



Compañía General de Combustibles S.A. announced its audited results for the twelve-month period ended December 31, 2019

Buenos Aires, March 24, 2020 - Compañía General de Combustibles S.A. ("CGC"), a leading energy company with operations in Argentina, announced its audited results for the twelve-month period ended December 31, 2019.

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

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

For more information, please see CGC's 2019 audited consolidated Financial Statements.

Full-Year 2019 Key Highlights ³

- Daily average gas production amounted to 5,413.7 Mm³ in 2019, which represented an increase of 27% compared to 2018. In turn, daily average crude oil production reached 850.1 m³ in 2019, an increase of 6.3% compared to 2018.
- Revenues totaled AR\$30,880.7 million (or approximately USD515.6 million) in 2019 compared with AR\$27,432.9 million in 2018. Revenues were up 12.6% year-over-year in 2019.
- Total Adjusted EBITDA (including dividends collected) amounted to AR\$18,700.3 million (or approximately USD312.2 million) in 2019, which represents an increase of 27.1% compared to AR\$14,715.8 million in 2018, and AR\$4,730.1 million for 4Q19 (or approximately USD78.9 million).
- CapEx reached AR\$10,965.1 million (or approximately USD183.1 million) in 2019, compared with AR\$9,114.9 million in 2018.
- As of December 31, 2019, Cash & Cash Equivalents amounted to AR\$4,214.6 million (approximately USD70.4 million).

¹ CGC's audited results are disclosed in constant currency as of December 31, 2019, including the comparative figures of the twelve-month period ended December 31, in accordance with the IAS 29 regarding financial information in hyperinflationary economies and General Res. No. 777/2018, issued by the Argentine National Securities and Exchange Commission ('CNV').

² For further details, please refer to note "AR\$ / USD Conversion" on page 6.

³ Figures were converted to USD using the following EoP exchange rate per USD 1.00: AR\$59.89 for 2019.



- Net Leverage Ratio as of December 31, 2019 remained low at 0.81x.¹

	2019 IAS 29
Exchange Rate AR\$/USD	
Average	48,23
End of Period (EoP)	59,89
Figures in USD million	
Revenues	515,6
Adjusted EBITDA	312,2
CAPEX	183,1
Cash & Equivalents	70,4

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



Brief Overview¹

During 2019, CGC drilled 44 wells (five of which were exploratory), with a total success rate of 77%.

As a result, total daily average production reached 40.4 Mboe during 2019, of which 84.3% corresponded to natural gas, 13.2% to crude oil and 2.5% to LPG. Daily average gas production amounted to 5,413.7 Mm³ in 2019, which represented an increase of 27.0% compared to 2018. In turn, daily average crude oil production reached 850.1 m³ in 2019, an increase of 6.3% compared to 2018.

In 2019, CGC posted a Reserve Replacement ratio of 108% in Natural Gas and of 38% in crude oil for its areas in Austral Basin, with 1P reserves of 58.5 MMboe, which represents a decrease of 1.3% in comparison with 2018. Reserves in the Austral Basin were audited by DeGolyer and MacNaughton, as of December 2019.

Revenues for 2019 amounted to AR\$30,880.7 million (or approximately USD515.6 million), of which 72% corresponded to natural gas, 23% to oil (crude + LPG) and the remainder corresponded to services (related to the storage and port facilities in Punta Loyola). During this period, 72% of CGC's crude oil sales corresponded to exports.

Revenues were up 12.6% year-over-year in 2019, mostly because of higher production volumes in gas and crude oil.

Revenue Breakdown	2019 (IAS 29)		2018 (IAS 29)	
	ARS million	% of total	ARS million	% of total
Crude Oil	7.253,3	23%	5.789,0	21%
Gas	22.302,8	72%	20.693,1	75%
Other	1.324,7	4%	950,7	3%
Total	30.880,7	100%	27.432,9	100%

Adjusted EBITDA for 2019 amounted to AR\$18,700.3 million (or approximately USD312.2 million), which represented an increase of 27.1% from AR\$14,715.8 million in 2018 and AR\$4,730.1 million for 4Q19 (or approximately USD78.9 million).

This performance was reflected in the Company's solid margins. Remarkably, Adjusted EBITDA margin improved to 61% in 2019, compared with 54% in 2018. Gross profit margin reached 38% in 2019, in comparison with 37% in 2018. Net profit improved to 15% in 2019, compared to 3% in 2018.

	2019	2018
	IAS29	IAS29
Adjusted EBITDA Mg.	61%	54%
Gross profit Mg.	38%	37%
Net profit Mg.	15%	3%

¹ Figures were converted to USD using the following EoP exchange rate per USD 1.00: AR\$59.89 for 2019.



CapEx reached AR\$10,965.1 million (or approximately USD183.1 million) in 2019, compared with AR\$9,114.9 million in 2018.

Cash & Cash Equivalents as of December 31, 2019 amounted to AR\$4,214.6 million or approximately USD70.4 million.

Additionally, as of December 31, 2019, the Company's financial debt amounted to AR\$22,958.8 million or approximately USD383.3 million (98% denominated in USD). Net Leverage Ratio remained low at 0.81x, and Interest Coverage Ratio at 9.71x.¹

CGC's limited-recourse local bond ON Clase 10 total outstanding as of December 31, 2019 was USD43.9 million. Total debt including this local bond amounted to AR\$25,587.1 million or approximately USD427.2 million. Net leverage ratio considering ON Clase 10 was 0.92x, and interest coverage ratio was 8.78x.²

Underground Gas Storage Facility

On September 2019, CGC started the development of "Sur Rio Chico" Project, the 2nd underground gas storage facility in Argentina, seeking firm export contracts and permits through the full year including the winter high season.

CGC projects to inject approximately 1 Mm³/d of natural gas during 180 days in the summer season, and extract approximately 2 Mm³/d during 90 days during winter.

Dividends Collected

During 2019, CGC collected AR\$1,161.2 million (approximately USD19.4 million) in dividends from its interests in the midstream business.

Increasing Participation in TGN, Gasinvest S.A. and TGM

On October 29, 2019, R.P.M., Tecpetrol International S.L. and CGC reached an agreement on a standing dispute about the ownership of a portion of TGN, Gasinvest S.A. and TGM shares.

According to this agreement, as from October 29, 2019, CGC indirectly owns 28.2% of TGN, through a direct participation of 0.057% and its investment in Gasinvest S.A., in which it has now a direct share of 50%. Regarding TGM, CGC's participation increased to 15.78%.

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

² Net Leverage Ratio and Interest Coverage Ratio calculated including ON Clase 10 bond and dividends from CGC's midstream assets.



New Local Bond Issuance

On March 5, 2020, CGC issued three new local Obligaciones Negociables, amounting to approximately USD35 million, to enhance the company's liquidity and refinance short term maturities.

Both Series 12, amounting to USD15.3 million, and Series 13, amounting to AR\$895.3 million, mature in 15 months. Series 14, amounting to AR\$314.6 million, matures in 12 months.

For more information, please see our CNV filing/recent developments.



AR\$ / USD Conversion

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

About Compañía General de Combustibles S.A.

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

Investor Relations Contact

Diego de Aracama
Email: diego_dearacama@cgc.com.ar
Phone: +5411 4849-6122

Corporate Finance Contact

Luis Villarreal
Email: luis_villarreal@cgc.com.ar
Phone: +5411 4849-6150