

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



COMPAÑÍA GENERAL DE COMBUSTIBLES S.A.

**Condensed interim financial statements
as of June 30th, 2020**

(With comparative statements of 2019)

Compañía General de Combustibles S.A.

Table of contents

- Overview

- Condensed interim financial statements

Condensed interim statement of financial position

Condensed interim statement of comprehensive income

Condensed interim statement of changes in equity

Condensed interim statement of cash flow

- Notes to the condensed interim financial statements

- Additional information to the notes as required by the National Securities Commission's Rules (Title IV, Chapter III, Section 12)

- Review report on the condensed interim financial statements

- Supervisory committee's report

Compañía General de Combustibles S.A. Overview as of June 30, 2020

(Information not covered by the review report on the condensed interim financial statements).

This Overview, which has been prepared in compliance with the provisions of the rules in force of the *Comisión Nacional de Valores* (Securities Commission) (Periodic Reporting Regime – Title IV – Chapter III – Section 4), supplements the Company's condensed interim financial statements for the quarter started on January 1, 2020 and ended on June 30, 2020. All references to \$ or US\$ are references to thousands of pesos or thousands to U.S. dollars, unless otherwise specified.

a) Brief discussion on the Company's activities during the second quarter ended June 30, 2020, including references to relevant events occurring after the end of the period

The **adjusted EBITDA** for the second quarter ended June 30, 2020 amounted to \$ 3,815,766 (\$ 7,690,647 for the six-month period), which represents a decrease of \$ 2,120,034 in respect of the second quarter of 2019. This decrease was mainly generated by a fall in the selling prices of Oil and Gas for the second quarter ended June 30, 2020. This decrease was partially offset by the increase in incentive accrual.

The **production of oil, natural gas, liquefied petroleum gas and gasoline** during the second quarter of 2020 was of 538.0 Mm3 equivalent, with an increase of 28.8 Mm3 (5%) with respect to the quantities produced during the same period of the preceding year.

Liquid hydrocarbons represented 14% and 17% and natural gas 86% and 83% of the total production as of June 30, 2020 and 2019, respectively.

The Company has an important presence in the main gas pipeline system, through its interests in the companies Transportadora de Gas del Norte S.A. (28.23%), Gasoducto Gasandes (Argentina) S.A. (40.0%), Gasoducto Gasandes S.A.(Chile) (40.0%) and Transportadora de Gas del Mercosur S.A. (15.8%).

The **volume of gas transported** by these companies during the second quarter of 2020 reached 6,334 million cubic meters, a 8% decrease compared to the same period of 2019.

Evolution of the Company's indicators	2 nd Q 2020 (3 months)	2 nd Q 2019 (3 months)	2 nd Q 2018 (3 months)
Adjusted EBITDA (thousands of pesos)	3,815,766	5,935,801	3,644,705
Oil production (m3/day) (1) (2)	824.85	1,034.84	855.57
Gas production (Mm3/day) (2)	5,087.75	5,194.27	4,247.95
Gas transported (MMm ³)	6,334	6,928	6,413
Oil and gas equivalent production (Mm3) (2)	538.0	566.8	464.4

(1) Includes liquefied petroleum gas and gasoline

(2) Argentine areas only

Mm3=Thousands of cubic meters

MMm3=Million cubic meters

Compañía General de Combustibles S.A.

Overview as of June 30, 2020

Relevant events in the second quarter ended on June 30 2020

Dividends received from associated companies and joint ventures

In the quarter ended June 30, 2020, midstream companies have paid to CGC dividends for \$ 705,116 (\$ 237,251 corresponding to dividends declared by the associates and joint ventures in 2019 and \$467.865 corresponding to dividends declared by the associates and joint ventures in 2020)

Financing

Exchange offer and consent request Class "A" Notes

On August 6, 2020, the Company launched the exchange offer of its Class "A" Notes at a fixed rate of 9.5% per year with maturity in 2021, for Notes Class 17, redeemable at a fixed rate of 9.5% per year with maturity in 2025. In turn, the holders of the existing Notes will be asked for their consent to modify some commitments and non-compliance assumptions pursuant to the contract for the issuance of the Existing Notes. Pursuant to the provisions of the Exchange Offer Document, eligible holders who validly present their existing Notes before the date of early participation will receive, for each US\$ 1,000.00 of nominal value, a Note of US\$ 950.00 and an early cash payment of US\$ 100.00. Eligible holders who submit their existing Notes after the early participation date, but on or before the Expiration Date, will receive for each US\$ 1,000.00 of nominal value, a Note of US\$ 950.00 and a cash payment of US\$ 50.00. The interest will be payable semi-annually in arrears on the dates indicated in the Results Notice.

Payment of the amortization installment of principal of Class 10 Notes

On April 13, 2020, the Company paid the first installment of principal corresponding to Class 10 Notes, in line with the amendment to the Terms and Conditions made by means of the Request for Consent, launched on September 12, 2019 and accepted by 100% of the holders. The amortized principal and accrued interest amounted to US\$ 5,000 and US\$ 235, respectively. In addition, at July 13, 2020 the Company paid the second installment of principal amounted to US\$ 5,000 and interest US\$ 571. At present, there are Class 10 Notes outstanding for an amount of US\$ 18,626.

Class 15 Notes

On May 26, 2020, the Company issued the Class 15 Notes, denominated in United States dollars and payable in pesos, for a total amount of US\$ 19,891. Class 15 ON accrue interest at a fixed rate of 5.0% nominal annual and payable quarterly and the principal will be paid at maturity. The ON have an expiration date of August 26, 2021. The funds obtained are mainly destined to the refinancing of liabilities and also investments in hydrocarbon exploration and exploitation in the province of Santa Cruz (Austral Basin), the integration of working capital, the acquisition of goodwill located in the country and the integration of capital contributions in subsidiaries or associated companies.

Compañía General de Combustibles S.A. Overview as of June 30, 2020

Payment of the first installment of the Syndicated Loan

On May 21, 2020, the Company made the payment of the first installment of capital corresponding to the Syndicated Loan signed on May 22, 2019, with Citibank N.A. as an administrative agent, the branch of Citibank N.A. established in the Argentine Republic as organizer, Argentine disbursement agent and lender, Bando de Galicia S.A.U, Industrial and Commercial Bank of China (Argentina) S.A. and Banco Santander Río S.A. as organizers and lenders, for the sum of US\$ 75,000.

The amortized capital and the payment of accrued interest corresponding to the quarterly period amounted to US\$ 15,000 and US \$ 1,781, respectively.

Short-term financing in pesos with several banks

During the first six months of 2020, the Company entered into several short-term loan agreements in pesos and current account agreements with several banks, for a total amount of approximately AR\$ 1,670 million and for terms ranging from 90 to 180 days, in order to finance working capital and preserve liquidity in a context of high volatility.

Partial cancellation of Export Financing with Banco Macro S.A.

On May 29, 2020, the Company partially canceled the Export Financing signed with Banco Macro S.A. on January 29, 2020.

The amortized principal and the corresponding accrued interest payment amounted to US\$ 9,072 and US\$ 179, respectively. The remaining amount of US \$ 928 was refinanced for a term of 120 days, accruing a fixed annual rate of 6.00%. The expiration date of the new financing is September 26, 2020.

b) Condensed equity structure as of June 30, 2020, 2019 and 2018

(Expressed in thousands of pesos)

	06.30.2020	06.30.2019	06.30.2018
Non-current assets	40,494,235	42,515,710	26,747,104
Current assets	20,052,360	20,780,643	10,346,245
Total assets	60,546,595	63,296,353	37,093,349
Equity attributable to owners	20,063,111	21,561,977	9,524,680
Total shareholders' equity	20,063,111	21,561,977	9,524,680
Non-current liabilities	28,182,729	31,222,256	21,054,117
Current liabilities	12,300,755	10,512,120	6,514,552
Total liabilities	40,483,484	41,734,376	27,568,669
Total liabilities and shareholders' equity	60,546,595	63,296,353	37,093,349

Compañía General de Combustibles S.A.

Overview as of June 30, 2020

c) Condensed result structure for the six-month periods ended June 30 2020, 2019, and 2018

(Expressed in thousands of pesos)

	06.30.2020	06.30.2019	06.30.2018
Revenue	12,373,408	17,382,782	12,327,441
Cost of revenues	(8,436,394)	(10,522,403)	(8,299,040)
Gross income	3,937,014	6,860,379	4,028,401
Selling expenses	(509,772)	(710,892)	(257,949)
Administrative expenses	(592,728)	(745,817)	(676,561)
Exploration expenses	(4,811)	(1,997)	-
Other operating income and (expenses)	(2,718,397)	(80,933)	(429,798)
Operating result	111,306	5,320,740	2,664,093
Result of investments in associates and joint ventures	959,612	845,433	752,945
Financial results, net	(3,363,487)	(257,306)	(6,193,894)
Result before taxes	(2,292,569)	5,908,867	(2,776,856)
Income tax	813,045	(1,323,057)	754,259
Net result	(1,479,524)	4,585,810	(2,022,597)
Other comprehensive results	(289,651)	30,208	154,132
Comprehensive results	(1,769,175)	4,616,018	(1,868,465)

The lower gross income registered in the quarter ended June 30, 2020 was mainly due to the decline in oil and gas selling prices. In addition, there was a loss in the item other income and expenses mainly generated by the non-financial assets impairment loss of \$ 2,299,981 due to the assessment of value in use of property, plant and equipment in the period ended June 30, 2020. (See note 7)

The financial cost have an increase for the exchange rate devaluation of the period 2020 (18%) over the period 2019 (13%)

d) Condensed cash flow structure for the six-month periods ended June 30 2020, 2019, and 2018

(Expressed in thousands of pesos)

	06.30.2020	06.30.2019	06.30.2018
Net cash generated by operating activities	4,285,568	11,026,368	2,806,571
Net cash used for investment activities	(916,669)	(6,368,751)	(3,961,731)
Net cash (used for) generated by financing activities	(454,085)	(1,117,248)	3,072,826
Net increase in cash, cash equivalents and bank overdraft	2,914,814	3,540,369	1,917,666
Cash and cash equivalents at the beginning of the year	4,219,592	1,805,666	598,465
Financial results generated by cash	(161,270)	(728,393)	986,561
Cash and cash equivalents at the end of the period	6,973,136	4,617,642	3,502,692

Compañía General de Combustibles S.A.

Overview as of June 30, 2020

e) Statistical data for the quarters ended June 30, 2020, 2019 and 2018

See data on crude oil and gas production and gas transportation for the quarters ended June 30, 2020, 2019 and 2018, in paragraph 1 of this Overview.

f) Ratios for the six-month periods ended June 30 2020, 2019 and 2018

		06.30.2020	06.30.2019	06.30.2018
Liquidity	(a)	1.63	1.98	1.59
Solvency	(b)	0.50	0.52	0.35
Capital lockup	(c)	0.67	0.67	0.72

(a) Current assets / Current liabilities

(b) Shareholders' equity / Total liabilities

(c) Non-current assets / Total assets

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

g) Prospects

As mentioned in the Annual Report as of December 31, 2019, in August 2019 the Argentine government issued a series of economic measures that discouraged production and caused activities to be temporarily reduced and the redefinition of investment projects for the coming year, which uncertainty prevails today due to the lack of certainty regarding key variables affecting the industry.

The current Argentine scenario is highly uncertain due to the recent macroeconomic instability and the sanitary emergency condition derived from the propagation of COVID-19. According to the recommendations published by the World Health Organization for all countries affected by the COVID-19 pandemic, the Argentine National Government issued Emergency Decree ("DNU") No. 297/2020 setting forth the "preventive and mandatory social distancing" to protect public health.

Compañía General de Combustibles S.A.

Overview as of June 30, 2020

While the Company’s activity is one of the activities exempted by social distancing measures (subject to the strict performance of its hydrocarbon exploration and exploitation activities), with the support of Santa Cruz’s provincial authorities and the unions, the production has not been affected up to this date. The Company has taken measures to ensure the safety of its teams and has implemented contingency plans to, where possible, maintain production levels by rotating teams. On the other hand, the Company has quickly implemented a remote work scheme for all positions and functions not requiring on site physical presence, and senior management and managers are working in a coordinated way, daily monitoring the current situation and adopting the necessary measures to protect its employees and have a safe interaction with customers, suppliers and the community where its operations are carried out.

During the second quarter of 2020, CGC was able to maintain production and its operation in Austral Basin in a highly complex environment, considering the impact of COVID-19 in the Argentine economy and the context of low oil and gas demand and prices. CGC’s Sales and EBITDA were in line with the results obtained during the first quarter of 2020, and at the end of June, the company resumed its drilling activity in Campo Indio, becoming one of the first four companies to resume activity in the country after the mandatory lockdown driven by sanitary measures.

Regarding financing, through the Exchange offer and consent request Class “A” Notes informed in this overview and in the note 26 to the financial statement, the company has taken the initiative to readjust its capital structure, in line with the long-term financial strategy and investment objectives.

City of Buenos Aires, August 11th 2020

Compañía General de Combustibles S.A.

Condensed interim financial statements

Legal information

Legal address: Bonpland 1,745. Autonomous City of Buenos Aires. República Argentina

Fiscal year:101

Condensed interim financial statements as of June 30, 2020

Company´s main line of business:	Exploration and exploitation of hydrocarbons and byproducts
Public Registry of Commerce registration date:	October 15, 1920
Latest four amendments to bylaws:	April 18, 2007, September 12, 2007, December 19, 2013, and April 17, 2015
Superintendence of Corporations registration number:	1648
Incorporation agreement termination date:	September 1, 2100
Parent company´s name:	Latin Exploration S.L.U. (1)
Parent company´s main line of business:	Investing and financing activities
Equity interest held by the parent company in capital stock and votes:	70.00% (1)

(1) Capital status

Ordinary shares with par value of 1.00 per share	Subscribed, issued, and paid (In pesos)
Class A shares entitled to 1 vote	279,396,499
Class B shares entitled to 1 vote	119,741,357
Total	<u>399,137,856</u>

(1) Note 14 to the condensed interim financial statements

Compañía General de Combustibles S.A.

Condensed interim financial statements

Condensed interim statement of financial position ended June 30, 2020 and December 31, 2019

(In thousands of pesos)

	Note	30.06.2020	12.31.2019
ASSETS			
Non-current assets			
Property, plant and equipment	7	23,146,151	27,311,311
Investments in associates and joint ventures	8.a)	15,867,928	15,665,825
Investments at amortised cost	12.a)	-	702,768
Right-of-use assets		782,873	1,183,495
Other receivables	9	428,825	445,352
Trade receivables	11	268,458	322,889
Total non-current assets		40,494,235	45,631,640
Current assets			
Inventories	10	1,344,619	1,243,063
Other receivables	9	5,549,350	4,372,047
Trade receivables	11	3,250,627	5,372,790
Investments at amortised cost	12.a)	1,575,381	1,520,452
Investments at fair value through profit or loss	12.b)	389,610	344,327
Cash and cash equivalents	13	7,942,773	4,787,493
Total current assets		20,052,360	17,640,172
TOTAL ASSETS		60,546,595	63,271,812
EQUITY			
Share capital	14	399,138	399,138
Capital adjustment		2,457,085	2,457,085
Reserves		6,917,195	6,917,195
Retained earnings		4,895,491	6,072,598
Other comprehensive income		5,394,202	5,986,270
TOTAL EQUITY		20,063,111	21,832,286
LIABILITIES			
Non-current liabilities			
Provision for legal claims and other proceedings		144,622	108,474
Other provisions	15	3,055,959	2,919,797
Deferred tax liabilities		1,863,124	2,760,155
Tax payables		2,178	11,004
Lease liabilities		330,609	518,787
Financial debts	16	22,786,237	24,384,020
Total non-current liabilities		28,182,729	30,702,237
Current liabilities			
Other provisions	15	1,343	1,596
Other liabilities		100,019	174,781
Tax payables		217,178	147,975
Salaries and social security contributions		230,543	324,898
Lease liabilities		608,732	713,758
Financial debts	16	9,619,648	5,100,302
Trade payables	17	1,523,292	4,273,979
Total current liabilities		12,300,755	10,737,289
TOTAL LIABILITIES		40,483,484	41,439,526
TOTAL EQUITY AND LIABILITIES		60,546,595	63,271,812

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

Compañía General de Combustibles S.A.

Condensed interim financial statements

Condensed interim statement of comprehensive income for the three-month and six-month periods ended June 30, 2020 with comparative with same periods of 2019

(In thousands of pesos)

		Three-month period		Six-month period	
	Note	06.30.2020	06.30.2019	06.30.2020	06.30.2019
Revenue	18	5,821,467	9,144,693	12,373,408	17,382,782
Cost of revenue	19	(3,784,307)	(5,304,547)	(8,436,394)	(10,522,403)
Gross profit		2,037,160	3,840,146	3,937,014	6,860,379
Selling expenses	20	(198,588)	(446,516)	(509,772)	(710,892)
Administrative expenses	21	(252,406)	(425,108)	(592,728)	(745,817)
Exploration expenses	22	(1,475)	107	(4,811)	(1,997)
Other operating income (expenses), net	23	(387,791)	(53,466)	(2,718,397)	(80,933)
Operating (loss) income		1,196,900	2,915,163	111,306	5,320,740
Results of investments in associates and joint ventures	8.c)	514,330	378,869	959,612	845,433
Financial income	24	6,595	31,991	26,154	38,498
Financial costs	24	(879,913)	(678,001)	(1,595,076)	(1,330,722)
Hyperinflation effect	24	(403,249)	(290,864)	(839,010)	(564,124)
Other financial results	24	(487,671)	2,618,319	(955,555)	1,599,042
(Loss) income before taxes		(53,008)	4,975,477	(2,292,569)	5,908,867
Income tax		141,834	(1,162,379)	813,045	(1,323,057)
(Loss) profit for the period		88,826	3,813,098	(1,479,524)	4,585,810
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss					
Asset revaluation reserve		(337,215)	6,954	(337,215)	52,988
Items that may be reclassified to profit or loss					
Financial hedging instruments		-	61,273	-	61,273
Financial statement translation difference		70,455	(119,129)	47,564	(84,053)
Other comprehensive (loss) income for the period, net of tax		(266,760)	(50,902)	(289,651)	30,208
Total comprehensive (loss) income for the period		(177,934)	3,762,196	(1,769,175)	4,616,018
Basic and diluted earnings (loss) per share	14	0.223	9.553	(3.707)	11.489

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

Compañía General de Combustibles S.A.

Condensed interim financial statements

Condensed interim statement of changes in equity for the three-month period ended June 30, 2020

(In thousands of pesos)

	Share capital (Note 14)	Capital adjustment	Legal reserve	Optional reserves (1)	Other comprehensive income			Total
					Asset revaluation reserve	Currency translation difference	Retained earnings	
Balance as of December 31, 2019	399,138	2,457,085	571,245	6,345,950	4,768,484	1,217,786	6,072,598	21,832,286
Net loss for the period	-	-	-	-	-	-	(1,479,524)	(1,479,524)
Reversal of asset revaluation reserve	-	-	-	-	(302,417)	-	302,417	-
Other comprehensive income for the period	-	-	-	-	(337,215)	47,564	-	(289,651)
Balance as of June 30, 2020	399,138	2,457,085	571,245	6,345,950	4,128,852	1,265,350	4,895,491	20,063,111

(1) For maintenance of working capital and future dividends.

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

Compañía General de Combustibles S.A.

Condensed interim financial statements

Condensed interim statement of changes in equity for the three-month period ended March 31, 2019

(In thousands of pesos)

	Share capital (Note 14)	Capital adjustment	Legal reserve	Optional reserves (1)	Other	Other comprehensive income			Retained earnings	Total
						Asset revaluation reserve	Financial hedging instruments	Currency translation difference		
Balance as of December 31, 2018	399,138	2,457,085	56,315	1,166,261	(555,517)	6,058,434	-	1,114,107	6,521,216	17,217,039
Resolution from Shareholders meeting of April 10, 2019	-	-	514,930	5,179,689	555,517	-	-	-	(6,521,216)	(271,080)
Net loss for the period	-	-	-	-	-	-	-	-	4,585,810	4,585,810
Reversal of asset revaluation reserve	-	-	-	-	-	(427,601)	-	-	427,601	-
Other comprehensive income for the period	-	-	-	-	-	52,988	61,273	(84,053)	-	30,208
Balance as of June 30, 2019	399,138	2,457,085	571,245	6,345,950	-	5,683,821	61,273	1,030,054	5,013,411	21,561,977

(1) For maintenance of working capital and future dividends.

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

Compañía General de Combustibles S.A.

Condensed interim financial statements

Condensed interim statement of cash flows for the three-month period ended June 30, 2020, with comparative interim period ended March 31, 2019

(In thousands of pesos)

	Note	30.06.2020	30.06.2019
Cash flow from operating activities			
Net (loss)/income for the period		(1,479,524)	4,585,810
Adjustments to arrive at net cash flows from operating activities			
Depreciation of property, plant and equipment	7	3,985,166	3,696,983
Write off of property, plant and equipment		-	18,001
Depreciation of right-of-use assets		400,622	298,190
Result of investments in associates and joint ventures	8	(959,612)	(845,433)
Financial results, net		2,390,922	(496,421)
Non-financial asset impairment loss	23	2,299,981	-
Increase in allowances for receivables, net	23	116,391	42,615
Increase in provision for legal claims and other proceedings	23	49,128	21,559
Gas imbalance charges	19 (1)	(2,047)	(4,782)
Income accrued for incentives, net of collections		(2,150,398)	(1,090,830)
Hyperinflation effect		839,010	564,124
Accrued income tax		(813,045)	1,323,057
Loss on the assignment of oil production áreas		-	112,959
Changes in operating assets and liabilities:			
Receivables		2,250,793	277,289
Inventory		(101,556)	317,159
Non-financial debts		(2,476,887)	2,344,086
Income tax paid		(63,376)	(137,998)
Net cash flow from operating activities		4,285,568	11,026,368
Net cash flow used in investing activities			
Acquisition of property, plant and equipment	7	(1,635,447)	(6,171,144)
Change in investments	8 b)	-	(203)
Variance of placements of funds - current		13,662	(1,318,584)
Dividends collected	8 b)	705,116	1,121,180
Net cash flow used in investing activities		(916,669)	(6,368,751)
Net cash flow used in financing activities			
Payment of leases		(381,273)	(329,603)
Interest paid on financial debts	16	(1,608,300)	(1,360,618)
Financial debts incurred	16	5,129,270	6,555,130
Financial debts settled	16	(3,593,782)	(5,982,157)
Net cash flow used in financing activities		(454,085)	(1,117,248)
Net increase in cash and cash equivalents		2,914,814	3,540,369
Cash, cash equivalents at the beginning of the year	13	4,219,592	1,805,666
Financial results from cash and cash equivalents		(161,270)	(728,393)
Cash, cash equivalents at the end of the period	13	6,973,136	4,617,642
Changes without funds movement			
Payments of property, plant and equipment in the interim period		-	(190,270)
Capitalization of financial costs		92,676	138,083
Wells abandonment costs capitalized in property, plant and equipment		391,864	375,082

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

Compañía General de Combustibles S.A.

Notes to the condensed interim financial statements

1. General information
2. Basis for preparation
3. Accounting policies
4. Financial risk management
5. Fair value measurement
6. Segment reporting
7. Property, plant and equipment
8. Investments in associates and joint ventures
9. Other receivables
10. Inventories
11. Trade receivables
12. Investments at Amortized Cost and Fair Value
13. Cash and cash equivalents
14. Share capital
15. Other provisions
16. Financial debts
17. Trade payables
18. Revenue
19. Cost of revenue
20. Selling expenses
21. Administrative expenses
22. Explorations expenses
23. Other income/expenses, net
24. Financial results
25. Balances and transactions with related parties
26. Subsequent events

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements for the period ended June 30, 2020 (Presented on a comparative basis)

(In thousands of pesos, except as otherwise expressly indicated)

Note 1. General information

1.1 – The Company

Compañía General de Combustibles S.A. (hereinafter, "CGC" or "the Company") is a corporation ("*sociedad anónima*") organized under the laws of the Republic of Argentina, registered with the Public Registry of Commerce on October 15, 1920. The expiration date set forth in the Articles of Incorporation is September 1, 2100 and its registered office is located at Bonpland 1745, City of Buenos Aires, Argentina. CGC's business activities are focused on the energy sector, in particular oil and gas exploration and production (upstream) and gas transportation. Upstream activities are performed individually and also through joint ventures, and gas transportation activities are performed through associated companies. The Company is controlled by Latin Exploration S.L.U. ("LE"), a Spanish company.

The Oil and Gas exploration and exploitation areas where the Company has an interest as of June 30, 2020 and December 31, 2019 are as follows:

Country/ Basin	Area	% of Interest	Operator	Through	Activity
Argentina					
Northwestern	Aguaragüe	5.00	Tecpetrol	2027	Exploration and exploitation
Austral	El Cerrito	100.00	CGC	2033-2037-2053	
	Dos Hermanos	100.00	CGC	2027-2034-2037	
	Campo Boleadoras	100.00	CGC	2027-2033-2034	
	Campo Indio Este / El Cerrito	100.00	CGC	2028-2053	
	María Inés	100.00	CGC	2027-2028	
	Cóndor	100.00	CGC	2027	
	La Maggie	100.00	CGC	2026-2027	
	Glencross	87.00	CGC	2033	Exploitation
	Estancia Chiripa	87.00	CGC	2033	
	Tapi Aike	81.00	CGC		Exploration
	Piedrabuena	100.00	CGC		
	Paso Fuhr	50.00	CGC		
Venezuela	Campo Onado	26.004	Petronado	2026	

- (1) On July 16, 2020, we entered into an agreement with Echo Energy Plc. ("Echo Energy"), by virtue of which Echo Energy will transfer and assign to the Company its 19% interest in the permit over the Tapi Aike área, effective as from April 1, 2020. As a result, we own 100% interest in Tapi Aike área.

There have not been any significant changes in the situation of the concession agreements of oil and gas areas after December 31, 2019.

Notes to condensed interim financial statements (cont.)

Underground gas storage

On February 19, 2020, the first natural underground gas storage system was inaugurated in the Province of Santa Cruz for commercial use. The Project is located in the area of Sur Río Chico and contemplates an investment of US\$ 50 million in its two stages, will allow to keep natural gas in underground reservoirs located at great depths.

The total investments of the Pilot Stage are estimated at 9.7 million dollars. As of June 30, 2020, 90% have already been executed and 24.3 MMm³ (9,300 kcal / m³) of buffer gas (gas necessary to give minimum pressure to the reservoir) were stored.

On May 8, 2020, the Province of Santa Cruz issued Provincial Decree No. 498 formalizing the granting of the Concession “Santa Cruz II-Fracción ASGN” for the storage of gas. As of the date hereof, the ratification of the Decree by a law of the legislature of the Province of Santa Cruz is pending for it to come into force.

1.2. Context in which the Company is operating. Coronavirus and the oil price crisis

On March 11, the World Health Organization (“WHO”) declared coronavirus (“COVID-19”) a pandemic at global level. The adverse impact of the outbreak of COVID-19 on the world’s economy, cannot be determined.

According to the recommendations published by the WHO for all countries affected by the COVID-19 pandemic, the Argentine National Government issued Emergency Decree (“DNU”) No. 297/2020 setting forth the “preventive and mandatory social distancing” to protect public health.

This DNU sets forth as part of the measures to mitigate the propagation and transmission of the virus, the immediate suspension of non-essential activities in the public, private and social sectors.

However, this Decree sets forth certain exceptions, like minimum guards ensuring the operation and maintenance of oil and gas fields, oil and gas treatment and/or refining plants, transportation and distribution of electric power, liquid fuels, oil and gas, fuel vending stations and electric power generators.

Such measure was originally effective from March 20 to June 30, 2020 and has been successively extended to August 16, 2020, inclusive, under Decree No. 541/2020.

The preventive and mandatory social distancing declared for the COVID-19 have significantly affected the hydrocarbon national and world industry.

The company is facing a new scenario in the oil market, marked by a significant reduction in world oil demand due to the extreme containment measures of COVID-19 that has led to an increase in oil surplus that resulted in a drop in prices, although as of May there is a certain recovery in them.

Notes to condensed interim financial statements (cont.)

In the framework of the public emergency and the international crisis derived from COVID-19, the Argentine National Government (“PEN”) published during the current quarter, the Decree No. 488/2020, which it establishes a price of reference to invoice and collect deliveries of crude oil in the Argentine market equivalent to 45 USD per barrel; with effect from May 19 and until December 31, 2020; a zero export duty rate if the international price of crude is less than USD 45 per barrel; and Royalties must be calculated using the Reference Price. The Company exports most of its crude oil production.

Regarding the gas market, the closure of all non-essential industrial activities and the seasonality of consumption have contributed to the fall in demand for gas for thermal generation, industries and shops. Consequently, the prices obtained by the Company, in recent auctions carried out by *Compañía Administradora del Mercado Mayorista Eléctrico* (the company administering the wholesale electric market or CAMMESA) have shown a sustained downward trend, compared to pre-social distancing prices.

In addition, on June 30, 2020, and since the National Government did not issue any measures aimed at performing a new public tender by means of auctions through Mercado Electrónico de Gas S.A. (MEGSA), gas producers, including the Company, agreed with distributors the extension of certain agreements for additional periods of up to three months. Also, on April 27, 2020, Resolution ENARGAS No. 27 was published in the Official Gazette, repealing Resolution ENARGAS No. 72, which set forth the methodology for the transfer to rates of the price of gas.

The Company’s management is closely monitoring the situation and immediately taking decisive measures in order to ensure the integrity of its personnel, maintain operations and preserve its financial condition. In connection with the condensed interim financial statements as of June 30, 2020, there follows a summary of the principal impacts caused by the above-described circumstances:

- **Assessment of the recoverable amount of property, plant and equipment.**

The current and expected fall of the activity in the industry where the Company operates constitutes an indicator of impairment according to IAS 36, due to recoverable amount tests have been performed as of June 30, 2020. The findings relating to the tests made, including the principal assumptions and variables considered, as well as the result thereof, are included in note 7.

- **Impairment of inventories**

As a result of the fall in the price of oil, the Company has to record an impairment of inventories. This impairment is a consequence that the net realizable value was lower than the production cost. (see note 10).

Notes to condensed interim financial statements (cont.)

The final implications of the Coronavirus outbreak and its impact on the country’s economy are unknown and impossible to predict. However, although it has produced significant adverse effects in the short term, these are not expected to affect the continuity of business. Given the current financial strength of the Company, although there are economic impacts in the short term, we believe that the Company will be able to continue honoring its financial commitments during the next twelve months.

However, given the recent measures adopted by the Government, it is not possible to accurately quantify the duration of the restriction periods, or how the price of crude oil will continue evolving at international level, and in particular at local level, and to which extent the Company’s business and results of operations will be affected in the future, should the above described circumstances extend over time.

Note 2. Basis for preparation

The *Comisión Nacional de Valores* (Securities Commission or CNV), by means of General Resolution No. 622/13, set forth the application of Technical Resolution No. 26, as amended, of the *Federación Argentina de Consejos Profesionales de Ciencias Económicas* (Argentine Federation of Professional Councils in Economic Sciences) adopting the IFRS issued by the IASB for publicly listed entities covered by the regime of Law No. 17,811, as amended, whether on account of their capital stock or their notes, or that have requested authorization to be included in such regime.

These condensed interim financial statements for the period ended June 30, 2020 have been prepared according to the accounting framework set forth by the CNV. Such accounting framework is based on the application of the **IFRS**, and in particular **International Accounting Standard 34 “Interim Financial Reporting” (IAS 34)**. Therefore, they do not include all the information required for the presentation of annual financial statements.

These condensed financial statements have been prepared according to the historical cost convention, modified by the measurement of financial assets at fair value through profit or loss, and must be read together with the Company’s financial statements as of December 31, 2019, which have been prepared according to the International Financial Reporting Standards (“IFRS”).

The condensed interim financial statements for the quarters ended June 30, 2020 and 2019 have not been audited. The Company’s management estimates that they include all necessary adjustments to fairly present the comprehensive results for each period. The comprehensive results for the quarters ended June 30, 2020 and 2019 do not necessarily reflect the proportion of the Company’s results for the full year.

Notes to condensed interim financial statements (cont.)

Restatement of financial statements

The financial statements have been expressed in units of the functional currency current as of June 30, 2020 according to IAS 29 “Financial Reporting in Hyperinflationary Economies”, using the indexes established by the FACPCE, on the basis of the price indexes published by the INDEC, or an estimation thereof if same are not available at the moment the information must be prepared.

Comparative information

The balances as of December 31, 2019 and for the period ended June 30, 2019 presented in these condensed interim financial statements for comparative purposes have been derived from the condensed interim financial statements as of such dates expressed in units of the functional currency as of June 30, 2020 according to IAS 29 “Financial Reporting in Hyperinflationary Economies”.

The Company’s activities are not subject to significant seasonal changes in the case of oil, whereas in the case of natural gas the demand in the markets of residential consumption and power generation is seasonal by nature, with significant fluctuations between winter and summer. The lesser demand for residential natural gas in summer causes prices to be lower than those in force during winter months. Therefore, CGC’s operations could be subject to seasonal fluctuations in its volumes and selling prices.

Storage of accounting and corporate documentation

In accordance with General Resolution No. 629/14 of the *Comisión Nacional de Valores* we inform that the back-up documentation of accounting transactions and the Company’s management and the business and corporate books of CGC are filed at the offices located at Bonpland 1745, City of Buenos Aires, and in the warehouses of the supplier “Iron Mountain Argentina S.A.”, with registered office at Amancio Alcorta 2482, City of Buenos Aires.

Transcriptions in the journal and balance book

Given the measures adopted by the National Government in connection with the preventive and mandatory social distancing to protect the population and fight Coronavirus mentioned in Note 1.2), as of the date of issue of these condensed interim financial statements as of June 30, 2020, these have not yet been transcribed in the Balance Book and for the same reason, the Journal Book is updated until March, 2020.

Approval of the board of directors

The issue of these condensed interim financial statements has been approved by the Company’s Board of Directors on August 11, 2020.

Notes to condensed interim financial statements (cont.)

Note 3. Accounting policies

The accounting policies adopted for the condensed interim financial statements are consistent with those used in the financial statements for the year ended December 31, 2019.

3.1- New mandatory rules, amendments and interpretations for fiscal years started as from January 1, 2020 and not adopted in advance

The management has assessed the relevance of other new rules, amendments and interpretations that are not yet effective and has concluded that same are not relevant for the Company.

3.2- Estimates

The preparation of the condensed interim financial statements requires the Company's management to make estimates and assessments regarding the future, use critical judgments and make assumptions affecting the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

In the preparation of these interim financial statements, the critical judgments made by the management upon applying the Company's accounting policies and the sources of information used for the respective estimates are the same as those applied in the financial statements for the year ended December 31, 2019.

These estimates and judgments are continuously evaluated and are based on past experience and other factors that are reasonable under existing circumstances. Actual results could differ from the estimates and assessments made as of the date of preparation of these condensed interim financial statements.

Note 4. Financial risk management

The Company's Board of Directors establishes its risk management, which have been consistently applied during the periods under analysis presented in these financial statements.

As of June 30, 2020, considering the situation described in note 1.2 to these financial statements regarding Coronavirus and the crisis of the price of oil, the Company has evaluated the commodity price risk and is analyzing different strategies in order to reduce its impact on its financial condition. The Company has made an analysis of sensitivity to possible changes in interest rates and exchange rates, and it will not be significantly affected thereby.

As of June 30, 2020 and December 31, 2019, the Company had no futures or financial derivatives contracts for commodity prices.

Notes to condensed interim financial statements (cont.)

Liquidity Risk Management

The Company has evaluated projected liquidity on the basis of different stressed scenarios and has concluded that it is not in difficulties to honor its future commitments. In addition, the notes issued by the Company contain certain covenants, including financial covenants relating to the leverage ratio and the debt-service coverage ratio, among others. The Company monitors the performance of covenants on a quarterly basis.

However, if the current conditions persist (see Note 1.2), the Company may be prevented from taking additional debt if the limits set forth in any of the above-mentioned ratios are exceeded. In addition, given the present macroeconomic context at world level and in Argentina in particular, its financing capacity may be affected.

It should be noted that the Company currently has a solid liquidity level, which allows it to adequately face such volatility.

Credit Risk Management

As of June 30, 2020 the Company's trade receivables amount to \$ 3,519 million, of which approximately 75% correspond to receivables relating to sales of gas.

Such receivables are distributed as follows: approximately 36% from power generators, 50% from distributors, 13% from local industries and 1% from compressed natural gas ("GNC").

Within the framework of the outbreak of Covid-19 and in order to face the sanitary and economic consequences of the pandemic, the Argentine Government issued urgency decree No. 311/2020, setting forth that, among other companies, the providers of network gas services shall not be able to suspend or cut the respective services to certain users in the event of delay or lack of payment of up to six consecutive or alternate invoices maturing on or after March 1, 2020, including users with already sent shut-off notices.

As from the month of April 2020, the Company has been receiving notes from some gas distributors informing the partial payment of the invoices for the purchase of gas, based on the mandatory and preventive social distancing provided for by Decree No. 297/20 and for the purposes of the above referred Decree No. 311/20, prohibiting to interrupt the gas supply to certain users for lack of payment. This situation was regularized in the following months as the level of delay in collection decreased due to the relaxing of social distancing measures and the declaration of essential services for the collection of cash. Notwithstanding, there are some delays in collections. The distributors must cancel the invoices within 65 days and they are doing so, within an average of 90 days.

In the segment of power generators there are certain delays in collections. The principal customer, CAMMESA, must make payments within 45 days after the end of each month; however, since the end of 2019 it is making its payments within an average of 81 days. The current economic environment and future credit risk perspectives have been considered when reviewing and updating provision estimates. Although they have not had a significant impact, the full economic impact of COVID-19 on the expected credit losses is uncertain. The Company will continue reviewing in detail the assumptions used for these estimates.

Notes to condensed interim financial statements (cont.)

Note 5. Fair value measurement

IFRS 13 requires, for financial instruments valued at fair value, a fair value disclosure per level. The Company classifies fair value measurements of financial instruments using a fair value hierarchy, which reflects the relevance of the variables used to perform such measurements. The fair value hierarchy has the following levels:

- **Level 1:** quoted (unadjusted) 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 or liabilities not based on information observable in the market (i.e. unobservable information).

The following table shows financial assets measured at their fair value as of June 30, 2020 and December 31, 2019. The Company has no financial liabilities measured at fair value.

As of 06.30.2020	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents				
Mutual funds	1,770,458	-	-	1,770,458
Investments at fair value				
Government Securities	349,707	-	-	349,707
Listed shares	39,903	-	-	39,903
Total current assets	2,160,068	-	-	2,160,068

As of 06.30.2019	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents				
Mutual funds	230,137	-	-	230,137
Investments at fair value				
Government Securities	314,990	-	-	314,990
Listed shares	29,337	-	-	29,337
Total current assets	574,464	-	-	574,464

As of June 30, 2020 there were no transfers between levels during the period, nor changes in the way to determine the fair value of financial assets and liabilities.

Notes to condensed interim financial statements (cont.)

The specific valuation techniques used to determine fair values include:

- Listing prices on active markets for similar instruments. These values are included in level 1.
- The fair values for financial hedging instruments determined using specific price models that are observable in the market or may be derived from or confirmed by observable data. The fair value of hedging agreements is calculated as the net present value of the estimated future cash flows, based on the future listing price on active markets. These values are included in level 2
- The fair value for the remaining financial instruments is determined using discounted values of cash flows. These values are included in level 3.

Note 6. Operating segments

IFRS 8 “Operating Segments” requires entities to disclose financial and descriptive information on those operating segments or groups of segments classified as reportable that meet certain criteria. Operating segments are components of an entity for which separate financial information is available and are regularly evaluated by the chief operating decision maker (CODM) to decide how to allocate resources or assess asset performance. Operating segments are reported consistently with internal reports to the CODM or, if applicable, to the Board of Directors.

The Company has two operating and reportable segments, which are organized on the basis of similar economic characteristics, nature of the products offered, production processes, type and classes of customers and distribution methods, as follows:

- **“Upstream”**: includes the results of exploration and production of oil, gas and LPG;
- **“Midstream”**: includes the results of permanent investments in the following gas transportation companies: TGN, TGM and Gasandes.

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

The CODM uses the Adjusted EBITDA to decide how to allocate resources and monitor the performance of segments.

Notes to condensed interim financial statements (cont.)

Adjusted EBITDA means the operating result of consolidated segments excluding depreciation and impairment expenses of property, plant and equipment and leasehold interests, expected losses for trade and other receivables, provisions for legal actions and other claims, income (losses) for the return of areas and taxes on financial transactions and includes the collection of dividends on investments in associates and joint ventures. Total adjusted EBIDTA means the sum of the adjusted EBITDA of all segments.

The following table contains selected information for each of the business segments identified by the Company's management:

	As of 06.30.2020			
	Upstream	Midstream	Central Structure	Total
Revenue	12,373,408	-	-	12,373,408
Cost of revenues	(4,061,442)	-	-	(4,061,442)
Gross income	8,311,966	-	-	8,311,966
Selling expenses	(509,772)	-	-	(509,772)
Central structure expenses	-	-	(563,766)	(563,766)
Other operating income and expenses	(361,997)	109,100	-	(252,897)
Adjusted EBITDA	7,440,197	109,100	(563,766)	6,985,531
Dry wells and unsuccessful studies	(4,811)	-	-	(4,811)
Other operating income and expenses	-	-	(165,519)	(165,519)
Non-financial assets impairment loss	(2,299,981)	-	-	(2,299,981)
Depreciation and amortization	(4,292,013)	-	(15,291)	(4,307,304)
Tax on bank debits and credits	(82,939)	-	(13,671)	(96,610)
Gain/loss on long-term investments	-	959,612	-	959,612
Subtotal	760,453	1,068,712	(758,247)	1,070,918
Financial income	-	-	26,154	26,154
Financial costs	-	-	(1,595,076)	(1,595,076)
Hyperinflation effect	-	-	(839,010)	(839,010)
Other financial results	-	-	(955,555)	(955,555)
Result before taxes	760,453	1,068,712	(4,121,734)	(2,292,569)
Income tax	-	-	813,045	813,045
Result of the period Profit / (Loss)	760,453	1,068,712	(3,308,689)	(1,479,524)
Adjusted EBITDA				6,985,531
Dividend collected in the period				705,116
Adjusted EBITDA with dividends collected				7,690,647

Notes to condensed interim financial statements (cont.)

	As of 06.30.2019			Total
	Upstream	Midstream	Central Structure	
Revenue	17,382,782	-	-	17,382,782
Cost of revenues	(6,430,966)	-	-	(6,430,966)
Gross income	10,951,816	-	-	10,951,816
Selling expenses	(710,892)	-	-	(710,892)
Central structure expenses	-	-	(734,817)	(734,817)
Other operating income and expenses	(36,740)	132,941	-	96,201
Adjusted EBITDA	10,204,184	132,941	(734,817)	9,602,308
Exploration expenses	(1,997)	-	-	(1,997)
Other operating income and expenses	(112,959)	-	(64,174)	(177,133)
Depreciation and amortization	(3,984,172)	-	(11,001)	(3,995,173)
Tax on bank debits and credits	(107,266)	-	-	(107,266)
Gain on investment in associates and joint ventures	-	845,622	(188)	845,434
Subtotal	5,997,790	978,563	(810,180)	6,166,173
Financial income	-	-	38,498	38,498
Financial costs	-	-	(1,330,722)	(1,330,722)
Hyperinflation effect	-	-	(564,124)	(564,124)
Other financial results	-	-	1,599,042	1,599,042
Income (loss) before taxes	5,997,790	978,563	(1,067,486)	5,908,867
Income tax	-	-	(1,323,057)	(1,323,057)
Result of the period –Profit / (Loss)	5,997,790	978,563	(2,390,543)	4,585,810
Adjusted EBITDA				9,602,308
Dividends collected in the period				1,121,180
Adjusted EBITDA with dividends collected				10,723,488

Notes to condensed interim financial statements (cont.)

Note 7. Property, plant and equipment

Changes in this caption are as follows:

	Quarter ended June 30 2020									06.30.2019
	Development and Production Assets									
	Wells and production facilities	Other production related assets	Mining property	Materials and spare parts	Works in progress (1)	Total	Exploration and evaluation assets	Central management assets	Total	Total
Cost										
Balances at the beginning of the year	47,524,116	207,720	6,811,756	900	1,945,973	56,490,465	1,915,008	368,068	58,773,541	46,027,544
Additions	386,906	469	-	-	1,388,332	1,775,707	305,958	38,322	2,119,987	6,494,039
Transfers	813,652	4,071	-	(160)	(569,653)	247,910	(243,577)	(4,333)	-	-
Write-offs	-	-	-	-	-	-	-	-	-	(51,101)
Balances at the end of the period	48,724,674	212,260	6,811,756	740	2,764,652	58,514,082	1,977,389	402,057	60,893,528	52,470,482
Accumulated depreciation										
Balances at the beginning of the year	24,199,925	104,228	5,074,264	-	-	29,378,417	-	245,282	29,623,699	21,380,839
Depreciation of the period	3,765,497	13,107	191,271	-	-	3,969,875	-	15,291	3,985,166	3,696,983
Write-offs	42	220	-	-	-	262	-	(262)	-	(33.100)
Balances at the end of the period	27,965,464	117,555	5,265,535	-	-	33,348,554	-	260,311	33,608,865	25,044,722
Residual value	20,759,210	94,705	1,546,221	740	2,764,652	25,165,528	1,977,389	141,746	27,284,663	27,425,760
Non-financial assets impairment									(4,138,512)	(665,230)
Total									23,146,151	26,760,530

(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. There have been registered financial cost activations of \$ 92,676 (capitalization interest rate of 8.38% p.a.) and \$ 138,083 (capitalization interest rate of 5.43% p.a) as of June 30, 2020 and 2019, respectively.

Notes to condensed interim financial statements (cont.)

Changes in the non-financial assets impairment are as follows:

	06.30.2020	06.30.2019
Balance at the beginning of the year	1,838,531	752,648
Increase	2,299,981	(87,418)
Balance at the end of the period	4,138,512	665,230

Assessment of the recoverable amount of property, plant and equipment

At the end of each period, the Company reviews the relation between the recoverable amount and the carrying amount of its assets, where there are indications of impairment.

As of March 31, 2020, the Company identified indications of impairment mainly arising from the macroeconomic instability in Argentina and the fall in the international price of crude oil due to the circumstances described in Note 1.2.

The methodology used in the estimation of the recoverable amount consisted the value-in-use calculation of each CGU on the basis of the net present value of the future cash flows expected to be obtained from the CGU, discounted at a rate reflecting the weighted average cost of the capital (WACC) used.

Cash flows were elaborated on the basis of estimates regarding the future conduct of certain assumptions that are critical in the value-in-use determination, including:

(i) reference prices for the products; (ii) nature, timing and modality of rate increases; (iii) demand projections per type of product; (iv) evolution of costs; (v) investment needs for the development of the areas; and (vi) macroeconomic variables, such as inflation rates, exchange rate, among others.

As a result of the updated analysis, the Company identified an increase of the impairment of non-financial assets as of March 31, 2020. The affected CGUs are Dos Hermanos, Campo Boleadoras, La Maggie, María Inés and Cóndor. During the quarter ended June 30, 2020 an impairment loss for a total of \$ 2,299,981 was recognized. As of June 30, 2019 no impairment loss was recognized. The impairment charge is included in other operating income and expenses in the Comprehensive Statement of Income (see Note 23).

As of June 30, 2020, the balance of the non-financial assets impairment of \$ 4,138,512 (\$1,838,531 as of 12-31-2019) consisted of: CGU Dos Hermanos, \$395,213 (\$362,982 as of 12-31-2019); Campo Boleadoras, \$1,487,240 (\$0 as of 12-31-2019), CGU La Maggie, \$1,002,795 (\$693,203 as of 12-31-2019); CGU María Inés, \$1,005,861 (\$744,672 as of 12-31-2019) and CGU Cóndor, \$ 247,403 (\$37,674 as of 12-31-2019).

Notes to condensed interim financial statements (cont.)

Principal assumptions used

The calculation of the value in use made by CGC at March 31, 2020, for each CGU, is more sensitive to the following assumptions:

	06.30.2020
WACC discount rate used	14.33%
Prices of Crude Oil and Natural Gas	
Crude oil - Brent (US\$/bbl.)	
2020	25.5
2021	41.4
2022 onwards	46.4
Natural gas – Local prices (US\$/MMBTU)	
2020	2.7
2021 onwards	3.1

If the weighted market price used for the impairment test had been 5% lower in each of the future years, with all other variables held constant, the impairment loss would have been higher by \$ 557,074. An increase of 1% in the discount rate would result \$103,068 of additional impairment

Note 8. Investments in associates and joint ventures

8.a) Below there is a detail of the investments in associates and joint ventures as of June 30, 2020 and December 31, 2019:

Company	06.30.2020	12.31.2019
Joint Ventures		
Gasinvest S.A.	14,120,233	13,843,862
Gasoducto Gasandes (Argentina) S.A.	942,708	1,005,478
Gasoducto Gasandes S.A. (Chile)	641,362	647,072
Transportadora de Gas del Norte S.A.	28,289	27,750
Andes Operaciones y Servicios S.A. (Chile)	57,552	55,760
Associates		
Transportadora de Gas del Mercosur S.A.	77,784	85,903
Total investments	15,867,928	15,665,825

Notes to condensed interim financial statements (cont.)

8.b) Below there is a detail of the changes in investments as of June 30, 2020 and 2019:

	06.30.2020	06.30.2019
At the beginning of the year	15,665,832	13,332,303
Conversion differences	47,564	(84,053)
Capital contributions or reductions	-	203
Asset revaluation reserve (2)	(337,215)	52,988
Profit sharing	959,612	845,433
Dividends (1)	(467,865)	(1,121,180)
Sundry	-	(26)
At the end of the period	15,867,928	13,025,673

- (1) In the quarter ended June 30, 2020, \$ 705,116 have been collected (\$ 237,251 corresponding to dividends declared by the associates and joint ventures in 2019 and \$467.865 corresponding to dividends declared by the associates and joint ventures in 2020)
- (2) Corresponds to the (devaluation) / valuation of the Asset revaluation reserve for property, plant and equipment measured at fair value in the companies Transportadora de Gas del Norte and Gasinvest S.A. as of June 30, 2020 and 2019.

8.c) Below there is a detail of the results of investments in associates and joint ventures as of June 30, 2020 and March 31, 2019:

Company	06.30.2020	06.30.2019
Joint Ventures		
Gasinvest S.A.	610,939	455,669
Gasoducto Gasandes (Argentina) S.A.	227,363	280,834
Gasoducto Gasandes S.A. (Chile)	128,337	119,977
Transportadora de Gas del Norte S.A.	1,217	812
Andes Operaciones y Servicios S.A. (Chile)	(125)	3,429
Associates		
Transportadora de Gas del Mercosur S.A.	(8,119)	(15,100)
Other companies		
CGC International Corp.	-	(188)
Total results in investments	959,612	845,433

Notes to condensed interim financial statements (cont.)

Note 9. Other receivables

The composition of other receivables is as follows:

	06.30.2020	12.31.2019
Non-current		
Related parties (Note 25 a))	435,413	374,583
Tax on bank debits and credits	141,116	99,412
Income tax	73,440	81,809
Minimum presumed income tax	166,902	264,061
Sundry	107	70
Allowance for future expected losses	(388,153)	(374,583)
Total	428,825	445,352
Current		
Receivables from incentives pursuant to Resolution 419-E/2017	4,722,605	3,239,927
Receivables under propane gas supply agreement	63,799	54,775
Related parties (Note 25 a))	17,453	254,138
Value Added Tax	209,297	406,446
Other tax credits	113,668	173,349
Advances to suppliers	90,965	50,751
Recoverable expenses	35,032	65,765
Prepaid insurance	63,995	30,604
Trust assets	149,854	298
Prepaid mining fees	15,199	33,866
Sundry	67,483	62,128
Total	5,549,350	4,372,047

Changes in the provision for other receivables are as follows:

	06.30.2020	06.30.2019
Non-current		
Balance at the beginning of the year	374,583	362,016
Restatement due to changes in the currency's purchasing	(44,824)	(66,263)
Increases (1)	58,394	37,564
Balance at the end of the period	388,153	333,317

(1) Were charged to financial results in 2020 and 2019.

Due to the short-term nature of other current receivables, it is considered that their book value do not differ from their fair value. For the other non-current receivables, the fair values do not differ significantly from their book values.

Notes to condensed interim financial statements (cont.)

Note 10. Inventories

The composition of inventories is as follows:

	06.30.2020	12.31.2019
Oil and by-products	359,916	276,927
Materials and spare parts	984,703	966,136
Total	1,344,619	1,243,063

As of June 30, 2020 such value has an impairment of \$58 million. This impairment is a consequence that the net realizable value was lower than the production cost. See note 1.2

Note 11. Trade receivables

The composition of trade receivables is as follows:

	06.30.2020	12.31.2019
Non-current		
Ordinary	268,458	322,889
Bankruptcy proceedings	292,211	284,446
Less: Provision for expected losses	(292,211)	(284,446)
Total	268,458	322,889
Current		
Ordinary	3,457,177	5,475,204
less: Provision for expected losses	(206,550)	(102,414)
Total	3,250,627	5,372,790

Changes in the provision for doubtful accounts are as follows:

	06.30.2020	06.30.2019
Balance at the beginning of the year	386,860	405,953
Restatement due to changes in the currency's purchasing power	(46,294)	(74,305)
Increases (1)	158,195	76,052
Balance at the end of the period	498,761	407,700

(1) \$ 116,391 and \$ 42,615 were charged to other operating income and expenses in 2020 and 2019, \$ 41,804 and \$ 33,437 to financial results in 2020 and 2019.

Due to the short-term nature of current trade receivables, it is considered that their book value do not differ from their fair value. For the non-current trade receivables, the fair values do not differ significantly from their book values.

Notes to condensed interim financial statements (cont.)

Note 12. Investments at amortized cost and fair value

12.a) The composition of investments at amortized cost is as follows:

	06.30.2020	12.31.2019
Non-current		
Government securities at amortized cost	-	702,768
Total	-	702,768
Current		
Government securities at amortized cost	1,575,381	1,520,452
Total	1,575,381	1,520,452

12.b) The composition of investments at fair value is as follows:

	06.30.2020	12.31.2019
Current		
Listed shares	39,903	29,337
Government securities at fair value (1)	349,707	314,990
Total	389,610	344,327

(1) As of June 30, 2020 and December 31, 2019 they include the nominal amount of 8,228,408 of 8% Argentine Bonds in US\$ due 2020 (Bonar 2020 US\$), received according to the provisions of Decree No. 704/2016. The book value of Government securities at amortized cost do not differ from their fair value.

Note 13. Cash and cash equivalents

	06.30.2020	12.31.2019
Cash, fixed funds	596	601
Banks	6,171,719	4,556,755
Mutual funds(1)	1,770,458	230,137
Total	7,942,773	4,787,493

(1) As of June 30, 2020 it includes 233,838,243 shares in the mutual fund "Alpha Pesos" and 242,337 shares in the mutual fund "Allaria Ahorro FCI -Ahorro -C". As of December 31, 2019 it includes 29,560,287 shares in the mutual fund "Alpha Pesos".

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

	06.30.2020	12.31.2019
Cash and cash equivalents	6,172,315	4,557,356
Mutual funds	1,770,458	230,137
Bank overdraft	(969,637)	(567,902)
Total	6,973,136	4,219,591

Notes to condensed interim financial statements (cont.)

Note 14. Capital stock

As of June 30, 2020 and December 31, 2019, the capital stock amounted to \$ 399,138, and had been fully subscribed, paid in and registered. Same is represented by 399,137,856 non-endorsable registered ordinary shares of \$1 peso nominal amount each and entitled to one vote per share. The shareholders Latin Exploration S.L.U. and Sociedad Comercial del Plata S.A. hold 70% and 30% of the capital stock 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.

Results per share

	Three-month period		Six-month period	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Result attributable to the Company's shareholders	88,826	3,813,098	(1,479,524)	4,585,810
Weighted average number of outstanding ordinary shares	399,138	399,138	399,138	399,138
Basic and diluted result per share (pesos)	0.223	9.553	(3.707)	11.489

The Company has no instruments with dilutive effect.

Note 15. Other provisions

	06.30.2020	12.31.2019
Non-current		
Gas imbalance	7,883	9,677
Well abandonment and environmental remediation	3,014,262	2,877,003
Other	33,814	33,117
Total	3,055,959	2,919,797
Current		
Gas imbalance	1,343	1,596
Total	1,343	1,596

Notes to condensed interim financial statements (cont.)

Changes in other provisions are as follows:

	Balance at the beginning of the year 12.31.2019	Hyperinflation effect	Increases	Decreases	Balance at the end of the period 06.30.2020
Non-current					
Gas imbalance (1)	9.677	-	-	(1.794)	7.883
Well abandonment and environmental remediation provision (2)	2.877.003	(295.858)	433.117	-	3.014.262
Total	2.886.680	(295.858)	433.117	(1.794)	3.022.145
Current					
Gas imbalance (1)	1,596	-	-	(253)	1,343
Total	1,596	-	-	(253)	1,343

(1) (\$ 2,047) correspond to gas return and were charged to cost of sales.

(2) \$ 391,864 correspond to present value, which were charged to financial costs, \$ 41,253 to adjustment of future costs, which were charged to property, plant and equipment.

Note 16. Financial debts

The composition of financial indebtedness is as follows:

	06.30.2020	12.31.2019
Non-current		
Bank loans	-	2,029,240
Notes	22,786,237	22,354,780
Total	22,786,237	24,384,020
Current		
Bank overdraft	969,637	567,902
Bank loans	4,519,730	3,084,908
Notes	4,130,281	1,447,492
Total	9,619,648	5,100,302

Notes to condensed interim financial statements (cont.)

The change in financial indebtedness as of June 30, 2020 and 2019 is shown below:

	06.30.2020	06.30.2019
Initial balance	29,484,322	29,562,380
Short term bank overdraft, net	401,747	-
Accrued interest	1,629,385	1,399,671
Exchange differences	963,243	(2,538,459)
Loans received	5,129,270	6,555,130
Payments of principal	(3,593,782)	(5,982,157)
Payments of interest	(1,608,300)	(1,360,618)
Final balance	32,405,885	27,635,947

The maturities of financial indebtedness as of June 30, 2020 and as of December 31, 2019 are as follows:

	06.30.2020	12.31.2019
Less than 1 year	9,619,648	5,100,302
From 1 to 2 years	22,786,237	24,384,020
Total	32,405,885	29,484,322

See the detail of the financial indebtedness, guarantees and restrictions in note 21 to the financial statements as of December 31, 2019.

The carrying amount of financial liabilities approximates their fair value, with a difference of 0.37% below par.

In the six-month period ended June 30, 2020, and considering recent events up to the date of issue of these financial statements, there have been the following significant variations in the Company's financial indebtedness:

Export Financing with Banco Macro S.A.

On January 29, 2020, the Company obtained an export financing from Banco Macro S.A., for a total amount of US\$ 10,000 with a maturity of 120 days and with an fixed annual interest rate of 6.00%. The purpose of such loans was to finance working capital corresponding to the Company's export transactions of crude oil and gas.

On May 29, 2020, the Company partially canceled the Export Financing signed with Banco Macro S.A. on January 29, 2020. The amortized principal and the corresponding accrued interest payment amounted to US\$ 9,072 and US\$ 179, respectively. The remaining amount of US \$ 928 was refinanced for a term of 120 days, accruing a fixed annual rate of 6.00%. The expiration date of the new financing is September 26, 2020.

Notes to condensed interim financial statements (cont.)

New issuance of Notes Classes 12, 13 and 14

On March 5, 2020 the Company placed, under the Frequent Issuer regime No. 8, three series of notes in the local market, with the following detail: Class 12 Notes: in U.S. dollars, for a total amount of US\$ 15,310, due in 15 months and with a fixed annual interest rate of 9.00%; Class 13 Notes: denominated in U.S. dollars and payable in pesos at the applicable exchange rate, for a total amount of US\$ 14,344, due in 15 months and with a fixed annual interest rate of 8.50%; and Class 14 Notes: denominated in Argentine pesos and payable in pesos, for a total amount of \$ 314,609, due in 12 months and with a variable interest rate equal to the sum of (i) the applicable interest rate (private Badlar Rate), plus (ii) the cut-off margin (500 basis points). The proceeds from the issuance of such Notes will be mainly used to refinance liabilities, as well as for investments in the exploitation and exploration of hydrocarbons in the Austral Basin and to finance working capital of the Company.

Class 15 Notes

On May 26, 2020, the Company issued the Class 15 Notes, denominated in United States dollars and payable in pesos, for a total amount of US\$ 19,891. Class 15 ON accrue interest at a fixed rate of 5.0% nominal annual and payable quarterly and the principal will be paid at maturity. The ON have an expiration date of August 26, 2021. The funds obtained are mainly destined to the refinancing of liabilities and also investments in hydrocarbon exploration and exploitation in the province of Santa Cruz (Austral Basin), the integration of working capital, the acquisition of goodwill located in the country and the integration of capital contributions in subsidiaries or associated companies.

Partial prepayment of Class 10 Notes

On January 13, 2020, the Company prepaid US\$ 987 on account of principal. In addition, the interest accrued as of such date was then paid. On March 16, 2020, using part of the proceeds from the last issue of Notes, the Company prepaid US\$ 14,273 on account of principal.

In addition, the interest accrued as of such date and the prepayment fees in the amount of US\$684 and US\$ 143, respectively, were paid.

Payment of the first amortization installment of principal of Class 10 Notes

On April 13, 2020, the Company paid the first installment of principal corresponding to Class 10 Notes, in line with the amendment to the Terms and Conditions made by means of the Request for Consent, launched on September 12, 2019 and accepted by 100% of the holders. The amortized principal and accrued interest amounted to US\$ 5,000 and US\$ 235, respectively.

In addition, at July 13, 2020 the Company paid the second installment of principal amounted to US\$ 5,000 and interest US\$ 571. At present, there are Class 10 Notes outstanding for an amount of US\$ 18,626.

Notes to condensed interim financial statements (cont.)

Payment of the first installment of the Syndicated Loan

On May 21, 2020, the Company made the payment of the first installment of capital corresponding to the Syndicated Loan signed on May 22, 2019, with Citibank N.A. as an administrative agent, the branch of Citibank N.A. established in the Argentine Republic as organizer, Argentine disbursement agent and lender, Bando de Galicia S.A.U, Industrial and Commercial Bank of China (Argentina) S.A. and Banco Santander Río S.A. as organizers and lenders, for the sum of US\$ 75,000.

The amortized capital and the payment of accrued interest corresponding to the quarterly period amounted to US\$ 15,000 and US \$ 1,781, respectively.

Short-term financing in pesos with several banks

During the first six months of 2020, the Company entered into several short-term loan agreements in pesos and current account agreements with several banks, for a total amount of approximately AR\$ 1,670 million and for terms ranging from 90 to 180 days, in order to finance working capital and preserve liquidity in a context of high volatility.

Note 17. Trade payables

The detail of trade payables is as follows:

	06.30.2020	12.31.2019
Current		
Ordinary suppliers	548,570	2,362,122
Ordinary suppliers of joint ventures	109,662	291,416
Related parties (Note 25 a))	89,437	226,523
Invoices to be received	775,623	1,393,918
Total	1,523,292	4,273,979

Due to the short-term nature of current trade payables, it is considered that their book value do not differ from their fair value. For the non-current trade payables, the fair values do not differ significantly from their book values.

Note 18. Revenue

	Three-month period		Six-month period	
	06.30.2020	06.30.2019	06.30.2020	06.30.2019
Crude oil deliveries	336,276	3,033,878	1,025,018	4,816,286
Gas	2,235,629	3,712,877	5,146,400	7,925,901
Other	242,795	347,124	542,852	691,362
Incentives (1)	3,006,767	2,050,814	5,659,138	3,949,233
Total	5,821,467	9,144,693	12,373,408	17,382,782

(1) These amounts of incentives are recorded according to IAS 20.

Notes to condensed interim financial statements (cont.)

Note 19. Cost of revenues

	Three-month period		Six-month period	
	06.30.2020	06.30.2019	06.30.2020	06.30.2019
Inventories at the beginning of the period	1,201,498	1,635,124	1,243,063	1,487,825
Purchases	294,741	748,423	642,542	2,063,327
Inventory consumption	(141,334)	(461,096)	(349,390)	(792,847)
Production costs (1)	3,774,021	4,552,762	8,244,798	8,934,764
Inventories at the end of the period	(1,344,619)	(1,170,666)	(1,344,619)	(1,170,666)
Cost of revenues	3,784,307	5,304,547	8,436,394	10,522,403

(1) Cost of production

	Three-month period		Six-month period	
	06.30.2020	03.31.2019	06.30.2020	03.31.2019
Fees and compensation for services	19,969	17,457	40,768	38,893
Outsourced services	722,298	887,575	1,470,056	1,685,146
Salaries, wages and social security contributions	121,985	180,327	255,500	294,748
Other personnel expenses	14,139	13,111	30,722	24,973
Depreciation of property, plant and equipment	1,939,962	1,707,156	3,969,875	3,685,982
Depreciation of leasehold interests	144,371	149,094	400,622	298,190
Taxes, duties and contributions	47,633	56,634	100,803	111,265
Fuel, gas and electricity	60,977	55,911	114,583	108,554
General insurance	25,869	22,319	43,722	38,473
Spare parts and repairs	174,435	310,424	481,262	531,812
Well maintenance expenses	35,748	201,419	236,219	350,090
Office expenses	45,668	51,087	83,997	85,495
Royalties, fees and easements	360,366	784,439	857,407	1,503,762
Gas imbalance	(857)	(2,057)	(2,047)	(4,782)
Environmental control	61,458	117,866	161,309	182,163
Total	3,774,021	4,552,762	8,244,798	8,934,764

Note 20. Selling Expenses

	Three-month period		Six-month period	
	06.30.2020	06.30.2019	06.30.2020	03.31.2019
Dispatch and transportation	83,662	61,303	200,023	85,430
Turnover tax	80,731	125,923	169,061	269,100
Export duties	34,195	259,290	140,688	356,362
Total	198,588	446,516	509,772	710,892

Notes to condensed interim financial statements (cont.)

Note 21. Administration expenses

	Three-month period		Six-month period	
	06.30.2020	06.30.2019	06.30.2020	06.30.2019
Fees and compensation for services	31,854	99,893	79,471	224,434
Salaries, wages and social security contributions	141,928	219,992	304,175	321,837
Other personnel expenses	7,556	5,365	20,014	15,484
Depreciation of property, plant and Equipment	8,309	6,259	15,291	11,001
Taxes, duties and contributions	8,053	6,083	17,172	12,364
General insurance	1,830	1,317	4,677	4,508
Spare parts and repairs	11,468	28,057	69,215	51,088
Office expenses	17,401	16,547	29,285	30,593
Travel and out-of-pocket expenses	2,804	7,384	11,394	19,167
Communications	2,317	2,761	5,473	6,301
Other	18,886	31,450	36,561	49,040
Total	252,406	425,108	592,728	745,817

Note 22. Exploration expenses

	Three-month period		Six-month period	
	06.30.2020	06.30.2019	06.30.2020	06.30.2019
Wells and unsuccessful studies	1,475	(107)	4,811	1,997
Total	1,475	(107)	4,811	1,997

Note 23. Other operating income and expenses, net

	Three-month period		Six-month period	
	06.30.2020	06.30.2019	06.30.2020	06.30.2019
Other operating income				
Fees for services rendered	51,022	76,788	128,612	141,150
Sundry	2,460	-	8,704	-
	53,482	76,788	137,316	141,150
Other operating expenses				
Outsourced services	(314,477)	(6,484)	(314,490)	(24,839)
Trade receivables allowance charge	(57,356)	20,780	(116,391)	(42,615)
Non-financial assets impairment loss (note 7)	-	-	(2,299,981)	-
Charge for legal actions and other claims provision	3,285	(13,932)	(49,128)	(21,559)
Loss on the assignment of oil production áreas	(56,211)	(112,959)	(56,211)	(112,959)
Sundry	(16,514)	(17,659)	(19,512)	(20,111)
	(441,273)	(130,254)	(2,855,713)	(222,083)
Total	(387,791)	(53,466)	(2,718,397)	(80,933)

Notes to condensed interim financial statements (cont.)

Note 24. Financial results

	Three-month period		Six-month period	
	06.30.2020	06.30.2019	06.30.2020	06.30.2019
Financial income				
Interest	6,595	31,991	26,154	38,498
Total	6,595	31,991	26,154	38,498
Financial costs				
Interest	(879,913)	(678,001)	(1,595,076)	(1,330,722)
Total	(879,913)	(678,001)	(1,595,076)	(1,330,722)
Hyperinflation effect				
Hyperinflation effect (Note 2)	(403,249)	(290,864)	(839,010)	(564,124)
Total	(403,249)	(290,864)	(839,010)	(564,124)
Other financial results				
Result of fair value measurement of financial instruments	156,283	(43,495)	40,052	(25,034)
Exchange differences, net	(623,018)	2,690,682	(954,728)	1,675,595
Other financial expenses	(20,936)	(28,868)	(40,879)	(51,519)
Total	(487,671)	2,618,319	(955,555)	1,599,042

Note 25. Balances and transactions with related parties

As of June 30, 2020 and December 31, 2019, the Company was controlled by Latin Exploration S.L.U., a Spanish company. The ultimate parent company of the Group is Southern Cone Foundation, a foundation organized in Liechtenstein.

- a) Below there is a detail of the balances with related parties as of June 30, 2020 and December 31, 2019:

	06.30.2020	12.31.2019
Other receivables		
Non-current		
Latin Exploration S.L.U.	47,260	-
Petronado S.A.	388,153	374,583
Total	435,413	374,583
Current		
Gasinvest S.A.	-	237,251
Gasoducto Gasandes (Argentina) S.A.	17,453	16,887
Total	17,453	254,138
Trade payables		
Current		
Corredor Americano S.A.	89,103	217,862
Gasoducto Gasandes (Argentina) S.A.	334	8,661
Total	89,437	226,523

Notes to condensed interim financial statements (cont.)

- b) Below there is a detail of the principal transactions with related parties for the quarters ended June 30, 2020 and 2019:

Company	06.30.2020		
	Services sold	Dividends collected	Outsourced services
Associated companies			
Gasoducto Gasandes (Argentina) S.A.	79,039	305,329	15,267
Gasoducto Gasandes S.A. (Chile)	-	162,536	-
Other companies			
Corredor Americano S.A. (1)	-	-	459,345

(1) Corredor Americano S.A. is a related party for being indirectly controlled by the same shareholders as CGC.

Company	06.30.2019		
	Services sold	Dividends collected	Outsourced services
Sociedades asociadas			
Gasoducto Gasandes (Argentina) S.A.	47,258	53,650	-
Gasoducto Gasandes S.A.	-	62,060	-
Gasinvest S.A.		1,003,798	
Transportadora Gas del Norte S.A.		1,672	
Otras sociedades			
Corredor Americano S.A. (1)	-	-	700,593

(1) Corredor Americano S.A. is a related party for being indirectly controlled by the same shareholders as CGC.

- c) Compensations accrued corresponding to key employees of the Company's management and the members of the Board of Directors for the quarters ended June 30, 2020 and 2019 amounted to 266,996 and 320,321, respectively.

Notes to condensed interim financial statements (cont.)

Note 26 – Subsequent Events

Exchange offer and consent request Class "A" Notes

On August 6, 2020, the Company launched the exchange offer of its Class "A" Notes at a fixed rate of 9.5% per year with maturity in 2021, for Notes Class 17, redeemable at a fixed rate of 9.5% per year with maturity in 2025. In turn, the holders of the existing Notes will be asked for their consent to modify some commitments and non-compliance assumptions pursuant to the contract for the issuance of the Existing Notes. Pursuant to the provisions of the Exchange Offer Document, Eligible Holders who validly present their existing Notes before the date of Early Participation will receive, for each US\$ 1,000.00 of nominal value, a Note of US\$ 950.00 and an early cash payment of US\$ 100.00. Eligible Holders who submit their existing Notes after the Early Participation date, but on or before the Expiration Date, will receive for each US\$ 1,000.00 of nominal value, a Note of US\$ 950.00 and a cash payment of US\$ 50.00. The interest will be payable semi-annually in arrears on the dates indicated in the Results Notice.

After June 30, 2020, there has not occurred any other event, situation or circumstance not publicly known significantly affecting or likely to affect the Company's financial or economic position, other than those considered in the notes to these financial statements.

Additional Information to the Notes to the Condensed Interim Financial Statements required by Section 12 - Chapter III – Title IV of the Periodic Reporting Regime of the Comisión Nacional de Valores (Securities Commission)

1.a) The Company is not subject to any specific and significant legal regimes implying any contingent forfeiture or reinstatement of the benefits contemplated by such provisions.

1.b) See Note 2 to the condensed interim financial statements.

2) Accounts receivable and accounts payable – Classification according to maturity

	Accounts receivable		Accounts payable	
	Current	Non-current	Current	Non-current
Assets				
Without stated maturity	98,063	47,260	-	-
With stated maturity				
Past due	1,234,975	-	-	-
Not yet due				
-Up to 3 months	3,945,616	-	4,374,845	-
-From 3 to 6 months	1,903,420	-	2,052,545	-
-From 6 to 9 months	1,796,672	-	1,774,205	-
-From 9 to 12 months	1,786,222	-	3,489,085	-
-From 1 to 2 years	-	316,759	-	22,787,148
-From 2 to 3 years	-	206,111	-	1,071
-More than 3 years	-	127,153	-	196
Total	10,764,968	697,283	11,690,680	22,788,415

3) Accounts receivable and accounts payable – Classification according to the financial effects of maintaining them

	Accounts receivable		Accounts payable	
	Current	Non-current	Current	Non-current
In local currency	7,004,462	419,406	3,076,628	2,178
In foreign currency	3,760,506	277,877	8,614,052	22,786,237
Total	10,764,968	697,283	11,690,680	22,788,415
Interest-bearing	2,178,507	268,458	9,682,709	22,788,415
Noninterest-bearing	8,586,461	428,825	2,007,971	-
Total	10,764,968	697,283	11,690,680	22,788,415

- 4)** Equity interests in controlled companies are indicated in Note 33 to the financial statements as of December 31, 2019.

The detail of the debit and credit balances by related company is included in Note 25.a to the condensed interim financial statements and their classification according to maturity and according to the financial effects of maintaining them is as follows:

Classification according to maturity:

	Current	Non-current
Assets		
With stated maturity		
Latin Exploration S.L.U.	-	47,260
Past due		
Petronado S.A.	-	388,153
Not yet due		
-Up to 3 months		
Gasoducto Gasandes (Argentina) S.A.	17,453	-
Total	17,453	435,413
Liabilities		
With stated maturity		
Not yet due		
-Up to 3 months		
Gasoducto Gasandes (Argentina) S.A.	334	-
Corredor Americano S.A.	89,103	-
Total	89,437	-

Classification according to the financial effects of maintaining them:

	Debit balances	
	Current	Non-current
In local currency		
Gasoducto Gasandes (Argentina) S.A.	17,453	-
Latin Exploration S.L.U.	-	47,260
Total in local currency	17,453	47,260
In foreign currency		
Petronado S.A.	-	388,153
Total in foreign currency	-	388,153
Total	17,453	435,413

	Credit balances	
	Current	Non-current
In local currency		
Gasoducto Gasandes (Argentina) S.A.	334	-
Corredor Americano S.A.	89,103	-
Total	89,437	-

	Debit balances	
	Current	Non-current
Noninterest-bearing		
Latin Exploration S.L.U.	47,260	-
Gasoducto Gasandes (Argentina) S.A.	17,453	-
Petronado S.A.	-	388,153
Total	64,713	388,153

	Credit balances	
	Current	Non-current
Noninterest-bearing		
Gasoducto Gasandes (Argentina) S.A.	334	-
Corredor Americano S.A.	89,103	-
Total	89,437	-

- 5)** There are no, and there have not been during the period trade receivables or loans to directors, members of the Supervisory Committee or their relatives up to and including the second degree of kinship.
- 6)** It is the Company's policy to make continuous inventory samplings on different dates within the period for its inventories from oil and gas. There are no significant inventories that have been idle for more than one year that are not provisioned.
- 7)** As of June 30, 2020 there are no interests in other companies exceeding the limit set forth in Section 31 of Law No. 19,550 and General Resolution No. 622/13 of the CNV.
- 8)** The recoverable value considered for inventories and property, plant and equipment was as follows:

For inventories corresponding to oil and gas, the net realizable value was considered, which is defined as the sale price less direct cost of sales.

For property, plant and equipment it is indicated in note 7 to the financial statements.

9) Below there is a detail of insurance in force at the end of the period:

Insured asset	Risk covered	Insured amount in thousands
Equipment, facilities and pipelines used in the exploitation and transportation	Material damages	US\$606,914
Damages to third parties caused by the Company's activities or by the equipment, facilities and pipelines used for exploration and production	Civil liability on shore	US\$15,381
	Civil liability: port terminal operator	US\$15,000
Wells	Control, redrilling, spills	US\$40,908
Technical insurance	Computer equipment	US\$622
Industrial policy	Offices of Buenos Aires, Río Gallegos and Cipolletti	\$77,893
Vehicles	Civil liability to third parties and damages	\$14,297

Current risks are considered sufficiently covered by the insurance purchased.

10.a) The Company has recorded provisions because it is subject to several claims, suits and other legal proceedings arising in the ordinary course of business. The liabilities that may derive from those claims, suits and other legal proceedings cannot be estimated with certainty. The Company analyzes the status of each contingency and assesses the potential financial exposure, for which it prepares estimates with the assistance of legal counsel. Same do not exceed 2% of its assets.

10.b) There are no other contingent situations the probability of occurrence of which is not remote and the impact of which has not been accounted for in these financial statements.

11) There are no irrevocable advances on account of future subscriptions.

12) There are no unpaid cumulative dividends of preferred shares.

13) The Company is subject to restrictions in respect of the distribution of dividends as from the issue of class A Notes and the issue of the bank loans referred to in Note 21 to the financial statements as of December 31, 2019



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

REVIEW REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Compañía General de Combustibles S.A.
Legal address: Bonpland 1745
Tax ID: 30-50673393-2

Introduction

We have reviewed the accompanying condensed interim financial statements of Compañía General de Combustibles S.A. (hereinafter the “Company”), including the condensed interim statement of financial position as of June 30, 2020, the condensed interim statement of comprehensive income for the three and six months period ended June 30, 2020, and the condensed interim statement of changes in equity and cash flows for the six months period then ended, and the selected explanatory notes.

The balances and other information corresponding to the fiscal year 2019 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 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 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

Price Waterhouse & Co. S.R.L., Bouchard 557, piso 8°, C1106ABG - Ciudad de Buenos Aires

T: +(54.11) 4850.0000, F: +(54.11) 4850.1800, www.pwc.com/ar

PwC Legal. S.R.L. es una firma miembro de la red global de PricewaterhouseCoopers International Limited (PwCIL). Cada una de las firmas es una entidad legal separada que no actúa como mandataria de PwCIL ni de cualquier otra firma miembro de la red.



significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the financial position, the comprehensive income, or the cash flows of the Company.

Conclusion

On the basis of our review, nothing has come to our attention that makes us think that the condensed interim 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) as mentioned in note 2, the condensed interim financial statements of Compañía General de Combustibles S.A. stem from accounting records kept in all formal respects in conformity with legal regulations; except for:
 - i) they have not been transcribed into the "Balance" book, and
 - ii) the journal entries corresponding to the three months period ended June 2020 have not been transcribed into the "Journal" book.
- b) we have read the overview and the additional information to the notes to the condensed interim financial statements required by article 12°, Chapter III, Title IV of the rules issued by the National Securities Commission, on which, as regards those matters that are within our field of competence, we have no observations to make;
- c) as of June 30, 2020, 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, amounted to \$ 29,828,034, none of which was claimable at that date.

Autonomous City of Buenos Aires, August 11, 2020

PRICE WATERHOUSE & CO. S.R.L.

A handwritten signature in blue ink, consisting of a large, stylized 'H' and 'R' intertwined.

(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., according to the provisions of Section 294, paragraph 5 of General Companies Law No. 19,550 ("Law No. 19,550") and the regulatory provisions on accounting information of the *Comisión Nacional de Valores* (Securities Commission) and the Buenos Aires Stock Exchange, we have reviewed, with the scope described in section II below, the documents specified in section I below. The preparation and issuance of such documents are the responsibility of the Company's Board of Directors in the exercise of its exclusive functions. Our responsibility is to report on such documents on the basis of the work performed with the scope mentioned in section II.

I. Documents reviewed

- a) Interim statement of financial position as of June 30, 2020.
- b) Interim statement of comprehensive income for the quarter ended June 30, 2020.
- c) Interim statement of changes in shareholders' equity for the quarter ended June 30, 2020.
- d) Interim statement of cash flows for the quarter ended June 30, 2020.
- e) Notes to the condensed financial statements for the quarter ended June 30, 2020.
- f) Overview and additional information to the Notes to the Condensed Financial Statements as of June 30, 2020, as required by section 1, paragraph b.2), chapter I, title IV of the rules of the *Comisión Nacional de Valores* (Securities Commission or "CNV") (n.t. 2013) and by section 12, chapter III, title IV of the CNV rules (n.t. 2013), respectively.

II. Scope of the review

Our review was carried out in accordance with the statutory audit standards in force in the Republic of Argentina. Those standards require the review of financial statements to be made according to the audit standards in force for the review of condensed interim financial statements set forth by Technical Resolution No. 33 of the Argentine Federation of Professional Councils in Economic Sciences and therefore it does not include all necessary procedures to express an opinion on the Company's financial position, comprehensive results, changes in shareholders' equity and cash flows.

To perform our professional work on the documents detailed in chapter I, we have taken into account the limited review made by the external auditors, Price Waterhouse & Co. S.R.L., who issued their report on August 11, 2020. Our task included the review of the work, the nature, scope and timing of the procedures applied, and of the results of the review made by such professionals.

The above referred limited review standards consist mainly in applying analytical procedures in respect of the amounts included in the financial statements and making global checks and inquiries to the Company's employees responsible for the preparation of the information included in the financial statements. The scope under such rules is substantially reduced as compared to the application of all auditing procedures necessary to be able to issue a professional opinion on the financial statements considered as a whole. Therefore, we express no such opinion.

In connection with the overview and the additional information to the notes to the condensed interim financial statements required by section 1, paragraph b.2), chapter i, title iv of the CNV rules (n.t. 2013) and by section 12, chapter iii, title iv of the CNV rules (n.t. 2013), we have verified that these documents contain the information required by section 1, paragraph b.2), chapter i, title iv of the CNV rules (n.t. 2013) and by section 12, chapter iii, title iv of the CNV rules (n.t. 2013), being all statements on the economic environment in which the Company has operated, business management and future events included in such documents, which are the exclusive responsibility of the Company's Board of Directors.

In addition, we have verified in respect of numerical accounting data, as regards those matters that are within our competence, that such data have been derived from the Company's accounting records or other relevant documentation. Our review did not include the evaluation of management, selling or production criteria, which are the exclusive responsibility of the Board of Directors.

III. Statement of the supervisory committee

On the basis of the work performed, as stated in chapter II of this report, which did not include the application of all procedures necessary to allow us to express an opinion on the reasonability of the financial statements subject to this review, we consider that we are in a position to inform that:

- a)** The significant events and circumstances of which we have become aware and that are not affected by uncertainties are considered in these financial statements; and
- b)** We have not become aware of any significant amendment that should be made to the condensed interim financial statements of Compañía General de Combustibles S.A. identified in paragraphs a) to e) of chapter I of this report for them to be presented according to International Accounting Standard 34; and in respect of the overview and the additional information to the notes to the condensed interim financial statements required by section 1, paragraph b.2), chapter i, title iv of the CNV rules (n.t. 2013) and by section 12, chapter iii, title iv of the CNV rules (n.t. 2013) mentioned in paragraph f) of chapter I, as regards those matters that are within our competence, we have no remarks to make.

In compliance with the legal provisions in force, we inform that:

- a)** Given the measures adopted by the National Government in connection with the preventive and mandatory social distancing to protect the population and fight Coronavirus mentioned in Note 1.2), these condensed interim financial statements as of June 30, 2020, have not yet been transcribed in the Balance Book and for the same reason the Journal Book is updated until March, 2020.
- b)** In exercise of our legality control functions, we have applied during the period the procedures described in section 294 of Law No. 19,550 that we have considered necessary according to the circumstances, not having any remarks to make thereon.

City of Buenos Aires, August 11th 2020.

Carlos Oscar Bianchi

For the Supervisory Committee