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

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

Condensed interim consolidated financial statements as of June 30, 2019

(Presented in comparative format with 2018)

"Free translation from the original in Spanish for publication in Argentina"

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2019

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Review report on the condensed interim consolidated financial statements

Supervisory Committee's Report

Overview for the second quarter as of June 30, 2019

This Overview has been prepared in compliance with the National Securities Commission (CNV) (Periodical Reporting Regime - Title IV - Chapter III - Section 4) and supplements the consolidated financial statements of the Company for the six-month period started on January 1, 2019 and ended June 30, 2019.

1. Brief description over the activities of the Company during the second quarter ended June 30, 2019, including reference to any relevant events occurring after the end of the period (unaudited).

Adjusted EBITDA for the second quarter of 2019 amounted to $ 4,179,244 thousand ($ 7,532,864 thousand in the six-month period), which represented an increase of $ 1,626,192 thousand compared with the second quarter of 2018. This increase is mainly due to a 22% increase in oil and gas production and higher oil prices.

The oil, natural gas, liquefied petroleum gas and gasoline production during the second quarter of 2019 was 566.8 Mm3 of oil equivalent, representing an increase of 102.4 Mm3 (22%) as compared to the same period of 2018.

Oil, LPG and gasoline accounted for 17% and natural gas for 83% of the total production.

The Company has a significant presence in the activity of natural gas transportation business 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 second quarter of 2019 reached 6.9 billion cubic meters, an 8% increase as compared to the same period in 2018.

Changes in Company indicators

	Q2 2019 (3 months)	**Q2 2018 (3 months)**
Adjusted EBITDA (thousands of pesos)	4,179,244	2,553,052
Oil production (m3/day) (1) (2)	1,034.84	855.57
Gas production (Mm3/day) (2)	5,194.27	4,247.95
Transported gas (MMm3)	6,928	6,413
Oil and gas equivalent production (Mm3) (2)	566.8	464.4

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

Relevant events during the second quarter ended on June 30, 2019 including subsequent events

Dividends declared by the Company

On April 10, 2019, the Company´s shareholders resolved to approve a dividend distribution for $ 189,885 thousand, equivalent to US$ 4,000,000 (US dollars four million). Dividends were paid on July 5, 2019.

Dividends collected from Associates during the quarter

During the six-month period ended on June 30, 2019, CGC collected dividends for $ 785,364 thousand on its interest in the midstream business. In June 2019, CGC collected dividends on its interest in Gasinvest S.A. and Transportadora de Gas del Norte S.A. for $ 703,141 thousand and $ 1,171 thousand, respectively. In March 2019, CGC collected dividends for its interest in Gasoducto Gasandes S.A. (Chile) and Compañía Gasoducto Gasandes (Argentina) S.A. for $ 43,471 thousand and $ 37,581 thousand, respectively.

On August 6, 2019, Gasoducto Gasandes (Argentina) S.A. approved an advance dividend for $ 181,960 thousand on CGC equity interest.

Financing

Syndicated loan for USD 75,000,000

Funds under the syndicated loan agreement for US$ 75,000,000, accruing interest at an annual rate of 9.5%, were received on May 23, 2019. The funds have been applied to financing working capital and to the prepayment of short-term loans.

Negotiable Obligation Issue Program under the Frequent Issuer System

On July 24, 2019, the CNV Issuers Board authorized the Company to register with the Frequent Issuers Regime for the public offering of simple Negotiable Obligations, not convertible for shares, for an amount of up to US$ 500,000,000. The pricing supplement for Class 11 Negotiable Obligations to be issued under the Frequent Issuer Regime at a fixed rate and falling due between the fifth and the tenth anniversary of the Issue and Settlement Date, for a nominal value of up to US$ 300,000,000, which may be taken to a maximum amount of US$ 500,000,000, was issued on July 31, 2019. The negotiable obligations under this program had not yet been issued.

Agreement with Echo Energy Plc ("Echo Energy")

On May 17, 2019, the Company and Echo Energy Plc. ("Echo Energy") executed two agreements for the amendment to the farmout agreements made in 2017:

- The decision to not continue with phase II of the works at UT CDL has led Echo Energy to waive its right over the interests and related liabilities regarding the concessions Fractions C and D of the Santa Cruz I area and Laguna de los Capones area. Therefore, CGC has assumed 100% of the working interests in these areas.

- The working interests in the Tapi Aike exploration permit have been modified. Echo Energy reduced its interest from 50% to 19% of the rights and obligations arising under the exploration permit of the Tapi Aike area, and will pay with this modification 19% of costs and investments under the basic exploration plan for the first exploratory period, thereby terminating the previous carry agreement with CGC. CGC has assumed an 81% of working interest in the Tapi Aike area.

As a result of the new agreements, the Company and Echo Energy have decided to speed up the exploration project and confirm the plans to drill the first well in Tapi Aike in the fourth quarter of 2019.

Underground storage

The Company is progressing in the development of an underground gas storage project in the Austral Basin. With this initiative, the gas surplus that cannot be injected into the General San Martín Gas Pipeline will be stored in an inactive gas block. The plan contemplates an investment of US$ 50 million. An injection well will be drilled this year and then a three-year campaign to drill other wells will continue. With this project, CGC could continue with its gas development projects, store gas surpluses and allow the Province of Santa Cruz to keep constant gas production levels.

2. Consolidated financial position as of June 30, 2019, as compared with the same period of fiscal year 2018.
(In thousands of pesos)

	6.30.2019	6.30.2018
Non-current assets	29,781,509	18,735,877
Current assets	14,556,476	7,247,363
Total assets	**44,337,985**	**25,983,240**
Equity attributable to the Owners of the Company	15,103,786	6,671,871
Total equity	**15,103,786**	**6,671,871**
Non-current liabilities	21,870,643	14,748,040
Current liabilities	7,363,556	4,563,329
Total liabilities	**29,234,199**	**19,311,369**
Total equity and liabilities	**44,337,985**	**25,983,240**

Assets have increased mainly because of investments in property, plant and equipment and the effect of revaluation on midstream assets at December 31, 2018. Liabilities have increased due to the effect of devaluation of the Argentine peso on dollar-denominated loans.

3. Consolidated statement of income for the six-month period ended June 30, 2019, as compared with the same period of the fiscal year 2018

(In thousands of pesos)

	6.30.2019	6.30.2018
Revenue	11,926,707	8,635,156
Cost of revenue	(7,430,456)	(5,813,332)
Gross profit	**4,496,251**	**2,821,824**
Selling expenses	(188,500)	(180,689)
Administrative expenses	(522,708)	(473,919)
Exploration expenses	(1,399)	-
Other operating income and expenses	(56,692)	(301,066)
Operating income	**3,726,952**	**1,866,150**
Gain on investments in associates	592,343	527,425
Financial results, net	(180,238)	(4,338,714)
(Loss) Income before taxes	**4,139,057**	**(1,945,139)**
Income tax	(926,778)	528,345
Net (loss) income	**3,212,279**	**(1,416,794)**
Other comprehensive income	**21,160**	**107,967**
Comprehensive (loss) income	**3,233,439**	**(1,308,827)**

Gross profit increase as of 30, 2019 is mainly due to an increase of 29% in gas production. Lower financial losses, net, during the six-month period ended June 30, 2019, are mainly caused by a lesser impact of exchange differences on foreign currency-denominated financial indebtedness. In the six-month periods ended June 30, 2019 and 2018, the peso was devalued by 12.6 % and 54.7 %, respectively, against the US dollar. Furthermore, an income tax loss of $ 593.3 million was recorded during the six-month period ended June 30, 2019 due to the effect of the inflation adjustment for tax purposes (see Note 22).

4. Consolidated statement of cash flow for the six-month period ended June 30, 2019, comparative with the same period of fiscal year 2018

(In thousands of pesos)

	6.30.2019	6.30.2018
Net cash provided by operating activities	7,723,642	1,965,954
Net cash used in investment activities	(4,461,054)	(2,775,123)
Net cash (used in) provided by financing activities	(782,612)	2,152,461
Increase in cash, cash equivalents, and bank overdraft facilities	**2,479,976**	**1,343,292**
Cash at beginning of year	1,264,948	419,214
Financial results generated by cash	(510,243)	691,069
Cash at the end of the period-end	**3,234,681**	**2,453,575**

5. Statistical data for the six-month period ended on June 30, 2019, as compared with the same period of fiscal year 2018 (information not covered by the review report)

See data on the production of oil and gas and gas transportation for the second quarter of the period ended June 30, 2019, as compared with the same period of the year 2018, in section 1 of this Overview.

6. Ratios for the six-month period ended on June 30, 2019, comparative with the same period of fiscal year 2018

		6.30.2019	6.30.2018
Liquidity	(a)	1.98	1.59
Solvency	(b)	0.52	0.35
Immobilized assets	(c)	0.67	0.72

(a) Current assets on Current liabilities

(b) Shareholders´ equity/ Total liabilities

(c) Non-current assets on total assets

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

7. Prospects

In 2018, the Company entered into an agreement with the Province of Santa Cruz by which, the Company holds all rights and obligations under the concession for the exploitation of unconventional hydrocarbons in the blocks “Campo Indio Este-El Cerrito”. This was the first unconventional gas project awarded outside the Neuquén Basin. With this agreement, the Company has focused in the development of the tight gas in Santa Cruz using advanced technologies.

In 2018, CGC consolidated its gas production in the Austral basin. Increases of 48% in gas production by CGC in the Austral Basin as against last year are a consequence of continuous investments. By the end of June 2017, gas production was 2.4 million cubic meters/day, but with the contribution of capital investments in unconventional gas, production rose to 4.8 million by the end of 2018, and 5.2 in the second quarter of 2019. Although an important portion of this production increase comes from tight gas resources, a considerable volume is also extracted from conventional reservoirs.

For fiscal year 2019, capital investments will maintain the same level of activity as previous two years. Investments will include new wells, and facilities to continue developing production.

The Company will continue exploring the Tapi Aike and Piedrabuena blocks during the rest of the year. Approximately 1,200 km2 of 3D seismic will be shot to explore the potential of Tapi Aike. Seismic registration paves the way for drilling of exploratory wells, as it allows determining the areas of major interest and geological potential. Currently, there are two teams registering 3D seismic in that block.

The Company will keep focus on drilling new wells, especially in the unconventional reservoirs in El Cerrito and Campo Indio blocks, and on surface facilities to increase gas treatment and delivery capacity in the area. Additionally, a construction plan is being implemented at Punta Loyola port terminal to improve current activity levels and to develop future projects to enhance competitiveness.

Regarding finance activities, our efforts continue focusing on enhancing the financing structure as well as looking for additional financing sources to accomplish our investment goals.

Autonomous City of Buenos Aires, August 9, 2019

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COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

CONSOLIDATED CONDENSED INTERIM

FINANCIAL STATEMENTS

AS OF JUNE 30, 2019

(Comparatively with those of 2018)

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

Legal address: Bonpland 1745 – Autonomous City of Buenos Aires, Argentina

FISCAL YEAR No. 100

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2019

Company's main line of business:	Exploration and exploitation of hydrocarbons and byproducts
Date of registration with the Public Registry of Commerce:	October 15, 1920
Latest three amendments to Bylaws:	April 18, 2007, September 12, 2007, December 19, 2013 and April 17, 2015
Registration number with the Superintendency of Commercial Companies:	1648
Date of termination of the incorporation agreement:	September 1, 2100
Name of parent company:	Latin Exploration S.L. (1)
Parent company's main line of business:	Investment and financial activities

Equity interest held by the parent company in capital stock and votes: 70.00% (1)

CAPITAL STATUS (1)- Stated in pesos -

	Subscribed, issued and paid-up
Ordinary shares with a par value of 1 per share:	
Class A shares entitled to 1 vote	279,396,499
Class B shares entitled to 1 vote	119,741,357
	399,137,856

(1) Note 13 to the condensed interim consolidated financial statements

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COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2019 AND DECEMBER 31, 2018

(In thousands of pesos)

	Note	6.30.2019	12.31.2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	18,745,279	16,737,409
Other investments	11	885,737	-
Right of use assets	23	455,153	-
Investments in sssociates	7	9,124,150	9,338,932
Other receivables	8	337,792	1,722,200
Trade receivables	10	233,398	430,212
Total Non-Current Assets		**29,781,509**	**28,228,753**
CURRENT ASSETS			
Inventories	9	820,031	1,042,195
Other receivables	8	3,202,222	3,374,893
Trade receivables	10	5,990,224	5,878,731
Other investments	4 and 11	1,309,318	400,124
Cash and cash equivalents	12	3,234,681	1,264,948
Total Current Assets		**14,556,476**	**11,960,891**
TOTAL ASSETS		**44,337,985**	**40,189,644**
EQUITY			
Share capital	13	399,138	399,138
Capital adjustment		1,601,596	1,601,596
Reserves		4,845,375	467,263
Retained earnings		3,511,806	4,567,997
Other comprehensive income		4,745,871	5,024,238
TOTAL EQUITY		**15,103,786**	**12,060,232**
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions for legal claims and other proceedings	14	71,662	69,232
Other provisions	15	1,795,089	1,681,533
Deferred tax liabilities	22	1,444,058	517,280
Tax payables	16	17,980	31,374
Leases liabilities	23	133,847	-
Financial debts	17	18,408,007	17,608,982
Total Non-Current Liabilities		**21,870,643**	**19,908,401**
CURRENT LIABILITIES			
Other provisions	15	1,488	1,896
Other liabilities	18	291,696	173,545
Tax payables	16	167,939	249,299
Salaries and social security contributions		185,805	293,603
Leases liabilities	23	321,337	-
Financial debts	17	950,486	3,098,944
Trade payables	19	5,444,805	4,403,724
Total Current Liabilities		**7,363,556**	**8,221,011**
TOTAL LIABILITIES		**29,234,199**	**28,129,412**
TOTAL EQUITY AND LIABILITIES		**44,337,985**	**40,189,644**

The accompanying notes 1 to 26 are an integral part of these consolidated condensed interim financial statements.

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE- AND SIX-MONTH PERIODS ENDED JUNE 30, 2019 AND 2018

(Presented in comparative format)
(In thousands of pesos)

		Three-month period ended		Six-month period ended	
	Note	**6.30.2019**	**6.30.2018**	**6.30.2019**	**6.30.2018**
Revenue	20 a)	6,224,070	4,889,825	11,926,707	8,635,156
Cost of revenue	20 b)	(3,758,554)	(2,937,349)	(7,430,456)	(5,813,332)
Gross profit		**2,465,516**	**1,952,476**	**4,496,251**	**2,821,824**
Selling expenses	20 c)	(88,207)	(109,137)	(188,500)	(180,689)
Administrative expenses	20 d)	(297,977)	(222,877)	(522,708)	(473,919)
Exploration recovery/(expense)		75	-	(1,399)	-
Other operating income and expenses net	20 e)	(37,452)	(254,885)	(56,692)	(301,066)
Operating income		**2,041,955**	**1,365,577**	**3,726,952**	**1,866,150**
Gain on investments in associates	20 f)	265,455	299,886	592,343	527,425
Financial income	20 g)	22,409	18,617	26,967	25,117
Financial costs	20 g)	(474,928)	(456,131)	(932,147)	(801,146)
Result for exposure to the purchasing power of the currency	20 g)	(203,746)	(67,263)	(395,159)	(215,176)
Other financial results	20 g)	1,834,086	(3,850,324)	1,120,101	(3,347,509)
Income/(loss) before taxes		**3,485,231**	**(2,689,638)**	**4,139,057**	**(1,945,139)**
Income tax	22	(814,226)	814,691	(926,778)	528,345
Income (Loss) for the period		**2,671,005**	**(1,874,947)**	**3,212,279**	**(1,416,794)**
OTHER COMPREHENSIVE INCOME					
Items that are not be reclassified to profit and loss					
Revaluation asset reserve	7 b)	4,871	-	37,117	-
Items that may be reclassified to profit and loss					
Income/(loss) for hedging financial instrument	3	42,921	(33,797)	42,921	(33,797)
Currency translation difference	7 b)	(83,448)	138,367	(58,878)	141,764
Total other comprehensive income for the period, net of taxes		**(35,656)**	**104,570**	**21,160**	**107,967**
Total comprehensive income for the period		**2,635,349**	**(1,770,377)**	**3,233,439**	**(1,308,827)**
Basic and diluted earnings per share		**6.692**	**(4.697)**	**8.048**	**(3.550)**

The accompanying Notes 1 to 26 are an integral part of these condensed interim consolidated financial statements.

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

(In thousands of pesos)

	Share Capital (Note 13)	Capital adjustment	Legal Reserve	Discretionary Reserve (1)	Others	Other comprehensive income			Retained earnings	Total
						Revaluation asset reserve	Income/(loss) for hedging financial instrument	Currency Translation differences		
Balances as of December 31, 2018	**399,138**	**1,601,596**	**39,449**	**816,945**	**(389,131)**	**4,243,826**	**-**	**780,412**	**4,567,997**	**12,060,232**
Resolution of the General Ordinary Meeting of Shareholders dated April 10, 2019:	-	-	360,698	3,628,283	389,131	-	-	-	(4,567,997)	(189,885)
Net income for the period	-	-	-	-	-	-	-	-	3,212,279	3,212,279
Reversal of revaluation asset reserve	-	-	-	-	-	(299,527)	-	-	299,527	-
Other comprehensive income for the period	-	-	-	-	-	37,117	42,921	(58,878)	-	21,160
Balances as of June 30, 2019	**399,138**	**1,601,596**	**400,147**	**4,445,228**	**-**	**3,981,416**	**42,921**	**721,534**	**3,511,806**	**15,103,786**

(1) For maintenance of working capital and future dividends

The accompanying Notes 1 to 26 are an integral part of these condensed interim consolidated Financial Statements.

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018
(In thousands of pesos)

	Share Capital (Note 13)	Capital adjustment	Legal Reserve	Discretionary Reserve (1)	Other	Other comprehensive income	Retained earnings	Total
Balances as of December 31, 2017	**399,138**	**1,601,596**	**39,449**	**1,679,287**	**(389,131)**	**203,667**	**3,310,598**	**6,844,604**
Resolution of the General Ordinary Meeting of Shareholders dated April 27, 2018:	-	-	-	(676,010)	-	-	676,010	-
Net loss for the period	-	-	-	-	-	-	(1,416,794)	(1,416,794)
Other comprehensive income for the period	-	-	-	-	-	107,967	-	107,967
Balances as of June 30, 2018	**399,138**	**1,601,596**	**39,449**	**1,003,277**	**(389,131)**	**311,634**	**2,569,814**	**5,535,777**

(1) For maintenance of working capital and future dividends

The accompanying Notes 1 to 26 are an integral part of these condensed interim consolidated Financial Statements.

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019 AND 2018

(In thousands of pesos)

	Note	6.30.2019	6.30.2018
Cash flow from operating activities			
Net result for the period		3,212,279	(1,416,794)
Adjustments to arrive at net cash flow from operating activities:			
Depreciation of property, plant and equipment	6	2,589,671	1,800,367
Deletions of property, plant and equipment	6	12,609	-
Depreciation of right of use assets	23	208,877	-
Result of investments in associates	20 f)	(592,343)	(527,425)
Financial results, net		(347,735)	3,987,671
Increase in allowances for receivables, net	20 e)	29,851	190,301
Increase in provisions for lawsuits and other claims, net	20 e)	15,102	17,497
Gas imbalance charges	20 b) (1)	(3,350)	(5,210)
Income accrued for incentives, net of collections		(764,107)	(719,150)
Income/(loss) on variation in interest in La Maggie Concession	20 e)	79,126	137,546
Result for exposure to the purchasing power of the currency		395,159	215,176
Accrued income tax	22	926,778	(528,345)
Changes in operating assets and liabilities:			
Receivables		194,231	(2,075,897)
Inventory		222,164	(122,289)
Non-financial debts		1,641,995	1,061,501
Income tax paid		(96,665)	(48,995)
Net cash flow provided by operating activities		**7,723,642**	**1,965,954**
Net cash flow provided by investment activities			
Acquisition of property, plant and equipment	6	(4,322,776)	(3,121,412)
Changes in investments in associates	7 b)	-	18,071
Decrease in placements of funds – current		(923,642)	28,467
Dividends collected	7 b)	785,364	299,751
Net cash flow used in investment activities		**(4,461,054)**	**(2,775,123)**
Net cash flow provided by financing activities			
Lease payments	23	(230,881)	-
Interest paid on financial debts	17	(953,089)	(604,941)
Financial liabilities incurred	17	4,591,753	3,820,516
Financial liabilities settled	17	(4,190,395)	(1,063,114)
Net cash flow (used in) provided by financing activities		**(782,612)**	**2,152,461**
Net increase in cash, cash equivalents, and bank overdraft facilities		**2,479,976**	**1,343,292**
Cash, cash equivalents and bank overdraft facilities at the beginning For the period	12	1,264,948	419,214
Financial results generated by cash, cash equivalents, and bank overdraft facilities		(510,243)	691,069
Cash, cash equivalents and bank overdraft facilities at the end of the period	12	**3,234,681**	**2,453,575**

Changes not entailing movements of funds:		
Payments in the period of previous period acquisitions of property, plant and	(133,281)	(66,176)
equipment	96,725	60,826
Capitalization of financial costs	262,739	1,060,649
Cost of abandonment capitalized in property, plant and equipment		

The accompanying notes 1 to 26 are an integral part of these condensed interim consolidated financial statements.

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2019

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NOTE 1 – GENERAL INFORMATION

1.1 - The Company

Compañía General de Combustibles S.A. (“CGC” or “the Company”, or together with its subsidiaries “the Group”) is a corporation organized under the laws of the Republic of Argentina, registered with the Public Registry of Commerce on October 15, 1920. The incorporation agreement will expire on September 1, 2100 and its legal address is Bonpland 1745, Autonomous City of Buenos Aires, Argentina.

CGC business activities are focused on the energy sector, specifically consisting of the exploration and production of oil and gas (upstream) and gas transportation. Upstream activities are carried out both individually and through joint agreements, and gas transportation activities through Company associates.

1.2 – Group of control

The Company is controlled by Latin Exploration S.L.U. ("LE"), a Spanish company.

NOTE 2 - BASIS FOR PRESENTATION, PREPARATION AND MEASURING UNIT

The National Securities Commission (CNV), by means of General Resolution No. 622/13, established the application of Technical Pronouncements No. 26 and its amendments issued by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), adopting International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), for entities included in the public offering regime of Law No. 17811 and its amendments, due either to their capital stock or corporate bonds, or having requested listing authorization to be included in this regime.

The condensed interim consolidated financial statements of the Company for the six-month period ended June 30, 2019 have been prepared in accordance with the accounting standards set forth by the CNV. This accounting framework consists in applying IFRS and, particularly, International Accounting Standard 34, Interim Financial Reporting (IAS 34).

The condensed interim consolidated financial statements for the six-month periods ended June 30, 2019 and 2018 have not been audited. The Company’s management estimates that they include all adjustments necessary to reasonably present the comprehensive income for each period. Comprehensive income for the three and six-month periods ended June 30, 2019 and 2018 does not necessarily reflect the proportion of Company’s results for full fiscal years.

These condensed interim consolidated financial statements were approved for issuance by the Company's Board of Directors on August 9, 2019.

These consolidated financial statements are stated in thousands of pesos ($), legal tender in Argentina, and were prepared based on the accounting records of CGC. They have been stated at historical cost, except for the revaluation of some financial assets and some non-current assets.

Certain non-significant comparative figures have been reclassified to reflect the changes in the current period and maintain their comparability.

The condensed interim consolidated financial statements must be read jointly with the Company's consolidated financial statements as of December 31, 2018, prepared in accordance with International Financing Reporting Standards (IFRS), restated pursuant to the guidelines of IAS 29 and issued on March 11, 2019.

The Company's business activities are not subject to significant seasonal changes.

Measuring unit: International Accounting Standard No. 29 “Financial Reporting in hyperinflationary economies” (“IAS 29”) requires that the 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 closing of the reporting fiscal period, irrespective of whether they are based on the historical cost or current cost methods. To this end, in general terms, non-monetary items include inflation from the acquisition date of the item or the restatement date, as applicable. These requirements also include the comparative information disclosed in the financial statements.

To determine the existence of a hyperinflationary economy under the terms of IAS 29, the standard details a series of factors to consider, including a cumulative inflation rate over three years that is close to or exceeds 100%. For this reason, in accordance with IAS 29, the Argentine economy must be considered as highly inflationary as from July 1, 2018.

In turn, Law No. 27468, published in the Official Gazette on December 4, 2018, amended Section 10 of Law No. 23928 and its subsequent amendments, providing that the repeal of the all regulations that establish or authorize index-adjustment, monetary restatement, cost variation or any other way of restatement of debts, taxes, prices or tariffs of goods, works or services, does not apply to the financial statements, to which the provisions of Section 62 *in fine* of General Companies Law No. 19550 1984 restated text), as amended, shall continue to apply. That law also repealed Decree No. 1269/2002 dated July 16, 2002, as amended, and delegated to the National Executive Branch, through its control authorities, the power to set the effective date of the rules governing financial reporting. Therefore, under General Resolution 777/2018 (Official Gazette December 28, 2018), the National Securities Commission (CNV) established that the issuing entities under its control shall apply to financial statements for annual, interim and special periods ending on or after December 31, 2018 the method of restatement to constant currency, pursuant to IAS 29.

In accordance with IAS 29, the financial statements of entities reporting in the currency of a hyperinflationary economy shall be stated in terms of the measuring unit current at the date of the financial statements. Statement of financial position amounts not already expressed in terms of the measuring unit current at the date of the financial statements shall be restated by applying a general price index. All items in the statement of income shall be expressed in terms of the measuring unit current at the date of the financial statements by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the financial statements.

The adjustment for inflation applied to opening balances was calculated based on the indexes established by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) and the price indexes published by the National Institute of Statistics and Census (INDEC).

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, Autonomous City of Buenos Aires.

2.2.1 - New mandatory standards, modifications and interpretations for years commenced on January 1, 2019 that have not been early adopted

IFRS 16, Leases: See Note 23

2.2.2 - Accounting Policies

The accounting policies adopted for these consolidated condensed interim financial statements are consistent with those used in the Consolidated Financial Statements for the period ended December 31, 2018.

2.3 - Estimates

The preparation of the consolidated 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 consolidated 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 Consolidated financial statements as for the year ended December 31, 2018.

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 consolidated condensed interim financial statements were prepared.

2.4 - Consolidation - Subsidiaries

The financial statements of CGC as of June 30, 2019 and December 31, 2018 have been consolidated with the financial statements or management reports at those dates of the following company:

Company	**Country**	**Functional currency**	**Number of shares (direct and indirect participation)**	**% participation (direct and indirect)**	**Number of possible votes**
Compañía General de Combustibles Internacional Corp.	Panama	United States dollar	100	100%	100

NOTE 3 - FINANCIAL RISK MANAGEMENT

The Company's Board of Directors approves the policies for risk management, which were applied consistently during the periods under analysis included in these financial statements. As of December 31, 2018, the Company had no futures or financial derivative contracts for commodity prices. In the six-month period ended June 30, 2019, put hedging instruments were arranged to cover the price of Oil Brent below USD65/bbl in the international markets for the period between July 1, 2019 and December 31, 2019, as detailed below:

Date of Contract	Hedging Period	Hired Volume	Price of the option	Value of the Premium	Fair value (*)
4/16/2019	From 7/1/2019 to 12/31/2019	603,840 bbl	USD 65/bbl Oil Brent	USD 1,551,868	108,508
				Total	**108,508**

(*) Fair value of open positions in thousands of pesos as of June 30, 2019.

In connection with the financial instruments arranged, the policy of the Company is to apply the accounting of cash flows hedging that have been determined as an efficient hedging, pursuant to IFRS 9. The Board of the Company does not use derivative financial instruments for speculative purposes. Derivative financial instruments are accounted for at fair value, calculated considering the cash value receivable or payable necessary to settle the instrument at the date of measurement. Changes in the accounting measurement of derivative instruments designated as a hedging instrument of cash flows risks, that have been determined as an efficient hedging under Other comprehensive income. The effects of the contracts ended during the period are recognized in the result for the period under Financial Results. Changes in the accounting measurement of derivative instruments that do not qualify for hedging accounting are recognized in the result.

In the six-month periods ended June 30, 2019 and 2018, the Company recognized a gain of $ 42,921 and a loss of $33,797, respectively, under Other Comprehensive Income.

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 as of June 30, 2019 and December 31, 2018. There are no financial debt measured at fair value.

At 6.30.2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Cash and cash equivalents				
Mutual funds	765,281	-	-	765,281
Fair value investments				
Government securities	331,934	-	-	331,934
Publicly traded shares	18,083	-	-	18,083
Total current assets	**1,115,298**	-	-	**1,115,298**

	Level 1	Level 2	Level 3	Total
At 12.31.2018				
Assets				
Cash and cash equivalents				
Mutual funds	239,299	-	-	239,299
Fair value investments				
Government securities	375,191	-	-	375,191
Publicly traded shares	24,933	-	-	24,933
Total current assets	**639,423**	-	-	**639,423**

At June 30, 2019, there were no transfers among levels during the period and there have been no changes in the manner of determining the fair value of financial assets and liabilities.

The specific valuation techniques used to determine the fair values include:

- Quoted prices in active markets for similar instruments. These values are included in Level 1.
- Fair values for hedging financial instruments are determined using specific price models that are observable in the market or can be derivative from or corroborated by observable data. Fair value of hedge contracts is calculated as the current value net of estimated future cash flows, based on the future quoted price in active markets. These values are included in Level 2.
- Fair values for the remaining financial instruments are determined using values discounted from cash flows. These values are included in Level 3.

NOTE 5 – SEGMENT REPORTING

IFRS 8 "Operating Segments" requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity for which separate financial information is available that is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and to assess performance. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM, which in the case of the Group is the Board of Directors.

The Group has two operating and reportable segments, which are organized based upon similar economic characteristics, nature of products offered, production processes, type and class of customers and distribution methods, as follows:

- "Upstream": includes the results of joint operations in oil and gas exploration and production areas;
- "Midstream": includes the gains (losses) on equity investments in gas transportation companies, TGN, TGM and GasAndes.

Central Structure includes expenses common to the segments, such as administrative expenses, tax on financial transactions, interest on financial liabilities and income tax, incurred by the Group in the normal course of business, which are not allocated to the segments.

The CODM uses Adjusted Segment EBITDA to make decisions to allocate resources and to monitor the performance of the segments.

Adjusted EBITDA is defined as the operating income of consolidated segments, excluding depreciation and impairment expenses of property, plant and equipment, expected losses for trade receivables and other receivables, provisions for lawsuits and other proceedings, income (loss) in the return of areas; taxes on financial transactions, and including the collection of dividends in investments in associates.

Total adjusted EBITDA is defined as the sum of the adjusted EBITDA of all segments.

The following table discloses information on the two reportable segments by the Company:

	At 6.30.2019			
	Upstream	**Midstream**	**Central structure**	**TOTAL**
Revenue	11,926,707	-	-	11,926,707
Cost of revenue	(4,564,476)	-	-	(4,564,476)
Gross profit	**7,362,231**	**-**	**-**	**7,362,231**
Selling expenses	(188,500)	-	-	(188,500)
Central structure expenses	-	-	(506,419)	(506,419)
Other operating income and expenses	(12,935)	93,123	-	80,188
Adjusted EBITDA	**7,160,796**	**93,123**	**(506,419)**	**6,747,500**
Exploration expenses	(1,399)	-	-	(1,399)
Other operating income and expenses	(91,927)	-	(44,953)	(136,880)
Depreciation and amortization (1)	(2,790,842)	-	(7,706)	(2,798,548)
Tax on bank credits and debits	(75,138)	-	(8,583)	(83,721)
Gains/losses on long-term investments	-	592,343	-	592,343
Subtotal	**4,201,490**	**685,466**	**(567,661)**	**4,319,295**
Financial income	-		26,967	26,967
Financial costs	-	-	(932,147)	(932,147)
Results for exposure to the purchasing power of the currency	-	-	(395,159)	(395,159)
Other financial results	-	-	1,120,101	1,120,101
Income before taxes	**4,201,490**	**685,466**	**(747,899)**	**4,139,057**
Income tax	(1,090,472)	(23,281)	186,975	(926,778)
Income / (Loss) for the period	**3,111,018**	**662,185**	**(560,924)**	**3,212,279**
Adjusted EBITDA				**6,747,500**
Dividends collected in this period				785,364
Adjusted EBITDA, including dividends collected				**7,532,864**

(1) By application of IFRS 16, depreciation charges include depreciation of the right of use assets for $ 208,877 in the six-month period ended June 30, 201, which has an application since the period end in June 30, 2019. (See Note 23)

	At 6.30.2018			
	Upstream	**Midstream**	**Central structure**	**TOTAL**
Revenue	8,635,156	-	-	8,635,156
Cost of revenue	(3,961,007)	-	-	(3,961,007)
Gross profit	**4,674,149**	**-**	**-**	**4,674,149**
Selling expenses	(180,689)	-	-	(180,689)
Central structure expenses	-	-	(439,146)	(439,146)
Other operating income and expenses	(42,262)	86,542	-	44,280
Adjusted EBITDA	**4,451,198**	**86,542**	**(439,146)**	**4,098,594**
Other operating income and expenses	(137,546)	-	(207,800)	(345,346)
Depreciation and amortization	(1,792,019)	-	(8,348)	(1,800,367)
Tax on bank credits and debits	(60,307)	-	(26,424)	(86,731)
Gains/losses on long-term investments	-	527,425	-	527,425
Subtotal	**2,461,326**	**613,967**	**(681,718)**	**2,393,575**
Financial income	-	-	25,117	25,117
Financial costs	-	-	(801,146)	(801,146)
Results for exposure to the purchasing power of the currency	-	-	(215,176)	(215,176)
Other financial results	-	-	(3,347,509)	(3,347,509)
Income before taxes	**2,461,326**	**613,967**	**(5,020,432)**	**(1,945,139)**
Income tax	(705,128)	(21,635)	1,255,108	528,345
Income (Loss) for the period	**1,756,198**	**592,332**	**(3,765,324)**	**(1,416,794)**
Adjusted EBITDA				**4,098,594**
Dividends collected in this period				299,751
Adjusted EBITDA, including dividends collected				**4,398,345**

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Changes in this item are as follows:

Main account	Original values					Depreciation					
	Value at the beginning of year	**Additions**	**Transfers**	**Disposals**	**Value at the end of the period**	**Accumulated at the beginning of the year**	**Disposals**	**For the period**	**Accumulated at end of the period**	**Net book value at 6.30.2019**	**Net book value at 12.31.2018**
DEVELOPMENT AND PRODUCTION ASSETS											
Wells and production facilities	24,465,179	258,870	2,292,391	(6,881)	27,009,559	11,495,072	(5,791)	2,420,040	13,909,321	13,100,238	12,970,107
Other production-related assets	98,417	23	-	(3,205)	95,235	67,017	(2,988)	4,377	68,406	26,829	31,400
Mining property	4,771,547	-	-	-	4,771,547	3,240,745	-	157,441	3,398,186	1,373,361	1,530,802
Materials and spare parts	14,078	5	-	(10,456)	3,627		-	-	-	3,627	14,078
Works in progress (1)	1,449,040	3,487,773	(2,285,684)	(846)	2,650,283		-	-	-	2,650,283	1,449,040
Subtotal	**30,798,261**	**3,746,671**	**6,707**	**(21,388)**	**34,530,251**	**14,802,834**	**(8,779)**	**2,581,858**	**17,375,913**	**17,154,338**	**15,995,427**
EXPLORATION AND EVALUATION ASSETS	**1,221,413**	**765,568**	**(6,707)**	**-**	**1,980,274**	**-**	**-**	**-**	**-**	**1,980,274**	**1,221,413**
CENTRAL MANAGEMENT ASSETS	**221,807**	**36,720**	**-**	**(14,407)**	**244,120**	**173,937**	**(14,279)**	**7,813**	**167,471**	**76,649**	**47,870**
TOTAL AT 6.30.2019	**32,241,481**	**4,548,959**	**-**	**(35,795)**	**36,754,645**	**14,976,771**	**(23,058)**	**2,589,671**	**17,543,384**	**19,211,261**	**17,264,710**
Non-financial asset impairment allowance										**(465,982)**	**(527,301)**
TOTAL										**18,745,279**	**16,737,409**

(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. Financial costs for $96,725 were capitalized in the period ended June 30, 2019 (5.43% annual capitalization interest rate)

Main account	Original values					Depreciation					
	Value at the beginning of year	Additions	Transfers	Disposals (2)	Value at the End of the period	Accumulated at the beginning of the year	Disposals (2)	For the period	Accumulated at the end of the period	Net book value at 6.30.2018	Net book value at 12.31.2017
DEVELOPMENT AND PRODUCTION ASSETS											
Wells and production facilities	18,948,790	1,201,554	2,709,772	(720,999)	22,139,117	8,935,897	(276,865)	1,534,338	10,193,370	11,945,747	10,012,893
Other production-related assets	79,005	98	19,027	-	98,130	50,541	2,866	8,750	62,157	35,973	28,464
Mining property	5,305,511	42,598	10,306	(284,764)	5,073,651	2,701,968	(257,910)	248,823	2,692,881	2,380,770	2,603,543
Materials and spare parts	16,444	333	-	-	16,777	-	-	-	-	16,777	16,444
Works in progress (1)	1,034,721	2,485,701	(2,437,551)	-	1,082,871	-	-	-	-	1,082,871	1,034,721
Subtotal	**25,384,471**	**3,730,284**	**301,554**	**(1,005,763)**	**28,410,546**	**11,688,406**	**(531,909)**	**1,791,911**	**12,948,408**	**15,462,138**	**13,696,065**
EXPLORATION AND EVALUATION ASSETS	**1,060,057**	**420,860**	**(171,551)**	**-**	**1,309,366**	**-**	**-**	**-**	**-**	**1,309,366**	**1,060,057**
CENTRAL MANAGEMENT ASSETS	**324,775**	**25,567**	**(130,003)**	**(1,582)**	**218,757**	**177,758**	**(24,908)**	**8,456**	**161,306**	**57,451**	**147,017**
TOTAL AT 6.30.2018	**26,769,303**	**4,176,711**	**-**	**(1,007,345)**	**29,938,669**	**11,866,164**	**(556,817)**	**1,800,367**	**13,109,714**	**16,828,955**	**14,903,139**
Non-financial asset impairment allowance										**(535,000)**	**(305,247)**
TOTAL										**16,293,955**	**14,597,892**

(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. Financial costs for $60,826 were capitalized in the period ended June 30, 2018 (7.03% annual capitalization interest rate)

(2) Includes $450,529 of written-off original values net of depreciations, due to the 50% assignment of La Maggie concession.

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

	6.30.2019	6.30.2018
Balance at the beginning of year	527,301	305,247
(Decreases)/Increases (1)	(61,319)	229,753
Balance at end of period	**465,982**	**535,000**

(1) Related to recovery in 2019 under the agreement to terminate the Joint Venture for the concessions to exploit Fractions C and D of the Santa Cruz I area and Laguna de los Capones area (“La Maggie”).

NOTE 7 - INVESTMENTS IN ASSOCIATES

a) Below is a detail of the investments in associates at June 30, 2019 and December 31, 2018:

Company	6.30.2019	12.31.2018
<u>Associates</u>		
Gasinvest S.A.	8,004,286	8,388,108
Gasoducto GasAndes (Argentina) S.A.	692,354	523,013
Gasoducto GasAndes S.A. (Chile)	349,669	331,230
Transportadora de Gas del Norte S.A.	15,947	16,744
Transportadora de Gas del Mercosur S.A.	26,813	44,477
Andes Operaciones y Servicios S.A. (Chile)	35,081	35,360
Total investments in associates	**9,124,150**	**9,338,932**

b) Below are the changes in investments in associates as of June 30, 2019 and 2018:

	6.30.2019	6.30.2018
At the beginning of the year	9,338,932	3,633,960
Translation differences	(58,878)	141,764
Capital decrease	-	(18,071)
Petronado S.A. fair value result	-	(2,763)
Assets revaluation reserve	37,117	-
Gain /(loss) on investments (Note 20 f))	592,343	527,425
Goodwill write-off	-	(15,498)
Dividends approved (1)	(785,364)	(299,751)
At period end	**9,124,150**	**3,967,066**

(1) Dividends approved as of June 30, 2019 and 2018 were collected prior to the period end.

NOTE 8 - OTHER RECEIVABLES

The breakdown of other receivables is as follows:

	6.30.2019	12.31.2018
<u>Non-current</u>:		
Related parties (Note 21 a))	233,483	253,586
Minimum notional income tax	238,836	124,848
Income tax	98,937	68,586
Receivables under the Incentive Program for Gas Injection (1)	-	1,413,992
Echo Energy CDL OP Ltd 2)	-	114,754
Sundry	19	20
Allowance for expected losses	(233,483)	(253,586)
Total	**337,792**	**1,722,200**

	6.30.2019	12.31.2018
Current:		
Receivables for incentives Resolution 419-E/2017	2,254,152	2,077,853
Receivables under the Incentive Program for Gas Injection (1)	-	1,043,696
Receivables from the propane gas supply agreement	20,462	21,651
Receivables from export refunds from Patagonia ports	29,289	31,811
Related parties (Note 21 a))	9,212	8,680
Value added tax	406,045	24,254
Income tax	-	41,079
Other tax credits	39,836	2,495
Advances to suppliers	126,398	35,894
Expenses to be recovered	-	16,842
Pre-paid insurance	27,507	7,041
Hedge (Note 3)	108,508	-
Trust Assets	86	311
Integración Energética Argentina S.A.	146,139	-
Echo Energy CDL OP Ltd	-	16,534
Prepaid mining fees	14,671	28,253
Sundry	19,917	18,499
Total	**3,202,222**	**3,374,893**

(1) On March 28, 2018, the Ministry of Energy and Mining approved, under MINEM Resolution No. 97/2018, the procedure for the settlement of receivables under the Incentive Program for Gas Injection. This Resolution established the repayment in 30 equal and consecutive installments as from January 2019. The credit was set for an amount of USD 59,385,260. SGE Resolution No. 54/19 was published on February 21, 2019 which modified the mechanism for settling compensation pending liquidation and/or payment in the year 2017 (MINEM Resolution No. 97/18). The main modification consists that the payments will be through the delivery of government debt securities. As of June 30, 2019, it was recorded at present value, considering the conditions established under the Resolution.
BONDS UNDER NATURAL GAS PROGRAMS for a nominal value of USD 59,385,260 were received on April 11, 2019, as established by SGE Resolution No. 54/19. The bonds will fall due on June 28, 2021 and will be amortized on a monthly basis. The coupons amortized for USD 11,865,175 as of June 30, 2019 have been collected in cash.

Activity in the allowance for expected losses is as follows:

	6.30.2019	6.30.2018
Non-Current		
Balance at the beginning of year	253,586	196,096
Result for exposure to the purchasing power of the currency	(46,416)	(35,893)
Increases (1)	26,313	87,178
Balance at period end	**233,483**	**247,381**

(1) $ 0 and $ 5,165 were charged to other operating income and expenses, and $ 26,313 and $ 82,013, to financial results in 2019 and 2018, respectively.

NOTE 9 - INVENTORIES

The breakdown of inventories is as follows:

	6.30.2019	12.31.2018
Oil and byproducts	251,563	544,450
Materials and spare parts	568,468	497,745
Total	**820,031**	**1,042,195**

NOTE 10 - TRADE RECEIVABLES

The breakdown of trade receivables is as follows:

	6.30.2019	12.31.2018
Non-Current		
Ordinary	233,398	430,212
Bankruptcy proceedings	181,484	199,086
Less: Allowance for expected losses	(181,484)	(199,086)
Total	**233,398**	**430,212**
Current		
Ordinary	6,094,327	5,964,008
Less: Allowance for expected losses	(104,103)	(85,277)
Total	**5,990,224**	**5,878,731**

Activity in the allowance for expected losses is as follows:

	6.30.2019	6.30.2018
Balance at beginning of year	284,363	140,191
Result for exposure to the purchasing power of the currency	(52,049)	(25,660)
Increases (1)	53,273	165,832
Balance at period end	**285,587**	**280,363**

(1) $ 29,851 and $ 185,136 were allocated to other operating income and expenses in 2019 and 2018, respectively, and $ 23,422 and ($ 19,304), to financial results in 2019 and 2018, respectively.

NOTE 11 - OTHER INVESTMENTS

The breakdown of other investments is as follows:

Non-Current:	6.30.2019	12.31.2018
Government securities at amortized cost (1)	885,737	-
Total	**885,737**	**-**
Current:		
Publicly traded shares	18,083	24,933
Government securities at amortized cost (1)	959,301	-
Government securities at fair value (2)	331,934	375,191
Total	**1,309,318**	**400,124**

(1) BONDS UNDER NATURAL GAS PROGRAMS (see Note 8 (1))
(2) Include Argentine Bonds denominated in US dollars (BONAR 2020 in USD) for a nominal value of USD 8,228,408 and USD 8,228,653, respectively, bearing interest at 8% and falling due in 2020, received as provided for by Decree No. 704/2016.

NOTE 12 - CASH AND CASH EQUIVALENTS

	6.30.2019	12.31.2018
Cash, imprest fund and checks to be deposited	417	408
Banks	2,468,983	1,025,241
Mutual funds (1) (2)	765,281	239,299
Total	**3,234,681**	**1,264,948**

(1) Include 24,233,345 units in Alpha Pesos mutual fund and 14,250,147 units in Axis Argentina Local Markets Plus - Class E - USD mutual fund. At December 31, 2018 is made up of 44,197,166 units of Alpha Pesos mutual fund.
(2) Includes $ 623,165 deposited in trust accounts with restrictions on use as of June 30, 2019. (See Note 21 c) to the December 31, 2018 Financial Statements)

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

	6.30.2019	12.31.2018
Cash and cash equivalents	2,469,400	1,025,649
Mutual funds	765,281	239,299
Total	**3,234,681**	**1,264,948**

NOTE 13 – SHARE CAPITAL

Share capital as of June 30, 2019 and December 31, 2018 amounted to $ 399,138 and had been fully subscribed, paid-up and registered. Share capital is represented by 399,137,856 ordinary nominative non-endorsable shares of $1 face value each and entitled to one vote per share. The shareholders of Latin Exploration S.L.U. and Sociedad Comercial del Plata S.A. hold 70% and 30% of the share capital and votes, respectively. Latin Exploration S.L.U. holds 279,396,499 shares and Sociedad Comercial del Plata S.A. holds 119,741,357 shares.

NOTE 14 - PROVISIONS FOR LEGAL CLAIMS AND PROCEEDINGS

At the date of issuance of these financial statements, the Company holds interpretative differences with the Regulators Agencies regarding hydrocarbon royalties payments. CGC estimates that final determination are not having significant impact regarding these financial statements.

The changes in the provisions for lawsuits and administrative claims are as follows:

	6.30.2019	6.30.2018
Non-Current		
Balance at beginning of year	69,232	59,075
Result for exposure to the purchasing power of the currency	(12,672)	(8,163)
Increases (1)	15,102	16,491
Balance at period end	**71,662**	**67,403**

(1) $ 15,102 and $ 17,497 were allocated to other operating income and expenses in 2019 and 2018, respectively, and ($ 1,006), to financial results in 2017.

NOTE 15 - OTHER PROVISIONS

The breakdown of provisions is as follows:

	6.30.2019	12.31.2018
Non-current:		
Gas imbalance	9,199	12,144
Asset retirement obligation and provision for environmental remediation	1,764,418	1,645,677
Sundry	21,472	23,712
Total	**1,795,089**	**1,681,533**
Current:		
Gas imbalance	1,473	1,878
Fess for reorganization trustees	15	18
Total	**1,488**	**1,896**

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

	Balance at beginning of year	Result for exposure to the purchasing power of the currency	Increases	Decreases	Balance At period-end
Non-Current:					
Gas imbalance (1)	12,144	-	-	(2,945)	9,199
Asset retirement obligation and provision for environmental remediation (2)	1,645,677	(184,468)	303,209	-	1,764,418
Current:					
Gas imbalance (1)	1,878	-	-	(405)	1,473
Total at 6.30.2019	**1,659,699**	**(184,468)**	**303,209**	**(3,350)**	**1,775,090**

(1) Return of gas for ($ 3,350) charged to cost of sales.

(2) $ 39,398 at present value charged to financial costs; adjustment to future cost for $ 262,739 charged to property, plant and equipment; and exploration expenses for $ 1,072.

	Balance at beginning of year	Result for exposure to the purchasing power of the currency	Increases	Decreases	Balance At period-end
Non-Current:					
Gas imbalance (1)	24,743	-	410	(4,067)	21,086
Asset retirement obligation and provision for environmental remediation (2)	1,546,075	(639,376)	877,613	-	1,784,312
Current:					
Gas imbalance (1)	3,043	-	-	(1,143)	1,900
Total at 6.30.2018	**1,573,861**	**(639,376)**	**878,023**	**(5,210)**	**1,807,298**

(1) Exchange differences and interest for $ 410 charged to financial costs, and return of gas for ($ 5,210) charged to cost of sales.

(2) $ 43,341 at present value charged to financial costs, future cost adjustment for $ 1,060,649 charged to property, plant and equipment, and ($ 226,377) was written off as a result of the assignment of 50% of La Maggie concession.

NOTE 16 - TAX PAYABLES

The breakdown of tax payables is as follows:

	6.30.2019	12.31.2018
Non-current:		
Payment plan, Section 32 Law No. 11683	15,025	27,337
Payment plan General Resolution No. 3451 (AFIP)	2,955	4,037
Total	**17,980**	**31,374**
Current:		
Provision for turnover tax	10,579	4,197
Value added tax	-	80,738
Collection gas surcharge, pursuant to Section 75 of Law No. 25565	41,666	42,033
Tax withholdings and collections	98,857	104,363
Payment plan, Section 32 of Law No. 11683	14,051	15,870
Payment plan, pursuant to Law No. 26476	195	934
Payment plan General Resolution No. 3451 (AFIP)	661	747
Sundry	1,930	417
Total	**167,939**	**249,299**

NOTE 17 - FINANCIAL DEBTS

The breakdown of financial debts is as follows:

	6.30.2019	12.31.2018
Non-current:		
Bank loans	2,523,984	131,518
Negotiable Obligations	15,884,023	17,477,464
Total	**18,408,007**	**17,608,982**

	6.30.2019	12.31.2018
Current:		
Bank loans	643,458	2,514,277
Negotiable Obligations	307,028	584,667
Total	**950,486**	**3,098,944**

The activity in financial debts as of June 30, 2019 and 2018 is shown below:

	6.30.2019	6.30.2018
Balance at the beginning	20,707,925	12,579,408
Short-term bank overdraft, net	-	3,228
Interest accrued	980,445	877,207
Exchange difference	(1,778,146)	5,271,572
Loans obtained	4,591,753	3,820,516
Payment of principal	(4,190,395)	(1,063,114)
Payment of interest	(953,089)	(604,941)
Balance at period end	**19,358,493**	**20,883,876**

Due dates of financial debts at June 30, 2019 and December 31, 2018 are as follows:

	6.30.2019	12.31.2018
Less than 1 year	950,486	3,098,944
From 1 to 2 years	2,502,210	104,792
From 2 to 3 years	15,905,797	-
More than 3 years	-	17,504,190
Total	**19,358,493**	**20,707,926**

The carrying amount of financial debts approximates their fair value, with a difference of 0.03% below par.

See the detail of financial debt, guarantees and restrictions in Note 21 to the December 31, 2018 financial statements.

The following significant variations in the Company's financial indebtedness have been reported in the six-month period ended June 30, 2019 and considering the subsequent events until the date of issuance of these Financial Statements:

Class 10 Negotiable Obligations:

Class 10 Negotiable Obligations were issued on January 12, 2018. On May 7, 2019, principal on Class 10 Negotiable Obligations for USD 5,041,607 was repaid in advance, in compliance with the obligations set forth under the issuance terms and conditions.
Class 10 Negotiable Obligations had originally been issued for a nominal value of USD 100,000,000.00, and with the mandatory early repayments made on May 7, 2019 and September 10, 2018 for USD 5,041,607 and USD 20,222,467, respectively, the residual value of the Negotiable Obligations at June 30, 2019 was worth USD 74,735,927.
Additionally, on July 12, 2019, principal on Class 10 Negotiable Obligations for USD 10,849,410 was repaid in advance, so the residual value of the Negotiable Obligations at the date of issue of these Financial Statements amounted to USD 63,886,516.

Syndicated loan for USD 75,000,000:

The funds disbursed under the syndicated loan agreement for USD 75,000,000, signed with Citibank N.A. Branch based in Argentina, Banco de Galicia y Buenos Aires S.A.U., Industrial and Commercial Bank of China (Argentina) S.A. and Banco Santander Río S.A., as lenders, were received on May 23, 2019. The Branch of Citibank N.A. based in Argentina shall act as disbursement agent and Citibank N.A., as administrative agent. The loan shall accrue compensatory interest payable quarterly at a fixed nominal annual rate of 9.5%. If the loans are assigned to foreign persons, may accrue interest at a variable annual rate equivalent to LIBOR plus 5.5%, at the assignee's choice. The loans may be amortized in five equal quarterly and consecutive installments, payable as from May 21, 2020 (inclusive).

Negotiable Obligation Issue Program under the Frequent Issuer Regime

On July 19, 2019, the Company shareholders approved an increase from USD 250,000,000 to USD 500,000,000 in the maximum amount to be issued under the frequent issuer system. On July 24, 2019, the CNV Issuers Board authorized the Company to register with the Frequent Issuers Regime for the public offering of simple Negotiable Obligations, not convertible for shares, for an amount of up to USD 500,000,000. The final Offering Circular was submitted on July 25, 2019 and the pricing supplement was issued on July 31, 2019 for Class 11 Negotiable Obligations to be issued under the Frequent Issuer System at a fixed rate and falling due between the fifth and the tenth anniversary of the Issue and Settlement Date, for a nominal value of up to USD 300,000,000, which may be taken to a maximum amount of USD 500,000,000. The negotiable obligations under this program has not been issued at the financial statements issuance date.

NOTE 18 - OTHER LIABILITIES

The breakdown of other liabilities is as follows:

	6.30.2019	12.31.2018
Current:		
Oil and gas royalties	121,844	173,545
Sundry	169,852	-
Total	**291,696**	**173,545**

NOTE 19 - TRADE PAYABLES

The breakdown of trade payables is as follows:

	6.30.2019	12.31.2018
Current:		
Ordinary suppliers	3,774,579	2,243,099
Ordinary suppliers of joint ventures	135,437	83,418
Related parties (Note 21 a))	154,516	123,067
Invoices to be received	1,380,273	1,954,140
Total	**5,444,805**	**4,403,724**

NOTE 20 - BREAKDOWN OF MAIN INCOME STATEMENT CAPTIONS

a) Revenue

	Three-month period ended		Six-month period ended	
	6.30.2019	6.30.2018	6.30.2019	6.30.2018
Crude oil delivered	2,125,179	815,819	3,373,723	1,787,711
Gas	2,600,806	3,129,874	5,551,954	5,222,763
Others	243,154	154,951	484,287	233,226
Incentives	1,436,559	789,181	2,766,368	1,391,456
Export withholdings	(181,628)	-	(249,625)	-
Total	**6,224,070**	**4,889,825**	**11,926,707**	**8,635,156**

b) Cost of revenue

	Three-month period ended		Six-month period ended	
	6.30.2019	6.30.2018	6.30.2019	6.30.2018
Inventory at the beginning	1,145,377	775,278	1,042,195	860,694
Purchases	524,257	647,777	1,445,324	1,041,961
Inventory consumption	(322,990)	(184,321)	(555,375)	(316,809)
Expenses allocable to cost of revenue (1)	3,231,941	2,681,598	6,318,343	5,210,469
Inventory at the end of the period	(820,031)	(982,983)	(820,031)	(982,983)
Cost of revenue	**3,758,554**	**2,937,349**	**7,430,456**	**5,813,332**

(1) Expenses attributable to cost of revenue

	Three-month period ended		Six-month period ended	
	6.30.2019	**6.30.2018**	**6.30.2019**	**6.30.2018**
Fees and compensation for services	16,799	7,601	31,839	9,699
Outsourced services	658,977	730,571	1,233,747	1,448,220
Salaries, wages and social security contributions	126,316	82,982	206,466	193,553
Other personnel expenses	9,184	11,561	17,493	20,516
Depreciation of property, plant and equipment	1,195,832	914,030	2,581,965	1,792,019
Depreciation of right of use assets	104,438	-	208,877	-
Taxes, duties and contributions	40,662	36,614	79,709	62,523
Fuel, gas and electricity	39,165	24,252	76,040	59,225
General insurance	15,635	17,526	26,950	20,055
Spare parts and repairs	217,447	163,779	372,525	306,490
Wells maintenance	141,091	67,502	245,232	147,777
Office expenses	35,786	32,950	59,888	62,670
Royalties, fee and easements	549,487	507,299	1,053,359	942,871
Gas imbalance	(1,441)	(2,740)	(3,350)	(5,210)
Environmental control	82,563	87,570	127,603	149,960
Others	-	101		101
Total	**3,231,941**	**2,681,598**	**6,318,343**	**5,210,469**

c) Selling expenses

	Three-month period ended		Six-month period ended	
	6.30.2019	**6.30.2018**	**6.30.2019**	**6.30.2018**
Turnover tax	88,207	109,137	188,500	180,689
Total	**88,207**	**109,137**	**188,500**	**180,689**

d) Administrative expenses

	Three-month period ended		Six-month period ended	
	6.30.2019	**6.30.2018**	**6.30.2019**	**6.30.2018**
Fees and compensation for services	70,037	96,206	157,345	141,068
Salaries, wages and social security contributions	154,101	68,026	225,441	202,375
Other personnel expenses	3,758	5,824	10,846	7,529
Depreciation of property, plant and equipment	4,385	3,966	7,706	8,348
Taxes, duties and contributions	4,393	4,003	8,806	30,738
General insurance	923	4,035	3,158	6,200
Spare parts and repairs	19,653	5,846	35,786	26,462
Office expenses	11,591	7,394	21,430	12,100
Travel and per diem	5,172	3,863	13,426	9,272
Communications	1,935	2,198	4,414	4,771
Others	22,029	21,516	34,350	25,056
Total	**297,977**	**222,877**	**522,708**	**473,919**

e) Other operating income and (expenses), net

	Three-month period ended		Six-month period ended	
	6.30.2019	**6.30.2018**	**6.30.2019**	**6.30.2018**
Fees for services rendered	53,789	27,851	98,873	87,869
Outsourced services	(4,542)	(44,411)	(17,399)	(45,775)
Charge for allowance for other receivables (Note 8)	-	(5,071)	-	(5,165)
Results on variation in working interest in La Maggie concession (Note 24.d))	(79,126)	(76,299)	(79,126)	(137,546)
(Charge for) / recovery of allowance for trade receivables (Note 10)	14,556	(155,395)	(29,851)	(185,136)
Charge of provision for legal claims and other proceedings (Note 14)	(9,759)	(11,888)	(15,102)	(17,497)
Turnover tax	(2,522)	(1,134)	(5,750)	(1,327)
Sundry	(9,848)	11,462	(8,337)	3,511
Total	**(37,452)**	**(254,885)**	**(56,692)**	**(301,066)**

f) Net gain in investees

	Three-month period ended		Six-month period ended	
Associate	**6.30.2019**	**6.30.2018**	**6.30.2019**	**6.30.2018**
Gasinvest S.A.	170,041	290,657	319,188	484,378
Gasoducto GasAndes Argentina S.A.	56,166	(9,628)	196,719	(849)
Gasoducto GasAndes S.A. (Chile)	43,017	2,656	84,042	10,717
Andes Operaciones y Servicios S.A. (Chile)	525	(201)	2,402	1,201
Transportadora de Gas del Norte S.A.	257	492	569	888
Transportadora de Gas del Mercosur S.A.	(4,551)	15,910	(10,577)	31,090
Total	**265,455**	**299,886**	**592,343**	**527,425**

g) Financial results

	Three-month period ended		Six-month period ended	
	6.30.2019	**6.30.2018**	**6.30.2019**	**6.30.2018**
Financial income				
Interest	22,409	18,617	26,967	25,117
Total	**22,409**	**18,617**	**26,967**	**25,117**
Financial costs				
Interest	(474,928)	(456,131)	(932,147)	(801,146)
Total	**(474,928)**	**(456,131)**	**(932,147)**	**(801,146)**
Result for exposure to the purchasing power of the currency				
Result for exposure to the purchasing power of the currency (Note 2)	(203,746)	(67,263)	(395,159)	(215,176)
Total	**(203,746)**	**(67,263)**	**(395,159)**	**(215,176)**
Other financial results				
Income from measurement of financial instruments at fair value	(30,469)	71,413	(17,536)	75,491
Exchange differences, net	1,884,777	(3,855,610)	1,173,725	(3,347,960)
Other financial expenses	(20,222)	(66,127)	(36,088)	(75,040)
Total	**1,834,086**	**(3,850,324)**	**1,120,101**	**(3,347,509)**

NOTE 21 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

At June 30, 2019 and December 31, 2018 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.

a) Balances with related parties at June 30, 2019 and December 31, 2018 are included below:

	6.30.2019	**12.31.2018**
Other receivables		
Non-Current:		
Petronado S.A.	233,483	253,586
Total	**233,483**	**253,586**
Current:		
Gasoducto GasAndes (Argentina) S.A.	9,212	8,680
Total	**9,212**	**8,680**
Trade payables		
Gasoducto GasAndes (Argentina) S.A.	-	20,843
Corredor Americano S.A.	154,516	102,224
Total	**154,516**	**123,067**

b) The main transactions with related parties for the six-month periods ended June 30, 2019 and 2018 are included below:

Company	**6.30.2019** Sale of services	Dividends collected	Outsourced services
Associated companies			
Gasoducto GasAndes (Argentina) S.A.	33,104	37,581	-
Gasoducto GasAndes S.A. (Chile)	-	43,471	-
Gasinvest S.A.	-	703,141	-
Transportadora Gas del Norte S.A.	-	1,171	-
Other companies			
Corredor Americano S.A. (1)	-	-	490,753

(1) Corredor Americano S.A. is a related entity since it is under the indirect control of the same shareholders as CGC

Company	**6.30.2018** Sale of services	Interest earned	Dividends collected	Outsourced services
Associated companies				
Gasoducto GasAndes (Argentina) S.A.	24,276	-	41,719	-
Gasoducto GasAndes S.A. (Chile)	-	-	44,775	-
Transportadora Gas del Norte S.A.	-	-	293	-
Other companies				
Corredor Americano S.A. (1)	-	-	-	792,579
Transportadora Gas del Mercosur S.A.	-	435	212,964	-

(1) Corredor Americano S.A. is a related entity since it is under the indirect control of the same shareholders as CGC

c) Accrued compensations of key Company management staff, including the Board members and Vice Presidents who perform executive functions and are appointed by the Board of Directors, amounted to $170,745 and $182,411, respectively, in the six-month periods ended June 30, 2019 and 2018.

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.

	6.30.2019	12.31.2018
Deferred tax is as follows:		
Deferred tax assets	619,083	1,310,706
Deferred tax liabilities	(2,063,141)	(1,827,986)
Net deferred tax liabilities	**(1,444,058)**	**(517,280)**

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

	Three-month period ended		Six-month period ended	
	6.30.2019	6.30.2018	6.30.2019	6.30.2018
Income tax for the period				
Deferred tax - Income (Loss)	(814,226)	814,691	(926,778)	528,345
Total income tax	**(814,226)**	**814,691**	**(926,778)**	**528,345**

To determine the taxable net income at the end of the reporting period, the adjustment for inflation calculated in accordance with Sections Nos. 95 to 98 of the Income Tax Law, for an amount of $ 593.3 million (loss), was included in the taxable result, as the Company expects that the variation in the General Level Consumer Price Index (CPI) will exceed 30% by December 31, 2019. Furthermore, as established by the Income Tax Law, the charge generated by the tax adjustment for inflation is to be deferred for three consecutive fiscal years.

NOTE 23 - LEASES

The Company has adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard.

On adoption of IFRS 16, the Company recognized lease liabilities that were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 9.07%.

The Company leases production facilities and equipment. Contracts are usually made for a term of 1 to 4 years, with an extension option. The terms of the lease contracts are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date on which the leased asset is available for use by the Company. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Each lease payments of short-term leases and leases of low-price assets are recognized in profit and loss under the straight-line method. The duration of short-term leases is 12 months or less.

Detailed below are the effects of the adoption of the new policy and movements for the six-month period ended June 30, 2019:

Right-of-use assets recognized at January 1, 2019	**664,030**
Depreciation of the right-of-use assets for the six-month period ended June 30, 2019.	(208,877)
Right-of-use assets recognized at June 30, 2019	**455,153**
Lease payable at January 1, 2019	**664,030**
Lease payments	(230,881)
Effect of exchange difference for the six-month period ended June 30, 2019	(11,228)
Effect of discount at present value for the six-month period ended June 30, 2019	33,263
Lease payable at June 30, 2019	**455,184**
Classification at June 30, 2019	
Current lease payable	**321,337**
Non-current lease payable	**133,847**

NOTE 24 - PARTICIPATION IN OIL AND GAS BLOCKS

The Company recognizes in its financial statements the assets, liabilities, revenue from ordinary activities and expenses relating to its participation in joint operations for hydrocarbon exploration and production. At June 30, 2019 and December 31, 2018 the financial statements and management reports of joint operations at those dates were used.

Basin	Area	% participation	Operator	Term Until	Activity
Argentina					
Northwestern	Aguaragüe	5.00	Tecpetrol S.A.	2027	Exploration and exploitation
Austral	El Cerrito	100.00	CGC	2052	Exploration and exploitation
	Dos Hermanos	100.00	CGC	2027 / 2034 / 2037	Exploration and exploitation
	Campo Boleadoras	100.00	CGC	2027 / 2033 / 2034	Exploration and exploitation
	Campo Indio Este / El Cerrito	100.00	CGC	2028 / 2058	Exploration and exploitation
	María Inés	100.00	CGC	2027 / 2028	Exploration and exploitation
	Cóndor	100.00	CGC	2027	Exploration and exploitation
	La Maggie	100.00	CGC	24.d.1)	Exploration and exploitation
	Glencross	87.00	CGC	2033	Exploitation
	Estancia Chiripa	87.00	CGC	2033	Exploitation
	Tapi Aike	81.00	CGC	24.d.2)	Exploration
	Piedrabuena	100.00	CGC	24.b)	Exploration
	Paso Fuhr	50.00	CGC	24.c)	Exploration
Neuquina	Angostura	100.00	CGC	24.b)	Exploration

Venezuela	Campo Onado	26.004	Petronado S.A.	2026 24.b)	Exploitation
Guatemala	A-9-96	100.00	CGC	24.b)	Exploration

a) The total amounts of the consolidated statements of financial position relating to the participation of the Company in joint operations at June 30, 2019 and December 31, 2018 and the income statements for the six-month periods ended June 30, 2019 and 2018 are shown below:

	6.30.2019	**12.31.2018**
Non-current assets	744,323	289,939
Current assets	184,152	50,291
Total assets	**928,475**	**340,230**
Non-current liabilities	65,928	66,122
Current liabilities	137,727	83,910
Total liabilities	**203,655**	**150,032**

	6.30.2019	**6.30.2018**
Operating loss (*)	204,511	126,406
Net loss (*)	177,630	145,238

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

b) Subsequent to December 31, 2018, there were no significant changes in the status of the concession contracts for the oil and gas areas.

c) Within the framework of the bidding process IESC No. 2/17, on February 28, 2019 the Executive Branch of the Province of Santa Cruz issued Decree No. 0199/2019 awarding to CGC and YPF the exploration permit for the Paso Fuhr area, located in the Province of Santa Cruz, in the west margin of the Austral Basin. It is an area of 4,668 Km2, between El Cerrito Fracción 2 and La Paz concessions, where CGC will be the operator. As a result, progress will be made on conventional targets and tight gas of the Basin, currently explored and developed by CGC. Both companies decided to join efforts in this bid to maximize the experience each has acquired over the last few years.

d) On May 17, 2019, the Company and Echo Energy Plc. ("Echo Energy") executed two agreements for the amendment to the farmout agreements made in fiscal year 2017 for the exploration of four blocks in the Austral Basin in the Province of Santa Cruz:

1) Agreement to terminate the Joint Venture for the concessions to exploit Fractions C and D of the Santa Cruz I area and Laguna de los Capones area ("La Maggie"). After investing USD 17.5 million in exploring La Maggie during the fiscal year 2018, Echo Energy has decided to not carry on with the Second Period of Obligations and returned to CGC 50% of the rights and obligations over the Blocks. CGC has assumed 100% of the working interest in the areas and waived its right to enforce the remaining investment obligations incumbent on Echo Energy.

2) Amendment to the Tapi Aike area farmout agreement. Echo Energy has reduced its interest in the block from 50% to 19% of the rights and obligations arising under the exploration permit of the Tapi Aike area, and will pay with this amendment 19% of costs and investments under the basic exploration plan for the first exploratory period. CGC has assumed an 81% interest in the Tapi Aike area, whose exploration permit was granted to the Company under Decree No. 775, within the framework of Bid No. 01/17 of Instituto de Energía de Santa Cruz.

NOTE 25 - ASSOCIATES AND OTHER COMPANIES

Investments in associates 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 %	
		6.30.2019	12.31.2018
Associates			
Gasinvest S.A.	(1)	40.8574	40.8574
Gasoducto GasAndes (Argentina) S.A.		39.9999	39.9999
Gasoducto GasAndes S.A. (Chile)		39.9999	39.9999
Andes Operaciones y Servicios S.A. (Chile)		50.0000	50.0000
Transportadora de Gas del Norte S.A.		0.0465	0.0465
Transportadora de Gas del Mercosur S.A.		10.8988	10.8988
Other companies			
Petronado S.A. (Venezuela)		26.0040	26.0040

(1) Parent company of Transportadora de Gas de Norte S.A. holding 56.3538% of equity interests.

Subsequent to December 31, 2018 there have been no significant changes in the situation of associates.

NOTE 26 - SUBSEQUENT EVENTS

After June 30, 2019, no event, situation or circumstances not publicly known which affect or may significantly affect the Company's economic or financial position has occurred in addition to those mentioned in the Notes to these financial statements, except for the decision made by the Company's shareholders who resolved to approve on April 10, 2019 the release, in part, of the discretionary reserve for $ 189,885, equivalent to USD 4,000,000 (United States Dollars four million), to maintain the working capital and future dividend distributions. Those dividends were paid on July 5, 2019. On August 6, 2019, the associate Gasoducto Gasandes (Argentina) S.A. approved an interim dividend for $ 181,960 on CGC equity interest.

“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
City of Buenos Aires
Tax Code 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 Condensed interim consolidated statement of financial position at June 30, 2019, the Condensed interim consolidated statement of comprehensive income for the three and six-month period ended June 30, 2019, the Condensed interim consolidated statements of changes in equity and of cash flows for the six-month period then ended, and the selected explanatory notes.

The balances and other information corresponding to the fiscal year 2018 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 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 of the Company's personnel responsible for preparing the information included in the condensed interim consolidated financial statements and performing analytical and other review procedures.

Such a review is substantially less in scope than an audit conducted in accordance with international standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated financial position, the consolidated comprehensive income, or the consolidated cash flows of the Company.

Conclusion

On the basis of our review, nothing has come to our attention that make us think that the condensed 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" book and as regards those matters that are within our competence, they are in compliance with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;

b) the condensed interim separate 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 overview, on which, as regards those matters that are within our competence, we have no observations to make;

d) at June 30, 2019, 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 and calculations, amounted to $ 20,747,942, none of which was claimable at that date.

Autonomous City of Buenos Aires, August 9, 2019

PRICE WATERHOUSE & CO. S.R.L.

by (Partner)
Hernán Rodríguez Cancelo

SUPERVISORY COMMITTEE´S REPORT

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

In our capacity as members of the Supervisory Committee of Compañía General de Combustibles S.A., as called for sub-section 5 of section 294 of 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. The preparation and issuance of the documents mentioned are the responsibility of the Company's Board of Directors in the exercise of its exclusive functions. Our responsibility is to report on those documents based on the work performed with the scope mentioned in section II.

I. DOCUMENTS REVIEWED

a) Interim separate and consolidated statement of financial position at June 30, 2019.
b) Interim separate and consolidated statement of comprehensive income for the six-month period ended June 30, 2019.
c) Interim separate and consolidated statement of changes in equity for the six-month period ended June 30, 2019.
d) Interim separate and consolidated statement of cash flow for the six-month period ended June 30, 2019.
e) Notes to the condensed interim separate and consolidated financial statements for the six-month period ended june 30, 2019.
f) Overview and Additional Information on the Notes to the June 30, 2019 condensed interim Financial Statements, as required by Section 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), respectively.

II. SCOPE OF THE REVIEW

We have performed our review in accordance with standards applicable to supervisorys in Argentina, which require that the review of the financial statements be performed in accordance with auditing standards for reviews of financial statements for interim periods, as 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 August 9, 2019. 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 Overview and Additional Information on the Notes to the condensed interim Financial Statements, as required by Section 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 matters within our competence, the numerical data contained in the above-mentioned documents arise from the Company’s accounting records or other relevant documentation.

Furthermore, 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 SUPERVISORY' 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 that are known to us, and that 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 e) of section I of this report, for their presentation in accordance with International Accounting Standard 34; and

c) In relation to the Overview 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 f), 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; they have been transcribed to the Inventory and Balance Sheet book and arise from Company's accounting records kept, in all formal respects, in conformity with current legal provisions.

b) In performance of the legality control that is within our 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, August 9, 2019

CARLOS OSCAR BIANCHI
For the Supervisory Committee