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

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

Condensed interim consolidated and separate financial statements as of September 30, 2019

(Presented in comparative format with the year 2018)

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

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
As of September 30, 2019

Contents

COMPAÑÍA GENERAL DE COMBUSTIBLES S.A.

Overview for the third quarter as of September 30, 2019

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

This Overview has been prepared in compliance with the National Securities Commission (CNV) (Periodical Reporting Regime - Title IV - Chapter III - Section 4) and supplements the condensed interim consolidated financial statements of the Company for the nine-month period started on January 1, 2019 and ended on September 30, 2019. $ or USD refer to thousands of pesos or United States dollars, unless otherwise expressly indicated.

1. Brief description over the activities of the Company during the third quarter ended September 30, 2019, including reference to any relevant events occurring after the end of the period.

Adjusted EBITDA for the third quarter of 2019 amounted to $ 4,045.5, representing a decrease of $ 485.6, as compared to the third quarter of 2018. Adjusted EBITDA for the nine-month period ended September 30, 2019 amounted to $ 12,519.3, representing an increase of $ 3,040.5, as compared to the same period in 2018. The increase in the nine-month period ended September 30, 2019 is mainly due to a boost in production of oil and gas.

The oil, natural gas, liquefied petroleum gas and gasoline production during the third quarter of 2019 was 617.6 Mm3 of oil equivalent, representing an increase of 139.7 Mm3 (29%) as compared to the same period of 2018.

Liquid hydrocarbons accounted for 16% and natural gas 84% of the total production.

The Company has a significant presence in the activity of natural gas transportation business through trunk pipelines as a result of its interest in the companies Transportadora de Gas del Norte S.A. (23.07%), Gasoducto GasAndes (Argentina) S.A. (40%), Gasoducto GasAndes S.A.-Chile- (40%), and Transportadora de Gas del Mercosur S.A. (10.9%). Transported gas volumes by these companies in the third quarter of 2019 reached 7.4 billion cubic meters, 6% higher than in the same period of 2018.

Changes in Company indicators

	Q3 2019 (3 months)	Q3 2018 (3 months)
Adjusted EBITDA (thousands of pesos)	4,045.5	4,531.1
Oil production (m3/day) (1) (2)	997.47	868.26
Gas production (Mm3/day) (2)	5,716.03	4,326.55
Transported gas (MMm3)	7,355	6,962
Oil and gas equivalent production (Mm3) (2)	617.6	477.9

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

Relevant events during the third quarter ended on September 30, 2019 including subsequent events

Dividends declared by the Company

Dividends for $ 213,604, equivalent to USD 4,000, approved at the Meeting of Shareholders held on April 10, 2019 were paid to the shareholders in July 2019.

Dividends collected from Associates

During the nine-month period ended on September 30, 2019, CGC collected dividends for $ 1,054 on its interest in the midstream business, $ 182 correspond to the third quarter of 2019.

Financing

Corporate Bonds Issue Program under the Frequent Issuer Regime

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

Assignment of Angostura block

The assignment of 100% of the assets and obligations related to the Angostura block, including the exploration permit granted to CGC under Provincial Decrees Nos. 534/2007 and 482/2018, was agreed with President Energy plc on October 18, 2019. Considering the terms of the agreement, the net asset value of Angostura Area for $ 687,573 were allocated to exploration expenses as of September 30, 2019.

Settlement agreement with R.P.M. Gas S.A.

On October 29, 2019, CGC, Tecpetrol International S.L. and R.P.M. Gas S.A. reached a settlement in the litigation “CGC et al vs. R.P.M. Gas S.A., full proceeding” on the ownership of the shares in TGN, TGM and Gasinvest S.A. (this litigation started in 2014, as reported in Note 30 (3) to the financial statements as of December 31, 2018).

Considering the settlement reached, as described in Note 26, Subsequent Events, to these financial statements, effective October 29, 2019, the interests held in Gasinvest S.A., TGN and TGM amounts to 50%, 0.057% and 15.78% of capital and votes, respectively.

Underground storage

The Company is progressing in the development of an underground gas storage project in the Austral Basin. With this initiative, the gas surplus that cannot be injected into the General San Martín Gas Pipeline will be stored in an inactive gas block. Drilling of an injection well of 1,600 meters in depth has started, and is currently at its final stage. The rest of the wells will be drilled during a three-year campaign. With this project, CGC could continue with its gas development projects, store gas surpluses and allow the Province of Santa Cruz to keep constant gas production levels.

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

	9.30.2019	9.30.2018
Non-current assets	34,597,134	32,920,364
Current assets	17,359,942	12,691,482
Total assets	**51,957,076**	**45,611,846**
Equity attributable to the Owners of the Company	14,714,551	9,955,658
Total equity	**14,714,551**	**9,955,658**
Non-current liabilities	25,574,675	26,830,801
Current liabilities	11,667,850	8,825,387
Total liabilities	**37,242,525**	**35,656,188**
Total equity and liabilities	**51,957,076**	**45,611,846**

3. Consolidated statement of income for the nine-month period ended September 30, 2019, as compared with the same period of the fiscal year 2018
(In thousands of pesos)

	9.30.2019	9.30.2018
Revenue	20,015,308	17,316,708
Cost of revenue	(12,467,351)	(10,161,083)
Gross profit	**7,547,957**	**7,155,625**
Selling expenses	(337,488)	(361,598)
Administrative expenses	(1,151,333)	(721,962)
Exploration expenses	(705,518)	(12,107)
Other operating income and (expenses)	(40,955)	(317,109)
Operating income	**5,312,663**	**5,742,849**
Gain on investments in associates	983,756	1,308,288
Financial results, net	(4,154,088)	(10,959,035)
Income (loss) before taxes	**2,142,331**	**(3,907,898)**
Income tax	(829,983)	1,146,985
Net income/(loss)	**1,312,348**	**(2,760,913)**
Other comprehensive income	**49,058**	**5,226,574**
Comprehensive income	**1,361,406**	**2,465,661**

Gross profit increase in the nine-month period ended on September 30, 2019 is mainly due to an increase in oil and gas production. Lower financial losses, net, during the nine-month period ended September 30, 2019 are mainly caused by a lesser impact of exchange differences on foreign currency-denominated financial indebtedness. In the nine-month periods ended September 30, 2019 and 2018, the peso was devalued by 53% and 121%, respectively, against the US dollar. Furthermore, an income tax charge of $ 1,122.6 million was recorded during the nine-month period ended September 30, 2019, due to the effect of the inflation adjustment for tax purposes (see Note 22).

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

(In thousands of pesos)

	9.30.2019	9.30.2018
Net cash provided by operating activities	10,751,958	5,223,947
Net cash used in investment activities	(6,790,072)	(5,124,406)
Net cash (used in) provided by financing activities	(3,138,726)	705,516
Increase in cash, cash equivalents, and bank overdraft facilities	**823,160**	**805,057**
Cash and cash equivalents at beginning of period	1,422,961	471,581
Financial results generated by cash	89,332	1,133,923
Cash and cash equivalents at period-end	**2,335,453**	**2,410,561**

5. Statistics for the three-month period ended on September 30, 2019, comparative with the same period of fiscal year 2018

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

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

		9.30.2019	9.30.2018
Liquidity	(a)	1.49	1.44
Solvency	(b)	0.40	0.28
Immobilized assets	(c)	0.67	0.72

(a) Current assets / Current liabilities

(b) Shareholders´ equity/ Total liabilities

(c) Non-current assets / Total assets

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

7. Prospects

There is a great deal of uncertainty about Argentina's economic context in view of the recent macroeconomic instability. Last August, the National Government imposed a freeze on prices of fuels and crude oil barrel for 90 days, as one of the measures after the PASO election results, and tightened foreign exchange restrictions, which has discouraged production. These decisions, added to the pre-election logics and the current period of transition to a new National Government, have led the sector to temporarily reduce its level of activity and to redefine investment projects for the year 2020. The change of tendency will depend on the signals the elected president Alberto Fernandez will give out in the next months.

Company Management closely monitors the situations described above to determine the possible action to be taken and identify the potential impact on the Company's economic and financial position that are worth disclosing in the financial statements for future periods.

In this regard, the Company will place special emphasis on maintaining an adequate level of activity and investments and on keeping costs under strict control to ensure a sustainable projection in the future.

Autonomous City of Buenos Aires, November 8, 2019

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

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

CONDENSED INTERIM CONSOLIDATED

FINANCIAL STATEMENTS

As of September 30, 2019

(Presented in comparative format with the year 2018)

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.

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

FISCAL YEAR No. 100

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of September 30, 2019

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

Parent company's main line of business: Investment and financial activities

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

CAPITAL STATUS (1)- In pesos -

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

(1) Note 13 to the condensed interim consolidated Financial Statements

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of September 30, 2019 and December 31, 2018
(In thousands of pesos)

	Note	9.30.2019	12.31.2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	22,219,810	18,828,180
Other investments	11	889,332	-
Right of use assets	23	397,482	-
Investments in associates	7	10,437,731	10,505,514
Other receivables	8	363,288	1,937,330
Trade receivables	10	289,491	483,952
Total Non-Current Assets		**34,597,134**	**31,754,976**
CURRENT ASSETS			
Inventories	9	1,357,695	1,172,382
Other receivables	8	3,632,319	3,796,471
Trade receivables	10	8,507,658	6,613,079
Other investments	4 and 11	1,526,817	450,106
Cash and cash equivalents	12	2,335,453	1,422,961
Total Current Assets		**17,359,942**	**13,454,999**
TOTAL ASSETS		**51,957,076**	**45,209,975**
EQUITY			
Share capital	13	399,138	399,138
Capital adjustment		1,851,520	1,851,520
Reserves		5,450,641	525,631
Retained earnings		1,769,522	5,138,614
Other comprehensive income		5,243,730	5,651,846
TOTAL EQUITY		**14,714,551**	**13,566,749**
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions for legal claims and other proceedings	14	88,016	77,880
Other provisions	15	2,129,980	1,891,584
Deferred tax liabilities	22	1,411,879	581,896
Tax payables	16	13,916	35,293
Leases liabilities	23	150,790	-
Financial liabilities	17	21,780,094	19,808,627
Total Non-Current Liabilities		**25,574,675**	**22,395,280**
CURRENT LIABILITIES			
Other provisions	15	1,454	2,133
Other liabilities	18	179,890	195,224
Tax payables	16	238,755	280,441
Salaries and social security contributions		263,140	330,279
Leases liabilities	23	327,788	-
Financial liabilities	17	3,040,914	3,486,052
Trade payables	19	7,615,909	4,953,817
Total Current Liabilities		**11,667,850**	**9,247,946**
TOTAL LIABILITIES		**37,242,525**	**31,643,226**
TOTAL EQUITY AND LIABILITIES		**51,957,076**	**45,209,975**

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

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

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

		Three-month period ended		Nine-month period ended	
	Note	9.30.2019	9.30.2018	9.30.2019	9.30.2018
Income	20 a)	6,598,763	7,602,882	20,015,308	17,316,708
Cost of revenue	20 b)	(4,108,711)	(3,621,572)	(12,467,351)	(10,161,083)
Gross profit		**2,490,052**	**3,981,310**	**7,547,957**	**7,155,625**
Selling expenses	20 c)	(125,441)	(158,338)	(337,488)	(361,598)
Administrative expenses	20 d)	(563,330)	(188,843)	(1,151,333)	(721,962)
Exploration expenses	20 e)	(703,944)	(12,107)	(705,518)	(12,107)
Other operating income and (expenses), net	20 f)	22,819	21,565	(40,955)	(317,109)
Operating income		**1,120,156**	**3,643,587**	**5,312,663**	**5,742,849**
Result of investments in associates	20 g)	317,420	714,979	983,756	1,308,288
Financial income	20 h)	23,406	9,776	53,742	38,031
Financial costs	20 h)	(603,729)	(656,664)	(1,652,316)	(1,557,886)
Gain/loss on exposure to changes in purchasing power parity (RECPAM)	20 h)	(365,660)	(66,480)	(810,181)	(308,535)
Other financial results	20 h)	(3,005,353)	(5,364,978)	(1,745,333)	(9,130,645)
Income/(loss) before taxes		**(2,513,760)**	**(1,719,780)**	**2,142,331**	**(3,907,898)**
Income tax	22	212,564	552,641	(829,983)	1,146,985
Income (Loss) for the period		**(2,301,196)**	**(1,167,139)**	**1,312,348**	**(2,760,913)**
OTHER COMPREHENSIVE INCOME					
Items that are not reclassified to profit or loss					
Revaluation asset reserve	7 b)	(203,466)	4,921,936	(161,712)	4,921,936
Items that may be reclassified to profit or loss					
Income/(loss) for hedging financial instrument	3	(2,023)	(26,295)	46,260	(11,724)
Financial statement translation difference	7 b)	230,743	156,889	164,510	316,362
Total other comprehensive income for the period, net of taxes		**25,254**	**5,052,530**	**49,058**	**5,226,574**
Total comprehensive income for the period		**(2,275,942)**	**3,885,391**	**1,361,406**	**2,465,661**
Basic and diluted earnings per share		**(5.765)**	**(2.924)**	**3.288**	**(6.917)**

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

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
(In thousands of pesos)

	Capital Stock (Note 13)	Capital adjustment	Legal reserve	Discretionary reserve (1)	Other	Other comprehensive income			Retained earnings	Total
						Asset revaluation reserve	Income/(loss) for hedging financial instrument	Currency translation difference		
Balances as of December 31, 2018	**399,138**	**1,851,520**	**44,376**	**918,994**	**(437,739)**	**4,773,948**	**-**	**877,898**	**5,138,614**	**13,566,749**
Resolution of the General Ordinary Meeting of Shareholders dated April 10, 2019:	-	-	405,756	4,081,515	437,739	-	-	-	(5,138,614)	(213,604)
Net income for the period	-	-	-	-	-	-	-	-	1,312,348	1,312,348
Reversal of asset revaluation reserve	-	-	-	-	-	(457,174)	-	-	457,174	-
Other comprehensive income for the period	-	-	-	-	-	(161,712)	46,260	164,510	-	49,058
Balances as of September 30, 2019	**399,138**	**1,851,520**	**450,132**	**5,000,509**	**-**	**4,155,062**	**46,260**	**1,042,408**	**1,769,522**	**14,714,551**

(1) For maintenance of working capital and future dividends

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

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

	Share capital (Note 13)	Capital adjustment	Legal reserve	Discretionary reserve (1)	Other	Other comprehensive income			Retained earnings	Total
						Asset revaluation reserve	Income/(loss) for hedging financial instrument	Currency translation difference		
Balances as of December 31, 2017	**399,138**	**1,851,520**	**44,376**	**1,889,057**	**(437,739)**	**-**	**-**	**229,108**	**3,724,144**	**7,699,604**
Ordinary Meeting of Shareholders dated April 27, 2018: Appropriation of retained earnings	-	-	-	(760,454)	-	-	-	-	760,454	-
Ordinary General Shareholders' Meeting held on August 1, 2018: Distribution of dividends among the shareholders	-	-	-	(209,609)	-	-	-	-	-	(209,609)
Net loss for the period	-	-	-	-	-	-	-	-	(2,760,913)	(2,760,913)
Other comprehensive income for the period	-	-	-	-	-	4,921,936	(11,724)	316,362	-	5,226,574
Balances as of September 30, 2018	**399,138**	**1,851,520**	**44,376**	**918,994**	**(437,739)**	**4,921,936**	**(11,724)**	**545,470**	**1,723,685**	**9,955,656**

(1) For maintenance of working capital and future dividends

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

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

(In thousands of pesos)

	Note	9.30.2019	9.30.2018
Cash flow from operating activities			
Net income/(loss) for the period		1,312,348	(2,760,913)
Adjustments to arrive at net cash flow from operating activities:			
Depreciation of property, plant and equipment	6	4,836,666	2,807,352
Deletions of property, plant and equipment		701,792	16,343
Depreciation of right of use assets	23	349,496	-
Result of investments in associates	20 g)	(983,756)	(1,308,288)
Financial results, net		3,064,716	10,479,152
Increase in allowances for receivables, net	20 f)	18,756	324,631
Increase in provisions for legal claims and other proceedings, net	20 f)	31,456	34,886
Gas imbalance charges	20 b) (1)	(5,478)	(13,152)
Income accrued for incentives, net of collections		(1,555,166)	(1,488,524)
Gain/(loss) on variation in interest in La Maggie Concession	20 f)	89,011	68,897
Gain/loss on purchasing power parity		810,054	308,535
Accrued income tax	22	829,983	(1,146,985)
Changes in operating assets and liabilities:			
Receivables		(1,695,010)	(3,838,923)
Inventory		(185,313)	(177,851)
Non-financial liabilities		3,263,175	2,010,026
Income tax paid		(130,772)	(91,239)
Net cash flow provided by operating activities		**10,751,958**	**5,223,947**
Net cash flow provided by investment activities			
Acquisition of property, plant and equipment	6	(7,917,284)	(5,542,031)
Changes in investments in associates	7 b)	-	20,330
Decrease in placements of funds - current		72,875	60,101
Dividends collected	7 b)	1,054,337	337,194
Net cash flow used in investment activities		**(6,790,072)**	**(5,124,406)**
Net cash flow provided by financing activities			
Dividends distributed and paid to the shareholders		(213,604)	(209,609)
Lease payments	23	(399,473)	-
Interest paid on financial liabilities	17	(1,350,195)	(946,909)
Financial liabilities incurred	17	5,165,337	5,056,815
Financial liabilities settled	17	(6,340,791)	(3,194,781)
Net cash flow (used in) provided by financing activities		**(3,138,726)**	**705,516**
Increase in cash and cash equivalents, net		**823,160**	**805,057**
Cash and cash equivalents at beginning of the period	12	1,422,961	471,581
Financial results generated by cash and cash equivalents		89,332	1,133,923
Cash and cash equivalents at end of period	12	**2,335,453**	**2,410,561**

Changes not entailing movements of funds:		
Payments in the period of prior period acquisitions of property, plant and	(149,930)	(57,210)
equipment	215,464	35,700
Capitalization of financial costs	878,348	1,716,305
Cost of wells retirement capitalized in property, plant and equipment		

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

COMPAÑIA GENERAL DE COMBUSTIBLES S.A.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
As of September 30, 2019

Index of Notes to the Interim Condensed Consolidated Financial Statements

NOTE 1 – GENERAL INFORMATION

1.1 - The Company

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

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

1.2 - Control Group

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

1.3 - Economic environment in which the Company operates – Regulatory framework

The Company has been operating in a complex economic environment whose main variables have recently been affected by a strong volatility, both nationally and internationally.

The following circumstances occurred locally:
- GDP fell 2.5% year-on-year in the first half of 2019.
- Cumulative inflation, measured by the consumer price index, reached 37.7% between January 1, 2019 and September 30, 2019.
- The significant peso devaluation since August has led to an unexpected withdrawal of deposits in dollars in the financial system, thereby eroding the Central Bank reserves, and to an increase in the reference interest rate of over 74%.

In view of these circumstances, the government decided to implement certain measures, as follows:
- Specific time frames for bringing and trading in Argentina funds in foreign currency arising from exports.
- Prior authorization of the Central Bank for the formation of external assets for companies.
- Prior authorization of the Central Bank for payment of debts to foreign related companies.
- Deferral of payment of certain government debt instruments.
- Control over fuel price.

This context of volatility and uncertainty still persists at the date of issuance of these financial statements.

Company Management permanently monitors the performance of variables affecting its business, to define the course of action and identify the potential impact on its economic and financial position. The financial statements of the Company must be read in light of these circumstances.

Additionally, as provided by National Executive Branch Decree 566/19 dated August 16, 2019:

- deliveries of crude oil in the domestic market during ninety calendar days following the effective date of the measure must be invoiced and paid at the price agreed between the oil producing companies and refineries as of August 9, 2019, applying a reference exchange rate of $ 45.19/USD and a reference BRENT crude price of USD 59/bbl.
- the maximum price of all qualities of gasoline and fuel oil commercialized by wholesale and/or retail gas stations and/or refineries, in all sales channels, during ninety calendar days following the effective date of the measure may not exceed the price set as of August 9, 2019.
- during the period of application of this measure, the wholesale and/or retail gas stations and/or refineries must satisfy, at the prices set in this Decree, the total national demand for liquid fuels, with the volumes required from them in accordance with the usual market practices, thus ensuring constant supply to each and every region within the Argentine territory.
- the hydrocarbon producing companies must meet local refineries’ total demand for crude oil, thus ensuring constant supply to all the refineries situated in the Argentine territory for adequate satisfaction of internal needs.
- the commercialization of fuels must be made with the qualities and types and in compliance with the other requirements set forth by current regulations.

On September 2, 2019, the National Executive Branch published Decree No. 601/19 replacing the provisions of Decree No. 566/19 mentioned in points 1 and 2 and establishing until November 13, 2019 a reference exchange rate of $ 46.69/US$; the maximum price for all qualities of gasoline and fuel oil commercialized by wholesale and/or retail gas stations and/or refineries for fuel supply to gas stations may not exceed the price set as of August 9, 2019.

Furthermore, the Government Secretariat of Energy under the Ministry of Finance, as the enforcement authority of Law No. 17319 and its amendments, has been instructed to pass such resolutions as may be necessary to normalize the prices in the hydrocarbons sector and/or change the reference and maximum prices set therein and/or request transfers from the National Treasury to maintain the level of activity and employment and protect consumers during this exceptional period, in pursuit of the aims of Decrees Nos. 566/19 and 601/19 while they remain in effect.

NOTE 2 - BASIS FOR PRESENTATION, PREPARATION AND MEASURING UNIT

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

The condensed interim consolidated financial statements of the Company for the nine-month period ended September 30, 2019 have been prepared in accordance with the accounting standards set forth by the CNV. These accounting standards consist in applying IFRS and, particularly, International Accounting Standard 34, Interim Financial Reporting (IAS 34). Therefore, they do not include all of the information required for filing annual financial statements. The condensed interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements as of December 31, 2018, prepared in accordance with International Financing Reporting Standards (IFRS), restated pursuant to the guidelines of IAS 29 and issued on March 11, 2019.

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

These condensed interim consolidated financial statements were approved for issuance by the Company's Board of Directors on November 8, 2019.

These consolidated financial statements are stated in thousands of pesos ($), legal tender in Argentina, and were prepared based on the accounting records of CGC. They have been stated at historical cost, except for the revaluation of some financial assets and some non-current assets. $ or USD (United States dollars) refer to thousands of $ or USD, respectively, unless otherwise expressly indicated.

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

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

2.1 - Deposit of corporate and accounting documentation

Pursuant to General Resolution No. 629/14 of the National Securities Commission, we report that the documentation supporting the Company's accounting and management operations and the accounts books and corporate books of CGC are deposited in the offices located at Bonpland 1745, City of Buenos Aires, and in the warehouses of the supplier Iron Mountain Argentina S.A., with business address at Amancio Alcorta 2482, City of Buenos Aires.

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

IFRS 16, Leases: See Note 23

2.2.2 - Accounting Policies

The accounting policies adopted for these condensed interim consolidated financial statements are consistent with the ones used in the consolidated financial statements for the year ended December 31, 2018, except for the changes explained in section 2.2.1 of the new policies.

2.3 - Estimates

The preparation of the Consolidated condensed interim financial statements requires the Company's Management to make estimates and evaluations relating to the future, to apply critical judgment and to determine assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

In preparing these Consolidated condensed interim financial statements, the critical judgments made by Management when applying the Company's accounting policies and the information sources used for the respective estimates are the same as those applied to the Consolidated financial statements as for the year ended December 31, 2018.

These estimates and judgments are continually evaluated and are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual future results may differ from those estimates and assessments made at the date these Consolidated condensed interim financial statements were prepared.

2.4 - Consolidation - Subsidiaries

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

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

NOTE 3 - FINANCIAL RISK MANAGEMENT

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

Date of contract	Hedging Period	Hired Volume	Price of the option	Value of the Premium	Fair value (*)
4/16/2019	From 9/30/2019 to 12/31/2019	603,840 bbl	USD 65/bbl Oil Brent	USD 1,551,868	146,498
				Total	**146,498**

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

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

In the nine-month periods ended September 30, 2019 and 2018, the Company recognized a gain of $46,260 and a loss of $11,724, respectively, under Other Comprehensive Income.

NOTE 4 - FAIR VALUE MEASUREMENT

IFRS 13 requires disclosure of fair value into levels, for financial instruments measured at fair value.

The Company classifies the measurements of financial instruments at fair value using a fair value hierarchy, which reflects the relevance of the variables used to carry out such measurements. The fair value hierarchy has the following levels:

- Level 1: (Unadjusted) quoted prices in active markets for identical assets or liabilities.
- Level 2: data other than the quoted prices included in Level 1 observable for assets or liabilities, whether directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: data on assets and liabilities not based on information observable in the market (i.e. not observable information).

The following table shows the financial assets measured at fair value as of September 30, 2019 and December 31, 2018. The Company does not have financial liabilities measured at fair value.

As of 9.30.2019	Level 1	Level 2	Level 3	Total
Assets				
Investments at fair values				
Government securities	229,573	-	-	229,573
Listed shares	6,436	-	-	6,436
Total current assets	**236,009**	**-**	-	**236,009**

As of 12.31.2018	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents				
Mutual funds	269,191	-	-	269,191
Investments at fair values				
Government securities	422,059	-	-	422,059
Listed shares	28,047	-	-	28,047
Total current assets	**719,297**	**-**	-	**719,297**

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

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

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

NOTE 5 – SEGMENT REPORTING

IFRS 8 - Information by segments requires that the entity reports the financial and descriptive information of those operating segments or groups or segments classified as reportable segments meeting certain criteria. Operating segments are those in which the separate financial information is available and assessed periodically by the Director of Operating Decisions (DDO, for its acronym in Spanish) to decide on how to allocate resources or analyze the performance of assets. Operating segments are reported consistently through internal report to the DDO or, when applicable, to the Board of Directors.

The Company has two operating and reportable segments, which are organized based on similar economic characteristics, the nature of the goods offered, production processes, type of clients and distribution methods, according to the following classification:

- Upstream: they include the results of exploration, production of oil, gas and LPG;
- Midstream: they include the results from ongoing investments in the following gas transportation companies: TGN, TGM and GasAndes.

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

The DDO uses the adjusted EBITDA to decide how to allocate resources and to control the performance of segments.

Adjusted EBITDA is defined as the operating income of consolidated segments, excluding depreciation and impairment expenses of property, plant and equipment and right-of-use leased assets, expected losses for trade and other receivables, provisions for legal claims and other proceedings, income (loss) in the return of blocks and taxes on financial transactions, including the collection of dividends for investments in associates.

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

Below is a detail of the information on each business segment identified by Company Management:

	9.30.2019			
	Upstream	**Midstream**	**Central structure**	**TOTAL**
Income	20,015,308	-	-	20,015,308
Cost of revenue	(7,175,308)	-	-	(7,175,308)
Gross profit	**12,840,000**	**-**	**-**	**12,840,000**
Exploration expenses	(12,603)	-	-	(12,603)
Selling expenses	(337,488)	-	-	(337,488)
Central structure expenses	-	-	(1,123,180)	(1,123,180)
Other operating income and expenses	(27,130)	125,398	-	98,268
Adjusted EBITDA	**12,462,779**	**125,398**	**(1,123,180)**	**11,464,997**
Dry wells and unsuccessful studies	(692,915)	-	-	(692,915)
Other operating income and expenses	(89,011)	-	(50,212)	(139,223)
Depreciation and amortization (1)	(5,172,520)	-	(13,642)	(5,186,162)
Tax on financial transactions	(119,523)	-	(14,511)	(134,034)
Gains/losses on long-term investments	-	983,756	-	983,756
Subtotal	**6,388,810**	**1,109,154**	**(1,201,545)**	**6,296,419**
Financial income	-	-	53,742	53,742
Financial costs	-	-	(1,652,316)	(1,652,316)
Restatement due to changes in the purchasing power parity	-	-	(810,181)	(810,181)
Other financial results	-	-	(1,745,333)	(1,745,333)
Income before taxes	**6,388,810**	**1,109,154**	**(5,355,633)**	**2,142,331**
Income tax	(2,137,542)	(31,349)	1,338,908	(829,983)
Income ((Loss) for the period	**4,251,268**	**1,077,805**	**(4,016,725)**	**1,312,348**
Adjusted EBITDA				**11,464,997**
Dividends collected in this period				1,054,337
Adjusted EBITDA, including dividends collected				**12,519,334**

(1) By application of IFRS 16 since the period ended September 30, 2019, depreciation charges include depreciation of the right to use leased assets for $ 349,496 in the nine-month period ended September 30, 2019. (See Note 23)

	As of 9.30.2018			
	Upstream	**Midstream**	**Central structure**	**TOTAL**
Income	17,316,708	-	-	17,316,708
Cost of revenue	(7,251,832)	-	-	(7,251,832)
Gross profit	**10,064,876**	**-**	**-**	**10,064,876**
Selling expenses	(361,598)	-	-	(361,598)
Central structure expenses	-	-	(672,935)	(672,935)
Other operating income and expenses	(43,095)	154,402	-	111,307
Adjusted EBITDA	**9,660,183**	**154,402**	**(672,935)**	**9,141,650**
Exploration expenses	(12,107)	-	-	(12,107)
Other operating income and expenses	(68,897)	-	(359,517)	(428,414)
Depreciation and amortization	(2,792,832)	-	(14,520)	(2,807,352)
Tax on bank credits and debits	(116,419)	-	(34,509)	(150,928)
Gain on investments in associates	-	1,308,288	-	1,308,288
Subtotal	**6,669,928**	**1,462,690**	**(1,081,481)**	**7,051,137**
Financial income	-	-	38,031	38,031
Financial costs	-	-	(1,557,886)	(1,557,886)
Restatement due to changes in the purchasing power parity	-	-	(308,535)	(308,535)
Other financial results	-	-	(9,130,645)	(9,130,645)
Income before taxes	**6,669,928**	**1,462,690**	**(12,040,516)**	**(3,907,898)**
Income tax	(1,824,543)	(38,600)	3,010,128	1,146,985
Income / (Loss) for the period	**4,845,385**	**1,424,090**	**(9,030,388)**	**(2,760,913)**
Adjusted EBITDA				**9,141,650**
Dividends collected in this period				337,194
Adjusted EBITDA as per dividends collected				**9,478,844**

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Changes in this caption are as follows:

Main account	Original values					Depreciation				Net	Net
	Value at the beginning of year	Additions	Reclassifications --	Deletions	Value at end of period	Accumulated at the beginning of the year	Deletions	For the period	Accumulated at end of period	Net book value - 9.30.2019	At - 12.31.2018
DEVELOPMENT AND PRODUCTION ASSETS											
Wells and production facilities	27,521,217	847,429	6,098,851	(7,740)	34,459,757	12,930,965	(6,506)	4,547,126	17,471,585	16,988,172	14,590,252
Other production-related assets	110,711	1,298	-	(3,605)	108,404	75,389	(3,359)	7,264	79,294	29,110	35,322
Mining property	5,367,579	-	-	-	5,367,579	3,645,559	-	268,474	3,914,033	1,453,546	1,722,020
Materials and spare parts	15,836	30	-	(11,659)	4,207	-	-	-	-	4,207	15,836
Works in progress (1)	1,630,045	6,621,875	(5,635,648)	(952)	2,615,320	-	-	-	-	2,615,320	1,630,045
Subtotal	**34,645,388**	**7,470,632**	**463,203**	**(23,956)**	**42,555,267**	**16,651,913**	**(9,865)**	**4,822,864**	**21,464,912**	**21,090,355**	**17,993,475**
EXPLORATION AND EVALUATION ASSETS	**1,373,984**	**1,270,537**	**(462,938)**	**(687,573)**	**1,494,010**	**-**	**-**	**-**	**-**	**1,494,010**	**1,373,984**
CENTRAL MANAGEMENT ASSETS	**249,513**	**119,997**	**(265)**	**(17,740)**	**351,505**	**195,679**	**(17,612)**	**13,802**	**191,869**	**159,636**	**53,834**
TOTAL AS OF 9.30.2019	**36,268,885**	**8,861,166**	**-**	**(729,269)**	**44,400,782**	**16,847,592**	**(27,477)**	**4,836,666**	**21,656,781**	**22,744,001**	**19,421,293**
Non-financial asset impairment allowance										**(524,191)**	**(593,113)**
TOTAL										**22,219,810**	**18,828,180**

(1) The cost of works in progress the construction of which extends over time includes, where applicable, financial costs accrued from financing through third party capital. Financial costs for $215,464 were capitalized in the period ended September 30, 2019 (compound annual interest rate: 6.99%)

Main account	Original values					Depreciation				Net	Net
	Value at the beginning of year	Additions	Transfers --	Deletions (2)	Value at the end of period	Accumulated at beginning of the year	Deletions (2)	For the period	Accumulated at the end of period	Net book value - 9.30.2018	As of 12.31.2017
DEVELOPMENT AND PRODUCTION ASSETS											
Wells and production facilities	21,268,458	1,851,135	4,668,121	(1,161,754)	26,625,960	10,031,957	(425,169)	2,397,692	12,004,480	14,621,480	11,236,501
Other production-related assets	96,774	521	13,502	-	110,797	63,563	(3,485)	12,603	72,681	38,116	33,211
Mining property	5,975,250	48,862	4,597	(320,336)	5,708,373	3,039,488	(290,127)	382,355	3,131,716	2,576,657	2,935,762
Materials and spare parts	18,252	508	(6)	(2,222)	16,532	-	-	-	-	16,532	18,252
Works in progress (1)	1,163,973	4,739,162	(4,344,388)	(16,338)	1,542,409	-	-	-	-	1,542,409	1,163,973
Subtotal	**28,522,707**	**6,640,188**	**341,826**	**(1,500,650)**	**34,004,071**	**13,135,008**	**(718,781)**	**2,792,650**	**15,208,877**	**18,795,194**	**15,387,699**
EXPLORATION AND EVALUATION ASSETS	**1,160,332**	**566,932**	**(195,358)**	**-**	**1,531,906**	**-**	**-**	**-**	**-**	**1,531,906**	**1,160,332**
CENTRAL MANAGEMENT ASSETS	**365,568**	**29,706**	**(146,468)**	**(1,781)**	**247,025**	**199,961**	**(28,018)**	**14,702**	**186,645**	**60,380**	**165,607**
TOTAL AS OF 9.30.2018	**30,048,607**	**7,236,826**	**-**	**(1,502,431)**	**35,783,002**	**13,334,969**	**(746,799)**	**2,807,352**	**15,395,522**	**20,387,480**	**16,713,638**
Non-financial asset impairment allowance										**(343,377)**	**(343,377)**
TOTAL										**20,044,103**	**16,370,261**

(1) The cost of works in progress the construction of which extends over time includes, where applicable, financial costs accrued from financing through third party capital. Financial costs for $35,700 were capitalized in the period ended September 30, 2018 (compound annual interest rate: 3.67%)

(2) Includes original values of $506,808 net of depreciation charges, written off due to the assignment of 50% of La Maggie concession.

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

	9.30.2019	9.30.2018
Balance at the beginning of year	593,113	343,377
(Decreases) (1)	(68,922)	-
Balance at period end	**524,191**	**343,377**

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

NOTE 7 - INVESTMENTS IN ASSOCIATES

a) Below is a detail of the investments in companies as of September 30, 2019 and December 31, 2018:

Company	9.30.2019	12.31.2018
Associates		
Gasinvest S.A.	9,088,395	9,435,918
Gasoducto GasAndes (Argentina) S.A.	732,258	588,346
Gasoducto GasAndes S.A. (Chile)	510,934	372,605
Transportadora de Gas del Norte S.A.	18,152	18,835
Transportadora de Gas del Mercosur S.A.	40,418	50,033
Andes Operaciones y Servicios S.A. (Chile)	47,574	39,777
Total investments in companies	**10,437,731**	**10,505,514**

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

	9.30.2019	9.30.2018
At the beginning of the year	10,505,514	4,087,900
Translation differences	164,510	316,362
Capital reductions	-	(20,330)
Gain / (loss) on valuation at fair value of Petronado S.A.	-	(5,506)
Asset revaluation reserve	(161,712)	4,921,936
Gains and losses on investments (Note 20 g))	983,756	1,308,288
Goodwill write-off	-	(11,461)
Dividends collected	(1,054,337)	(337,194)
At end of period	**10,437,731**	**10,259,995**

NOTE 8 - OTHER RECEIVABLES

The breakdown of other receivables is as follows:

	9.30.2019	12.31.2018
Non-current:		
Related parties (Note 21 a))	317,053	285,263
Minimum notional income tax	238,836	140,443
Income tax	124,425	77,153
Receivables under the Incentive Program for Gas Injection (1)	-	1,590,622
Echo Energy CDL OP Ltd 2)	-	129,089
Sundry	27	23
Provision for expected losses	(317,053)	(285,263)
Total	**363,288**	**1,937,330**

	9.30.2019	12.31.2018
Current:		
Receivables for incentives Resolution 419-E/2017	2,625,004	2,337,410
Receivables under the Incentive Program for Gas Injection (1)	-	1,174,070
Receivables from the propane gas supply agreement	41,067	24,355
Receivables from export refunds from Patagonia ports	39,773	35,784
Related parties (Note 21 a))	6,878	9,764
Value added tax	599,656	27,284
Income tax	-	46,210
Other tax credits	14,487	2,806
Advances to suppliers	71,132	40,378
Expenses to be recovered	2,673	18,945
Pre-paid insurance	42,408	7,920
Hedging financial instruments (Note 3)	146,498	-
Trust Assets	256	350
Echo Energy CDL OP Ltd 2)	20,543	18,600
Prepaid mining fees	5,795	31,783
Sundry	16,149	20,812
Total	**3,632,319**	**3,796,471**

(1) On March 28, 2018, the Ministry of Energy and Mining approved, under Resolution No. MINEM Resolution No. 97/2018, the procedure for the settlement of receivables under the Incentive Program for Gas Injection. This Resolution established the repayment in 30 equal and consecutive installments as of January 2019. The credit was set for an amount of USD 59,385.3. SGE Resolution No. 54/19 was published on February 21, 2019 which modified the mechanism for settling compensation pending liquidation and/or payment in the year 2017 (MINEM Resolution No. 97/18). The main modification consists in documenting payments through the delivery of government debt securities. As of September 30, 2019, it was recorded at present value, considering the conditions established under the Resolution.
BONDS UNDER NATURAL GAS PROGRAMS for a nominal value of USD 59,385.3 were received on April 11, 2019, as established by SGE Resolution No. 54/19. The bonds will fall due on June 28, 2021 and will be amortized on a monthly basis. The coupons amortized for USD 17,797.8 as of September 30, 2019 have been collected in cash.

Activity in the allowance for other receivables is as follows:

	9.30.2019	9.30.2018
Non-Current		
Balance at the beginning of year	285,263	220,592
Restatement due to changes in the purchasing power parity	(78,093)	(40,377)
Increases (1)	109,883	182,343
Uses	-	(14,352)
Balance at period end	**317,053**	**348,206**

(1) $0 and $5,811 were charged to other operating income and expenses, and $109,883 and $176,532, to financial results in 2019 and 2018, respectively.

NOTE 9 - INVENTORIES

The breakdown of inventories is as follows:

	9.30.2019	12.31.2018
Oil and byproducts	653,003	612,462
Materials and spare parts	704,692	559,920
Total	**1,357,695**	**1,172,382**

NOTE 10 - TRADE RECEIVABLES

The breakdown of trade receivables is as follows:

	9.30.2019	12.31.2018
Non-Current		
Ordinary	289,491	483,952
Bankruptcy proceedings	241,311	223,955
Less: Allowance for expected losses	(241,311)	(223,955)
Total	**289,491**	**483,952**
Current		
Ordinary	8,596,082	6,709,008
Less: Allowance for expected losses	(88,424)	(95,929)
Total	**8,507,658**	**6,613,079**

Activity in the bad debt allowance is as follows:

	9.30.2019	9.30.2018
Balance at the beginning of year	319,884	157,703
Restatement due to changes in the purchasing power parity	(87,571)	(52,212)
Increases (1)	97,422	723,862
Balance at period end	**329,735**	**829,353**

(1) $18,756 and $318,820 were charged to other operating income and expenses in 2019 and 2018; $78,666 and $ 396,252. to financial results in 2019 and 2018, respectively, and $8,790 were charged for the merger with Unitec Energy S.A. in 2018.

NOTE 11 - OTHER INVESTMENTS

The breakdown of other investments is as follows:

Non-Current:	9.30.2019	12.31.2018
Government securities at amortized cost (1)	889,332	-
Total	**889,332**	**-**
Current:		
Listed shares	6,436	28,047
Government securities at amortized cost (1)	1,290,808	-
Government securities at fair value (2)	229,573	422,059
Total	**1,526,817**	**450,106**

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

NOTE 12 - CASH AND CASH EQUIVALENTS

	9.30.2019	12.31.2018
Cash, imprest fund and checks to be deposited	45,528	460
Banks	2,289,925	1,153,310
Mutual funds (1)	-	269,191
Total	**2,335,453**	**1,422,961**

(1) At December 31, 2018 xx is made up of 44,197,166 units of Alpha Pesos mutual fund.

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

	9.30.2019	12.31.2018
Cash and cash equivalents	2,335,453	1,153,770
Mutual funds	-	269,191
Total	**2,335,453**	**1,422,961**

NOTE 13 - CAPITAL STOCK

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

NOTE 14 - PROVISIONS FOR LEGAL CLAIMS AND OTHER PROCEEDINGS

At the date of issuance of these financial statements, the Company and the regulatory authorities have interpretation differences referred to the calculation of hydrocarbon royalties. It is estimated that the resolution of these situations will not cause significant impacts not considered in these financial statements.

The changes in the provisions for legal claims and other proceedings are as follows:

	9.30.2019	9.30.2018
Non-Current		
Balance at the beginning of year	77,880	66,455
Loss on exposure to purchasing power parity	(21,320)	(16,265)
Increases (1)	31,456	33,882
Balance at period end	**88,016**	**84,072**

(1) $ 31,456 and $ 34,886 were allocated to other operating income and expenses in 2019 and 2018, respectively, and ($ 1,004) were applied to other destinations in the period 2018.

NOTE 15 - OTHER PROVISIONS

The breakdown of provisions is as follows:

	9.30.2019	12.31.2018
Non-current:		
Gas imbalance	8,856	13,661
Asset retirement obligation and provision for environmental remediation	2,092,984	1,851,249
Sundry	28,140	26,674
Total	**2,129,980**	**1,891,584**
Current:		
Gas imbalance	1,439	2,112
Reorganization trustees’ fees	15	21
Total	**1,454**	**2,133**

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

	Balance at beginning of year 1.1.2019	Gain/(loss) on exposure to changes in purchasing power parity	Increases	Decreases	Balance At end of period 9.30.2019
Non-Current:					
Gas imbalance (1)	13,661	-	-	(4,805)	8,856
Asset retirement obligation and provision for environmental remediation (2)	1,851,249	(397,160)	638,895	-	2,092,984
Current:					
Gas imbalance (1)	2,112	-	-	(673)	1,439
Total	**1,867,022**	**(397,160)**	**638,895**	**(5,478)**	**2,103,279**

(1) Return of gas for ($5,478) charged to cost of sales.
(2) ($ 244,065) at present value, charged to financial costs; adjustment to future cost for $ 878,348 charged to property, plant and equipment; and exploration expenses for $ 4,612.

	Balance at the beginning of year 1.1.2018	Gain/(loss) on changes in purchasing power parity	Increases	Decreases	Balance At end of period 9.30.2018
Non-Current:					
Gas imbalance (1)	27,834	-	97	(12,139)	15,792
Asset retirement obligation and provision for environmental remediation (2)	1,739,204	(750,986)	1,571,749	-	2,559,967
Current:					
Gas imbalance (1)	3,424	-	-	(1,013)	2,411
Total	**1,770,462**	**(750,986)**	**1,571,846**	**(13,152)**	**2,578,170**

(1) Exchange differences and interest for $ 97 charged to financial costs, and return of gas for ($ 13,152) charged to cost of sales.
(2) $ 110,099 at present value, charged to financial costs, future cost adjustment for $ 1,716,304 charged to property, plant and equipment, and ($ 254,654) was written off as a result of the assignment of 50% of La Maggie concession.

NOTE 16 - TAX PAYABLES

The breakdown of tax payables is as follows:

	9.30.2019	12.31.2018
Non-current:		
Payment plan, Section 32 Law No. 11683	11,145	30,752
Payment plan, pursuant to AFIP General Resolution No. 3451	2,771	4,541
Total	**13,916**	**35,293**
Current:		
Provision for turnover tax	29,408	4,722
Value added tax	-	90,824
Collection Gas surcharge, pursuant to Section 75 of Law No. 25565	61,440	47,283
Tax withholdings and collections	132,243	117,400
Payment plan, pursuant to Section 32 of Law No. 11683	14,628	17,852
Payment plan, pursuant to Law No. 26476	-	1,051
Payment plan - AFIP General Resolution No. 3451	688	840
Sundry	348	469
Total	**238,755**	**280,441**

NOTE 17 - FINANCIAL DEBTS

The breakdown of financial liabilities is as follows:

	9.30.2019	12.31.2018
Non-current:		
Bank loans	2,574,470	147,946
Corporate Bonds	19,205,624	19,660,681
Total	**21,780,094**	**19,808,627**

	9.30.2019	12.31.2018
Current:		
Bank loans	1,746,650	2,828,350
Corporate bonds	1,294,264	657,702
Total	**3,040,914**	**3,486,052**

The activity in financial liabilities as of September 30, 2019 and 2018 is shown below:

	9.30.2019	9.30.2018
Balance at the beginning	23,294,679	14,150,778
Short-term bank overdraft facilities, net	-	(616)
Accrued interest	1,741,234	1,639,331
Exchange difference	2,310,744	11,714,917
Loans obtained	5,165,337	5,056,815
Payments of principal	(6,340,791)	(3,194,781)
Interest payments	(1,350,195)	(946,909)
Balance at end of period	**24,821,008**	**28,419,535**

Due dates of financial liabilities as of September 30, 2019 and December 31, 2018 are as follows:

	9.30.2019	12.31.2018
Less than 1 year	3,040,914	3,486,052
From 1 to 2 years	4,505,024	117,882
From 2 to 3 years	17,275,070	-
More than 3 years	-	19,690,745
Total	**24,821,008**	**23,294,679**

The carrying amount of financial liabilities approximates their fair value, with a difference of 2.01% below par.

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

The following significant variations in the Company's financial indebtedness have been reported in the nine-month period ended September 30, 2019 and considering the subsequent events until the financial statement issuance date:

Class 10 Corporate Bonds

Class 10 Corporate Bonds were issued on January 12, 2018. The nominal value of the originally issued Class 10 Corporate Bonds was USD 100 million.

On September 10, 2018, May 7, 2019, July 12, 2019, September 10, 2019 and September 20, 2019, principal on Class 10 Corporate Bonds for USD 20,222.5, USD 5,041.6, USD 10,849.4, USD 4,360.0 and USD 15,640.0 was repaid in advance, in compliance with the obligations set forth under the issuance terms and conditions.

The residual value of the negotiable obligations as of September 2019 amounted to USD 43,886.5.

On September 12, 2019, consent was obtained from the bondholders upon request for consent and the maturity dates for interest payments, principal amortization and the definitions of the Minimum Ratio were changed. Interest will be payable in quarterly installments as from January 12, 2020. Principal amortization date was set in six installments, according to the following schedule: - five installments of USD 5,000.0 maturing on April 12, 2020, July 12, 2020, October 12, 2020, January 12, 2021 and April 12, 2021, and the last installment of USD 18,886.5 maturing on July 12, 2021.

Syndicated loan for USD 75 million:

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

Corporate Bond Issue Program under the Frequent Issuer Regime

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

NOTE 18 - OTHER LIABILITIES

The breakdown of other liabilities is as follows:

	9.30.2019	12.31.2018
Current:		
Oil and gas royalties	179,890	195,224
Total	**179,890**	**195,224**

NOTE 19 - TRADE PAYABLES

The breakdown of trade payables is as follows:

	9.30.2019	12.31.2018
Current:		
Ordinary suppliers	6,242,140	2,523,295
Ordinary suppliers of joint ventures	74,797	93,838
Related parties (Note 21 a))	205,883	138,440
Invoices to be received	1,093,089	2,198,244
Total	**7,615,909**	**4,953,817**

NOTE 20 - BREAKDOWN OF MAIN INCOME STATEMENT CAPTIONS

a) Income

	Three-month period ended		Nine-month period ended	
	9.30.2019	**9.30.2018**	**9.30.2019**	**9.30.2018**
Crude oil delivered	1,014,785	1,535,217	4,809,941	3,546,243
Gas	3,750,953	4,442,171	9,996,435	10,317,340
Others	306,277	308,719	851,059	571,079
Incentives	1,598,421	1,316,775	4,710,353	2,882,046
Export taxes	(71,673)	-	(352,480)	-
Total	**6,598,763**	**7,602,882**	**20,015,308**	**17,316,708**

b) Cost of revenue

	Three-month period ended		Nine-month period ended	
	9.30.2019	**9.30.2018**	**9.30.2019**	**9.30.2018**
Stocks at the beginning of year	922,466	1,105,774	1,172,382	968,210
Purchases	822,690	1,156,974	2,448,558	2,329,093
Inventory consumption	(383,455)	(247,032)	(1,008,205)	(603,416)
Expenses allocable to cost of revenue (1)	4,104,705	2,751,917	11,212,311	8,613,257
Stocks at end of period	(1,357,695)	(1,146,061)	(1,357,695)	(1,146,061)
Cost of revenue	**4,108,711**	**3,621,572**	**12,467,351**	**10,161,083**

(1) Expenses allocable to cost of revenue

	Three-month period ended		Nine-month period ended	
	9.30.2019	**9.30.2018**	**9.30.2019**	**9.30.2018**
Fees and compensation for services	16,065	12,737	51,882	23,647
Outsourced services	716,037	813,509	2,103,899	2,442,635
Salaries, wages and social security contributions	97,042	90,959	329,299	308,690
Other personnel expenses	11,384	13,677	31,062	36,756
Depreciation of property, plant and equipment	1,918,530	776,961	4,823,024	2,792,832
Depreciation of right to use leased assets	114,527	-	349,496	-
Taxes, duties and contributions	47,053	49,238	136,719	119,571
Fuel, gas and electricity	77,163	53,969	162,702	120,592
General insurance	13,588	8,956	43,904	31,516
Spare parts and repairs	245,409	172,747	664,468	517,523
Wells maintenance	111,141	42,591	387,006	208,828
Office expenses	34,914	37,596	102,283	108,094
Royalties, fee and easements	643,870	659,575	1,828,810	1,720,226
Gas imbalance	(1,710)	(7,291)	(5,478)	(13,152)
Environmental control	59,692	26,693	203,235	195,499
Total	**4,104,705**	**2,751,917**	**11,212,311**	**8,613,257**

c) Selling expenses

	Three-month period ended		Nine-month period ended	
	9.30.2019	**9.30.2018**	**9.30.2019**	**9.30.2018**
Turnover tax	125,441	158,338	337,488	361,598
Total	**125,441**	**158,338**	**337,488**	**361,598**

d) Administrative expenses

	Three-month period ended		Nine-month period ended	
	9.30.2019	**9.30.2018**	**9.30.2019**	**9.30.2018**
Fees and compensation for services	221,927	50,442	398,927	209,132
Salaries, wages and social security contributions	240,124	66,247	493,726	293,902
Other expenses on personnel	8,059	6,475	20,260	14,944
Depreciation of property, plant and equipment	4,973	5,129	13,642	14,520
Taxes, duties and contributions	4,946	10,474	14,852	45,052
General insurance	2,154	2,386	5,706	9,360
Spare parts and repairs	19,337	16,376	59,593	46,144
Office expenses	13,449	9,503	37,556	23,114
Travel and per diem	11,628	6,535	26,731	16,965
Communications	2,275	2,897	7,240	8,264
Other	34,458	12,379	73,100	40,565
Total	**563,330**	**188,843**	**1,151,333**	**721,962**

e) Exploration expenses

	Three-month period ended		Nine-month period ended	
	9.30.2019	**9.30.2018**	**9.30.2019**	**9.30.2018**
Geological and geophysical expenses	(12,603)	-	(12,603)	-
Unsuccessful studies and wells (1)	(691,341)	(12,107)	(692,915)	(12,107)
Total	**(703,944)**	**(12,107)**	**(705,518)**	**(12,107)**

(1) Includes Angostura Block for $ 687,573 as of September 30, 2019 (Note 24 d))

f) Other operating income and (expenses), net

	Three-month period ended		Nine-month period ended	
	9.30.2019	**9.30.2018**	**9.30.2019**	**9.30.2018**
Fees for services rendered	24,772	57,853	135,996	156,698
Outsourced services	(3,239)	(43,927)	(22,811)	(95,420)
Charge for allowance for other receivables (Note 8)	-	-	-	(5,811)
Gain/(loss) on variation in interest in La Maggie concession (Note 24.d))	-	85,831	(89,011)	(68,897)
Loss on Palmar Largo concession	(13,306)		(13,306)	
Recovery (charge for) of allowance for trade receivables (Note 10)	14,824	(110,558)	(18,756)	(318,820)
Charge of provision for legal claims and other proceedings (Note 14)	(14,468)	(15,203)	(31,456)	(34,886)
Turnover tax	(4,130)	(802)	(10,598)	(2,295)
Sundry	18,366	48,371	8,987	52,322
Total	**22,819**	**21,565**	**(40,955)**	**(317,109)**

g) Total result of investments in associates

Associate	Three-month period ended		Nine-month period ended	
	9.30.2019	**9.30.2018**	**9.30.2019**	**9.30.2018**
Gasinvest S.A.	288,803	367,011	647,863	911,895
Gasoducto GasAndes Argentina S.A.	2,260	11,101	223,552	10,146
Gasoducto GasAndes S.A. (Chile)	23,774	328,735	118,314	340,791
Andes Operaciones y Servicios S.A. (Chile)	(334)	438	2,368	1,789
Transportadora de Gas del Norte S.A.	634	716	1,274	1,715
Transportadora de Gas del Mercosur S.A.	2,283	6978	(9,615)	41,952
Total	**317,420**	**714,979**	**983,756**	**1,308,288**

h) Financial results

	Three-month period ended		Nine-month period ended	
	9.30.2019	**9.30.2018**	**9.30.2019**	**9.30.2018**
Financial income				
Interest	23,406	9,776	53,742	38,031
Total	**23,406**	**9,776**	**53,742**	**38,031**
Financial costs				
Interest	(603,729)	(656,664)	(1,652,316)	(1,557,886)
Total	**(603,729)**	**(656,664)**	**(1,652,316)**	**(1,557,886)**
Gain/loss for exposure to the purchasing power of the currency				
Loss on exposure to purchasing power parity (Note 2)	(365,660)	(66,480)	(810,181)	(308,535)
Total	**(365,660)**	**(66,480)**	**(810,181)**	**(308,535)**

	Three-month period ended		Nine-month period ended	
	9.30.2019	**9.30.2018**	**9.30.2019**	**9.30.2018**
Other financial results				
Income from measurement of financial instruments at fair value	(147,159)	89,107	(166,885)	174,028
Exchange differences, net	(2,835,063)	(5,402,851)	(1,514,721)	(9,169,025)
Other financial expenses	(23,131)	(51,234)	(63,727)	(135,648)
Total	**(3,005,353)**	**(5,364,978)**	**(1,745,333)**	**(9,130,645)**

NOTE 21 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

As of September 30, 2019 and December 31, 2018 the Company was controlled by Latin Exploration S.L.U., a company based in Spain. The ultimate parent company of the Group is Southern Cone Foundation, a foundation set up in Liechtenstein.

a) Balances with related parties as of September 30, 2019 and December 31, 2018 are included below:

	9.30.2019	**12.31.2018**
Other receivables		
Non-Current:		
Petronado S.A.	317,053	285,263
Total	**317,053**	**285,263**
Current:		
Gasoducto GasAndes (Argentina) S.A.	6,878	9,764
Total	**6,878**	**9,764**
Trade payables		
Gasoducto GasAndes (Argentina) S.A.	-	23,447
Corredor Americano S.A.	205,883	114,993
Total	**205,883**	**138,440**

b) The main transactions with related parties for the nine-month periods ended September 30, 2019 and 2018 are detailed below:

	9.30.2019		
Company	**Sale of services**	**Dividends collected**	**Outsourced services**
Associated companies			
Gasoducto GasAndes (Argentina) S.A.	50,817	216,280	-
Gasoducto GasAndes S.A. (Chile)	-	48,902	-
Gasinvest S.A.	-	787,838	-
Transportadora Gas del Norte S.A.	-	1,317	-
Other companies			
Corredor Americano S.A. (1)	-	-	932,527

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

Company	9.30.2018 Sale of services	Interest earned	Dividends collected	Outsourced services
Associated companies				
Gasoducto GasAndes (Argentina) S.A.	39,578	-	46,930	-
Gasoducto GasAndes S.A. (Chile)	-	-	50,367	-
Transportadora Gas del Norte S.A.	-	-	330	-
Other companies				
Corredor Americano S.A. (1)	-	-	-	792,579
Transportadora Gas del Mercosur S.A.	-	490	239,567	-

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

c) Accrued remunerations of key Company managerial staff, including the Board members and Vice Presidents who perform executive functions and are appointed by the Board of Directors, amounted to $410,292 and $292,801, respectively, in the nine-month periods ended September 30, 2019 and 2018.

NOTE 22 - INCOME TAX

Accounting standards require income tax to be accounted for under the deferred tax method. This criterion implies recognizing assets and liabilities items for deferred tax, in the cases in which there are temporary differences between the accounting valuation and the tax valuation of assets and liabilities and also for the recoverable tax losses.

	9.30.2019	12.31.2018
Deferred tax is as follows:		
Deferred tax assets	1,642,643	1,474,435
Deferred tax liabilities	(3,054,522)	(2,056,331)
Net deferred tax liabilities	**(1,411,879)**	**(581,896)**

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

	Three-month period ended		Nine-month period ended	
	9.30.2019	9.30.2018	9.30.2019	9.30.2018
Income tax for the period				
Deferred tax - Income (Loss)	212,564	552,641	(829,983)	1,146,985
Total Income tax	**212,564**	**552,641**	**(829,983)**	**1,146,985**

To determine the net taxable profit at the end of the current period, the inflation adjustment determined under Sections Nos. 95 to 98 of the Income Tax Law was included in the taxable income, since the Company considers that the variation in the Consumer Price Index (CPI) General Level as of December 31, 2019 will exceed 30%. Furthermore, as provided for by the income tax law, the tax inflation adjustment charge is to be deferred over three consecutive fiscal years. This produced an adjustment loss of $1,122.6 million.

NOTE 23 - LEASES

Effective January 1, 2019, the Company started to apply IFRS 16 Leases, but it has not restated the comparative information as permitted by the specific regulations on transition to IFRS.

In applying IFRS 16, the Company recognized lease payables that were measured at present value of payments of remaining leases, discounted at the incremental interest rate on the lease as of January 1, 2019. The interest rate applied to lease payables as of January 1, 2019 was 11%.

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

Payments of short-term leases (12 months or less) and leases of low-price assets are recognized in income under the straight-line method.

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

Right-of-use assets recognized as of January 1, 2019	**746,978**
Depreciation of the right-of-use assets for the nine-month period ended September 30, 2019.	(349,496)
Right-of-use assets recognized as of September 30, 2019	**397,482**
Lease payable as of January 1, 2019	**746,978**
Lease payments	(399,473)
Effect of exchange difference for the nine-month period ended September 30, 2019	108,135
Effect of discount at present value for the nine-month period ended September 30, 2019	22,938
Lease payable as of September 30, 2019	**478,578**
Classification as of September 30, 2019	
Current lease payable	**327,788**
Non-current lease payable	**150,790**

NOTE 24 - PARTICIPATION IN OIL AND GAS BLOCKS

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

Basin	Area	% participation	Operator	Term Until	Activity
Argentina					
Northwestern	Aguaragüe	5.00	Tecpetrol S.A.	2027	Exploration and exploitation
Austral	El Cerrito	100.00	CGC	2052	Exploration and exploitation
	Dos Hermanos	100.00	CGC	2027 / 2034 / 2037	Exploration and exploitation
	Campo Boleadoras	100.00	CGC	2027 / 2033 / 2034	Exploration and exploitation
	Campo Indio Este / El Cerrito	100.00	CGC	2028 / 2058	Exploration and exploitation
	María Inés	100.00	CGC	2027 / 2028	Exploration and exploitation
	Cóndor	100.00	CGC	2027	Exploration and exploitation
	La Maggie	100.00	CGC	24.c.1)	Exploration and exploitation
	Glencross	87.00	CGC	2033	Exploitation
	Estancia Chiripa	87.00	CGC	2033	Exploitation
	Tapi Aike	81.00	CGC	24.c.2)	Exploration
	Piedrabuena	100.00	CGC	24.a)	Exploration
	Paso Fuhr	50.00	CGC	24.b)	Exploration
Neuquina	Angostura	100.00	CGC	24.d)	Exploration
Venezuela	Campo Onado	26.004	Petronado S.A.	2026 24.a)	Exploitation
Guatemala	A-9-96	100.00	CGC	24.a)	Exploration

The total statement of financial position figures relating to the Company's interests in joint operations as of September 30, 2019 and December 31, 2018 and the income statement figures for the nine-month periods ended September 30, 2019 and 2018 are shown below:

	9.30.2019	**12.31.2018**
Non-current assets	798,010	326,157
Current assets	20,788	56,573
Total assets	**818,798**	**382,730**
Non-current liabilities	84,388	74,382
Current liabilities	75,266	94,392
Total liabilities	**159,654**	**168,774**

	9.30.2019	9.30.2018
Operating loss (*)	272,890	182,280
Net loss (*)	251,776	218,278

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

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

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

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

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

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

d) The assignment of 100% of the assets and obligations related to the Angostura Block, including the exploration permit granted to CGC under Provincial Decree No. 534/2007, was agreed with President Energy plc on October 18, 2019. Under Provincial Decree No. 482/2018, it was approved an extension of the First Exploration Period for a further eighteen (18) months, which would expire on November 8, 2019. The agreement is subject to compliance with conditions precedent. Upon compliance with the conditions precedent, the effective date of the assignment will be November 1, 2019. Considering the terms of the agreement, the net asset value of Angostura Block for $ 687,573 were allocated to exploration expenses as of September 30, 2019.

NOTE 25 - SITUATION OF ASSOCIATES AND OTHER COMPANIES

Investments in companies where CGC does not have a controlling interest are mainly investments in companies engaged in natural gas transportation. The list of investments is included below:

Company	Ref.	Participation %	
		9.30.2019	12.31.2018
Associates			
Gasinvest S.A.	(1) (2)	40.8574	40.8574
Gasoducto GasAndes (Argentina) S.A.		39.9999	39.9999
Gasoducto GasAndes S.A. (Chile)		39.9999	39.9999
Andes Operaciones y Servicios S.A. (Chile)		50.0000	50.0000
Transportadora de Gas del Norte S.A. (“TGN”	(2)	0.0465	0.0465
Transportadora de Gas del Mercosur S.A. (“TGM”	(2)	10.8988	10.8988
Other companies			
Petronado S.A. (Venezuela)		26.0040	26.0040

(1) Parent company of Transportadora de Gas de Norte S.A. holding 56.3538% of equity interests.
(2) Considering the settlement reached, as described in Note 26, Subsequent Events, to these financial statements, on October 29, 2019, the interest held in Gasinvest S.A. amounted to 50% of capital and votes; the interest in TGN, to 0.057% of capital and votes, and the interest in TGM, to 15.78% of capital and votes.

There have been no significant changes in the situation of associates as of December 31, 2018, in addition to those mentioned in Note 26, Subsequent Events, to these financial statements.

NOTE 26 - SUBSEQUENT EVENTS

After September 30, 2019, no event, situation or circumstance not publicly known which affect or may significantly affect the Company's economic or financial position has occurred in addition to those mentioned in the Notes to these financial statements, except for the following:

On October 29, 2019, CGC, Tecpetrol International S.L. and R.P.M. Gas S.A. reached a settlement in the litigation “CGC et al vs. R.P.M. Gas S.A., full proceeding” on the ownership of the shares in TGN, TGM and Gasinvest S.A. (this litigation started in 2014, as reported in Note 30 (3) to the financial statements as of December 31, 2018). Under the settlement agreement, RPM assigns and transfers 41,536,506 Class B shares in Gasinvest (20,768,253 to CGC and 20,768,253 to Tecpetrol); 91,426 Class B shares in TGN (45,713 to CGC and 45,713 to Tecpetrol) and 6,363,630 Class B shares in TGM (2,121,600 to CGC and 4,242,030 to Tecpetrol). Furthermore, RPM agrees that TGN will register in favor of CGC and Tecpetrol S.A., in equal parts, the rights and obligations of Argentinean Pipeline Holding Company S.A. arising under the Technical Assistance Contract, and that TGM will register in favor of Tecpetrol and CGC 66.7% and 33.3%, respectively, of the rights and obligations arising under the Loan Agreements. Lastly, the parties agree that the amounts under the court-ordered attachment sought by Gasinvest S.A. and deposited in court by TGN must be transferred in favor of RPM (USD 8,300,000) and the remaining balance in favor of the shareholders, CGC and Tecpetrol, as compensation for the claims filed against RPM.

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

REVIEW REPORT ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Compañía General de Combustibles S.A.
Legal address: Bonpland 1745
Autonomous City of Buenos Aires
Tax Code No. 30-50673393-2

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Compañía General de Combustibles S.A. and its subsidiaries (the "Company"), including the condensed interim consolidated statement of financial position as of September 30, 2019, the condensed interim consolidated statement of comprehensive income for the three and nine-month periods ended September 30, 2019, the condensed interim consolidated statements of changes in equity and of cash flows for the nine-month period then ended, and the selected explanatory notes.

The balances and other information corresponding to the fiscal year 2018 and to its interim periods are an integral part of the financial statements mentioned above; therefore, they must be considered in connection with these financial statements.

Responsibility of the Board of Directors

The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and included by the National Securities Commission (CNV) in its regulations, as approved by the International Accounting Standards Board (IASB), and is therefore responsible for the preparation and presentation of the condensed interim consolidated financial statements mentioned in the first paragraph, in accordance with International Accounting Standard 34 "Interim Financial Information" (IAS 34).

Scope of our review

Our review was limited to the application of the procedures established by International Standard on Review Engagements (ISRE) 2410 "Review of interim financial information performed by the independent auditor of the entity", adopted as a review standard in Argentina through Technical Pronouncement No. 33 of the FACPCE, as approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries of the Company's personnel responsible for preparing the information included in the condensed interim consolidated financial statements and performing analytical and other review procedures.

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

Conclusion

On the basis of our review, nothing has come to our attention that make us think that the condensed interim consolidated financial statements mentioned in the first paragraph of this report have not been prepared, in all material respects, in accordance with International Accounting Standard 34.

Report on compliance with current regulations

In accordance with current regulations, we report that, in connection with Compañía General de Combustibles S.A.:

a) the condensed interim consolidated financial statements of Compañía General de Combustibles S.A. have been transcribed into the "Balance" book and as regards those matters that are within our competence, they are in compliance with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;

b) the condensed interim separate financial statements of Compañía General de Combustibles S.A. stem from accounting records kept in all formal respects in conformity with legal regulations;

c) we have read the overview, on which, as regards those matters that are within our competence, we have no observations to make;

d) as of September 30, 2019, the debt accrued by Compañía General de Combustibles S.A. in favor of the Argentine Integrated Social Security System, according to the Company's accounting records and calculations, amounted to $ 23,186,492, none of which was claimable at that date.

Autonomous City of Buenos Aires, November 8, 2019

PRICE WATERHOUSE & CO. S.R.L.

by (Partner)
Hernán Rodríguez Cancelo

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

SUPERVISORY COMMITTEE´S REPORT

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

In our capacity as members of the Supervisory Committee of Compañía General de Combustibles S.A., as called for by sub-section 5 of section 294 of General Companies Law No. 19550 and regulatory provisions on accounting information of the National Securities Commission and the Buenos Aires Stock Exchange, we have performed a review of the documents detailed in section I below, with the scope mentioned in section II. The preparation and issuance of the documents mentioned are the responsibility of the Company's Board of Directors in the exercise of its exclusive functions. Our responsibility is to report on those documents based on the work performed with the scope mentioned in section II.

I. DOCUMENTS REVIEWED

a) Interim separate and consolidated statement of financial position as of September 30, 2019.
b) Interim separate and consolidated statement of comprehensive income for the nine-month period ended September 30, 2019.
c) Interim separate and consolidated statement of changes in equity for the nine-month period ended September 30, 2019.
d) Interim separate and consolidated statement of cash flow for the nine-month period ended September 30, 2019.
e) Notes to the condensed interim separate and consolidated financial statements for the nine-month period ended September 30, 2019.
f) Overview and Additional Information on the Notes to the, September 30, 2019 condensed interim Financial Statements, as required by Section 1, paragraph b.2), of Chapter I, Title IV of the National Securities Commission regulations (N.T. 2013) and by article 12 of Chapter III, Title IV of the National Securities Commission regulations (N.T. 2013), respectively.

II. SCOPE OF THE REVIEW

We have performed our review in accordance with standards applicable to supervisory committees in Argentina. These standards require that the review of the financial statements be performed in accordance with auditing standards for reviews of financial statements for interim periods, as established by Technical Pronouncement No. 33 of the Argentine Federation of Professional Councils in Economic Sciences; therefore, they do not include all the procedures required to express an opinion on the Company’s financial position, comprehensive income, changes in its equity and cash flows.

To perform our professional work on the documents detailed in section I, we have considered the limited review conducted by the external auditors, Price Waterhouse & Co. S.R.L., who issued their report on November 8, 2019. Our task included the review of the work, the nature, scope and timeliness of the procedures applied and the conclusions of the review performed by those professionals.

The standards for limited reviews consist principally in applying analytical procedures to the figures included in the financial statements, performing global validations and requesting information from the personnel in charge of preparing the information included in the financial statements. The provisions of these standards are substantially less in scope than applying all the audit procedures required for the issuance of a professional opinion on the financial statements taken as a whole. Accordingly, we express no such opinion.

In relation to the Overview and Additional Information on the Notes to the condensed interim Financial Statements, as required by Section 1, paragraph b.2), of Chapter I, Title IV of the National Securities Commission regulations (N.T. 2013) and by article 12 of Chapter III, Title IV of the National Securities Commission regulations (N.T. 2013), we verified that these documents contain, respectively, the information required by article 1, paragraph b.2), of Chapter I, Title IV of the National Securities Commission regulations (N.T. 2013), and by Section 12 of Chapter III, Title IV of the National Securities Commission regulations, with all the assertions on the economic environment in which the Company has operated, the corporate management and future events, all of them included in those documents, falling under the exclusive responsibility of the Company's Board of Directors. In addition, we have verified that insofar as concerns matters within our competence, the numerical data contained in the above-mentioned documents arise from the Company's accounting records or other relevant documentation.

Furthermore, our review did not include an assessment of the business criteria regarding the administrative, marketing or production areas, as they are the exclusive responsibility of the Board of Directors.

III. REPRESENTATION BY THE SUPERVISORY COMMITTEE

Based on the work performed, as stated in Section II of this report, which did not include the application of all the procedures required for the issuance of an opinion on the reasonableness of the Financial Statements subject to review, taken as a whole, we are able to report that:

a) the significant facts and circumstances that are known to us, and that are not affected by uncertainties, have been considered in the Financial Statements;

b) We are not aware of any significant changes that should be made to the condensed interim financial statements of Compañía General de Combustibles S.A. described in paragraphs a) to e) of section I of this report, for their presentation in accordance with International Accounting Standard 34; and

c) In relation to the Overview and Additional Information on the notes to the condensed interim financial statements required by article 1, paragraph b.2), of Chapter I, Title IV of the National Securities Commission regulations (N.T. 2013) and by article 12 of Chapter III, Title IV of the National Securities Commission regulations (N.T. 2013), mentioned in Chapter I, paragraph f), on which we have no observations to make regarding matters that are within our competence.

IV. REPORT ON COMPLIANCE WITH CURRENT REGULATIONS

In compliance with regulations in force, we report that:

a) The accompanying financial statements are based on the provisions of General Companies Law No. 19550; they have been transcribed to the Inventory and Balance Sheet book and arise from Company's accounting records kept, in all formal respects, in conformity with current legal provisions.

b) In performance of the legality control that is within our competence, during this year we have applied all the procedures described in Section 294 of Law No. 19550 which we deemed necessary according to the circumstances, and we have no observations to make in this regard.

Autonomous City of Buenos Aires, November 8, 2019

CARLOS OSCAR BIANCHI
For the Supervisory Committee