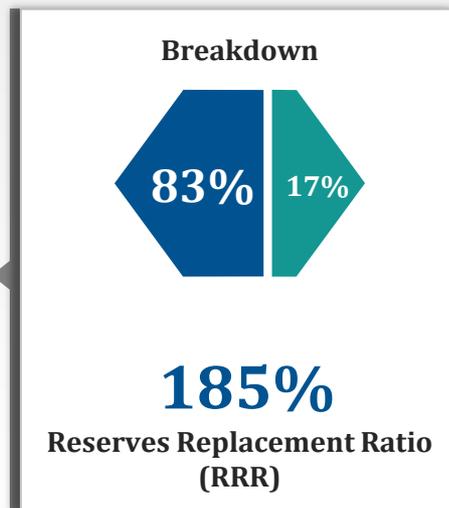
Oil & Gas Reserve base

CGC owns an attractive oil & gas reserve base of 2P reserves of 78.9 MMboe

Austral Basin's Reserves Profile as of December 31, 2018 ⁽¹⁾

Reserve Type	Oil (MMbbl)	Gas (Mmboe) ⁽²⁾	Total (Mmboe)
1P Reserves	9.8	49.5	59.3
2P Reserves	14.3	64.6	78.9
3P Reserves	18.3	76.8	95.1

1P Reserves evolution ^{(1) (2)}

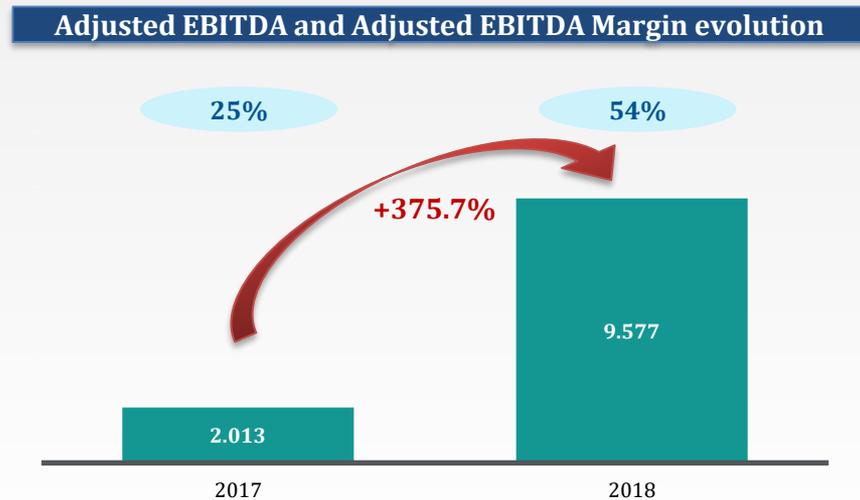
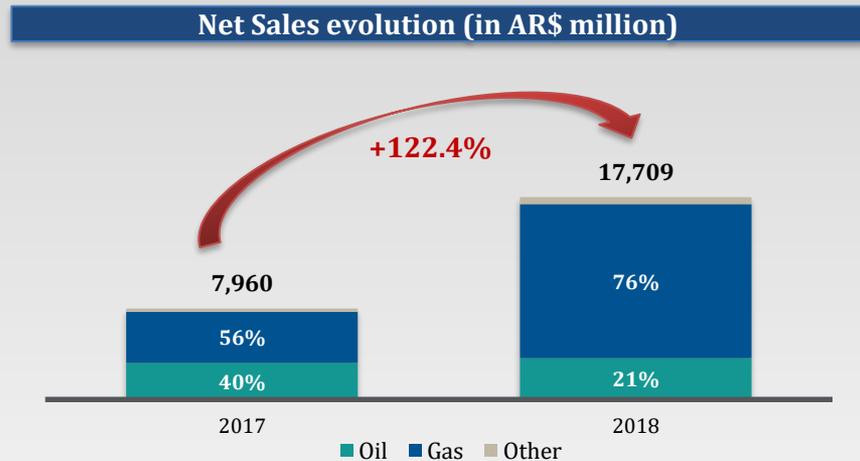


(1) Reserves calculation based on DeGolyer and MacNaughton report, as of December 2018.

(2) Gas reserves were estimated at their real calorific value.

2018 Net Sales and Adjusted EBITDA

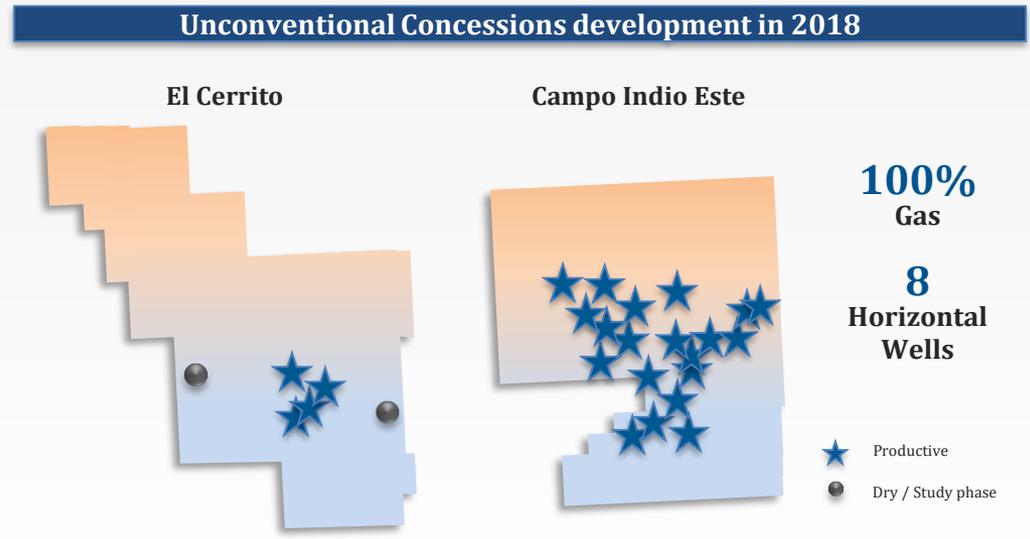
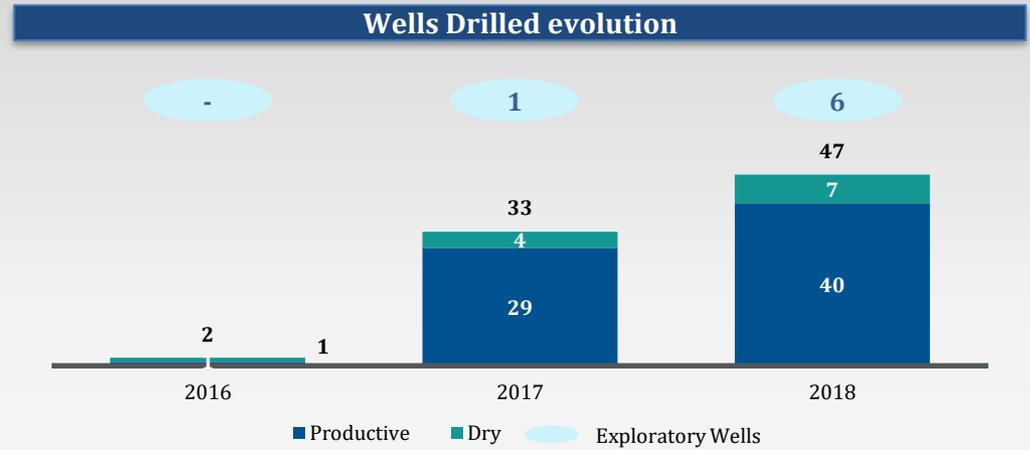
Net Sales, approximately USD469.7 million, increased 122% compared to 2017. Adjusted EBITDA amounted to USD254.0 million, a 376% increase in comparison with 2017⁽¹⁾



(1) Converted to US\$ using the following end of period exchange rate per US\$ 1.00: AR\$37.70 for 2018.

2018 Drilling Campaign

CGC drilled 47 wells in 2018 with 85.1% success rate. Considering only development wells, success rate was 97.6%. Total Capex reached AR\$ 5,925.2 million (approximately USD157 million) ⁽¹⁾



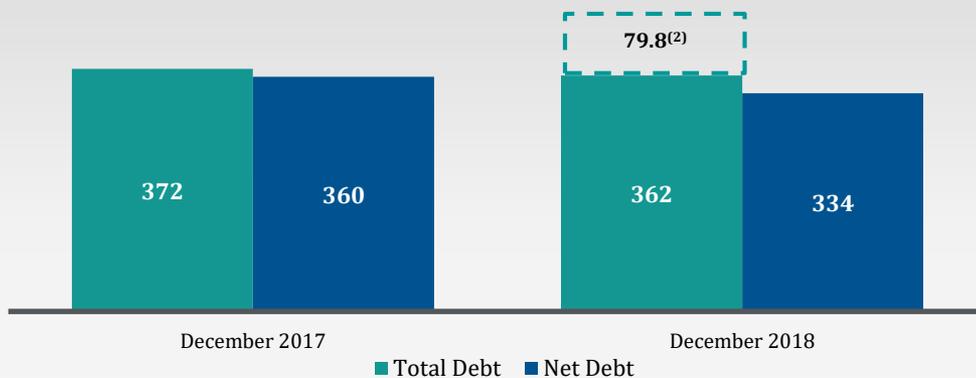
(1) Converted to US\$ using the following end of period exchange rate per US\$ 1.00: AR\$37.70 for 2018.

Debt & Leverage as of December 31, 2018

The Company has significantly reduced its net leverage since December 2017, and presents a solid interest coverage of more than 10x.



Total and Net Debt⁽¹⁾ (in US\$ million), Net Leverage and Coverage ratios



Net Leverage Ratio	
December 2018	0.98x

Coverage Ratio ⁽³⁾	
December 2018	10.44x

Ratings

FitchRatings B	S&P Global B-	FixScr A <small>affiliate of FitchRatings</small>
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- (1) Converted to US\$ using the following end of period exchange rates per US\$1.00: AR\$18.65 for 2017 and AR\$37.70 as of December 31, 2018,
- (2) US\$ 79.8 million corresponds to "ON Clase 10", a non-recourse bond. All payments will be exclusively addressed with dividends or other remunerations received as a shareholder of Gasinvest, GasAndes Argentina and GasAndes Chile, or with the sale of the respective shares. Thus, this bond is not considered for the Net Leverage and Coverage ratios. Likewise, insufficient funds obtained by dividends or remunerations at maturity will not constitute an event of default, but will enable the sale of the respective shares.
- (3) Calculated as the ratio of Adjusted EBITDA to net interest expense.
- (4) Market capitalization of TGN as of December 31, 2018: US\$644 million.

Debt profile as of December 31, 2018

CGC does not face significant maturities in the next three years.



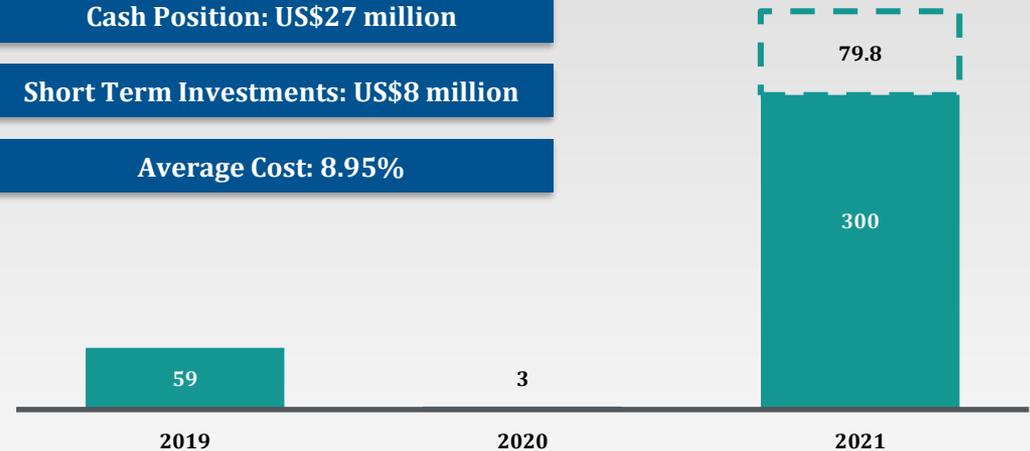
Debt Maturities (in US\$ million)

Average Life: 2.44 Years

Cash Position: US\$27 million

Short Term Investments: US\$8 million

Average Cost: 8.95%



- 2019 & 2020 maturities correspond to a Syndicated Loan (denominated in US\$) and short-term bank loans (issued in US\$).
- 2021 maturities correspond to the 144A Reg S Bond (US\$ 300 million in November) and the “ON Class 10”⁽¹⁾ issued in January 2018 (US\$ 79.8 million in July)

(1) “ON Class 10” is a non-recourse bond. All payments will be exclusively addressed with dividends or other remunerations received as a shareholder of Gasinvest, GasAndes Argentina and GasAndes Chile, or with the sale of the respective shares. Thus, this bond is not considered for the Net Leverage and Coverage ratios. Likewise, insufficient funds obtained by dividends or remunerations at maturity will not constitute an event of default, but will enable the sale of the respective shares.



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