Capex S.A.

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

CAPEX S.A.

CONSOLIDATED FINANCIAL STATEMENTS
As of April 30, 2016 stated in pesos and presented in comparative format

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Contents

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NOMENCLATURE

Currency

Terms	Description
$	Argentine peso
€	Euro
GBP	Pound sterling
US$	United States dollar

Glossary of Terms

Terms	Description
bbl	Barrel
BTU	British thermal unit
CC	Combined cycle
CNV	National Securities Commission
CSJN	Supreme Court of Justice
CT ADC	Agua del Cajón Power Plant
CVP	Variable production cost
FACPCE	Argentine Federation of Professional Councils in Economic Sciences
GWh	Gigawatts per hour
IASB	International Accounting Standards Board
Km	Kilometer
km^2	Square kilometer
KW	Kilowatt
LVFVD	Sales settlement with maturity to be defined
m^3	Cubic meter
MMBTU	Million British thermal unit
WEM	Wholesale Electricity Market
Mm^3	Thousand cubic meters
MMm^3	Million cubic meters
$MMMm^3$	Billion cubic meters
Mtn	Thousands of tons
MW	Megawatt
NCP ARG	Professional Accounting Standards prevailing prior to IFRS
NIC	International Accounting Standards
NIIF	International Financial Reporting Standards
Nm^3	Standard cubic meter
OyM	Operation and Maintenance
DEEF	Diadema Eolic Energy Farm
tn	Ton
V/N	Fair value
WTI	West Texas Intermediate

Capex S.A.

Annual Report
Fiscal Year 2015 - 2016

Contents

1. Summary for the year and prospects

The principal business of the Company is the development of activities in the electric sector. Currently include the following businesses: the production and sale of electric power, oil and gas prospecting and exploitation and production and sale of oil, gas, propane, butane, gasoline and oxygen. Also, and with its strategic vision of sustainable development and environmental preservation, the Company continues, by means of its subsidiary Hychico, with its projects of wind power generation and the hydrogen production plant through water electrolysis.

During the fiscal year that commenced on 1 May 2015 and ended on 30 April 2016, Capex S.A. and its subsidiaries continued with a business plan having in mind the Argentine macroeconomic conditions, and in particular, the electrical market, as well as its long term current vision.

In the current year the Company recorded a comprehensive income of $ 790.1 million ($ 788.6 million of which correspond to Company owners), which accounts for a 6.2% increase compared with the prior year in which the comprehensive income recorded was $ 743.9 million ($ 739.9 million of which correspond to Company owners).

The comprehensive income for the current year comprises a net loss of $ 259.9 million and other comprehensive income for $ 1,050 million, while in the prior year the comprehensive income comprised a net income of $ 0.4 million and other comprehensive income for $ 743.5.

The operating income for the current year recorded $ 763.5 million, which shows an increase of 117.1% compared with the prior year.

However, one of the main variables that significantly impacted on the net loss for the current year was the depreciation of the peso as against the US dollar; at April 30, 2016, the dollar exchange rate reached $ 14.25 while at April 30, 2015 it amounted to $ 8.9, accounting for a 60% increase. Therefore, the net financial results for the current year amounted to a loss of $ 1,161.1 million which, compared with the prior year, implies a 234.2% increase due to the Company's debt in US$.

In the oil and gas segment, the Company has maintained a constant gas production curve compared with the prior year and has increased the oil production curve by 17.2%. Furthermore, the incentive programs for the production of oil and gas implemented by the National Government and the maintenance of a price in the internal market for the oil production activity, together with the depreciation of the peso as against the US dollar, enabled the Company to substantially improve the results in this segment compared with the prior year. Especially, with regard to gas, the National Government mentioned the need to accompany the development of the resources with prices that support and/or increase the national production and reduce the demand for foreign currencies for its import; through Resolution 41/16 the Ministry of Energy and Mining increased, as from April 2016, the natural gas prices at the entering point to the transportation system for each basin of origin, to be used in the generation of electric power; in the case of the Neuquén basin, the increase amounted to 106%.

As for the energy segment, the operating results have also been positive, as the maintenance programs for the power plant Agua del Cajón (CT ADC, for its acronym in Spanish), being carried out since 2004, allowed to keep good levels of availability and generation. As for the current remuneration schedule, it has been being adjusted in the past years with increases similar to inflation. Decree 134/15 declared the state of emergency in the national electricity sector until December 31, 2017 and through Resolution ES 22/16 the remuneration for generating companies have been increased and new measures to increase the price of fuel in general have been taken, transferring a greater part of the prices to end users. Although, in the Company's opinion, the measures implemented so far would not be enough, these, together with the statements of National Government officials would indicate a return to the principles laid down in Law 24065 and the restatement of rules and rates that promote the development of the sector with the aim of meeting the demand.

As for the renewable energies segment, the Diadema Eoilic Energy Farm (PED, for its acronym in Spanish) has operated with high efficiency and recorded very good operating results, as its rates are in US dollars.

Other comprehensive income for the year ended April 30, 2016 amounted to $ 1,050 million, while in the prior year it amounted to $ 743.5 million due to the application by the Company of the revaluation model for certain assets of property, plant and equipment as from July 31, 2014; at year end, it has restated the fair values of those assets.

1.1 Hydrocarbons

1.1.1 Current situation

Agua del Cajón Area:

With respect to the investment plan developed this year, the Company carried out a program with the drilling of 5 development-advanced wells and 6 tight gas sand wells (unconventional); it also drilled two wells to investigate the potential for shale gas and shale oil in the Los Molles and Vaca Muerta formations, which are under assessment. In addition, ten gas wells have been repaired/optimized.

The main objectives of the investments made were: i) maintaining gas production for its consumption by the CT ADC; ii) stabilizing the production of oil, and iii) continuing investigating the productivity for shale oil in the formations of Vaca Muerta and for shale gas in Los Molles Organic, with the aim of adapting the stimulation treatments and starting to design the potential future developments.

The average gas production was 1.5 million m3/day, maintaining the same production levels of the prior year. The oil production was 114 m3/day, with a 17.2% increase compared with the prior year. The production of propane was 51 tn/day and butane 38 tn/day, with a decrease of 14% and 8%, respectively, compared with the prior year and 77 m3/day for gasoline, recording an 1% increase. Total oil and gas values produced in the year were 558 MMm3 and 41.7 Mm3, respectively, while the total production of propane, butane and gasoline totaled 19 Mtn, 14 Mtn and 28Mm3, respectively.

Below is the hydrocarbon reserves estimate of the Agua del Cajón area at December 31, 2015 made by the Company, which has been audited by the independent auditor Ana M. Nardone, complying with the requirements of ES Resolution 324/06 and considering the expiry date of the concession in January 2026:

Products		Proven			Probable	Possible	Resources
		Developed	Non-developed	Total			
Gas	MMm^3 (1)	3,636	1,339	4,975	430	408	8,727
Oil	Mbbl	1,830	566	2,396	654	830	1,170
	Mm^3	291	90	381	104	132	186

(1) determined at 9,300 $Kcal/m^3$

The above information complies with the requirements of CNV Resolution 541 "Information about oil and gas reserves". Further, the Company only has reserves in reservoirs in Argentina and the related subsidiaries have no hydrocarbon activities.

It must be noted that 100% of the production for this period has been replaced with proven reserves.

As from January 2014, Capex takes part in the "Incentive Program for Natural Gas Injection for Companies with Reduced Injection", which allowed it to have greater resources to develop its gas reserves. The Company is focusing its efforts on keeping/increasing the gas production to obtain better results from this incentive program.

In the year ended April 30, 2016, the Company continued selling part of its gas production to private customers under the Gas Plus program.

Exploration area in Río Negro

In June 2015, the Company decided to go on to a third exploration period in the Loma de Kauffman area reversing 50% of the area. In this area, an exploratory well was drilled in the year, which proved to be unproductive.

At year end, the Company has complied with investments committed and based on the results recently obtained and adopting a conservative position, it has provided for the investments made.

1.1.2 Future prospects

In the next fiscal year, the Company will continue in the Agua del Cajón area with a development plan called "conventional" which includes the drilling of four wells; also to this plan are added four wells Tight Gas sand and a program of repair/optimization of eleven wells.

As to the addition and development of new reserves, an advanced well will be drilled within the plan for the conventional hydrocarbon potential of the blocks nearby to the field Agua del Cajón. Furthermore, an exploratory well will be drilled to continue investigating Shale Gas in the Los Molles formation and the potential for oil will continue to be assessed in the Shale Vaca Muerta formation.

The Company will continue focusing its resources on the development of new conventional and unconventional reserves. The replacement of reserves in the short term will be based on the exploration and development of conventional reserves and tight gas sand projects. The Company will continue working on the technical and economic viability of unconventional resources before embarking on any development project.

As for Loma de Kauffman area, the prospective potential will continue to be assessed as the third exploration period is due in May 2017, and it may be extended another year.

Further, the Company is evaluating other hydrocarbon assets to apply the expertise gained over the years and seize growth opportunities for its operations.

1.2 Electric Energy

1.2.1 Current situation

In the year, the Company continued with the major maintenance works in the CT ADC. It should be noted that Capex obtained in January 2014 a financing program for major and extraordinary maintenance of CT ADC, granted by CAMMESA for approximately US$ 31 million, which was extended by US$ 20 million in the current year. This program enables the availability of the generation plant in the long term.

This financing is offset by the Company with the Remuneration of non-recurring maintenance established by ES Resolution 529/14 and amendments.

As from the commencement of the program and until April 30, 2016 the Company has received from CAMMESA disbursements for $328 million, which have been offset with the remuneration of non-recurring maintenance accrued by the Company.

Within this program and as foreseen, the Company has performed maintenance of CT ADC; in the year ended April 30, 2015, TG5, TG6 and TV7 have been intervened while in the current year the maintenance for TG1, TG2 were made and the rotor of TG6 was changed, which is expected to be completed in the first quarter of the next fiscal year. CT ADC has operated with gas from the reservoir, to which the gas directed by CAMMESA was added. Gross generation of electricity in the current year amounted to 3,672 GWh, maintaining prior year levels.

1.2.2 Future prospects

Through ES Resolution 22/16 issued in March 2016, the remuneration values for electricity generation have been increased 49% on average retroactively to February 2016, and we estimate that the measures taken so far by the new National Government intending to increase the price of fuel in general, transferring a greater part of prices to the end users, together with the statements of government officials, would indicate a return path to the principles laid down in Law 24065 and to establish rules and remunerations that promote the development of the area to meet the demand.

1.3 Renewable Energy

1.3.1 Current situation

In the segment of renewable energy, through the subsidiary Hychico, the eolic energy farm has operated with high efficiency by delivering the energy generated in Diadema Argentina to the national grid. The average capacity ratios with which the DEEF has been operating in the past four fiscal years are among the highest standards in the industry.

Item/Year	2012/2013	2013/2014	2014/2015	2015/2016
Energy in MWh	27,492.5	28,849.2	28,083.7	25,506.6
FC	49.8%	52.3%	50.9%	46.1%

FC = (actual energy produced / energy produced if working all the time at nominal power).

In tax matters, in October 2015, the Provincial Agency for the Promotion of Renewable Energy of the Province of Chubut resolved to grant Hychico for DEEF, a 100% exemption from the payment of turnover tax during the first five years counted as from its granting and of 50% as from the sixth year and until the tenth year inclusive. Under the same legal framework, the Agency granted "tax stability" in the province for a term of 15 years, this being understood as the impossibility of affecting the activity with a higher total tax burden, as a result of increases of the same.

Furthermore, Hychico continued with the operation of the hydrogen and oxygen plant, by studying and gaining experience in the production and storage of hydrogen, working with worldwide leader strategic partners and in projects such as:

- Analysis of the connection of a new eolic turbine-hydrogen plant: under strategic agreements with suppliers, Hychico is gaining experience in extending the range of operation of the electrolyzers and their capacity to control power according to the availability of the eolic power resource.

- Hydrogen underground storage: the storage of large volumes of hydrogen is one of the key issues for the insertion of hydrogen into the energy matrix and the development of the hydrogen economy. Considering that the hydrogen plant is near to some depleted oil and gas reservoirs, a feasibility study of underground storage of hydrogen in one of them is being conducted, as a pilot project.

  The purpose is to test their capacity, leak tightness and behavior, to gain experience in the storage and use of hydrogen, mixed with natural gas to fuel equipment with an installed power load of 10-30 MW, and supply the Wholesale Electric Market with electricity in periods of peak demand.

  To develop this pilot project, Hychico has submitted the pertinent Environmental Impact Study and coordinated a Public Hearing with the Ministry of the Environment and Control of Sustainable Development for the Province of Chubut, and obtained its approval in May 2014. The pilot project will be developed in different stages that will involve cycles of injection and production of natural gas and hydrogen at different levels of pressure.

- Methanation Project: A possible application of the underground-stored hydrogen is to use the microbial action present in the reservoirs that might be combined with carbon dioxide contained or injected in the formation to finally obtain methane. The advantages of this process would be the great volumes involved as well as use of the natural geothermal energy. Methane, main component of natural gas, would be used directly in applications such as fuel for turbines, CNG, heating, etc. using the currently available infrastructure of natural gas. For this project, the renowned Institute of Geological and Mining Investigations of France has been selected: BRGM (www.brgm.fr) to advise Hychico through an Agreement of Scientific-Technological Collaboration.

The results obtained so far in the projects of underground storage of hydrogen and methanation have been disclosed in the International Hydrogen Congress (www.WHEC2016.com) which took place in Spain in June 2016.

Hychico took part and continues taking part in consortia formed under the investigation programs of the European Union such as HyUnder (www.hyunder.eu) for the assessment of the potential, the actors and the market of large scale underground storage of hydrogen and methanation projects.

1.3.2 Future Prospects

Hychico will continue operating its two plants and will deepen the interconnection studies among electrolyzers and a future aerogenerator. In addition, it will continue assessing the storage of hydrogen in oil depleted reservoirs, as well as the feasibility to progress with the methanation project. In this sense, we have defined a working program with the pertinent budget and schedule, which will be developed over the following 24 months.

As for the development of DEEF, Hychico is assessing its participation in the project launched by the National Government as regards the installation of new eolic farms, it is currently working on the development of a new park of 27.6MW to be installed in Diadema (close to the existing one). Depending on the timing of the bidding by the ES and its award, this farm could be operative at the end of 2017 or early 2018.

2. Background

2.1. Hydrocarbons

Capex was established in 1988 to carry out oil and gas exploration in Argentina. As a first step, in 1989 the Company purchased from Compañías Asociadas Petroleras Sociedad Anónima a 20% interest in the consortium awarded the Rawson Marina area, tendered in 1985 in the first round of the "Houston Plan" tenders. In addition, it acquired a 5% share in a consortium that purchased the exploration rights to the Tostado area, in the third round of "Houston Plan" tenders. These areas were abandoned in 1990 and 1991, respectively, after prospecting work indicated the inexistence of commercially-developable oil and gas reserves.

In January 1991, the Company, having paid US$ 26 million, acquired 100% of the rights to the Agua del Cajón area which the Argentine Energy Secretariat awarded under concession to the Company for 25 years, with a possibility to extend it for an additional 10 years. The Company also acquired 100% of the prospecting rights to the Senillosa area in October 1991, having paid US$ 315.2 thousand.

The Agua del Cajon area and Senillosa area are located in the neuquina basin, in the southeastern region of the province of Neuquén. As result of an intensive exploratory work, it was indentified that most of the reserves were located in two fields in the Agua del Cajón area (El Salitral and Agua del Cajón), where, lastly, exploitation tasks were intensified. Finally, in October 2005 the Senillosa area was returned to the Province of Neuquén.

The increase in production achieved by the Company since it took over the operation of the Agua del Cajón area is worth mentioning. Gas production totaled 87 thousand m^3/day and oil production reached 35 m^3/day when the Company began. Since the takeover to date, gas and oil production exceeded 3 million m^3/day and 200 m^3/day, respectively. This increase was mainly driven by putting new formations into production, the optimization of oil recovery systems, increased efficiency in field operation, and the oil uptake associated with gas production and gas processing at the gas separation plant. As a result of the prospecting and development efforts in the area, significant reserves of natural gas and oil were identified and added. The accumulated productions of gas and oil reached 18,561 million of m^3 and 2,276,780 m^3, respectively, at April 30, 2016.

Through Decree 822/08 issued by the Province of Neuquén, the State Secretariat for Natural Resources in its capacity as Enforcement Authority was authorized - under the framework of Law 17319, Law 26197 and the national and provincial legislation in force governing the matter – to renegotiate extension of the concession. Subsequently, Provincial Law 2615 was enacted which approved the basic parameters and conditions for the renegotiation of the provincial areas. As a result of this process, in April 2009 a Memorandum of Agreement was executed through which the Province of Neuquén granted the Company an extension over the original term of the concession for the Agua del Cajón Area for an additional 10 years, in other words, expiring on January 11, 2026. On May 8, 2009, the Province of Neuquén issued Decree 773/09, which definitively approved the agreement.

The extension of the original concession term for the Agua del Cajón area for an additional 10 years, implies the following commitments from the Company:

- Fee: Payment to the Province of Neuquén of a concession fee of US$ 17 million, which has already been paid.

- Investment and disbursement work plan: This involves an estimated total of US$ 144 million until the end of the concession. At the date of issue of these financial statements, the Company has been paying the agreed amounts with great effort.

- Extraordinary production fee: Since June 2009, the Company has paid the corresponding concession fees to the Province of Neuquén at a 15% rate, with the addition of a 3% rate for this concept.

- Extraordinary income: Involves paying an additional percentage of an extraordinary fee that varies between 1% and 3 % depending upon the behavior of the price of crude oil and natural gas, in relation to a reference price scale.

Areas in Río Negro

During 2007 and 2008, Capex acquired the rights to explore the Loma de Kauffman, Lago Pellegrini, Villa Regina and Cerro Chato areas, through a direct call for bids by the Río Negro Province. Exploration permits in these areas are held in three stages and after each one of them 50% of the surface area of the Province of Río Negro should be reversed. At any stage of exploration it can be requested to begin the phase of operation of a fraction of the scanned area.

In the Lago Pellegrini area exploratory studies were made and three wells that were drilled were sterile. On June 12, 2015 and after making the investments agreed with the SHPRN, the Company decided to reverse the area in full since no hydrocarbon findings were made that could be exploited from a commercial viewpoint. The reversal operated at the expiration of the second exploration period.

In the Villa Regina area exploratory studies were performed and 2 wells that were drilled were sterile. After evaluating the information obtained in the course of exploratory tasks it was concluded that the area had not met the expectations of the Company; in 2012 it was decided to return it to the province of Río Negro so the investments were written off. The reversal operated at the expiration of the first exploration period.

In the Cerro Chato area exploration studies were carried out and four wells were drilled, one of these was an oil-producing well for a brief period. The other three proved to be dry holes and were abandoned. After expiration of the second exploration period and having made the investments undertaken, this area was reversed because no commercially-developable hydrocarbons were found.

In the Loma de Kauffman area, exploration studies were carried out and eight wells were drilled, three of which produce gas, one produces oil, and four proved to be unproductive wells. The gas producing wells are low productivity and, in view of their geographic location and the works needed to connect them with the transport system, they are not commercially viable. The oil producing well was in production until February 2014. In June 2015, the Company decided to go on to a third exploration period reversing 50% of the area. On May 12, 2016, the Hydrocarbon Secretariat of the Province of Río Negro (SHPRN) published in the Official Gazette Decree 470/16 whereby the third exploration period is extended until May 12, 2017, with a possible further extension of another year. In the current year, the Company has drilled an exploratory well which has proven to be unproductive; investments committed in the third exploration period have been complied with. At year end, Capex has provided for the investments made in the area and is updating the prospective potential.

The amount invested by the Company in the Rio Negro areas totaled $ 293 million.

2.2 Electric energy

The main strategy in the Agua del Cajón area has been the vertical integration, capitalizing all the value added from the extraction of gas and its related liquefied products to its transformation and sale as electric power. This vertical integration, added to the installed technology and efficient operation, has permitted to reach competitive advantages in the energy sector, and mitigated in part the difficulties experienced by that market.

With the incorporation of new gas reserves in the Agua del Cajón area, the Company began to consider alternative industrial uses for its gas production. The limited capacity for electric power generation in Argentina and the incipient deregulation of the electricity sector in the early 90s offered a good opportunity for adding value to the gas business and creating an additional market.

After the completion of feasibility studies and the analysis of alternative projects (largely the construction of additional gas pipelines and treatment facilities) that would enable the Company to develop and sell its natural gas reserves, the Company decided to build a gas-fired electric power generation plant.

The development of CT ADC to its current generating capacity was achieved in four stages: stage I, with the addition of two turbine generators with a capacity of 93 MW, and put into service in December 1993; stage II, in October 1994, which added three turbine generators with a nominal total capacity of 144 MW; in August 1995 Stage III came into operation with an additional 134 MW turbine, completing the development of the power station as an open cycle plant with a nominal total capacity of 371 MW.

To advantageously use the hot exhaust gases, the Company embarked on the conversion of the power station to combined cycle operation (stage IV). Definitive start-up took place in January 2000. Combined cycle operation recovers the exhaust gases using a recovery boiler. These boilers have supplementary fire, which increases the amount of steam produced and allows generating additional energy compared to the energy obtained only with exhaust gases. The combined cycle operation significantly increases efficiency while the operation with supplementary fire allows us to have flexibility to increase the generation of energy. With the completion of the four stages for the development of the Plant, total nominal generation capacity reached 672 MW (ISO).

In order to connect the CT ADC to the National Grid (SIN), three 132kW high-voltage lines were built covering a distance of 111 km, with Arroyito and Chocón Oeste being the interconnection points. Due to the operating requirements of the combined cycle, an additional 500kW high-voltage line was built, with a connection point at Chocón Oeste, thus achieving high reliability and flexibility in power delivery.

2.3 LPG

The turboexpander plant started operating in 1998. The Company processes its rich-in-liquefiable-components gas at an LPG plant owned by Servicios Buproneu S.A. From this processing of rich gas it obtains propane, butane and stripped gasoline. Propane and butane are sold by the Company separately, and the stripped gasoline is sold together with its crude oil, while the remaining gas is used as fuel for the generation of electricity. The efficiency levels of this plant are high and exceed 99%.

Capex S.A.

2.4 Renewable Energy

With the development of hydrogen in the world as a complement of hydrocarbons in terms of energy, and with its strategic vision of sustainable development and environmental preservation, the Company started a new activity in relation to renewable energies by means of its subsidiary Hychico S.A.

As from the start of Hychico activities, in 2006, two new projects were developed for the installation of an eolic energy to supply the national grid with wind power and with the design and placing into operation of a hydrogen production plant through water electrolysis; both projects are located in the Argentine Patagonia.

Hydrogen and Oxygen Plant

The hydrogen and oxygen plant has two electrolyzers of 325 KW (kilowatts) each, with a production capacity of 60 Nm3/h (normal cubic meters per hour) for hydrogen and 30 m3/h for oxygen, an oxygen compressor, a gas engine generator with total installed power of 1.4 MW, and hydrogen and oxygen storage systems and auxiliary systems. The plant is operating since May 2010. The hydrogen is used as fuel for generating electricity, by an hydrogen gas combination; the oxygen is used for the industrial gas market of the region.

It is worth mentioning that the purity of hydrogen produced makes it especially suitable for use in fuel cells. It should be noted that the proportions reached of up to 42% hydrogen mixture are above the usual international ranges for these high horsepower engines, achieving good performances in terms of yields and reducing emissions of greenhouse gases.

The oxygen produced, also high purity (99.998%), is marketed to high pressure in the market for industrial gases.

The Plant for the production of hydrogen and oxygen was built in 11,000 m2 and is divided into different areas: control, processes and auxiliary systems

Diadema Eolic Energy Farm

The Argentine Patagonia, due to an abundance of wind resources in particular, and other factors including a large expanse of available land with low population density, qualified workers and a road infrastructure, amply qualifies for the installation of eolic energy farms that will allow the start of large-scale projects in the medium term for the production of energy free from greenhouse gas emissions.

Based on a long-term vision, and on the importance to gain operating experience in the development and operation of wind farms, Hychico has defined the execution of a pilot project in the Patagonia. Thus, an eolic energy farm was built which is composed of 7 aerogenerators with a generation capacity of 6.3 MW, each of them interconnected with the national grid. The Diadema Eolic Energy Farm (DEEF) was put into commercial operation in December 2011. In March 2012, Hychico and Cammesa entered into a WEM Supply Contract with Renewable Sources of Energy for the commercialization of energy generated by DEEF, under ES Resolution 108/11.

The term of the contract is 15 years from the first day of the month following the date of signature thereof and may be extended by the SE up to 18 months unless the company deliver the contracted energy in a shorter period.

In its economic and financial analysis, Hychico has considered the rate of return from the DEEF and the obtainment of greenhouse gases emission reduction certificates (GGAC) in the framework of the Clean Development Mechanism (CDM). To this end, Hychico has written the Project Design Document (PDD) and submitted it to the Argentine Office of the Clean Development Mechanism (OAMDL for its Spanish acronym), having obtained approval from this organism with retroactive effects to July 2012. The next step comprises verification by the organism of the greenhouse gases emission reduction and subsequent issue of the corresponding certificates, which would be sold by Hychico. Considering the current market for trading carbon bonds and the recent international negotiations on this matter, we expect that commitments will be assumed in the next Conferences of the Parties (COP), to be able to trade the certificates obtained until that moment.

3. Macroeconomic context

Exchange rate and inflation

Until the new National Government took office, the dollar exchange rate in the official segment of the exchange market remained around $ 9.8, showing a 14.6% year-on-year increase. This exchange rate was effective most of the last eight years with a considerable lag compared with the development of wholesale prices in the same period.

Annual inflation rate estimated for 2015 was 25% and the level of salaries remained slightly above that rate.

Industrial sector

Some areas recorded an increase in the production as is the case of the paper and cardboard industry, non-metallic mineral products, rubber and plastic products, metal-mechanic industry and food industry, while the automotive, tobacco and textile industries, among others, recorded a decrease in their production.

External sector

Due to the drop in export prices exceeding the decrease in import prices, in 2015 we noted an impairment in terms of interchange, recording a commercial deficit. Both energy exports and imports decreased in 2015. Although the energy commercial balance showed a deficit, this was lower than that of the prior year, due to the downward trend of the international price of oil and gas and an increase in the supply of the latter, led by YPF.

In addition, the sharp drop in the Brazilian demand implied a decrease in automotive exports.

Public sector

Both the financial fiscal deficit and the primary deficit followed an upward trend and despite the fact that tax revenues increased in 2015 compared with the prior year, the current expenses due to the debt interest, subsidies to utilities, government spending, items intended for real direct investments such as funds transferred to public companies to cover the shortfall, were increased to a greater extent.

Since the new Government took office on December 10, 2015, several economic measures were taken, such as:

- Release and unification of the exchange rate with the exit from the foreign currency exchange control ("cepo cambiario"), with the US Dollar rate ranging from $ 9.8 to $ 14.2 at the end of the fiscal year.

- Removal of export duties for the agricultural sector, which had reduced the potential supply of this sector.

- Declaration of state of emergency in the energy sector until December 31, 2017, with a rise in utility tariffs and the elimination of general subsidies, with the implementation of social tariffs. A strong impact on the rise in tariff in certain areas is making the Government reconsider their adjustment and setting caps to the increases.

- National Congress repealed the Padlock Law *("Ley Cerrojo")*, which put an end to the long-lasting conflict with holdouts and enabled Argentina to come back to the voluntary credit markets and place debt for US$ 16.5 billion at an average rate of 7.14%; this attracted the interest of investors which reduced Argentina's sovereign risk.

- The increase in the exchange rate and utility tariffs led to an important increase in inflation in the first months of 2016, exceeding, in principle, inflation goals foreseen for 2016.

- The industrial sector contracted in the first four-month period of 2016 compared with the same period in 2015. Although the sector of chemical and plastic supplies, food and beverages and textile products showed growth, the tobacco, processed oil, metal-mechanics, non-metallic minerals and iron and steel production recorded sharp declines. The automotive industry continues to be the sector with the greatest fall in production.

Although the economic measures taken have had a strong impact on the purchasing power of consumers, the shift of direction of the new government is significant and it is expected that inflation will decrease in the following months, the level of activity rebounds and investments start to be recorded, especially in areas receiving incentives such as agriculture and some regulated services and public works.

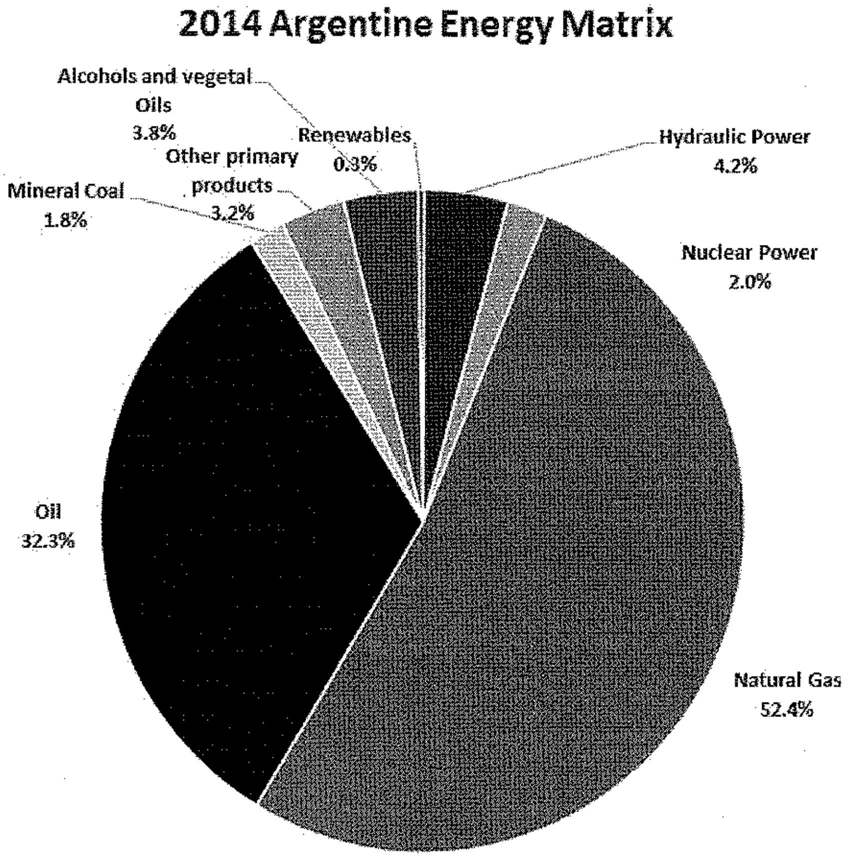
In addition, leaving the default behind will enable not only the public sector but also the private to access the external credit market and thus, to provide "fresh air" to the level of activity, resuming the growth path.

4. Argentine Energy Market

Argentine Energy Matrix

Natural gas and oil are the energy resources with greater share in the national energy matrix.

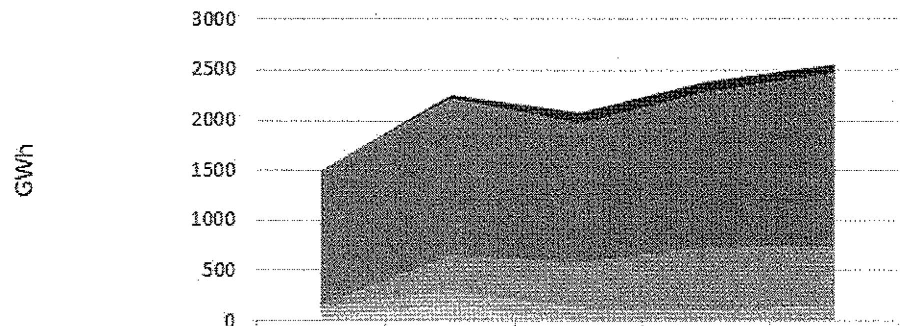
The following graphic shows the participations at December 31, 2014:



Source: Ministry of Energy and Mining

3% of the energy matrix of the country corresponds to the generation of renewable energy (including the run-on-the-river power generation lower or equal to 50MW). The following tables show the changes over the last 5 years and its breakdown in the year 2015:

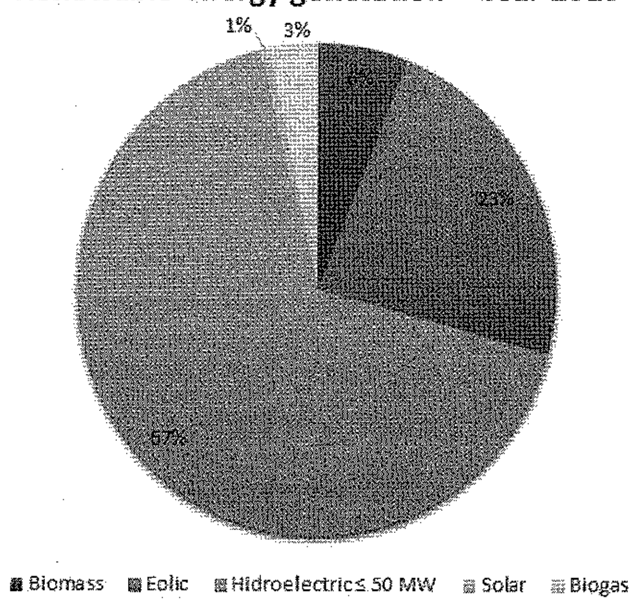
Evolution of the generation of renewable energies



	2011	2012	2013	2014	2015
Biogas	0	36	108	103	84
Solar	2	8	15	16	15
Hidroelectric≤ 50 MW	1350	1566	1376	1543	1713
Eolic	16	348	447	613	593
Biomass	98	127	134	114	155
Biodiesel	32	170	2	0	0

Source: Ministry of Energy and Mining

Renewable energy generation – Year 2015



Source: Ministry of Energy and Mining

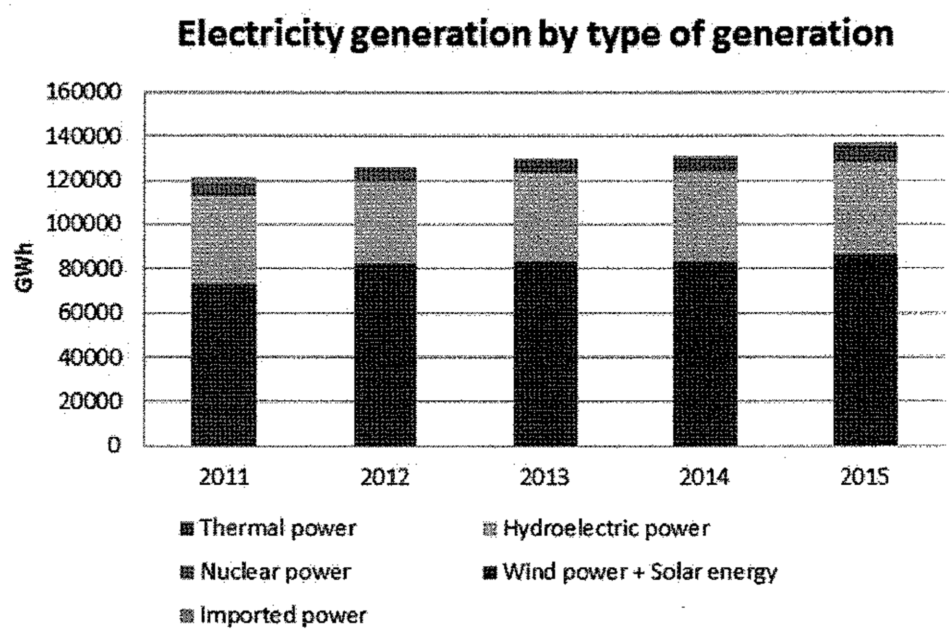
4.1 Electric Market

In the year 2015, the energy generated in Argentina increased 4.2%, reaching a volume of electricity generated of 135,216 GWh compared with the 129.815 GWh generated in 2014.

The thermal generation continued to be the main resource for supplying demand, contributing to an energy volume of 86,625 GWh (64.1%), followed by the run-on-the-river power generation which contributed 41,464 GWh (30.7%), nuclear with 6,519 GWh (4.8%) and photovoltaic and eolic energy with 608 GWh (0.4%).

Thermal generation in the year 2015 was 4% higher than that recorded in the year 2014, run-on-the-river 2% higher and nuclear energy recorded a 24% increase as a result of the entering into the system of Atucha II Power Plant in February 2015.

The following table shows the changes in electricity generation by type of generation (thermal, hydroelectric, nuclear, renewable and imported):



Source: CAMMESA

In 2015, the pool of generating resources recorded an increase in its installed capacity as against the prior year, totaling 31,256MW.

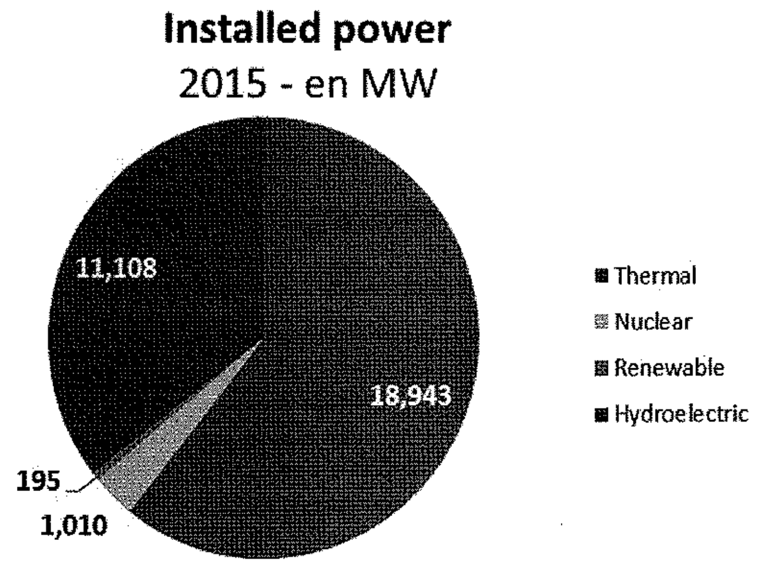
The following table shows the main income of new units during 2015:

Detail	MW
Increase in combined cycle power, CT Timbúes and CT M. Belgrano	36
Generation distributed/Mobile	368
Increase of power in trial runs: Atucha II, CT V. de Obligado, CT G. Brown	890
Total	1,294

Source: CAMMESA

Capex S.A.

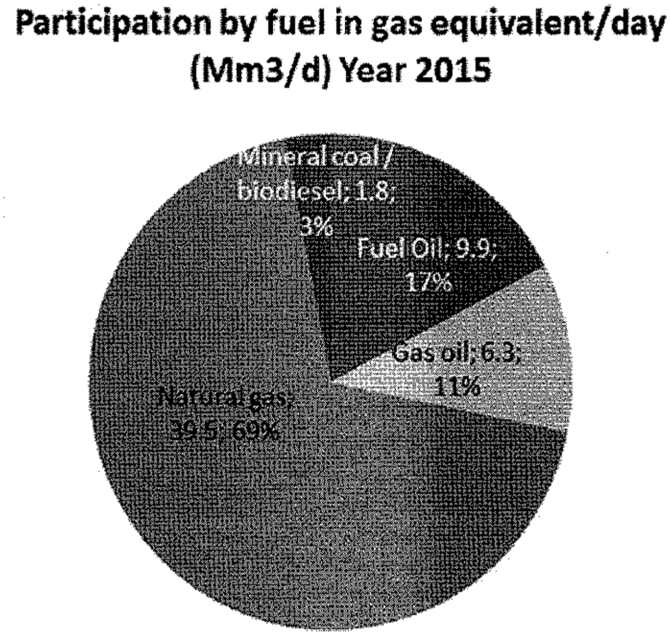
The following table shows the installed power in Argentina at December 2015:



Source: CAMMESA

As for the supply of fuel for the electric sector, in 2015 the provisions of ES Resolution 95/2013 were maintained, which established the centralization of supply and dispatch of fuel by CAMMESA.

In the year 2015, consumption of natural gas for energy generation had a slight increase compared with the prior year (14.4 million of cubic decametres). Fuel oil consumption exceeded that of 2014 by 13.4%, totaling 3.1 million tons, while consumption of gas oil increased 24.7%. In addition, consumption of mineral coal decreased by 5.5% compared with the prior year.



Source: CAMMESA

Regulatory Framework - Main topics

Current remuneration schedule

On March 22, 2013, the Energy Secretariat adopted ES Resolution 95/13 introducing a new remuneration schedule for the power generation activity and numerous amendments to the WEM organization, also suspending the addition and renewal of new contracts in the MAT.

This resolution had several modifications whereby the values of the remuneration schedule were restated and new items were added.

Below is a detail of the effective remuneration schedule:

i) Fixed cost remuneration: The fixed cost remuneration is based on parameters that vary by type of generation, technology, scale and available power in each machine (based on the target availability defined by the Energy Secretariat) in the power remuneration hours (HRP) The reference availability value is determined based on the power available based on the typical conditions of temperature of the site.

ii) Variable cost remuneration: Remuneration of variable costs (non-fuels), which replaced the remuneration of variable maintenance costs and other variable non-fuel costs, is calculated monthly on the basis of the energy generated by type of fuel. By Note 2053 of April 19, 2013, the Energy Secretariat recognized the remuneration of power made available to the generating unit, regardless of available fuel. Incentives for production are recognized, due to higher number of hours in operation and for operating efficiency, and greater efficiency in the use of fuel.

iii) Additional Remuneration The additional remuneration is determined monthly on the basis of the total generated power. A portion of the remuneration is applied to a trust and reinvested in the financing of new infrastructure projects in the electricity sector, the specifications of which will be established by the Energy Secretariat.

Iv) Remuneration of non-recurring maintenance: its calculation is based on the total generated power and CAMMESA issues LVFVD which have as sole purpose the financing of major maintenance subject to approval by the ES. Companies must have their maintenance programs approved by ES.

The sum of items indicated accounts for total remuneration to be received by the generating companies involved.

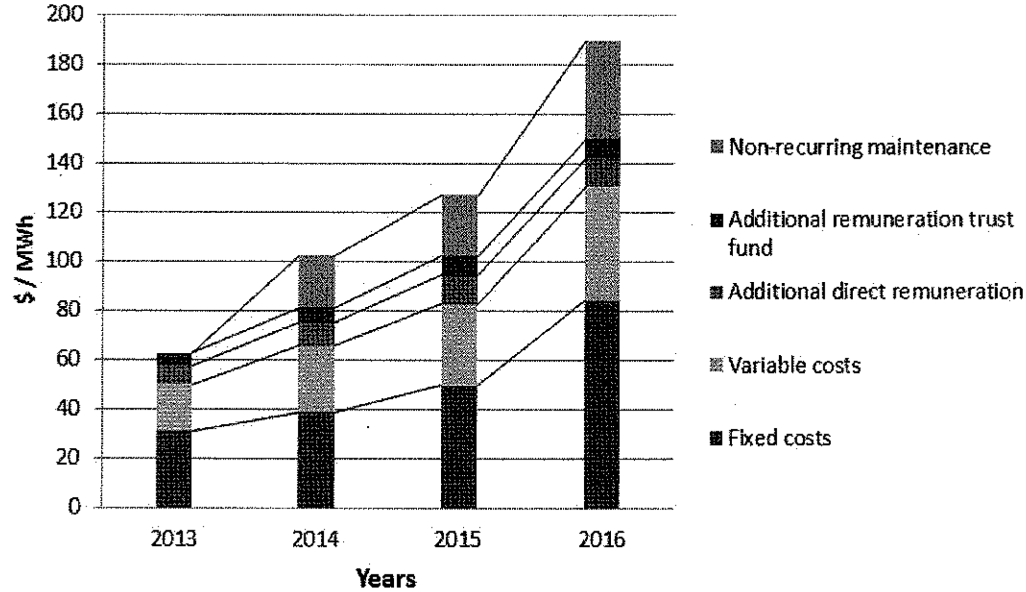
In the following table, the changes in the remuneration schedule are shown for thermal generation as from the issue of ES Resolution 95/2013. The values correspond to thermal power plants with technology similar to that of CT ADC (> 150 MW).

Item	ES Res. 95/13 (1)	ES Res. 529/14 (2)	ES Res. 482/15 (3)	ES Res. 22/16 (4)
	$/MWh			
Fixed cost remuneration	31.0	38.8	49.6	84.3
Variable cost remuneration	19.0	26.8	33.1	46.3
Additional direct remuneration	7.5	9.4	11.7	11.7
Additional remuneration trust (*)	5.0	6.2	7.8	7.8
Non-recurring maintenance remuneration	-	21	24.7	39.5
Total	62.5	102.2	126.9	189.6

(*) This item is accumulated in a Fund, which the generating companies have not yet collected.

(1) In effect as from February 2013 to January 2014
(2) In effect as from February 2014 to January 2015
(3) In effect as from February 2015 to January 2016
(4) In effect as from February 2016

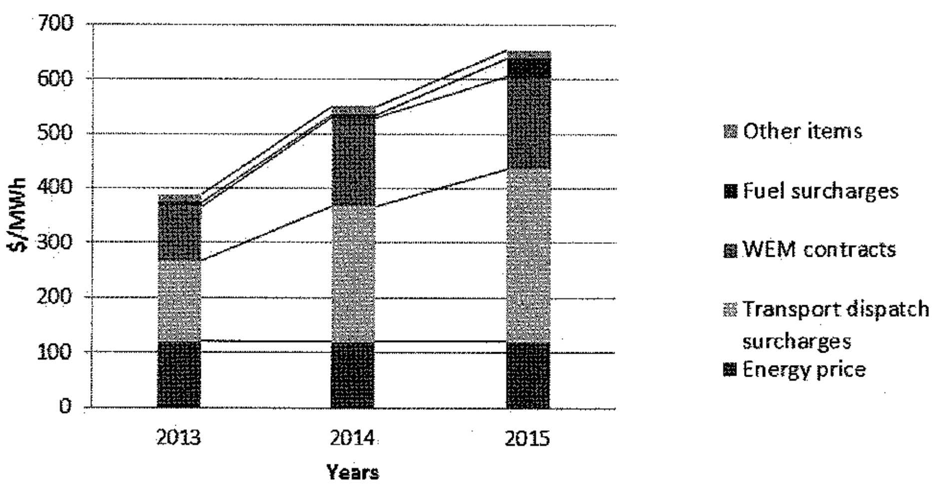
Evolution of energy remuneration 2013-2016



Source: CAMMESA

In addition, the changes in total costs of WEM are shown below:

Monomic price 2013 - 2015



Source: CAMMESA

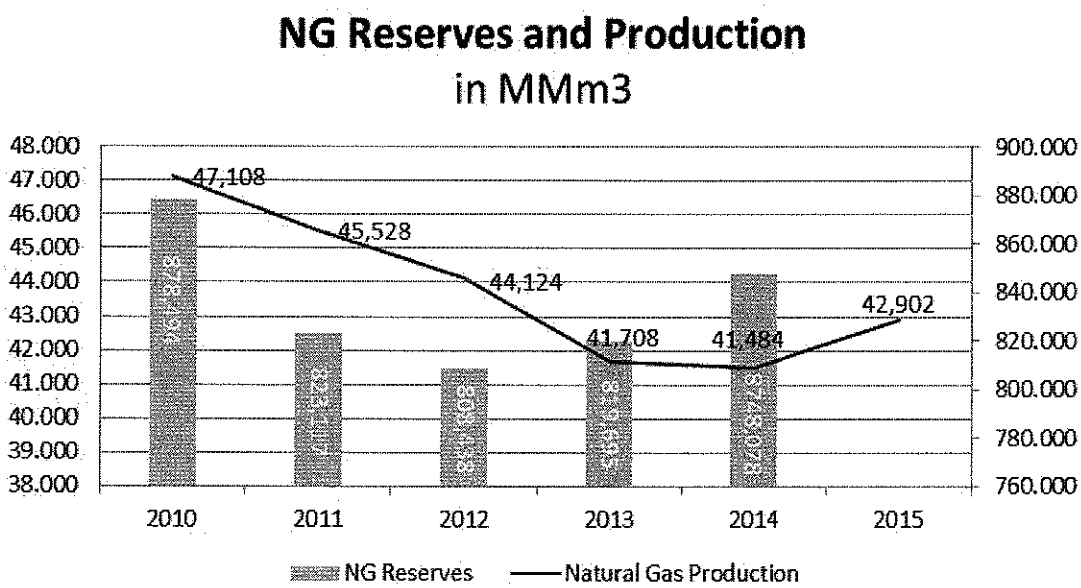
Recognition of fuel costs

Current regulations recognize the own fuel costs valued at the reference price, as well as the recognized freight, the cost associated with transport and distribution of natural gas, and the related taxes and rates, provided that the following conditions are met: (i) that costs have been recognized by CAMMESA at the effective date of the Resolution; and (ii) that costs have originated in contractual relations assumed prior to the effective date of the Resolution.

The commercial management and dispatch of fuel for generation is centralized by CAMMESA.

4.2 Oil, Gas and LPG Market

Natural Gas



Source: Ministry of Energy and Mining - There is no available information on reserves for the year 2015

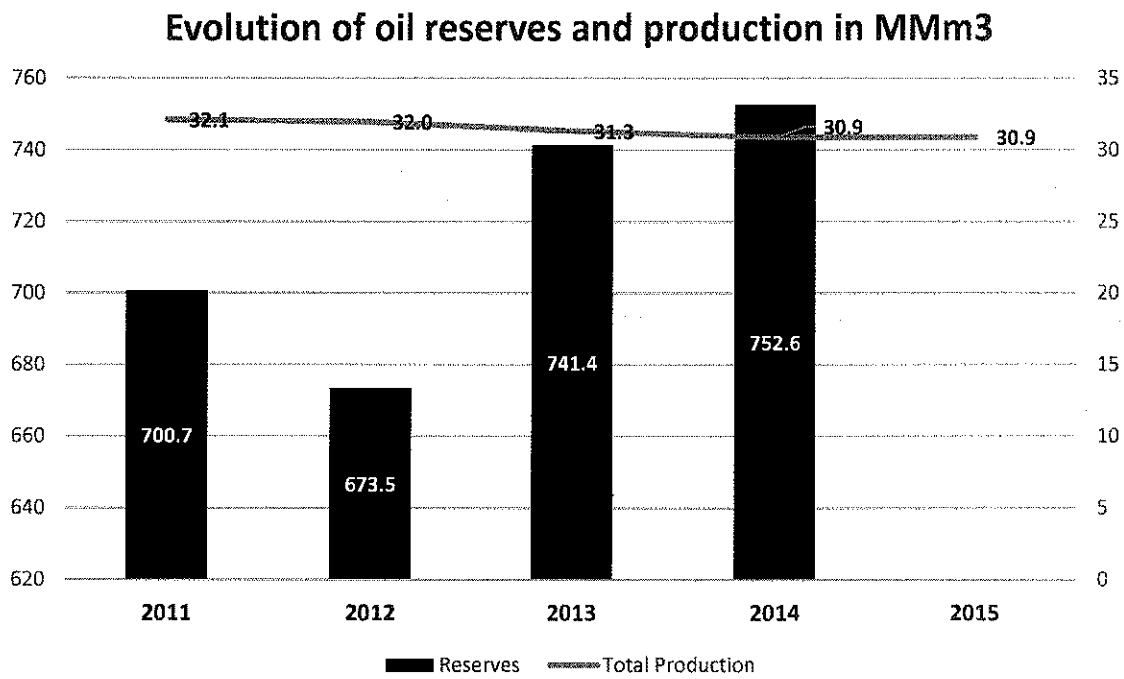
In 2015, total natural gas production for Argentina increased 42,902 million m^3, representing a 3.4% increase as against the volumes produced in 2014. This was the first increase since 2006. This was mainly due to the reversal of the declining trend of the production in the Neuquén Basin, associated with the development of unconventional gas reserves in the area, thus allowing for offsetting the decline of the other gas basins in the country.

As for the import of natural gas by the National Government, the supply from Bolivia was on average 16.4 million m^3 per day, slightly lower than the 16.8 million m^3 per day recorded in 2014.

In turn, the drop in the quotation of oil and byproducts has implied a significant reduction of the amounts paid by the Argentine State for the import of these products.

According to the last information published by the Ministry of Energy and Mining at December 31, 2014, total natural gas reserves in Argentina amounted to 848,078 million m^3, 39% of which related to proven reserves. In comparison with the same data at December 31, 2013, reserves showed a 3.5% increase due to the investments under the framework of the Incentive Program for Natural Gas Excess Injection.

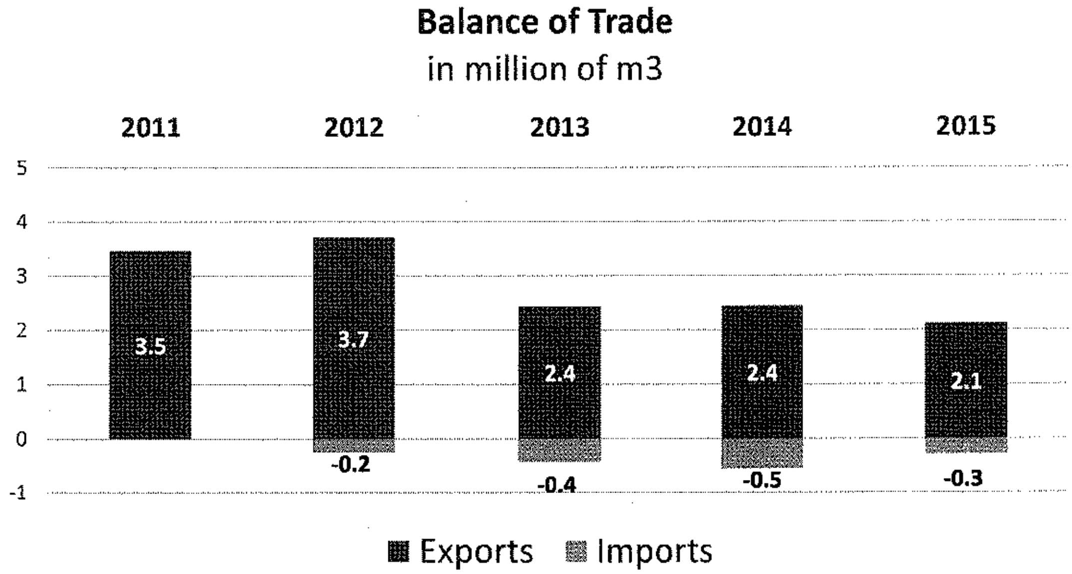
Oil



Source: MEyM - **There is no available information on reserves for the year 2015**

In accordance with data published by the MEyM, the total oil production in Argentina recorded in 2015 amounted to 30,894 thousand m^3, with no significant variations as against the previous two years. Data from the San Jorge Gulf Basin account for half of the country's production, while the Neuquén Basin accounts for 40%.

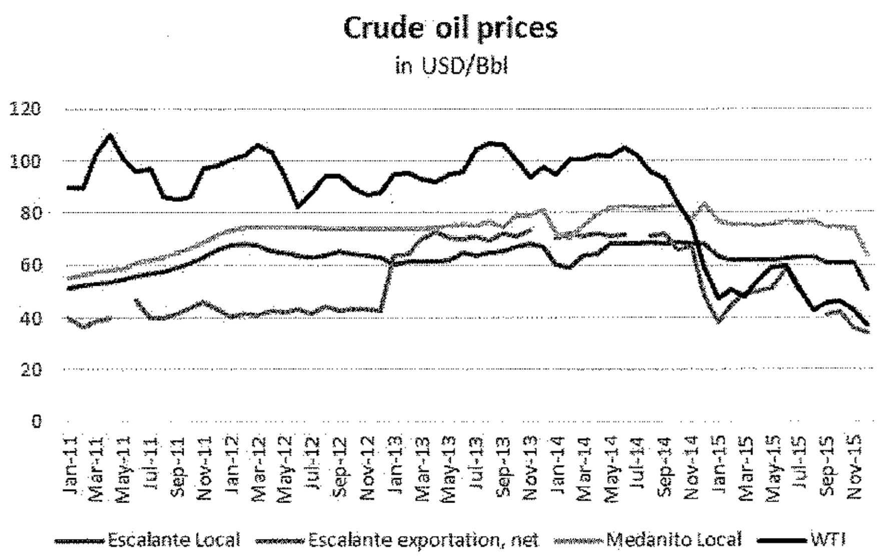
Total reserves of Argentina at December 31, 2014 amounted to 752,608 thousand m^3, recording a 7.4% increase since 2011.



Source: MEyM

In the year 2015, 0.3 million m^3 of oil were imported, 47% lower than in the prior year. Exports decreased by 14% compared with 2014, having exported 2.1 million m^3 of oil, which accounts for 6.8% of total production for the country in the year.

Changes in the oil prices in Argentina

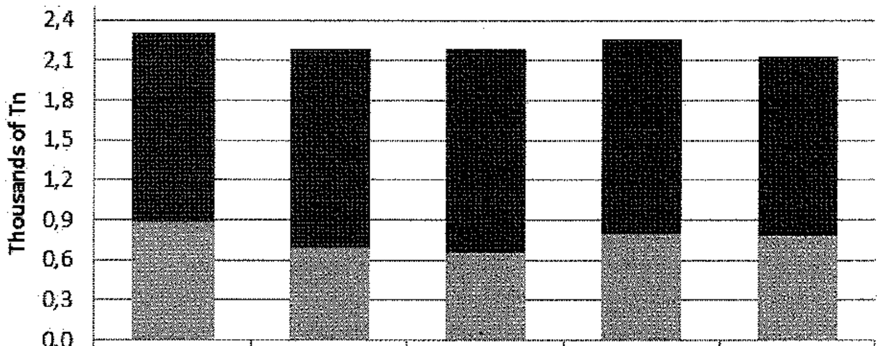


Source: MEyM

The higher price of crude oil type Medanito as compared with Escalante is due to the better quality and capacity for processing at oil refineries and its consequent effect on demand.

LPG

Evolution of LPG production ands its destination
in MM of Tn



	2011	2012	2013	2014	2015
Local	1,4	1,5	1,5	1,5	1,3
Expo	0,9	0,7	0,7	0,8	0,8

Source: MEyM

Compared with the prior year, total Argentina production of propane and butane decreased 9.5% in 2015, reaching 2.137 million tn/year. 62% of this production is Propane Gas, while the remaining 38% is Butane Gas, as reported by the MEyM.

Exports which were increased by 21.6% between 2013 and 2014, recorded a slight decrease of 1.2% between 2014 and 2015.

Sales in the local market account for 63% of total 2015 production, while the remaining 37% was mainly exported to Brazil and Chile.

Regulatory Framework - Main topics

Federal Hydrocarbons Law 17319

Ownership of fields

In the original wording, Law 17319 (Hydrocarbons Law) set forth that the liquid and gaseous hydrocarbons fields located in the Argentine territory and its continental shelf were the non-transferable, imprescriptible property of the National Government. However, this ownership was transferred to the Provinces in which the mentioned fields are located.

In Argentina, exploration and exploitation of oil and gas is performed through exploration permits, concessions for exploitation, contracts for exploitation or partnership agreements.

On October 31, 2014, the National Congress passed Law 27007 which amends Law 17319. Among the main changes, it grants a legal range to the unconventional exploitation concession created by Decree 929/13. The term of the concessions for unconventional exploitation of hydrocarbons is effective for 35 years, with the possibility of successive renewals for 10 years.

With the enforcement of this law, the term of the concessions for conventional exploitation is maintained at 25 years; however, successive renewals of 10 years are authorized for both conventional and unconventional exploitation concessions. Even those concessions currently in place and already extended will be able to be renewed again. As to the renewal processes already started by the provinces, Law 27007 stated that they would have a 90-day period to complete the process.

Law 27007 eliminates, with future effect, the possibility that the Federal Government and the Provinces may reserve areas for exploitation by state-owned companies or entities, or companies or entities with state ownership. The law allows the grantor to decide the system that will be used to exploit and develop the areas reserved for this purpose but in relation to which no agreement has been entered into.

The law maintains a rate of 12% for royalties as set forth by Law 17319. It also maintains the possibility of reducing the rate in certain exceptional cases up to 5% and establishes the possibility of incrementing it by 3% (resulting in 15%) and introduces a maximum applicable cap of 18% for successive renewals.

Furthermore, Law 27007 created an Investment Promotion System for the Exploitation of Hydrocarbons for investment projects exceeding US$ 250 million and established that in certain cases, part of the production may be freely traded in the foreign market, without paying export duties. In addition, it set forth that foreign currency obtained from the export of hydrocarbons may be freely disposed of.

Federal Law 26741

Declaration of public interest

On May 04, 2012 the Argentine Congress passed Law 26741 of National Hydrocarbons Sovereignty, which declared the self-sufficiency in the supply of hydrocarbons as well as in the exploration, exploitation, industrialization, transportation and sale of hydrocarbons a national public interest and a priority for the Republic of Argentina.

Among other issues, this law prescribed that the National Executive Branch shall be the authority in charge of setting hydrocarbon policies and introduce the measures necessary to accomplish the purpose of the Law with the participation of the provinces and public and private capital, national and international.

Decree 1277/12

On July 27, 2012 the National Executive Branch issued Decree 1277/12 regulating Law 26741, which, among other provisions, established:

(i) the repeal of the free disposition of hydrocarbons,
(ii) the creation of the Commission for the Strategic Planning and Coordination of the National Hydrocarbon Investment Plan ("the Commission"), which shall execute the National Investment Plan,
(iii) the creation of the National Registry of Hydrocarbon Investment,
(iv) that all companies of the sector must deliver an Annual Investment Plan with qualitative and/or economic information to the Technical Information Commission, which must be delivered on September 30 of each year,
(v) that the Commission shall fix and publish reference prices of each of the cost components and reference prices for the sale of hydrocarbons and fuel to cover production costs and obtain a reasonable profit margin.

Failure to comply with the provisions of the Decree will result in the application of the penalties set forth by Law 17319 and the suspension or annulment of the concessions or permits registered in the National Systems of Hydrocarbon Investments. The Commission will have exclusive power for the enforcement of the provisions established by Law 26741, with respect to the hydrocarbons activities regulated in Decree 1277/12.

On December 29, 2015, Decree 272/15 of the National Executive Branch dissolved the Commission and many of its powers were canceled, while those functions that were not repealed were transferred to the Ministry of Energy and Mining.

Natural gas

Gas Plus Program

Under ES Resolution 24/08, the Energy Secretariat created the so-called "Gas Plus Program" consisting of incentives for new production of natural gas.

Stimulus Plan for Injection of Natural Gas for Companies with Reduced Injection

Late November 2013 the Commission for the Strategic Planning and Coordination of the National Hydrocarbon Investment Plan issued Resolution 60/13 which created a new "Stimulus Plan for Injection of Natural Gas for Companies with Reduced Injection" (the "Program"). Companies which have had an average injection lower than 3.5 million of m3/day, such as the Company, could request adherence to that Program. The request for adherence to the Program should be approved by the Commission. In general terms, the Program establishes a system for payments on the prices of Natural Gas, that will be made gradually depending on the excess production of each company over its adjusted base injection (basic production for the period July – December 2013). These payments range from US$4/MMBTU to US$7.5/MMBTU, depending on the injection above the injection basis. The Argentine Government will make these payments on a quarterly basis in pesos. The companies adhering to the Program will undertake the commitment to inject at least the adjusted base injection, or pay the Argentine Government the import price of the missing volume, which will be calculated based on the import price of the liquefied natural gas during the last six months. The Program will be in force for 4 years with the possibility of one-year extension subject to the authorization of the Commission. Companies could adhere to the Program until March 31, 2014.

Resolution 41/16 of the Ministry of Energy and Mining

On April 7, 2016, the Ministry of Energy and Mining adopted Resolution 41/16 setting effective April 1, 2016 the new prices for natural gas at the point of access to the transport system for each original basin, destined for the generation of electricity for sale in the WEM. The applicable price for the Neuquen Basin is US$/MMBTU 5.53, representing an increase of 106% compared to the previous price.

Oil

Export duties

Under Resolution 01/2013 of the Ministry of Economy and Finance dated January 7, 2013, the reference prices and cut-off values set by Resolution 394/2007 were modified. A new reference price of 80 US$/Bbl and a mobile rate were set, such that when the international oil price is higher than or equal to the reference price, the producer receives 70 US$/Bbl, and the latter is the new cut-off value.

The fall in international oil prices led to the publication of Resolution 803/2014 on October 22, 2014 establishing a rate of 45%, provided that the international price is lower than the reference price of 80 US$/Bbl.

On December 29, 2014, Resolution 1077/2014 repealed Resolution 394/2007, and therefore the reference and cut-off price mechanism used until then. Under the new system, when the international crude oil price (taking the Brent quotation as the reference price) does not exceed 71 US$/Bbl, the applicable rate will be 1%. Also, the norm defines a polynomial formula [(Pi -70)/70 x 100], where PI is the international price which will serve to apply variable withholdings when PI of crude exceeds 71 US$/Bbl. In this respect, PI will be equivalent to the Brent level less 8 US$/Bbl.

Even though most of local production of heavy crude oil is processed in the domestic market, there is a surplus that is destined for export and that is affected by the external context with decreasing crude oil prices. For this reason, the Ministry of Energy and Mining created by Resolution 32/2016 published on March 11, 2016 the Incentive Program for Export Crude Oil, Escalante type derived from San Jorge Gulf Basin; under that program, the beneficiary companies will receive the equivalent to 7.5 US$/Bbl exported. This compensation to oil companies will be subject to the international price not exceeding 47.5 US$/Bbl.

Promotion to increase production of crude oil and reserves: Oil Plus Program

The Oil Plus Program was created by National Executive Branch Decree 2014/08 and regulated by ES Resolution 1312/08. The program consisted in granting tax credit certificates applicable to the payment of export duties to producing companies that meet the requirements established by the norm regarding the increase of oil production and the addition of reserves. The incentive would be effective on a quarterly basis through the delivery of Tax Credit Certificates transferable at nominal value.

Program to encourage crude oil production

On February 3, 2015, through Resolution 14/2015 of the Ministry of Economy and Public Finance, the "Program to encourage crude oil production" (the "Program") was created to boost oil production in view of the fall in international prices. This program was effective as from January 1, 2015 through December 31, 2015, without the government making use of the extension for the 2016 year.

The benefit is a compensation of up to 3 US$/bbl for total production, provided that quarterly production is higher than or equals basic production (October – December 2014). However, in any case the sale price of the Company plus the compensation may not exceed 70 US$/bbl for Escalante crude quality oil and 84 US$/bbl for Medanito crude quality oil.

LPG

Law 26020 and ES Resolution 168/05

The regulatory framework for the industry and commercialization of LPG has been approved by Congress through Law 26020. The main objective of that regulatory framework is to ensure regular, reliable and economic supply of LPG to low-income residential customers who do not have natural gas supply service through networks. In addition, a general policy has been established, with precise objectives for the regulation of the LPG industry and commercialization, all of them tending to improve market competitiveness and further develop the LPG industry, encouraging efficiency in the sector and guaranteeing safety in all the stages of the activity, with an adequate protection of users' rights, especially at the time of fixing prices.

Law 26020 covers the whole LPG production chain, that is, the activities related to the production, fractionation, transport, storage, distribution, port services and sale of LPG throughout the Argentine territory.

As regards the production own regulation, Section 11 of Law 26020 has established the freedom of production activity, that is, production of LPG in any manner or through technical alternatives is free: new plants may be opened or the existing ones may be enlarged only upon compliance with Law 26020, its regulatory provisions and the pertinent technical standards.

Furthermore, Law 26020 authorizes the free importation of LPG with the only requirement of compliance with that law and its regulatory and complementary provisions, with no need for prior authorization. Conversely, exportation of LPG will only be free after the domestic supply volume has been guaranteed, with the prior authorization from the National Executive Branch being required in each case.

As provided by ES Resolution 168/05, those interested in making export transactions are to register with the liquefied petroleum gas Bureau, under the authority of the Fuels Undersecretariat, for their approval, and those interested in exporting LPG are to demonstrate that demand from the whole commercial chain has been duly satisfied with the mechanism established by that resolution.

Law 26020 Enforcement Authority is the Energy Secretariat, which must secure and enforce compliance with the objectives set by that law in relation to the regulation of the LPG industry and commercialization, issuing such regulations as may be necessary for such purpose.

Decree 470/2015 and ES Resolution 49/2015

In March 2015, Decree 470/2005 and ES Resolution 49/2015 were published, which replaced the "Garrafas para Todos" (Gas Bottles for Everyone) Program in force since 2009 with the "Hogares con Garrafas" (Homes with Gas Bottles) (HOGAR) Program. This new Program modifies the system of subsidies and maximum prices in force. Capex, through an individual agreement, took part in the supply for the program, effective until December 31, 2015. From January 2016 until the date of issuance of these financial statements, Capex did not take part in the HOGAR program.

Undiluted Propane Gas Supply Contracts

Since 2002, "Undiluted Propane Gas Supply Agreements" for Networks have been entered into with propane gas producers; the purpose of these agreements is to ensure stability in the supply conditions of propane gas for the distribution networks currently operating in Argentina. The agreements, until December 2015, included the direct collection of $ 300/tn from the party receiving the volume of gas comprised in the agreement. The difference between this amount and the price known as "Export Parity Local" published by the ES is collected by means of a tax credit certificate and/or in cash from the enforcement authority.

5. The Environment

The Company's strategy continues basing on sustainable development and environmental preservation to which it annually allocates resources and places emphasis on their compliance.

For more than 16 years now, the Company has maintained implemented in the field, at the LPG plant and at the CT ADC the Environmental Management System certified under ISO 14001 standard, where the main engine is compliance with the prevailing environmental policy. Lloyds Register has been and is an international consulting firm that conducts environmental audits of the standards to be met to maintain certification.

Further, the Company is audited by public entities (ENRE), whether by themselves or by companies authorized and hired for such purpose. These audits monitor the operation of the management system for each transaction, and for the definition and compliance with responsibilities and other commitments taken on in relation to the management systems for the different activities.

The Company also has a quality management system for the laboratory at the LPG plant, certified under ISO 9001 standard.

A major progress has been made in terms of the environment with the development of Stage IV of the Power Electricity Generation Project as a result of the reduced emissions of greenhouse gases and nitrogen oxide (NOx). With the accomplishment of this goal, Capex qualified under the *United States Initiative on Joint Implementation (USIJI)* as a reducer of greenhouse gas emissions. It has also obtained recognition from the Argentine Bureau for Joint Implementation.

In May 2006, the Company applied for registration of the project with the UN Executive Board; however, the application was rejected by the Board in November 2006. The grounds for the rejection were that the project was constructed prior to January 1, 2000, thus failing to comply with the provisions of paragraph 4 of the 7/CMP1 ruling which forms part of project approval procedures.

The Company considers that the grounds provided are clearly arbitrary, as this specification establishes that the "start date for project activities" should be after January 1, 2000, the "start date" understood to be the period in which implementation or construction or actual execution of project activities has already begun and can be documented. As permitted by the regulations, the Company opted to use for purposes of qualification the "actual execution" of the project which materialized with its commercial start-up on January 17, 2000.

A petition for reconsideration was filed in February 2007, but it was also rejected by the Executive Board. In June 2009 the Company submitted to the Executive Board a new letter requesting that if a procedure is implemented to appeal against projects rejected by the Board, such procedure be applicable to newly rejected projects as well as to those predating its implementation.

The Company is waiting for a rule to be issued which contemplates the possibility to appeal.

During the current year the Company continued with the routine periodical analyses of exhaust gases, in compliance with current regulations. The NOx emissions indicator is one of the indicators that are reviewed periodically. As regards liquid effluents, care has been taken regarding their final disposal to comply with current regulations and mitigate their environmental impact, in addition to carrying an indicator related with the volume generated annually.

Additionally, the forestation plan carried out at the Agua del Cajón area was continued. This is possible with the implementation of well adapted native species and, in view of the positive results obtained, the Company will continue with this plan. The rate of progress of this environmental improvement has been 1 hectare per year over the last 3 years.

In line with the commitment adopted under the Company Environmental policy to reduce the consumption of natural resources and rationalize energy consumption, thanks to the modifications made in prior years, it is possible to control and maintain environmental ratios associated with water and electric power consumption through periodical measurements within the Environmental Management System. One of the most relevant indicators is the one recorded monthly as consumed gas/generated energy.

As regards Hychico, in May 2012, Diadema Eolic Energy Farm obtained the certification under ISO 14001 Standard, so it is the first eolic energy farm in Argentina that has achieved this goal.

6. Systems and communications

The Company has information systems that allow for the adequate recording of every economic event, thus enabling an adequate level of internal control and providing timely and reliable information.

A new Operations Management System was implemented during the current year, including improvements in the operating processes and automated controls. A solution was also implemented which enables generating dynamic reports, as well as performance indicators for the users of that system.

During the 2016-2017 fiscal year, the Company will focus on the technical renewal of the communications system with the purpose of achieving greater efficiency.

7. Human Resources

During the fiscal year, the Company focused its efforts on an action plan related to the following strategic guidelines:

Strengthening leadership skills and competencies critical to the business:

- We have developed, jointly with IAE, a Managerial Development Program aimed at all key managerial positions, oriented towards alignment with the Leadership development expectations shared throughout the company.
- We have implemented continuous Supervisor Training Programs.

Promoting change and organizational alignment:

- We continued with actions for continuous improvement, supported by Lean and Six Sigma tools. Specific programs were implemented to improve productivity and efficiency in the operating areas.
- We have worked on Performance Management tools to improve the alignment of the organization with business expectations.

Having a sustainable organization:

- We are working on planning succession of critical jobs to define action plans in the medium and long term.
- On-going Occupational Health programs

Attraction and retention of talent:

- We have a strict recruitment process seeking to integrate into the company the best profiles to accompany its culture.
- We have implemented a process for identifying talented people within the company and set in motion individual development plans for their growth, with a focus on critical competencies

Strengthening labor relations within a positive productive environment:

- We continued developing relations with different stakeholders: trade unions, national and provincial authorities, municipalities, which operate in the hydrocarbon business, so as to keep social peace in a complex environment, trying not to affect production or the working life of our employees and contractors.

The Company also continues training its professionals under cooperation agreements with important organizations and international companies, with training programs at both national and international levels. This has for the first time at a national level enabled us to develop and implement new technologies applied to the industry.

For the medium term, we continued with the main guidelines defined in prior years, directing efforts towards strengthening the leadership of the key managerial teams, the identification and retention of our key and talented professionals, by promoting their professional development and exposure, and involving them in new projects, as well as implementing innovative technologies.

Activities with prestigious institutions for executive and technical training, and with national and international associations will continue, so as to ensure ongoing training of our employees on the changing requirements of the energy industry, enhancing our business, and devising and anticipating future scenarios.

Improvement of the organization, a sustained internal climate of excellence and productive efficiency are also central actions to be taken in the coming years.

We will also continue with the actions undertaken with trade unions and social actors: the latter will always be characterized by open and permanent dialogue permitting us to ensure social peace and, consequently, the productivity of our business.

8. Financial Situation

The Company's financing strategy is focused on long-term structures that give the Company financial strength, regardless of the situation existing locally and around the world.

As part of this strategy, the Company structured almost all its liabilities by issuing in March 2011 Corporate Bonds for a term of 7 years, with one principal amortization installment falling due in March 2018. The covenants governing this debt refer to incurring rather than maintaining debt. This means that creditors cannot request advance payment if the Company does not meet any of the covenants; instead, the Company must comply with certain pre-established financial restrictions. In addition, the financial ratios recorded by the Company should allow it to refinance its liabilities in the future and sustain its financial indebtedness policy in the long term.

During the fiscal year ended April 30, 2016, Capex has paid the two interest installments due under the Corporate Bonds program.

The Company and its subsidiaries keep approximately 93% of their financial debt in the long term, principally through the issue of Corporate Bonds made in March 2011, and the financing of Hychico with Corporación Interamericana de Inversiones.

In addition, the Company has reasonable liquidity levels which would enable it to face the short-term volatilities that could arise in the development of its business.

Capex S.A.

Bank and financial debt of the Company and its subsidiaries at April 30, 2016 is structured as follows:

Amounts in $thousands

Bank and financial debt	Current	Non-current	Total
Corporate Bonds - Senior Notes (NO)	40,605	2,850,000	2,890,605
Unearned commissions and expenses NO	(2,131)	(1,776)	(3,907)
Industrial Commercial Bank of China (Argentina) (ICBC)	51,737	-	51,737
Banco de Crédito y Securitizacion	24,484	18,000	42,484
Syndicated loan	98,324	37,500	135,824
Banco Galicia de Buenos Aires	4,831	-	4,831
Corporación Interamericana de Inversiones (CII)	20,465	99,750	120,215
Commissions and guarantees CII	(129)	(644)	(773)
Total	238,186	3,002,830	3,241,016

Amounts in $thousands

Placements	Current	Non-current	Total
Time deposits	568,800	-	568,800
Mutual funds	235,708	-	235,708
Total	804,508	-	804,508

9. Results for the year

The following table summarizes the consolidated ratios obtained in the fiscal year ended April 30, 2016, compared to the previous year:

Ratios	04.30.2016	04.30.2015
Solvency (Shareholders' Equity/Liabilities)	**0.37**	**0.33**
Debt-to-equity ratio (Liabilities / Shareholders' Equity)	**2.67**	**2.99**
Current ratio (Current Assets / Current Liabilities)	**2.30**	**1.51**
Quick (Acid Test) Ratio (Current Assets – Inventory and Spares and Materials / Current Liabilities)	**2.30**	**1.51**
Net worth to assets ratio (Shareholders' Equity/ Total Assets)	**0.27**	**0.25**
Asset Immobilization Ratio (Non-current Assets / Total Assets)	**0.75**	**0.80**
Return on Assets (Gross Profit / Total Assets)	**0.19**	**0.20**
Return on Equity (Net Profit / Average Shareholders' Equity)	**0.56**	**1.17**
Ordinary Return on Investment (EBT / Shareholders' Equity (excluding net comprehensive result for the year))	**0.65**	**2.84**
Leverage (Return on Equity / Return on Assets)	**2.95**	**5.85**
Assets turnover (Sales / Total Assets)	**0.28**	**0.31**

Consolidated comprehensive income statement

Thousand $

	04/30/2016	04/30/2015	Variation	
Net Sales	1,844,804	1,260,912	583,892	46.3%
Cost of Sales	(619,527)	(473,720)	(145,807)	30.8%
Gross Profit	**1,225,277**	**787,192**	**438,085**	**55.7%**
Exploration Expenses	(76,711)	(174,860)	98,149	-56.1%
Selling Expenses	(254,211)	(170,351)	(83,860)	49.2%
Administrative Expenses	(129,906)	(91,528)	(38,378)	41.9%
Other operating (expenses) / income, net	(952)	1,298	(2,250)	-173.3%
Operating result	**763,497**	**351,751**	**411,746**	**117.1%**
Financial income	400,256	127,500	272,756	213.9%
Financial costs	(1,561,354)	(474,940)	(1,086,414)	228.7%
Other financial income	457	70	387	552.9%
Result Before Income Tax	**(397,144)**	**4,381**	**(401,525)**	**-9165.1%**
Tax on Assets	-	(431)	431	-100.0%
Income Tax	137,218	(3,562)	140,780	3952.3%
Net Result of the Year	**(259,926)**	**388**	**(260,314)**	**-67091.2%**
Other Comprehensive Results				
No charges to future results	1,049,996	743,518	306,478	41.2%
Comprehensive Result for the Year	**790,070**	**743,906**	**46,164**	**6.2%**

Gross profit for the year ended April 30, 2016 was $1,225,277, representing 66.4% of net sales, while in the previous year it amounted to $787,192, representing 62.4% of net sales. Gross profit for the current year increased by 55.7%, as compared with the previous year.

Operating income in the year ended April 30, 2016 was $763,497, while in the previous year it amounted to $351,751, representing an increase of 117.1%.

The net result for the year ended April 30, 2016 was a loss of $259,926, while in the previous year it amounted to a profit of $388. In spite of the good operating results obtained by the Group, the net result (loss) for the year was influenced by the net financial results, as a consequence of the appreciation in the value of the US dollar relative to the peso.

Other comprehensive results for the year ended April 30, 2016 amounted to $1,049,996 thousand, while in the previous year it amounted to $743,518 thousand, since the Company has applied since July 31, 2014 the revaluation model for certain assets within Property, plant and equipment, and adjusted the fair values of those assets at the end of the current year.

Finally, the comprehensive result for the year ended April 30, 2016 amounted to $790,070, and to $743,906 in the previous year.

Sales

Thousand $

Product	04/30/2016	04/30/2015	Variation	
Energy				
Energy CT ADC	968,070	679,571	288,499	42.5%
Energy DEEF	33,597	27,885	5,712	20.5%
Façon Service of electric energy	**3,078**	**2,068**	**1,010**	**48.8%**
Gas				
Sales	108,729	43,495	65,234	150.0%
Subsidy - Stimulus Plan for Injection of Natural Gas	256,533	116,086	140,447	121.0%
Oil				
Sales	383,155	292,631	90,524	30.9%
Subsidy - Stimulus Plan for Oil Injection	3,220	644	2,576	400.0%
Propane				
Sales	50,515	57,500	(6,985)	-12.1%
Subsidy - Propano Sur Program	244	-	244	100.0 %
Butane				
Sales	35,268	40,211	(4,943)	-12.3%
Subsidy – Hogar Progam	1,400	-	1,400	100.0 %
Oxygen	995	820	175	21.3%
Total	**1,844,804**	**1,260,911**	**583,893**	**46.3%**

Net sales for the year ended on April 30, 2016 increased by 46.3% compared with the previous year. The evolution of each product was as follows:

a) Energy:

Sales of CT ADC energy measured in pesos increased by $ 288,499 thousand, representing a rise of 42.5% compared with the prior year, from $ 679,571 thousand as of April 30, 2015 to $ 968,070 thousand as of April 30, 2016. This variation is due to:

(i) recognition in this fiscal year of the increase for $18 million in the remuneration schedule set forth by ES Resolution 482/15 corresponding to the February-April 2015 period, and
(ii) a higher average sale price recorded for the MW sold during the period, as a result of the application of ES Resolution 482/15 and ES Resolution 22/16 (effective February 2016) and of the increase in the exchange rate that directly affected the remuneration for the gas consumed by CT ADC.

Sales of CT ADC energy measured in GWh decreased by 0.6% from 3.403 GWh (or an average of 284 GWh monthly) as of April 30, 2015 to 3,381 GWh (or an average of 282 GWh monthly) as of April 30, 2016.

Sale prices for the energy of CT ADC, including the remuneration for its own gas used in the generation, increased 40.7%, from $/GWh 199.7 on average during the fiscal year ended April 30, 2015 to $/GWh 281.0 on average in the fiscal year ended April 30, 2016, due to the application of ES Resolutions 482/15, 22/16 and 41/16 and to the increase in the exchange rate. In the calculation of the average price as of April 30, 2016 the effect of the price increase recorded at that date corresponding to the February-April 2015 period was not considered.

Sales of energy from the DEEF measured in pesos increased by $ 5,712 thousand, 20.5% higher than the prior year, from $ 27,885 thousand at April 30, 2015 to $ 33,597 thousand at April 30, 2016. In the fiscal year ended April 30, 2016, sales in GWh were 25.6 at an average price of $/MWh 1,312.4, and in the year ended April 30, 2015 it was of 28.1 GWh at an average price of $/MWh 992.3; the price increase is due to the increment in the US dollar exchange rate, the currency in which the tariff is fixed with CAMMESA.

b) Façon Service of electric energy:

Façon services for the generation of electricity with natural gas and hydrogen measured in pesos increased by $ 1,010 thousand, 48.8% more than in the previous year, from $ 2,068 thousand at April 30, 2015 to $3,078 thousand at April 30, 2016. This variation was principally due to an increment in the tariff and in the US dollar quotation, currency in which the price is fixed for this service.

c) Gas:

Gas production increased by 4,695 thousand m3, that is 0.8%, from 553,307 thousand m3 as of April 30, 2015 to 558,002 thousand m3 as of April 30, 2016. This increase, which stopped the decline in the production curve, was due to investments made under the Stimulus Plan for Injection of Excess Natural Gas and to the development of more productive reserves.

Under the Gas Plus program, the Company sold $108,729 thousand corresponding to the delivery of 61,632 thousand m3 at an average price of US$/m3 0.1547 (or US$ 4.2 million BTU), while gas sales in the previous year amounted to $43,495 thousand corresponding to 28,837 thousand m3 at an average price of US$/m3 0.18302 (or US$ 4.95 million BTU). The 114% increase in the m3 sold is attributable to an increment in production of wells associated with the gas plus projects, in view of the larger investment, while the fall in prices (US$/million BTU) is due to market reasons: an oversupply of natural gas in the summer (as a result of the lower consumption of natural gas by residential customers) did not justify payment by the market of higher prices for gas plus.

The remaining gas was used for the generation of electric power in the CT ADC and in the operation of the LPG plant.

The subsidy under the "Stimulus Plan for Injection of Natural Gas for Companies with Reduced Injection" accrued for $256,533 thousand in the year ended April 30, 2016, while the amount accrued in the year ended April 30, 2015 was $116,086 thousand, generating a revenue increase of 121% for that plan. The revenue increase was due to the following: i) the Company has sustained the gas production and the annual decrease of 15% in the adjusted base injection curve, with which it is compared for the calculation; and ii) the increase in the dollar exchange rate, as the remuneration under the plan is calculated in dollars. In the fiscal year ended April 30, 2016, $117.3 million were collected under the above-mentioned plan, corresponding to the October 2014-June 2015 period. At the date of issue of these financial statements, the Company had adhered to National Executive Branch Decree 704/16, whereby the National Government offered to pay the balances past due under this program until December 31, 2015 with BONAR 2020 in US dollars.

d) Oil:

Sales of oil for the year ended on April 30, 2016 increased by $90,524 thousand, representing an increase of 30.9% compared with the previous year. This increase was due to an increment in the volume sold of 9.7%, from 67,793 m^3 as of April 30, 2015 to 74,395 m^3 as of April 30, 2016, to a price rise of 20.1%, caused by an increase in the foreign exchange rate applicable to selling prices and to the "Program to encourage crude oil production".

Taking into account the fall in international crude oil prices and the need to maintain a price to support the production activity, while diminishing the impact on the price of fuels of the peso devaluation relative to the dollar, producers and refineries renegotiated in the fiscal year ended April 30, 2016 a reduction of the prices in dollars in effect in their agreements, for the deliveries made as from December 2015.

Oil production increased 17.2 %, from 35,623 m3 as of April 30, 2015 to 41,743 m3 as of April 30, 2016, due to the results obtained from the stimulation of some wells.

Further, in the year ended at April 30, 2016 the subsidy under the "Program to encourage crude oil production" during the period May-December 2015 was accrued for $3,220 thousand. During the year ended at April 30, 2016 $ 1,458 thousand were collected.

e) Propane, butane and gasoline:

- Sales of propane during the year ended on April 30, 2016 decreased by $ 6,741 thousand with respect to the previous year, from $ 57,500 thousand at April 30, 2015 to $ 50,759 thousand at April 30, 2016, including the subsidy "Propano Sur Program". As of April 30, 2016 Capex has exported 2,378 tn. for $ 9,875 thousand.

  Without considering the effect of the above-mentioned export, the fall in sales is the consequence of: (i) a reduction of 25.1% in the volume sold, due to plant shutdowns, and (ii) a fall of 5.2% in the average sale price, from $/tn 2,608.2 on average as of April 30, 2015 to $/ton 2,478.5 on average as of April 30, 2016, as a consequence of the fall in international prices, offset by the increase in the exchange rate and the deliveries of products at regulated prices.

- Sales of butane during the year ended on April 30, 2016 decreased by $ 3,543 thousand, with respect to the previous year, from $ 40,211 thousand at April 30, 2015 to $ 36,668 thousand at April 30, 2016, including the subsisy "Hogar Program". This is result of a drop in the volume sold of 9.3% due to plant shutdowns, offset by a slight rise in the average sales price of 0.6 %, from $average/ tn 2,650.2 as of April 30, 2015 to $average/tn 2,665.4 as of April 30, 2016.

- No sales of gasoline were recorded at April 30, 2016 and 2015, since production of 28,022 m3 and 27,644 m3, respectively, were blended and sold with oil for market reasons.

f) Oxygen:

Hychico sold 114,037 m^3 and 127,433 m^3 of oxygen for a total of $ 995 thousand and $ 820 thousand in the years ended at April 30, 2016 and 2015, respectively. This increase in sales was the result of an increment in the sale price, due to the higher exchange rate, offset by a lower volume sold.

Cost of sales

Thousand $

	04/30/2016	04/30/2015	Variation	
Fees and other compensations	(11,112)	(4,356)	(6,756)	155.1%
Salaries and social security contributions	(180,406)	(139,007)	(41,399)	29.8%
Materials, spare parts and others	(33,003)	(32,597)	(406)	1.2%
Operation, maintenance and repairs	(83,474)	(57,775)	(25,699)	44.5%
Fuel, lubricants and fluids	(3,223)	(2,402)	(821)	34.2%
Transportation, freight and studies	(8,562)	(6,113)	(2,449)	40.1%
Amortization of Property, Plant and Equipment	(272,104)	(204,976)	(67,128)	32.7%
Office, travel and representation expenses	(2,113)	(2,563)	450	-17.6%
Taxes, rates, contributions and insurance	(24,807)	(20,769)	(4,038)	19.4%
Acquisition of electricity from CAMMESA	(741)	(170)	(571)	335.9%
Acquisition of gas to third parties	(2,690)	(2,556)	(134)	5.2%
Sundry	-	(90)	90	-100.0%
Adjustment on the cost of sales	2,707	(346)	3,053	-882.4%
Cost of Sales	**(619,528)**	**(473,720)**	**(145,808)**	**30.8%**

The cost of sales for the year ended on April 30, 2016 amounted to $ 619,528 thousand, representing 33.6 % of net sales, while in the previous year it amounted to $ 473,720 thousand, representing 37.6% of net sales at April 30, 2015.

The 30.8% increase in the cost of sales was mainly explained by:

- the higher amortization charge for the assets related to the exploitation of oil and gas, the CT ADC, the Diadema Eolic Energy Farm and the LPG Plant for $67,128 thousand, as a result of the larger investment made and the technical revaluation of certain assets carried out as from July 31, 2014.
- an increase of $41,399 thousand in labor costs, as a result of the salary increases granted;
- an increase of $25,699 thousand in operation and maintenance costs, as a result of the rate increases for these services throughout the fiscal year;
- an increase of $2,449 thousand in costs of transportation, freight and studies, as a result of the larger number of hours for cargo transport and rate increases;
- an increase of $6,756 thousand in fees and other compensations; and
- an increase of $4,038 thousand in taxes, rates, contributions and insurance, mainly due to the increase in costs of insurance coverage.

Exploration expenses

Thousand $

	04/30/2016	04/30/2015	Variation	
Exploration expenses	**(76,711)**	**(174,860)**	**98,149**	**-56.1%**

Exploration expenses for $ 76,711 thousand as of April 30, 2016 correspond to the withdrawal of an unproductive exploratory well in Loma de Kauffman, and to a provision for investments made in the area, as they are not expected to be recovered.

Exploration expenses as of April 30, 2015 for $174,860 thousand are due to the reversal at the date of issue of those financial statements of the Cerro Chato and Lago Pellegrini exploration areas for $23,684 thousand and $ 141,396 thousand, respectively, upon the Company's decision to return 100% of the areas in the second exploration period, after complying with the investments undertaken with the Province of Río Negro. On June 12, 2015, after making the investments undertaken, the Company decided to go on to the third exploration period in the Loma de Kauffman area, reversing 50% thereof; for this reason, $9,780 thousand were provided for as of April 30, 2015.

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Selling expenses

Thousand $

	04/30/2016	04/30/2015	Variation	
Royalties	(189,087)	(119,384)	(69,703)	58.4%
Cost of transport and energy deliveries	(14,337)	(14,433)	96	-0.7%
Tax on exports	(92)	-	(92)	100.0%
Turnover tax	(46,868)	(34,110)	(12,758)	37.4%
Commissions and other	(3,827)	(2,424)	(1,403)	57.9%
Selling expenses	**(254,211)**	**(170,351)**	**(83,860)**	**49.2%**

Selling expenses amounted to $ 254,211 thousand representing 13,8% of net sales. These expenses increased by 49.2% over the previous year mainly due to a rise in turnover tax due to the higher billings. The rise in royalties was due to: i) the increase in gas production, ii) the increase in gas sales through the Gas Plus Program, iii) the increase in gas prices as a result of the increase in the price of reference recognized by CAMMESA and the rise in the exchange rate; and iv) the increase in revenues from the Stimulus Plan for Injection of Natural Gas for Companies with Reduced Injection.

Administrative expenses

Thousand $

	04/30/2016	04/30/2015	Variation	
Fees and other compensations	(13,366)	(6,637)	(6,729)	101.4%
Salaries and social security contributions	(62,162)	(46,641)	(15,521)	33.3%
Materials, spare parts and others	(6)	(4)	(2)	50.0%
Operation, maintenance and repairs	(11,644)	(9,106)	(2,538)	27.9%
Transportations, freight and studies	(894)	(744)	(150)	20.2%
Amortization of property, plant and equipment	(1,099)	(1,004)	(95)	9.5%
Office, travel and representation expenses	(1,793)	(1,135)	(658)	58.0%
Taxes, rates, contributions, insurance and rental	(18,670)	(11,432)	(7,238)	63.3%
Bank expenses	(20,272)	(14,825)	(5,447)	36.7%
Administrative expenses	**(129,906)**	**(91,528)**	**(38,378)**	**41.9%**

Administrative expenses for the year ended April 30, 2016 amounted to $129,906 thousand, representing 7.0% of net sales. Administrative expenses increased by 41.9% compared to the same period of the previous year, which is basically due to: i) an increase in salaries and social security contributions, as a result of the salary increases granted; ii) an increase in rental expenses; and iii) in legal fees and bank expenses.

Other operating (expenses) / income, net

Thousand $

	04/30/2016	04/30/2015	Variation	
Assignment of rights under the compensation program of oil plus program	-	4,107	(4,107)	-100.0%
Expenses relating to the notarial registration of the sale of the Vicente López Building	-	(2,908)	2,908	-100.0%
Sale of vehicles	526	269	257	95.5%
Provision for lawsuits and fines	(1,510)	(557)	(953)	171.1%
Provision for turnover and obsolescence of spare parts and materials	150	337	(187)	-55.5%
Sundry	(118)	51	(169)	-331.4%
Other operating (expenses) / income, net	**(952)**	**1,299**	**(2,251)**	**-173.3%**

Other operating (expenses) / income, net, as of April 30, 2016 represented a loss of $952 thousand, while an income for $1,299 thousand was recorded as of April 30, 2015, primarily as a result of the collection of $4,107 thousand in the previous year for the assignment of set-off rights under the Oil Plus Program regulated in 2008, which was offset by the notarial expenses of $2,908 thousand for the sale of the building in Vicente López.

Financial results

Thousand $

	04/30/2016	04/30/2015	Variation	
Financial Income	400,256	127,500	272,756	213.9%
Financial Costs	(1,561,354)	(474,940)	(1,086,414)	228.7%
Financial Results	**(1,161,098)**	**(347,440)**	**(813,658)**	**234.2%**

a) Financial incomes

Thousand $

	04/30/2016	04/30/2015	Variation	
Interests and others	120,524	77,587	42,937	55.3%
Interests accued on receivables	(3,810)	3,500	(7,310)	-208.9%
Exchange difference	283,542	46,413	237,129	510.9%
Financial Results	**400,256**	**127,500**	**272,756**	**213.9%**

The financial income reflected a balance of $ 400,256 thousand which compares with $ 127,500 thousand in the previous year, representing an increase of 213.9%. The main reasons for this negative variation by $ 272,756 thousand are listed below:

- The variation in accrued interest and other results corresponds to higher results from financial placements, due to an increment in placements made in their yields.
- The variation in exchange difference is due to an increase in the US dollar exchange rate with respect to the peso calculated on investments in such foreign currency. The variation in the US dollar quotation (buying rate) between April 2015 and April 2016 was of 60.7% and between April 2014 and April 2015 it was of 11.5%,
- The variation in interest accrued on receivables mainly corresponds to the present value of Hychico's long term receivables and Capex's trusts.

b) Financial costs

Thousand $

	04/30/2016	04/30/2015	Variation	
Interests and others	(403,188)	(279,723)	(123,465)	44.1%
LIBO rate swap	-	1,080	(1,080)	-100.0%
Exchange difference	(1,154,517)	(196,055)	(958,462)	488.9%
Interest accrued from accounts receivables and payable	(3,649)	(242)	(3,407)	1,407.9%
Financial Results	**(1,561,354)**	**(474,940)**	**(1,086,414)**	**228.7%**

Financial costs show a negative balance of $ 1,561,354 thousands, while in the previous year they were negative by $ 474,940 thousands, representing an increase of 228.7%. The main causes of the variation of $ 1,086,414 thousands were:

- The variation in interest and other mainly corresponds to interest accrued by Corportate Bonds. While the capital of the debt in dollars for the Notes remained constant, due to its maturity date in March 2018, the increase in the exchange rate generated a higher accrual of interest in pesos.

- The higher exchange losses are the consequence of an increase in the US dollar exchange rate relative to the peso; the variation in the US dollar quotation (selling rate) between April 2015 and April 2016 was 60%, and 11.3% between April 2014 and April 2015. The Group holds 88.8% of there financial liabilities in US dollars, so the variation in the exchange rate of that currency has had a significant impact on the economic results and on equity.

  The loans referred to above are as follows:
  - Corporte Bonds, Senior Notes, for US$ 200,000,000 accruing interest payable semi-annually, as from the disbursement date and until full repayment (March 2018), at a fixed rate of 10%.
  - Secured loan for US$ 14,000,000 destined for Hychico Diadema Eolic Energy Farm, accruing interest at variable rates equivalent to LIBO plus a nominal annual rate of 8.75% payable semi-annually.

- The decrease in the LIBO rate swap line is due to the cancellation of the SWAP contract owned by the Company.

Income Tax

Thousand $

	04/30/2016	04/30/2015	Variation	
Tax on assets	-	(432)	432	-100%
Income Tax	137,218	(3,562)	140,780	-3952.3%
Income Tax	**137,218**	**(3,994)**	**141,212**	**3535.6%**

Income tax as of April 30, 2016 showed a positive balance of $137,218 thousand, as a result of the recognition of the tax effect on the loss for the year, based on the estimate made by the Company of the offsetting against future profits of tax losses accumulated at year end, before expiration.

Other comprehensive income

Thousand $

	04/30/2016	04/30/2015	Variation	
Other comprehensive results	**1,049,996**	**743,518**	**306,478**	**41.2%**

Other comprehensive income for the year ended April 30, 2016 amounted to $1,049,996, while in the previous year it amounted to $743,518, since the Company has applied as from July 31, 2014 the revaluation model for certain assets within Property, plant and equipment and at April 30, 2016 it has updated the fair value of those assets.

The portion of total other comprehensive income for $1,049,996 thousand attributable to the Company is $1,048,198 thousand, and is accumulated in the Reserve for assets revaluation, in the Statement of Changes in Shareholders´ Equity. The closing balance as of April 30, 2016 for that reserve is $ 1,692,109 which, as set forth in the Restated Text of the CNV, may not be distributed, capitalized or allocated to absorb accumulated losses, but must be computed as part of accumulated gains/losses for the purposes of comparison to determine the Company's situation under sections 31, 32 and 206 of Commercial Companies Law No 19550.

10. Board Proposal

In compliance with prevailing legal standards and the Company by-laws, the Board of Directors of the Company submits for the consideration of the Shareholders this Annual Report, the Inventory, the Independent Auditors' Report, the Report from the Syndics' Committee, the Report from the Audit Committee and the individual and consolidated Financial Statements for the twenty-eighth fiscal year commenced May 1, 2015 and ended April 30, 2016.

The comprehensive income for the year was $ 788,642,078, made up of i) the net loss for the year for $259,556,433, and ii) other comprehensive results from the revaluation of property, plant and equipment for $1,048,198,511. In accordance with applicable regulations, other comprehensive income are part of the Reserve for revaluation of assets.

Accumulated losses at year end amounted to $231,664,704 (the aggregate of the net loss for $259,556,433 and the reversal of the revalued assets depreciation charge for $27,891,729).

The Board of Directors proposes that the accumulated losses for $231,664,704 should be absorbed by the Free Reserve for $43,367,267 and Legal Reserve for $23,508,318, carrying forward to the next fiscal year the balance of $164,789,119 (loss).

We wish to express our recognition and gratitude to the effort of banking and business entities, clients and suppliers, as well as the efforts of all the staff, whose permanent capacity and contribution have accompanied us through the business cycle ended on 30 April 2016.

Autonomous City of Buenos Aires, 5 July 2016.

THE BOARD OF DIRECTORS

Capex S.A.

CODE OF CORPORATE GOVERNANCE

PRINCIPLE I. MAKE CLEAR THE RELATIONSHIP BETWEEN THE ISSUER, THE ECONOMIC GROUP THAT THE ISSUER HEADS AND/OR FORMS PART OF AND ITS RELATED PARTIES.		
Recommendation I.1: Ensure the disclosure by the Governing Body of the policies applicable to the Issuer's relationship with the economic group the Issuer heads and/or forms part of and with its related parties. Internal regulation or policy to authorize transactions between related parties. State the main guidelines of the standard or internal policy.		
	Complies	All transactions for a significant amount that Capex conducts with those individuals and/or entities considered "related parties" according to what is established by section 72 of the Capital Markets Law (No. 26831"CML") must be subject to a specific procedure for approval and previous control, developed with coordination by the Legal Department and involving the Board of Directors and the Audit Committee (as applicable). Also, in compliance with the provisions of the CML, all the transactions for a significant amount between Capex and related parties are immediately reported through the modality of "relevant fact". Lastly, both the individual and the consolidated financial statements disclose the transactions and balances of Capex with its related parties.
Recommendation I.2: Ensure the existence of mechanisms that prevent conflicts of interest. Clear policies and special procedures to identify, manage and solve conflicts of interest that might occur between the members of the Governing Body, senior managers and syndics and/or members of the surveillance committee in their relationship with the Issuer or with related parties. Make a description of the most relevant aspects.		
	Complies	The Company has a Code of Conduct, which states that directors, managers and employees must avoid any possible or actual conflict of interests (their own against the Company's). When a director, manager or employee of the Company is facing a situation that may create a conflict of interests because the person is directly or indirectly concerned with the issue, this fact must be reported to the immediate superior, who will treat the matter as adequate and exempt the affected employee from the obligation/task. If a situation of conflict of interests arises, the decision must be arbitrated with an unconditioned third party.
Recommendation I.3: Preventing the improper use of privileged information. Answer if: The Issuer, without prejudice to current regulations, has policies and mechanisms in place to prevent the improper use of privileged information by the members of the Governing body, senior managers, syndics and/or members of the surveillance committee, controlling shareholders or shareholders exerting significant influence, intervening professionals and other persons listed in sections 7 and 33 of Decree No. 677/01. Make a description of the most relevant aspects.		
	Complies	The Code of Conduct establishes that Directors, managers and employees must avoid personal or own business transactions on share, financial, strategic matters, based on material information outside public knowledge and obtained through performing their functions. All transactions between

		related companies must be conducted with the participation/approval of all the responsible sectors involved, in conditions of transparency and good business practices.

PRINCIPLE II. PROVIDE THE BASIS FOR A SOLID ADMINISTRATION AND SUPERVISION OF THE ISSUER

The framework for corporate government must:

Recommendation II. 1: Ensure that the Governing Body assumes the administration and supervision of the Issuer and its strategic orientation.

Answer if:
II.1.1 the Governing Body approves:
II.1.1.1 the strategic or business plan, as well as the management goals and annual budget,

	Complies	On April 19, 2016 the Board of Directors approved the business plan and budget for the year 2016-2017.
II.1.1.2 the investment (in financial assets and capital goods) and financing policy,		
	Complies	On April 19, 2016 the Board of Directors approved the investment and financing policy for the year 2016-2017.
II.1.1.3 Corporate governance policy (compliance with the Code of Corporate Governance),		
	Complies	The Audit Committee reviews and controls the Code of Corporate Governance. Once it is prepared, it is submitted to the Board of Directors for voting.
II.1.1.4 the recruitment, evaluation and remuneration policy for senior managers,		
	Complies partially	The selection process for senior managers is the result of the joint work of the Executive Director, the Directors and HR. There is no specific policy, as the Company considers that, in view of the fluctuations in the economy which have affected the labor market, a policy would undergo continuous and constant changes, while a procedure establishes a working method with variables that will adapt to the economic situation that may arise in each moment. There is a procedure coordinated by HR for the evaluation of all the employees (including managers), their performance and their goals, and a yearly variable compensation and eventual promotions are determined based on that procedure. This procedure is recorded and documented by the Human Resources Management on each occasion. Remunerations are approved by the Board of Directors with the annual budget and reviewed during the year in relation to market and to the Company's situation.
II.1.1.5 the policy on the assignment of responsibilities to senior managers,		
	Complies	On April 19, 2013 the Board of Directors expressly delegated to the Executive Director the assignment of responsibilities to managers.
II.1.1.6 the supervision of the plans for the succession of senior managers,		
	Complies	On April 19, 2013 the Board of Directors expressly delegated the implementation and monitoring of

		succession planning to the Executive Director.
II.1.1.7 the policy on corporate social responsibility		
	Complies partially	The Company carries forward CSR programs that are approved by the Board of Directors within the annual budget and communicated to the senior managers. On April 19, 2016 the Board of Directors approved the CSR programs for the year 2016-2017.
II.1.1.8 the policies on the integral risk management and internal control, and prevention of fraud,		
	Complies partially	The Audit Committee approves the Annual Audit Plan which includes these activities. At the end of the year, the Audit Committe reviews and approves the performance of Internal Audit and External Audit and includes it in its yearly report.
II.1.1.9 the policy on ongoing training and development of the members of the Governing Body and senior management,		
	Complies partially	The members of the Board of Directors are businessmen with adequate experience and training for performing their functions. The Board of Directors has implemented ongoing training and development programs; it promotes and facilitates this activity and evaluates the skills necessary for senior managers to conduct their activities.
II.1.2 If relevant, add other policies applied by the Governing Body which have not been mentioned and describe their important points.		
	Complies	The Board has made an analysis of the need for new policies and considered that are not necessary.
II.1.3 The Issuer has a policy aimed at ensuring the availability of relevant information for the decision making process of the Governing Body and for consultation at management level, which is even for all members executive, external and independent members and well in advance, allowing for an appropriate analysis of its contents. Please specify.		
	Complies	Information meetings are held on a weekly basis within each management sector and reported to the Board of Directors. The Board of Directors can have absolute access to all available information on all discussed matters.
<u>Recommendation II.2: Ensure an effective Management Control of the Issuer.</u> Answer if: The Governing Body verifies: II.2.1 compliance with annual budget and business plan,		
	Complies	The Board of Directors verifies this by means of the information received on a periodical basis from the Executive Director, who implements compliance with the annual budget and the business plan. There is a procedures manual available in the issuer's intranet, which contemplates the process from the preparation of the Annual Budget, with the information requirements for the different sectors, to the consolidation and final approval by the Board of Directors, and also the requests and approvals of additional budget requirements. In addition, deviations and compliance are analyzed on a periodical basis.

II.2.2 the performance of senior managers and compliance with objectives set for them (the level of profit foreseen versus the profit made, financial rating, quality of accounting report, market share, etc.). Describe the main aspects of the Management Control policy of the Issuer by detailing the techniques used and frequency of monitoring by the Governing Body.		
	Complies	The Board of Directors verifies this by means of the information provided on a periodical basis by the Executive Director with the help of Management. Managers attend the meetings and submit their reports. There is a Management Control procedure manual available in the issuer's intranet, which includes the description of the process for Management control of the economic and financial budgets for the months accumulated to date. In addition, management control meetings are held quarterly, to evaluate the degree of compliance and deviations from budget. The sources of the information analyzed are the accounting records and market data.
Recommendation II.3: Communicate the Governing Body's performance appraisal process and its impact. Answer if: II.3.1 Each member of the Governing Body Complies with the By laws and, if applicable, with the Operation Regulations of the Governing Body. Detail the main provisions of the Regulations. Indicate the degree of compliance with By laws and Regulations.		
	Complies	All of the members of the Board of Directors comply with the corporate By laws. It is worth mentioning that the Company's Governing Body does not have regulations for this operation and does not consider it necessary.
II.3.2 (The Governing Body discloses the results of its administration considering the objectives set at the beginning of the period, so that the shareholders may evaluate the degree of compliance with those objectives, containing both financial and non-financial aspects. In addition, the Governing Body presents a diagnosis about the degree of compliance with the policies mentioned in Recommendation II, items II.1.1 and II.1.2. Detail the main aspects of the assessment by the General Shareholders' Meeting of the degree of compliance by the Governing Body with the objectives set and the policies mentioned in Recommendation II, items II.1.1 and II.1.2, indicating the date of the Meeting when the assessment was submitted.		
	Complies	On a yearly basis, in its Annual Report, the Board of Directors presents the results of its administration and describes the actions taken, to enable the evaluation of its performance by the Shareholders' Meeting. Historically, the Shareholders' Meetings have approved these without observations. The last Meeting where this evaluation was submitted was on August 7, 2015.

Recommendation II.4: The number of external and independent members in the Governing Body of the Issuer should be significant. Answer if: II.4.1 The proportion of executive, external and independent members of the Governing Body (as defined by the regulations of this Commission) bears relation to the capital structure of the Issuer. Please specify.

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	Complies	In compliance with the provisions of section 109 of the CML, on occasion of the election of directors, each time that a candidate is proposed for the consideration of the Shareholders' Meeting this body is informed, before voting on this issue, of the status of independent or non-independent for each candidate. Also, after the Shareholders' Meeting and in compliance with the Regulations of the National Securities Commission (CNV), within 10 days of the election of the new directors, the CNV and the markets are informed of the personal data of each director, and also whether he has the status of independent or non-independent (this, under the modality of a sworn statement signed by each director). Currently, the Board of Directors is composed of 5 full directors, 2 out of which are independent. This composition allows for the correct fulfillment of the duties of the Board of Directors and the integration of the Audit Committee as provided by the CML.
II.4.2 In the current year, the shareholders have agreed at a General Meeting on a policy to maintain a proportion of independent members of at least 20% of the total number of members of the Governing Body. Describe the relevant aspects of such policy and any agreement of shareholders that clarifies the way members of the Governing Body are appointed and their term. Indicate whether the independence of the members of the Governing Body has been questioned during the year or if any abstentions or conflicts of interest have occurred.		
	Complies	The Company designates a proportion of Independent Directors on the total of members of the Board, to ensure compliance with the regulations in force in connection with the Audit Committee. As for the communication of the proportion of independent directors, this is documented in the transcription of the Shareholders' meetings in which the Directors are appointed, as required by regulations in force. Over the course of the fiscal year the independence of the members of the Board of Directors was not questioned and no abstentions were produced by conflicts of interest.
Recommendation II.5: Requiring the existence of regulations and procedures intended to select and propose members of the Governing Body and senior management of the Issuer. Answer if: II.5.1. the Issuer has a Committee for Appointments:		
	Does not comply	The Company does not have a Committee for Appointments, and it does not consider necessary to implement one, given that the functions of this committee, with the scope established in the regulations in force, are performed directly by the Shareholders' Meeting (as regards the selection of Directors); by the Board of Directors with support from the Human Resources Department (as regards the selection of the Executive Director), and by the Executive Director with support from the Human Resources Department (regarding senior managers).
II.5.1.1 made up of at least three members of the Governing Body, most of them, independent,		
	Does not comply	See explanation to II.5.1
II.5.1.2 chaired by an independent member of the Governing Body,		
	Does not comply	See explanation to II.5.1

II.5.1.3 with members that accredits qualifications and experience in human capital issues,		
	Does not comply	See explanation to II.5.1

II.5.1.4 holding meetings at least twice a year.		
	Does not comply	See explanation to II.5.1
II.5.1.5 whose decisions are not necessarily mandatory for the General Shareholders' Meeting; rather, they are of an advisory nature in connection with the selection of the members of the Governing Body.		
	Does not comply	See explanation to II.5.1
II.5.2 If there is a Committee for Appointments, the same: II.5.2.1. verifies the annual review and evaluation of its regulations and proposes to the Governing Body modifications for its approval, II.5.2.2 proposes the development of criteria (qualifications, experience, professional reputation and ethics, among others) for the selection of new members of the Governing Body and senior managers, II.5.2.3 identifies the candidates for the Governing Body to be proposed to the General Shareholders' Meeting by the Committee, II. 5.2.4 suggests the members of the Governing Body that will be part of the different Committees of the Governing Body, according to their professional background, II. 5.2.5 recommends that the Chairman of the Board of Directors should not be the General Manager of the Issuer at the same time, II. 5.2.6 ensures availability of the curriculum vitae of the members of the Governing Body and senior management on the Issuer's website, with their terms of office explicitly indicated in the first case, II.5.2.7 verifies the existence of a succession plan for the Governing Body and the senior managers, II.5.3 If considered relevant, include the policies applied by the Issuer's Appointments Committee that have not been mentioned in the preceding point.		
	Does not comply	See explanation to II.5.1
Recommendation II.6: Evaluating the convenience that the members of the Governing Body and/or syndics and/or members of the surveillance committee perform functions at several Issuers. Answer if: The Issuer sets a limit for the members of the Governing Body and/or syndics and/or members of the surveillance committee to perform functions in other entities not belonging to the economic group that the Issuer heads or forms part of. Specify this limit and detail if any infringement to the limit was committed in the course of the year.		
	Complies	The Code of Conduct establishes that the directors and managers may be a part of the personnel of the affiliate companies, provided that this is publicly known and that their acting is transparent and there are no interferences in the performance of their functions in such a way that they are unable to make an impartial decision for one of the parties. Regarding other non-affiliate companies, the Company's practice is that there is no limitation to the extent that there is no conflict of interests; in all cases, the incompatibilities and limitations included in sections 264, 273 and 286 of Law No. 19550 and amendments must be taken into account.

Recommendation II.7: Ensure the training and development for the members of the Governing Body and the senior management of the Issuer. Answer if: II.7.1 The Issuer has Continuing Education programs related to the needs existing at the Issuer for the members of the Governing Body and senior management, including contents about their roles and responsibilities, comprehensive corporate risk management, specific knowledge of the business and its regulations, the dynamics of corporate governance and corporate social responsibility matters. In the case of the members of the Audit Committee, international accounting, audit and internal control standards, and specific regulations of the capital market. Describe the programs developed in the course of the year and their degree of compliance.		
	Complies	In addition to what is stated in II.1.1.9, the members of the Board of Directors have the experience as well as the knowledge and professional training adequate for performing their functions. To date, training takes place according to the specific needs that may exist. Regarding Senior Managers, the following training courses were implemented during the year: - Managerial development program (generational diversity; listening and feedback; the boss as coach; mental models and conflicts in teams; leadership challenges; wished changes) - IAE - Coaching processes for the development of management competencies - Strategic seminars on the assessment of energy perspectives in Argentina - SPE - Courses on techniques, work, and lines of study being carried out worldwide in geology and geophysics - Seminars on mature gas fields - Management Control and Balanced Scorecard in the Oil Industry, with a focus on the needs and advantages of an effective management follow-up at the different levels of the organization - Finance for non-specialists (IAE) - Refreshing cycle on Political and Economic Outlook nationally and internationally. - Training seminars on tax issues
II.7.2 The Issuer, by means other than those mentioned in II.7.1, encourages the members of the Governing Body and senior management to maintain a continuing education that supplements their educational level in a way that adds value to the Issuer. Describe the ways in which this is done.		
	Complies	By means of their participation in events, forums, seminars and congresses.
PRINCIPLE III. ENDORSE AN EFFECTIVE POLICY TO IDENTIFY, MEASURE, MANAGE AND COMMUNICATE CORPORATE RISK Within the framework for corporate government: Recommendation III: The Governing Body must have a comprehensive corporate risk management policy and monitor its correct implementation. Answer if: III.1 The Issuer has comprehensive corporate risk management policies (fulfillment of strategic, operational, accounting, financial reporting, laws and regulations, and other goals). Make a description of the most relevant aspects of these policies.		
	Complies	Internal procedures and policies for risk control are made effective through internal and external audits and by the Audit Committee. The Audit Committee, in the exercise of its functions and according to what is established by the

		standards in force, the Regulations for the Audit Committee and following its action plan for the year, supervises the application of the Company's information policies for risk management and informs about this in its yearly report. Considering that the most significant risk for the Company, according to the nature of its activity, is environmental risk, Capex has certified the field, the generation plant and the LPG plant under the ISO 14001 standard, and it has a policy on environmental management and safety. With respect to the financial risks on the annual financial statements, there is a description of the risks and their effect on the results.
III.2 There is a Risk Management Committee within the Governing Body or the General Management. Report on the existence of procedure manuals and detail the main risk factors specific to the Issuer or its activity and the actions implemented for mitigation. If no such Committee exists, then describe the oversight role performed by the Audit Committee in connection with risk management. Also, specify the degree of interaction between the Governing Body or its Committees and the Issuer's General Management regarding comprehensive corporate risk management.		
	Complies	Through the follow-up of business and its management functions, the Executive Board assesses the risks and together with the Managers involved takes the necessary measures to mitigate them. The Executive Board permanently keeps the Board of Directors informed. Also, and considering the Group's activity, there is a risk matrix for environmental management and safety and risk management procedures.
III.3 Within the Issuer's General Management there is an independent function in charge of implementing the policies on comprehensive risk management (function of the Risk Management Officer or equivalent). Please specify.		
	Complies	There is an Environmental Management and Safety Manager, who reports hierarchically to the Executive Director. Also, in connection with the other risks, the Internal Auditor performs an equivalent function, reporting to the Executive Director.
III.4 The policies on comprehensive risk management are constantly updated, in accordance with well-known methodologies and recommendations. Mention which ones (Enterprise Risk Management, according to the conceptual framework of COSO – Committee of sponsoring organizations of the Treadway Commission –, ISO 31000, IRAM 17551 standard, Section 404 of Sarbanes-Oxley Act, other).		
	Complies partially	Each manager´s office evaluates the review of its procedures and, according to what is mentioned in point III.2 the necessary procedures are discussed with the Executive Board and updated.
III.5 The Governing Body reports on the results of the risk management oversight performed jointly with the General Management in the financial statements and the annual report. Specify the main points of the statements made.		
	Complies	The financial statements include references to financial risks and their effects on the results of operations, as well as relevant information on environmental management and safety. It must be mentioned that the Company complies with national and provincial regulations regarding environmental management and safety reports; also, through the Executive Director, the Board of Directors is

		kept informed of the events occurred during operation and of the actions taken for their treatment or remediation. At the closing date of the financial statements there are no material contingencies, and the commitments undertaken with the authorities for the year are being complied with.

PRINCIPLE IV SAFEGUARD THE INTEGRITY OF FINANCIAL INFORMATION WITH INDEPENDENT AUDITS Recommendation IV: Guarantee independence and transparency in the functions entrusted to the Audit Committee and the External Auditor. Answer if: IV.1. The Governing Body, at the time of selecting the members of the Audit Committee and taking into account that the majority of them must be independent, assesses whether it is convenient that the Committee is chaired by an independent member.		
	Complies partially	In compliance with regulations, the Committee is comprised of three or more members of the Board of Directors, chosen on a majority of votes; the majority of these directors must be independent and they must have professional training according to the standards of the CNV and the applicable regulations. Without detriment to the above, that the Committee be chaired by an independent member was not evaluated specifically.
IV.2 There is an internal audit function that reports to the Audit Committee or to the Chairman of the Governing Body and that is responsible for evaluating the internal control system. Indicate if the Audit Committee or the Governing Body performs a yearly evaluation of the performance of the internal audit area and the degree of independence of their professional work, meaning that the professionals responsible for that function are independent of the other operating areas and that they also fulfill the independence requirements with respect to the controlling shareholders or the related entities that exercise significant influence on the Issuer. Also, specify if the internal audit function performs its work in accordance with the international standards for the professional practice of internal audit, issued by the Institute of Internal Auditors (IIA).		
	Complies partially	The Audit Committee, on a yearly basis, verifies the performance of the internal auditor and analyzes his work and degree of independence.
IV.3 The members of the Audit Committee perform a yearly evaluation of the competence, independence and performance of the External Auditors appointed by the Shareholders' Meeting. Describe the relevant aspects of the procedures applied to perform the evaluation.		
	Complies	The Audit Committee evaluates the competence, independence and performance of the External Auditors appointed by the Shareholders' Meeting. Every year it issues a report on the following procedures and work performed: Analysis of the services proposals and External Auditors' fees; maintaining the conditions of independence, and inquiry to Company's officers about the existence of facts that could affect the auditor's independence; analysis of the work plans, their development and results; planning and approach of jobs, etc. An opinion is issued, based on the applicable regulations and the Regulations for the Committee.

IV.4 The Issuer has a policy on the rotation of the members of the Syndics' Committee and/or the External Auditor; and in connection with the latter, if the rotation includes the external audit firms or only the individuals.		
	Complies partially	Regarding the rotation of the members of the Syndics' Committee, the Company does not have a specific policy, given that the composition of the Committee is renewed every year (a new Syndics' Committee is elected, even though the members might be the same ones). Regarding the rotation of the External Auditor, the Company applies the provisions contained in the regulation of the National Securities Commission relating the rotation of the external auditors.

PRINCIPLE V. RESPECT THE RIGHTS OF SHAREHOLDERS Recommendation V.1: Ensure that the shareholders have access to the Issuer information. Answer if: V.1.1 The Governing Body promotes informative meetings with the shareholders on a periodical basis, in coincidence with the presentation of the interim financial statements. Specify, indicating the number and frequency of meetings held during the course of the year.		
	Complies partially	The Company complies with the periodical information regimes instituted by the Standards and Regulations of the Buenos Aires Stock Exchange. By means of this information system, all the information about the Company that is considered relevant is made known to the public, so that its shareholders may keep informed. Apart from the information that must be made available to the Buenos Aires Stock Exchange and the CNV within the framework of legal information requirements, the Company discloses all the information that is considered relevant directly to the Shareholders, in a transparent and accurate way, as requested.
V.1.2 The Issuer has mechanisms for providing information to investors and a specialized sector for handling their queries and consultations. Furthermore, it has a website that can be accessed by the shareholders and other investors, with an access channel enabled for them to contact among themselves. Provide details.		
	Complies partially	The representatives for Market Relations are the persons in charge of answering queries and concerns from shareholders and investors. In addition, the Company has a website with free access, where institutional information is supplied, and which includes a link to the official web page of CNV where all its financial and relevant information can be consulted.
Recommendation V.2: Promoting active participation of all the shareholders. Answer if: V.2.1 The Governing Body takes measures to promote the participation of all the shareholders in the General Shareholders' Meetings. Specify, distinguishing between the measures required by law and those voluntarily offered by the Issuer to its shareholders.		
	Complies partially	The Company complies with legal requirements and considers that no additional measures are necessary.

V.2.2 The General Shareholders' Meeting has Regulations on its functioning to ensure that the information is available to the shareholders sufficiently in advance for decision-making. Describe the main guidelines of those regulations.		
	Does not comply	The Company does not consider it necessary to have Regulations on the functioning of the Shareholders' Meetings, because it thoroughly complies with the legal requirements established for the meetings, according to regulations in force. Also, the Company makes all the required information available to the Shareholders within the prescribed terms.
V.2.3 The mechanisms implemented by the Issuer apply for minority shareholders to propose issues to be discussed at the General Shareholders' Meeting, in line with regulations in force. Explain the results.		
	Complies	There is no impediment, arising from the by-laws or facts, for minority shareholders to propose issues for discussion at the Shareholders' Meetings, according to regulations in force.
V.2.4 The Issuer has policies in place to encourage the participation of relevant shareholders, such as institutional investors. Specify.		
	Does not comply	The Company does not have such policies, because they could attempt against the principle of equal treatment. Further, the Board of Directors considers that the institutional investors have enough qualifications to decide their involvement.
V.2.5 At Shareholders' Meetings where the appointment of members of the Board of Directors are proposed, the following is made known, prior to the voting: (i) the position of each candidate regarding the adoption or non-adoption of a Corporate Governance Code; and (ii) the grounds for each such position.		
	Complies	In the Shareholders' Meetings held on August 7, 2015 the positions of the candidates regarding the adoption or non-adoption of a corporate governance code were made known, prior to the voting.
Recommendation V.3: Ensure the principle of equality between share and vote. Answer if: The Issuer has a policy to encourage the principle of equality between share and vote. Indicate how the composition of outstanding shares by class of shares has changed over the last three years.		
	Complies	The Company encourages the equality between share and vote, as prescribed by its By-laws, where it is established that all the Company's shares are ordinary (class A) shares, entitled to one vote each and of nominal value one peso (N/V$ 1) each.
Recommendation V.4: Establish mechanisms to protect all shareholders from takeovers. Answer if: The Issuer adheres to System for the Mandatory Acquisition of Shares in a Public Offering. Otherwise, explain if there are other mechanisms included in the by-laws, such as tag along rights.		
	Does not comply	The Company and the Shareholders' Meeting decided not to adhere to the System for the Mandatory Acquisition of Shares in a Public Offering. This decision was included in the By laws. Also, there are no alternative mechanisms in the by-laws such as tag along. The Board of Directors does not deem it necessary to reconsider this issue.

Recommendation V.5: Encouraging the Shareholding dispersion of the Issuer. Answer if: The Issuer has a Shareholding dispersion of at least 20 per cent of its ordinary shares. Otherwise, whether the Issuer has a policy to increase its share dispersion in the market. Indicate the percentage of Shareholding dispersion as a percentage of the Issuer's capital and the changes in that percentage over the last three years.		
	Does not comply	Currently, the directly and indirectly controlling shareholders hold an interest of 87.02% of the capital stock, while the remaining percentage is traded by various stakeholders, in the Stock Exchange.
Recommendation V.6: Ensure that there is a transparent dividend policy. Answer if: V.6.1 The Issuer has a dividend distribution policy set forth in the By laws and approved by the Shareholders, which establishes the conditions to distribute cash or stock dividends. If any, indicate the criteria and conditions for and frequency of distribution of dividends.		
	Does not comply	The Company does not have a policy on dividends. On a yearly basis, it evaluates whether it is convenient to submit a proposal for distribution to the Shareholders' Meeting. To perform this assessment, the Board of Directors takes into account the results for the year, the Company's liquidity, the future needs for financing and other considerations, including economic and financial projections of their own and of the macro-economic context in general.
V.6.2 The Issuer has documented processes for the preparation of a proposal to allocate the Issuer's retained earnings, which may lead to setting up legal, statutory or optional reserves, their carry-forward to a new fiscal year and/or dividend payments. Describe those processes and indicate in which Minutes of Shareholders' Meeting the distribution or non-distribution of dividends (whether cash or stock dividends) was approved, if not envisaged by the By-laws.		
	Complies partially	The Directors, after evaluating the legal requirements and the Company's financial and business situation, prepares a proposal for allocation of earnings, which is included in the Annual Report.

PRINCIPLE VI. MAINTAIN A DIRECT AND RESPONSIBLE RELATION WITH THE COMMUNITY Recommendation VI: Disclose to the community the matters related to the Issuer and provide a direct communications channel with the company. Answer if: VI.1 The Issuer has an updated website with public access, which not only contains relevant information on the company (By laws, economic group, composition of the Governing Body, financial statements, annual report, among others) but also allows users to make generally concerns.		
	Complies partially	The website does not allow users to post concerns, although queries are answered immediately by the representative for market relations.
VI.2 The Issuer presents a Social and Environmental Responsibility Report annually, audited by an independent external auditor. If any, state the scope or legal or geographical coverage and where it is available. Specify rules or initiatives adopted to carry out its corporate social responsibility policy (Global Reporting Initiative and/or United Nations Global Compact, ISO 26000, SA8000, Millennium Development Goals, SGE 21-Foretica, AA 1000, Ecuador Principles, among others.		
	Complies partially	The Company meets and adheres to the principles under the Global Compact initiative and annually presents the Communication on Progress (COP) report, detailing the corporate social responsibility actions it carries out (https://www.unglobalcompact.org/). Also, the Company issues an Environmental Monitoring report for Works and Tasks (MAOT) audited by an independent auditor.

		Additionally, the Company prepares an annual report detailing the corporate social responsibility activities carried out during the year.

PRINCIPLE VII. JUST AND RESPONSIBLE REMUNERATION

Recommendation VII: Establishing clear remuneration policies for the members of the Governing Body and senior managers of the Issuer's first line with an emphasis on the consecration of conventional or statutory limitations, on the existence or non-existence of profits.
Answer if:
VII.1. The Issuer has a Remunerations Committee:

	Complies partially	The formulation and application of policies on remunerations, benefits and others are made as follows: 1) for the members of the Board of Directors, their remuneration is determined by the Shareholders' Meeting; 2) for the members of senior management, the Issuer has a Remunerations Committee comprised of three members of the Board of Directors and the Executive Director.
VII.1.1 made up of at least three members of the Governing Body, most of them, independent		
	Does not comply	The members of the Board of Directors that integrate it are not independent.
VII.1.2 chaired by an independent member of the Governing Body		
	Does not comply	See explanation to VII.1.1.
VII.1.3 with members proficient and experienced in Human Resources policies		
	Complies	Its members have wide experience in that field.
VII.1.4 holding meetings at least twice a year		
	Complies	Meetings are held twice a year.
VII.1.5 whose decisions are not necessarily mandatory for the General Shareholders' Meeting or Surveillance Committee; rather, they are of an advisory nature in connection with the remuneration of the members of the Governing Body		
	N/A	N/A See answer to VII.1.
VII.2 In case there is a Remunerations Committee, the same:		
VII.2.1 ensures that there is a clear relation between the performance of key employees and their fixed and variable remuneration, considering the risks involved and their management		
	Complies	Key personnel receive a monthly remuneration and a yearly variable compensation. The monthly remuneration is determined on the basis of the position held and of the training, skill and experience of each officer. The yearly variable compensation consists in a bonus, subject to the Company's goals and to the achievement of individual goals. These goals are supervised by the Committee of Goals, integrated by senior managers and reporting to the Executive Director.
VII.2.2 supervises that the variable portion of the remuneration of the members of the Government Body and senior managers is commensurate with the Issuer's medium and/or long term performance		
	Complies	Yes
VII.2.3 reviews the competitive position of the Issuer's policies and practices in relation to the remuneration and benefits of comparable companies and recommends or not changes,		

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	Complies	Remuneration and benefits for officers and employees are the result of market studies performed by the Company (either on its own account or through top-tier specialized companies providing services) to ensure their adequacy.
VII.2.4 defines and communicates the policies on retention, promotion, dismissals and lay-offs of key personal		
	Complies	It is communicated and defined through the Remunerations Committee.
VII.2.5 announces the guidelines to determine retirement plans of the members of the Issuer's Governing Body and senior managers		
	Complies	The Remunerations Committee sets the applicable criteria in case of retirement.
VII.2.6 regularly reports to the Governing Body and the Shareholders' Meeting on the tasks performed and topics discussed at its meetings.		
	Does not comply	
VII.2.7 ensures the presence of the Chairman of the Remunerations Committee on the General Shareholders' Meeting approving remunerations to the Governing Body so that it can explain the Issuer's policy on remunerations of the members of the Governing Body and senior managers		
	Does not comply	If at the shareholders' meetings there is a request of information about the policy on remunerations to the directors and senior managers, the pertinent explanations will be given by the General Management.
VII. 3 If considered relevant, mention the policies applied by the Issuer's Remunerations Committee that have not been mentioned in the preceding issues.		
	N/A	N/A
VII. 4 If there is no Remunerations Committee, explain how the functions mentioned in Section VII.2 are performed within the Governing Body.		
	N/A	N/A

PRINCIPLE VIII. ENCOURAGE BUSINESS ETHICS Recommendation VIII: Ensure ethical conduct by the Issuer. Answer if: VIII.1 The Issuer has a Code of Business Conduct. Indicate main guidelines and if the Code is of public knowledge. The Code is signed by at least the members of the Governing Body and senior managers. State whether its application is encouraged among suppliers and customers.		
	Complies	Capex directors, managers and employees are aware of the Code of Conduct and apply it to the work activities in general. The Company has a Code of Conduct which determines working guidelines for shareholders, customers and suppliers, employees and the community.
VIII.2 The Issuer has mechanisms to receive complaints of illicit or unethical conduct, whether personally or by electronic means, ensuring that the information provided is kept in strict confidence and integrity and properly recorded. Indicate if the receipt and assessment of complaints work is performed by the Issuer's employees or external and independent professionals for greater protection of the complainants.		
	Complies	Capex has all the communications channels open and available for its employees; those of direct communication with its head-managers as well as with the Human Resources department. The Company expects that its employees report all violations to laws or internal

		procedures through any of these channels so that they can take the necessary corrective actions, where applicable. Those employees who wish to make a suggestion or report violations to any law or procedure and do not want to be identified, can also do so through the suggestions box. Such box is managed by the Internal Auditor. All the information related to this policy is treated as confidential on the understanding that any inquiry may involve the participation of a specialist in the subject who will also maintain confidentiality.
VIII.3 The Issuer has policies, procedures and systems for the management and resolution of complaints mentioned in point VIII.2. Describe the most relevant aspects and state the level of participation of the Audit Committee in such resolutions, particularly complaints related to internal control issues to report accounting matters and those related to the conduct of the Governing Body and senior managers.		
	Complies	Depending on the nature of the event, the Internal Audit department will assess such event on an independent basis, and if necessary, determine the participation of third parties specialized in the matter. The employee should generally address the matter with someone from a higher senior level, if available, and if the employee considers that it deserves consideration, will report it to an immediate superior or even to the Human Resources department. The bosses or the Human Resources department are the ones who determine which other sector should participate, if the matter so requires. Only in extreme circumstances, the employee could directly contact the Internal Auditor. Any issue related to the Executive Director will be directly addressed by the Audit Committee.

PRINCIPLE IX: EXTEND THE SCOPE OF THE CODE Recommendation IX: Encouraging the incorporation of good governance practices in the By laws. Answer if: The Governing Body assesses if the provisions of the Corporate Governance Code must be shown, in whole or in part, in the By-laws, including the general and specific responsibilities of the Governing Body. Indicate which provisions are effectively included in the By-laws from the effective date of the Code up to the present day.		
	Complies	The Company has made the assessment, concluding that the provisions of the By-laws together with the legal regulations applicable to the Company are sufficient in terms of corporate governance and Board responsibilities. Therefore, the Company has considered that it is not necessary to add, partially or in full, the Corporate Governance Code to the By-laws.

Capex S.A.

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BOARD OF DIRECTORS AND SYNDICS' COMMITTEE

President

Mr. Alejandro Götz

Vice-president

Mr. Pablo Alfredo Götz

Directors

Mr. Rafael Andrés Götz

Mrs. Lidia Argentina Guinzburg

Mr. René Balestra

Alternate directors

Mrs. Marilina Manteiga

Mr. Miguel Fernando Götz

Statutory Syndics

Mr. Norberto Luis Feoli

Mr. Edgardo Giudicessi

Mr. Mario Árraga Penido

Alternate Syndics

Mrs. Claudia Marina Valongo

Mrs. Andrea Mariana Casas

Mrs. Claudia Angélica Briones

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CAPEX S.A.

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended April 30, 2016 compared with the prior year

Fiscal year No. 28 commenced on May 1, 2015

Company legal domicile: Córdoba Av. 948/950, 5th floor, department C, City of Buenos Aires

Company main activity: Generation of electricity

Registration number with the Superintendence of Commercial Companies: 1,507,527

Date of by-laws: December 26, 1988

Date of the latest registration with the Public Registry of Commerce:

- Latest amendment: September 30, 2005

Duration of Company: December 26, 2087

Name of parent company: Compañías Asociadas Petroleras Sociedad Anónima (C.A.P.S.A.)

Legal domicile: Córdoba Av. 948/950, 5th floor, department C, City of Buenos Aires

Main activity: Exploitation of hydrocarbons

Participation of parent company in capital stock and votes: 75.2%

CAPITAL STOCK (Note 17)

Type of shares	Subscribed, paid-in and registered with the Public Registry of Commerce
	$
179,802,282 ordinary, book-entry Class "A" shares of $ 1 par value and one vote each, authorized to be placed for public offering	179,802,282

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Capex S.A.

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Consolidated Statement of Financial Position
At April 30, 2016 and 2015
Stated in pesos

	Note/ Exhibit	04.30.2016	04.30.2015
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**6 / A**	4,553,549,826	2,646,497,530
Financial investments at amortized cost	**15 / D**	-	354,415,925
Spare parts and materials	**11**	160,296,481	68,755,769
Other accounts receivable	**13**	113,570,294	76,087,875
Trade accounts receivable	**14**	100,444,863	54,988,586
Total Non-Current Assets		**4,927,861,464**	**3,200,745,685**
CURRENT ASSETS			
Spare parts and materials	**11**	47,140,393	20,252,806
Inventories	**12**	3,274,450	566,297
Other accounts receivable	**13**	103,856,669	71,104,895
Trade accounts receivable	**14**	699,074,460	332,069,658
Financial investments at amortized cost	**15 / D**	568,799,995	-
Cash and cash equivalents	**16**	244,425,609	392,703,520
Total Current Assets		**1,666,571,576**	**816,697,176**
Total Assets		**6,594,433,040**	**4,017,442,861**

The accompanying Notes 1 to 37 and Exhibits A and D to H form an integral part of these consolidated financial statements.

Alejandro Götz
Chairman

Capex S.A.

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

Consolidated Statement of Financial Position

At April 30, 2016 and 2015

Stated in pesos

	Note / Exhibit	04.30.2016	04.30.2015
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Capital stock	**17**	179,802,282	179,802,282
Additional paid-in capital	**17**	79,686,176	79,686,176
Legal reserve	**18**	23,508,318	-
Free reserve	**18**	43,367,267	-
Reserve for assets revaluation	**18**	1,692,108,746	671,801,964
Retained earnings	**19**	(231,664,704)	66,875,585
Total shareholders' equity attributable to shareholders		**1,786,808,085**	**998,166,007**
Non-controlling interest		10,490,689	9,062,742
Total shareholders' equity		**1,797,298,774**	**1,007,228,749**
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade accounts payable	**20**	33,176,202	20,010,647
Financial liabilities	**21**	3,152,592,897	1,988,232,816
Net deferred tax liabilities	**7**	883,596,008	460,313,748
Provisions and other charges	**25 / E**	3,244,352	2,367,385
Total Non-Current Liabilities		**4,072,609,459**	**2,470,924,596**
CURRENT LIABILITIES			
Trade accounts payable	**20**	339,763,833	222,677,877
Financial liabilities	**21**	238,186,176	230,389,325
Salaries and social security contributions	**22**	50,861,297	40,094,493
Taxes	**23**	39,852,551	25,926,106
Other liabilities	**24**	55,860,950	20,201,715
Total Current Liabilities		**724,524,807**	**539,289,516**
Total Liabilities		**4,797,134,266**	**3,010,214,112**
Total Shareholders' equity and liabilities		**6,594,433,040**	**4,017,442,861**

The accompanying Notes 1 to 37 and Exhibits A and D to H form an integral part of these consolidated financial statements.

Alejandro Götz
Chairman

Capex S.A.

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

Consolidated Statement of Comprehensive Income
For the fiscal years ended April 30, 2016 and 2015
Stated in pesos

	Note/ Exhibit	04.30.2016	04.30.2015
Net sales	26	1,844,804,297	1,260,911,657
Cost of sales	F	(619,527,735)	(473,719,532)
Gross profit		**1,225,276,562**	**787,192,125**
Exploration expenses	34	(76,710,629)	(174,860,302)
Selling expenses	H	(254,210,741)	(170,351,345)
Administrative expenses	H	(129,906,146)	(91,527,822)
Other operating (expenses) / income, net	27	(952,088)	1,298,689
Operating income		**763,496,958**	**351,751,345**
Financial income	28	400,256,348	127,500,389
Financial costs	28	(1,561,354,345)	(474,939,782)
Other financial income	E	456,913	69,516
Result before income tax		**(397,144,126)**	**4,381,468**
Tax on assets		-	(431,582)
Income tax	29	137,218,320	(3,561,977)
Net result for the year		**(259,925,806)**	**387,909**
Other comprehensive results	18	1,049,995,831	743,518,138
Net result for the year		**790,070,025**	**743,906,047**
Net result for the year attributable to:			
Company shareholders		**(259,556,433)**	**531,482**
Non-controlling interest		**(369,373)**	**(143,573)**
Net result for the year		**(259,925,806)**	**387,909**
Net comprehensive result for the year attributable to:			
Company shareholders		**788,642,078**	**739,897,223**
Non-controlling interest		**1,427,947**	**4,008,824**
Comprehensive result for the year		**790,070,025**	**743,906,047**
Basic and diluted net result per share attributable to:			
- Company shareholders	30	(1.44562)	0.00296
Basic and diluted comprehensive result per share attributable to:			
- Company shareholders	30	4.39410	4.11506

The accompanying Notes 1 to 37 and Exhibits A and D to H form an integral part of these consolidated financial statements.

Alejandro Götz
Chairman

Capex S.A.

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

Statement of Changes in Shareholders' Equity
For the fiscal years ended April 30, 2016 and 2015
Stated in pesos

	Attributable to the Company shareholders									
			Retained Earnings							
	Capital Stock		Retained earnings			Other accumulated comprehensive income				
	Outstanding shares	Additional paid-in capital	Legal reserve	Free reserve (1)	Special reserve for implementation of IFRS	Reserve for assets revaluation (2)	Unappropriated retained earnings	Subtotal	Non-controlling interest	Total Shareholders' equity
Balance at April 30, 2014	**179,802,282**	**79,686,176**	**21,225,830**	**10,164,434**	**192,356,878**	-	**(224,966,816)**	**258,268,784**	**5,053,918**	**263,322,702**
Ordinary and Extraordinary Shareholders' Meeting of August 5, 2014	-	-	(21,225,830)	(10,164,434)	(192,356,878)	-	223,747,142	-	-	-
Comprehensive result for the year	-	-	-	-	-	739,365,741	531,482	739,897,223	4,008,824	743,906,047
Reversal of reserve for assets revaluation	-	-	-	-	-	(67,563,777)	67,563,777	-	-	-
Balance at April 30, 2015	**179,802,282**	**79,686,176**	-	-	-	**671,801,964**	**66,875,585**	**998,166,007**	**9,062,742**	**1,007,228,749**
Ordinary Shareholders' Meeting of August 7, 2015 (Note 19)	-	-	23,508,318	43,367,267	-	-	(66,875,585)	-	-	-
Comprehensive result for the year (Note 18)	-	-	-	-	-	1,048,198,511	(259,556,433)	788,642,078	1,427,947	790,070,025
Reversal of reserve for assets revaluation (Note 18)	-	-	-	-	-	(27,891,729)	27,891,729	-	-	-
Balances at April 30, 2016	**179,802,282**	**79,686,176**	**23,508,318**	**43,367,267**	-	**1,692,108,746**	**(231,664,704)**	**1,786,808,085**	**10,490,689**	**1,797,298,774**

(1) For the distribution of future dividends and/or investments and/or cancellation of debts and/or absorption of losses.
(2) See Note 18

The accompanying Notes 1 to 37 and Exhibit A and D to H form an integral part of these Consolidated Financial Statements.

Alejandro Götz
Chairman

Capex S.A.

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

Consolidated Statement of Cash Flows

For the fiscal years ended April 30, 2016 and 2015

Stated in pesos

	Note / Exhibit	04.30.2016	04.30.2015
Cash flows from operating activities:			
Comprehensive result for the year		790,070,025	743,906,047
Adjustments to arrive at net cash flows provided by operating activities:			
Exchange differences generated by cash and cash equivalents		(561,465)	(36,213)
Income tax	29	(137,218,320)	3,561,977
Tax on assets		-	431,582
Interest accrued on financial liabilities and others	21	390,552,377	235,660,147
Exchange difference generated by financial liabilities and LIBO rate swap	21	1,117,800,107	189,604,553
Exchange difference from placements in financial investments at amortized cost not considered as cash or cash equivalents		(210,704,457)	(35,982,886)
Exchange difference for assignment of rights		(18,222,342)	(3,915,326)
Interest accrued from accounts receivable and payable	28	7,458,462	(3,257,672)
LIBO rate swap	28	-	(1,079,814)
Amortization of property, plant and equipment	6 / A	273,202,426	205,980,533
Write-off and provision Río Negro areas	6 / A	76,710,629	175,008,522
Provision for Property, plant and equipment	6 / A	(456,913)	(69,516)
Other comprehensive results	18	(1,049,995,831)	(743,518,138)
Recovery of the provision for turnover and obsolescence of spare parts and materials	11 and 27	(150,039)	(336,824)
Provisions for lawsuits and fines	25 / E	1,509,967	556,886
Changes in net operating assets and liabilities:			
Increase in trade accounts receivable		(416,162,015)	(149,773,844)
Increase in other accounts receivable		(48,354,218)	(24,722,495)
(Increase) / Decrease in inventories		(2,708,153)	344,873
Increase in spare parts and materials		(118,278,260)	(19,158,186)
Increase in trade accounts payable		118,835,479	45,123,974
Increase in debts for remunerations and social security charges		10,766,804	10,077,491
Increase in taxes		9,044,654	7,530,603
Increase in other liabilities		35,659,235	12,400,556
Court judgements paid	25 / E	(633,000)	-
Tax on assets paid		(3,766,624)	(8,693,549)
Net cash flows provided by operating activities		**824,398,528**	639,643,281
Cash flows from investment activities			
Payments made for the acquisition of property, plant and equipment	6 / A	(633,362,736)	(349,998,605)
Disposals of property, plant and equipment	6	-	141,000,000
Evolution of financial investments at amortized cost not considered as cash or cash equivalents		(3,679,616)	1,308,881
Net cash flows used in investment activities		**(637,042,352)**	(207,689,724)
Cash flows from financing activities			
Interest paid and others	21	(325,472,701)	(199,527,628)
Financial liabilities settled	21	(93,938,926)	(92,387,846)
Financial liabilities obtained	21	234,438,668	144,328,262
Net cash flows used in financing activities		**(184,972,959)**	(147,587,212)
Net Increase in cash, cash equivalents and overdrafts		**2,383,217**	**284,366,345**
Exchange difference generated by cash and cash equivalents		561,465	36,213
Cash, cash equivalents and overdrafts at the beginning of the year	16	**241,480,927**	**(42,921,631)**
Cash, cash equivalents and overdrafts at the end of the year	16	**244,425,609**	**241,480,927**

Alejandro Götz
Chairman

Operations not generating changes in cash

Complementary information	**04.30.2016**	**04.30.2015**
Provision for well capping	7,767,499	3,905,442

The accompanying Notes 1 to 37 and Exhibits A and D to H form an integral part of these consolidated financial statements.

Alejandro Götz
Chairman

NOTE 1 – GENERAL INFORMATION

Capex S.A. ("the Company") and its subsidiaries Servicios Buproneu S.A. (SEB) and Hychico S.A. (Hychico) (jointly, "the Group") have as main activity the generation of electric power, the production of oil and gas, the provision of services related to the processing and separation of gases and the production of hydrogen and oxygen.

The Company was incorporated in 1988 to carry out oil and gas exploration in Argentina and it has subsequently added the electricity generation business.

In January 1991, the Company acquired 100% of the rights over the Agua del Cajón area located in the Neuquén Basin in the south east of the province of Neuquén, under a 25-year concession with an extension option for 10 years. On April 13, 2009, a Memorandum of Understanding was signed, whereby the province of Neuquén granted the Company an extension to the original term until January 11, 2026.

Consequently, the Company undertook to:

- pay US$ 17,000,000;
- Conduct an action plan that will include investments and expenses for an aggregate amount of US$ 144,000,000 until the expiration of the concession extension term;
- Pay an extraordinary 3% production fee;
- Pay an extraordinary charge which entails paying an additional percentage of the extraordinary fee ranging from 1% to 3% depending on the price of crude and natural gas with regard to a scale of reference prices.

The electricity generation business has a total nominal generation capacity of 672 MW (ISO), including an open cycle with a total nominal capacity of 371MW and a combined cycle with supplementary firing with a total nominal capacity of 301 MW.

To connect the power station with the National Interconnected System (SIN), a total of 111km of three high-voltage lines of 132kW were built, with Arroyito and Chocón Oeste being the interconnection points. Due to the operating needs of the combined cycle, an additional high-voltage line of 500 KW was built, the connection point of which is in Chocón Oeste. Thus, delivery is highly reliable and flexible.

The Company processes the gas produced, which is rich in liquefied components, in an LPG plant owned by SEB. Propane, butane and stabilized gasoline are obtained from this process. Propane and butane are sold separately and stabilized gasoline is sold together with crude oil, while the remaining gas is used as fuel to generate electricity. The efficiency levels of this plant are approximately 99.6%.

The Company started through Hychico two projects for the generation of wind power and the production of oxygen and hydrogen by electrolysis. Hydrogen is used as fuel for the generation of electric power, by mixing hydrogen with gas; oxygen is destined for the industrial gases market in the region and the produced wind power is sold in the WEM.

The Company trades its shares in the Buenos Aires Stock Exchange.

NOTE 1 – GENERAL INFORMATION (CONT'D.)

1.1 Economic context

With the change of government, the new authorities have introduced new regulations and amendments to certain laws that have an impact on the activities and economic variables in Argentina and the energy sector.

Those variables relating to the foreign exchange activity for the period prior to November 2011 were dated back, producing changes in some of the restrictions and maximum amounts then applicable for exchange transactions. As a result, the exchange rate from peso to US dollar experienced a depreciation of 60% (from April 2015 to April 2016), being its exchange rate $ 14.25 as of April 30, 2016. Currency quotation has derived from the fluctuations in supply and demand, with occasional interventions of the Enforcement Authorities.

Furthermore, the national authorities stated that the oil prices would continue being commensurate with the domestic market, taking into account the balance between the need to maintain the activity and the development of Argentina's resources and more competitive prices of the production inputs. Within this framework, to maintain a price to sustain the production activity while reducing the impact on fuel prices of the devaluation of the peso as against the US dollar, producers and refineries have negotiated a decrease in the prices set forth in their agreements.

As regards gas, the National Government has expressed the need to accompany the development of resources with prices tending to sustain and/or increase national production and reduce demand for foreign currency for the importation of gas. To this end, the Ministry of Energy and Mining through Res 41/16 increased prices for natural gas at the point of entry into the transportation system for each basin of origin from April 1, 2016. For the Neuquén basin and gas volumes allocated to electricity generation, the increase in dollars amounted to 106.3%.

As regards the electric market, Decree 134/15 declared the emergency of the Argentine electricity sector until December 31, 2017 and instructed the Ministry of Energy and Mining to implement an action plan for the electric power generation, transport and distribution segments of national jurisdiction, to improve the quality and safety of power supply and guarantee the provision of electricity public utility services in good technical and economic conditions. Certain measures were taken as a result of the decree mentioned, with the purpose of increasing the price of fuels in general. By means of Resolution 6/16 the tariff rates that can be charged by the distributing companies were increased, transferring a greater part of the price to users and, in particular, through Resolution 22/16 the tariffs collected by the generating companies were increased by 49% in the average, as from February 2016. Although in the opinion of the Company the measures so far implemented would not suffice, these measures, together with the statements by National Government officials, could show the way back to the principles set forth in Law 24065 and the restoration of rules and remunerations that can encourage the development of this sector with a view to supplying for the demand.

Regarding the new measures adopted by Government, the reinsertion of Argentina among international economies stands out. The agreement reached with the "holdouts" (holders of Argentine bonds that did not accept the debt swaps offered by the government) allowed for the country's return to international financial credit markets, with a substantial reduction of the country risk. The fact of leaving behind the default to holdouts will enable both public and private sectors to have a more fluent access to foreign credit. The Group estimates that, if the country continues along this path, in the medium term Argentina will have access to a more competitive and reasonable financing than other countries of the region.

The Group considers that it has a solid business structure which, with this new scenario and other measures that are still to be implemented, will make it possible to obtain good results in its operations in the future. This is evidenced by the improvement in operating results for the current year.

1.2- Regulatory framework for the oil, electricity, gas and LPG sectors

a) Oil sector

Federal Hydrocarbons Law 17319 and 27007

Ownership of fields

NOTE 1 – GENERAL INFORMATION (CONT'D.)

In its original wording, Law 17319 (Hydrocarbons Law) set forth that the liquid and gaseous hydrocarbons fields located in the Argentine territory and its continental shelf were the non-transferable, imprescriptible property of the National Government. However, this ownership was transferred to the Provinces in which the mentioned fields are located.

In Argentina, exploration and exploitation of oil and gas is performed through exploration permits, concessions for exploitation, and contracts for exploitation or partnership agreements.

On October 31, 2014, the National Congress enacted Law 27007, which amends Law 17319. Among the main amendments, we can mention that it gives legal status to the figure of concession for unconventional exploitation, created by Decree 929/13. It is established that the term of the Concession for the Unconventional Exploitation of Hydrocarbons will be effective for 35 years, with the possibility of time extensions for 10-year periods.

With the enforcement of this law, the term of the concessions for conventional exploitation is maintained at 25 years; however, successive renewals of 10 years are authorized for both conventional and non-conventional exploitation concessions. Even those concessions currently in place and already extended will be able to be renewed again. As to the renewal processes already started by the provinces, Law 27007 stated that they would have a 90-day period to complete the process.

Law 27007 eliminates, with future effect, the possibility that the Federal Government and the Provinces may reserve areas for exploitation by state-owned companies or entities, or companies or entities with state ownership. The law allows the grantor to decide the system that will be used to exploit and develop the areas reserved for this purpose but in relation to which no agreement has been entered into.

As for royalties, the law maintains a rate of 12%, as set forth by Law 17319. It also maintains the possibility of reducing the rate in certain cases up to 5% and allows increasing it up to 3% (resulting 15%). A ceiling of 18% is set for successive extensions.

Furthermore, Law 27007 created an Investment Promotion System for the Exploitation of Hydrocarbons for investment projects exceeding US$ 250 million and established that in, certain cases, part of the production may be freely traded in the foreign market, without paying export duties. In addition, it set forth that foreign currency obtained from the export of hydrocarbons may be freely disposed of.

Federal Law 26741

Public Interest Statement

On May 4, 2012 the Argentine Congress passed Law 26741 of National Hydrocarbons Sovereignty, which declared the self-sufficiency in the supply of hydrocarbons as well as in the exploration, exploitation, industrialization, transportation and sale of hydrocarbons a national public interest.

Among other issues, this law ordered that the National Executive Branch should be the authority in charge of setting the policies on hydrocarbons and of deciding the measures leading to the achievement of the goals established in the law, jointly with the provincial governments and with the public and private interests, domestic or international.

Decree 1277/12

On July 27, 2012 the National Executive Branch issued Decree 1277/12, regulatory of Law 26741 and, among other matters, provided for:

(i) revocation of the regulations on free availability of hydrocarbons,
(ii) the creation of a Committee for the Planning and Strategic Coordination of the National Plan for Investments in Hydrocarbon Resources (the "Committee"), which will implement the National Plan for Investments,
(iii) the creation of a National Registry of Investments in Hydrocarbon Resources,
(iv) all the companies in the sector are under the obligation to submit a yearly investment plan to the Technical Information Committee, on a quantitative and/or economic basis, to be presented on September 30 of each year,
(v) authorizing the Committee to set and publish the reference prices of each cost component and reference prices for the sale of hydrocarbons and fuels, which must be enough to cover the production costs and to obtain a reasonable profit margin.

NOTE 1 – GENERAL INFORMATION (CONT'D.)

Non-compliance with the Decree will be subject to the penalties included in Law 17319 and to suspension or deletion from the National Registry of Investments in Hydrocarbon Resources. The Committee will have exclusive jurisdiction to apply Law 26741 in connection with the hydrocarbon activities regulated by Decree 1277/12.

On December 29, 2015, Decree 272/15 of the National Executive Branch dissolved the Commission and many of its powers were cancelled, while those functions that were not repealed were transferred to the Ministry of Energy and Mining.

Export Duties

Through Resolution 01/2013 of the Ministry of Economy and Public Finance dated January 7, 2013, the reference prices and cut-off values fixed by Resolution 394/2007 were modified. A new "reference value" is set at 80 US$/bbl, and a floating rate, so that when the international price of oil is equal to or greater than the reference value, the producer receives 70 US$/bbl, which is the new "cut-off value".

The decrease in international prices prompted Resolution 803/2014 dated October 22, 2014, which sets a rate of 45%, provided that the international price is less than the reference value of 80 US$/bbl.

On December 29, 2014, by means of Resolution 1077/2014, Resolution 394/2007 was repealed and, accordingly, so was the mechanism of reference values and cut-off values used up to then. The new system sets forth that when the international price of crude oil (taking the Brent quotation as reference value) does not exceed 71 US$/bbl, the applicable rate will be 1%. In turn, the resolution defines a polynomial formula [(PI -70)/70 x 100], where PI is the international price, that can be used to apply variable withholdings when the international price of crude oil is over 71 US$/bbl. In this regard, it is stated that PI will equal the level of Brent less 8 US$/bbl.

Even when most of the local production of heavy crude oil is processed in the domestic market, there is an excess that is destined for export, which is affected by the external context of decreasing prices of crude oil. Due to this, the Ministry of Energy and Mining, by means of Resolution 32/2016 issued on March 11, 2016, created the Incentive Program for the Export of Excess Crude Oil, Escalante type from the Golfo San Jorge Basin; through this program, the beneficiary companies will be allowed the equivalent to 7.5 US$ per barrel exported. This compensation to oil companies is subject to the fact that the international price does not exceed the value of 47.5 US$/bbl.

Promotion of increased crude oil production and reserves: Oil Plus Program

The Oil Plus Program was created by the Executive Branch Decree 2014/08 and regulated by ES Resolution 1312/08. The program consisted in the granting of tax credit certificates applicable to the payment of export duties on behalf of producing companies compliant with the standard's requirements as regards the increase in oil production and addition of reserves. The incentive would be effective on a quarterly basis through the delivery of "Tax Credit Certificates" transferable at nominal value. The amount collected at April 30, 2015 is $ 4.1 million (see Note 27). By April 30, 2016 this program is no longer in force.

Program to encourage crude oil production

On February 3, 2015, through Resolution 14/2015 of the Ministry of Economy and Public Finance, the "Program to encourage crude oil production" was created to boost oil production in view of the fall in international prices This program was effective as from January 1, 2015 through December 31, 2015, without the National Executive making use of the extension for the 2016 year.

The benefit is a compensation of up to 3 US$/bbl for total production, provided that quarterly production is higher than or equals basic production (October – December 2014). However, in any case the sale price of the Company plus the compensation may not exceed 84 US$/bbl for Medanito crude quality oil.

The Company has registered in this program and during the quarter January – December 2015 it accrued $ 3.8 million (see Note 26), which are uncollected.

NOTE 1 – GENERAL INFORMATION (CONT'D.)

b) Electricity sector

b.1) Remuneration schedule – ES Resolution 95/13

On March 22, 2013, the Energy Secretariat adopted ES Resolution 95/13 introducing a new remuneration schedule for the power generation activity and numerous amendments to the WEM organization, also suspending the addition and renewal of new contracts in the MAT.

The resolution established a new general scope system in substitution of the previous remuneration schedule in effect for the entire generation sector (generators, self-generators and co-generators), except for: (i) binational hydroelectric power stations and nuclear power plants; and (ii) electricity generation under contracts regulated by the Energy Secretariat which contain a differential remuneration under ES Resolutions Nos. 1193/05, 1281/06, 220/07, 1836/07, 200/09, 712/09, 762/09, 108/11, 137/11 and any other electric power supply contract with a differential remuneration schedule established by the Energy Secretariat ("the generation agents encompassed by the Resolution").

The remuneration schedule applies to economic transactions as from February 2013.

The remuneration schedule includes three items:

i) Fixed cost remuneration: The fixed cost remuneration will be based on parameters that vary by type of generation, technology, scale and available power in each machine (based on the target availability defined by the Energy Secretariat) in the power remuneration hours (HRP). In no case will the price of the remuneration be lower than $/MW-hrp 12.00.

ii) Variable cost remuneration: Remuneration of variable costs (non-fuels), which replaced the remuneration of variable maintenance costs and other variable non-fuel costs, is calculated monthly on the basis of the energy generated by type of fuel. In the case of generation with natural gas the remuneration of variable costs amounts to $/Mwh 19.00. By Note 2053 of April 19, 2013, the Energy Secretariat recognized the remuneration of power made available to the generating unit, regardless of available fuel.

iii) Additional Remuneration The additional remuneration is determined monthly on the basis of the total generated power. A portion of the remuneration will be applied to a trust and reinvested in the financing of new infrastructure projects in the electricity sector, the specifications of which will be established by the Energy Secretariat.

The three items in the aggregate constitute the total remuneration receivable by the generators encompassed.

Recognition of fuel costs

As established by the resolution, the own fuel costs valued at the reference price will be recognized, as well as the recognized freight, the cost associated with transport and distribution of natural gas, and the related taxes and rates, provided that the following conditions are met: (i) that costs have been recognized by CAMMESA at the effective date of the Resolution; and (ii) that costs have originated in contractual relations assumed prior to the effective date of the Resolution.

The commercial management and dispatch of fuels for power generation was centralized on CAMMESA; as contractual relations between the WEM agents and their suppliers of fuels and associated inputs have become extinct, those associated costs were left to be recognized.

Payment priority

ES Resolution 95/13 established two different payment priorities. The first one includes the payment of the fixed cost remuneration, the variable cost remuneration and the recognition of the fuel prices. The second priority includes the additional remuneration.

Through Note 2053 of April 19, 2013, the Energy Secretariat established, as regards the priority to settle the remuneration described above, that the fixed cost remuneration, the variable cost remuneration and the additional remuneration directly settled in favor of the generator and the recognition of fuel costs will be equated with the priority set out in Section 4, sub-sect. e), of ES Resolution 406/03.

NOTE 1 – GENERAL INFORMATION (CONT'D.)

The ES also established that the amounts for the additional remuneration allocable to the trust are to be compatible with the amounts related to the application of Section 4, sub-section c), of ES Resolution 406/03.

Suspension of contracts with the MAT

The resolution established the suspension of new contracts in the MAT (excluding those derived from resolutions that set out a differential remuneration system), as well as their extension or renewal.

b.2) ES Resolution 529/14

On May 20, 2014 the Energy Secretariat issued Resolution 529/14, which updated the values of the remuneration schedule set in ES Resolution 95/13, introduced the notion of "Remuneration of Non-Recurring Maintenance" and changed the method for fixed costs remuneration, which will be adjusted based on availability according to the time of year. This schedule applied retroactively as of February 2014 for those generation agents that have adhered to ES Resolution 95/13, as the Company did.

Remuneration of non-recurring maintenance: In the case of generation with natural gas, the remuneration amounted to $/Mwh 21.00. This remuneration is determined monthly, calculated on the basis of the total generated power, and CAMMESA issues LVFVD which are exclusively intended for the financing of major maintenance works subject to approval by the Energy Secretariat (see item b.5)).

b.3) ES Resolution 482/15

On July 10, 2015 ES Resolution 482/15 was issued, which updated the values of the remuneration schedule set in ES Resolution 529/14, as from the economic transactions corresponding to February 2015.

At April 30, 2016, the effect of the amendments to ES Resolution 482/15 has been recognized for the period February to April 2015, for $ 18 million.

In addition, the Resolution added various amendments to the method for calculating the remuneration, for example (i) in the fixed costs, the reference power availability value will be determined based on the typical conditions of temperature in the facility, (ii) in the variable costs, incentives referring to the increase in payments due to the larger number of hours the plant is operative and a more efficient use of fuels (see Incentive to "Production" and "Operating Efficiency"), and (iii) in the remuneration of non-recurrent maintenance, a formula will be applied considering adjustments based on the power Use Factor in the latest year and on a Start-up Factor considering the number of starts based on the dispatch administered by CAMMESA in the latest year, which is computed up to the month prior to that of the transaction.

Incentive to "Production" and "Operating Efficiency"

It added an additional remuneration based on the volume of electricity produced over the year, varying according to the type of fuel, and rate of compliance with fuel consumption objectives.

The incentive for "Production" consists on a 10% increase in the Variable Costs for the electricity produced with natural gas from the week following that in which the machine has acquired an accumulated electricity generation over the calendar year of 50% of its production capacity with the pertinent fuel and for its medium effective power, to the end of that calendar year.

The incentive for "Efficiency" consists of a recognition of an additional remuneration equivalent to remuneration of variable costs by the percentage difference between actual consumption and reference consumption fixed for each type of unit and fuel; the comparison will be made on a quarterly basis. In the event of higher consumption, the basic remuneration based on Variable Costs is not modified.

At April 30, 2016, the Company accrued $2.9 million.

NOTE 1 – GENERAL INFORMATION (CONT'D.)

Resources for 2015-2018 FONINVEMEM investments

Pursuant to the "Agreement for projects management and operation, increase in the power plant generation availability and adjustment to the generation remuneration 2015-2018" dated June 5, 2015 ("2015-2018 Agreement"), ES Resolution 482/15 included a specific contribution, the Resources for 2015-2018 FONINVEMEM investments ("2015-2018 FONINVEMEM investments"), for the execution of the works considered under such system.

2015-2018 FONINVEMEM resources will be allocated to those generators involved in the projects approved or to be approved by the ES, they will be monthly determined and calculated based on the total electricity generated. The specific contributions will be automatically allocated by CAMMESA retroactively, from the transactions for February 2015 to December 2018, in favor of each generating agent, as from the signing of the construction and supply contracts for each project approved by the ES.

Pursuant to ES Resolution 482/15, the 2015-2018 FONINVEMEM resources to be allocated do not give rise to any vested interest in favor of the generator and in the event of non-compliance with the commitments undertaken in the construction and supply contracts, the ES may decide to modify the allocation of such contributions with the agent having no right whatsoever to claim any amount or item.

Although the Company has adhered to the 2015-2018 Agreement, expressing its intention of taking part under certain conditions, at the date of issuance of these financial statements the Company has not reached the final agreement necessary for implementing a project; as a result, no revenue from 2015-2018 FONINVEMEM resources has been recognized.

Further, ES Resolution 482/15 added a remuneration item, the "FONINVEMEM 2015-2018 direct remuneration" applicable to the units built within the framework of the 2015-2018 Agreement. The new item consists in the recognition of an additional amount equivalent to 50% of the Additional Remuneration for the portion of electricity to be remunerated under the 2015-2018 Agreement. It is applicable once the project is completed.

b.4) ES Resolution 22/16

On March 30, 2016 ES Resolution 22/16 updated the values of the remuneration schedule set in ES Resolution 482/15, as from the economic transactions corresponding to February 2016.

The following table shows the changes in the remuneration system for generators, for technologies of similar characteristics to the CT ADC (>150MW):

	ES Resolution 95/13 (1)	ES Resolution 529/14 (2)	ES Resolution 482/15 (3)	ES Resolution 22/16 (4)
	$/MWh			
Fixed cost remuneration	31.0	38.8	49.6	84.3
Variable cost remuneration	19.0	26.8	33.1	46.3
Additional remuneration - Direct	7.5	9.4	11.7	11.7
Additional remuneration - Trust fund (*)	5.0	6.2	7.8	7.8
Remuneration of non-recurring maintenance	-	21.0	24.7	39.5

(*) This item is accumulated in a Fund not yet collected by the generating companies.
(1) Applicable from February 2013 to January 2014
(2) Applicable from February 2014 to January 2015
(3) Applicable from February 2015 to January 2016
(4) Applicable as from February 2016

b.5) Maintenance program for the energy generating units

As from June 2011, the Company has been negotiating with ES and CAMMESA the financing of a plan for major and extraordinary maintenance, to be carried out in all the units of the Agua del Cajón power plant ("CT ADC"), aimed at the continuity of operations of its generating units in a reliable manner.

NOTE 1 – GENERAL INFORMATION (CONT'D)

Through ES Note 1873 dated April 12, 2013, the Energy Secretariat approved the works proposed for a total of $ 158,470,000 (equivalent to US$ 30,891,000), subject to CAMMESA's issuing together with the Company the administrative instruments necessary for those documents to be authorized by the ES.

On March 27, 2014 the Company submitted to CAMMESA a proposal for financing and assignment of credit rights in guarantee of performing maintenance at the CT ADC, in the context of ES Resolution 146/02.

The main characteristics of this proposal are:

- The amount of the financing will be the equivalent in pesos of up to US$ 30,891,000, from which the items mentioned in the next paragraph must be subtracted.

- The Company commits to using in the maintenance of the CT ADC units those receivables not yet collected to which it is entitled pursuant to sections 4 and 5 of the "2008-2011 ES-Generators Agreement".

- This financing will be granted based on the estimate of the cash flow presented, the control on progress of works, and subject to CAMMESA availability of funds, through the delivery of partial advances. Once each advance is received, the Company will make a report on the funds received in the previous month.

- For each machine for the maintenance of which funds have been advanced, and only after the start-up of the power generation units to be repaired is made, the Company must refund the financed amount in 36 equal and consecutive monthly installments.

- The repayment of this financing will be made, firstly, applying the Remuneration for Extraordinary Maintenance (created through ES Resolution 529/14 – Remuneration of non-recurring maintenance, see item b.2)); if this is not enough, then the Additional Remuneration for Generators corresponding to each machine will be applied (established by ES Resolution 95/13 and amended by ES Resolution 529/14).

- If the remunerations mentioned above were not enough to cover for the repayment of the corresponding monthly installment, the difference will be accumulated to the remainder of the unpaid debt, so that at the moment that these remunerations exceed the amount of the installment to be paid, the excess can be applied to settle the unpaid amounts.

- If at the end of the 36-month repayment period there remains an unpaid balance, the term for repayment will be extended for up to a maximum of 12 additional installments ("Additional Period"), and Capex must apply the Remuneration of Non-Recurring Maintenance, or otherwise, the Additional Remuneration for Generators (in force at the proposed date) of the related machine.

- If at the end of the Additional Period the total refund of the loan is not completed, the Company must apply to the repayment a 30% of the Remuneration of Non-Recurring Maintenance, or otherwise, 30% of the Additional Remuneration for Generators (prevailing at the date of this proposal) of the related machine. At the option of the Company, it may use in its entirety the Remuneration of Non-Recurring Maintenance and/or of the Additional Remuneration for Generators.

- The Company guarantees, for each month subsequent to the start-up after having performed the maintenance works being financed and until the end of the repayment period, the minimum availability of each power generation unit to be repaired.

- In guarantee of faithful compliance with every commitment undertaken, the Company assigns and transfers in favor of CAMMESA 100% of its present and future credit rights, accrued or to be accrued in favor of Capex derived exclusively from Fixed Cost Remuneration, Variable Costs (non-fuel) and Additional Remuneration for generators, for a maximum amount of up to US$ 20 million at each moment and up to the limit of the value of the unpaid installments.

- The Company may, prior notification to CAMMESA, settle in advance part of the total of the financing. CAMMESA is obliged to accept the advanced settlement.

Afterwards, the Company requested that the original amount be increased by US$ 20,000,000 (including VAT) to finance the works with the new scope consisting of:

NOTE 1 – GENERAL INFORMATION (CONT´D)

1) Changes in the original maintenance plan, and
2) Higher costs than originally estimated.

On November 18, 2015, the increase in the financing amount was approved by the Electric Power Undersecretary and accepted by CAMMESA by means of an Addendum to the original Agreement, with which the total amount under the Program is US$ 50,891,000.

Since the beginning of the program until April 30, 2016, the Company received form CAMMESA disbursements for $328 million. The funds disbursed by CAMMESA within the framework of the electricity generation unit maintenance program totaled $219, and they are shown under "Financial debts", net of the receivables accrued with CAMMESA in relation to the Non-recurring maintenance remuneration for $149.7 million (see Note 21).

After the closing date of the financial statements and until the date of issue thereof, the Company received additional funds from CAMMESA for a total amount of $43.2 million.

b.6) National Decree 134/15

By means of Decree 134/15, the National Executive Branch declared the state of emergency in the national electricity sector, effective until December 31, 2017. As from this declaration, the Ministry of Energy and Mining was instructed to prepare, enforce and implement an action plan as needed in relation to the segments of electricity generation, transportation and distribution with national jurisdiction, with the purpose of having an adequate quality and reliability of energy supply and ensuring the service of electric public utilities in proper technical and economic conditions. Further, the provinces were summoned to adhere to this declaration.

b.7) Resolution 6/16 of the Ministry of Energy and Mining

On January 25, 2016, Resolution 6/16 of the Ministry of Energy and Mining approved the Quarterly Summer Rescheduling for the WEM as submitted by CAMMESA, corresponding to the period from February 1, 2016 to April 30, 2016. New seasonal reference prices were set for power and energy in the WEM for the period from February 1, 2016 to April 30, 2016 with significant increases in demand, with the purpose of restoring, even if partially, the negative result of the Stabilization Fund managed by CAMMESA. It included the possibility of applying a social tariff for consumption under ten kilowatts (10 kW).

b.8) Energy Secretariat Resolution 108/2011

Energy Secretariat Resolution 108/11 dated March 29, 2011 authorizes the execution of supply contracts between the WEM and the offers of power generation and associated energy as from renewable energy sources presented by generating, co-generating or self-generating agents that at the date of publication of this resolution are agents of the WEM or are not commercially authorized or interconnected.

Authorization to participate in those generation offers should be granted to all projects involving the National State, ENARSA or the projects that the Minister of Federal Planning, Public Investment and Services so determines.

The WEM supply contracts envisaged by this resolution will be characterized as follows:

- Duration: up to fifteen (15) years, renewable for periods of up to 18 months
- Selling party: WEM agent whose offer has been approved by the Energy Secretariat
- Buying party: the WEM as a whole, represented by CAMMESA.
- The remuneration receivable by the selling party and payable by the buying party shall be determined based on the costs accepted by the Energy Secretariat.
- All offerors wishing to enter into contracts with WEM are to submit to the Energy Secretariat the respective investment projects, including the following information:

NOTE 1 – GENERAL INFORMATION (CONT´D)

- Units to be commissioned which will take on the commitment.
- Guaranteed availability of the commissioned units that will take on the commitment.
- Offered duration of the WEM supply contract.
- Period of validity of the offer.
- Power availability undertaken for the whole period.
- The offer shall contain a breakdown of all fixed and variable costs, as well as the costs of the financing used for the installation of the new offered capacity.
- The documentation supporting the breakdown of costs presented.

It is established that the power to be assigned and the energy supplied in compliance with each of the WEM supply contracts will be remunerated on a monthly basis, calculated based on the annual installation costs to be considered and the fixed and variable costs of operation of the committed equipment. These costs may be reviewed by the Energy Secretariat when any of its components show significant variations, to ensure that the costs are covered by the remuneration assigned to the respective WEM supply contract.

It is also established that while Energy Secretariat Resolution 406/03 applies, the obligations arising under the contract shall rank pari passu with the ones established in Section 4, paragraph e) of that resolution. If this order of priority is modified, payment of the obligations derived from the contract may not be lower in priority with respect to the recognition of operating costs of the thermal power plants.

Hychico has made a supply contract with the WEM taking this resolution into account.

b.9) Law 27191 – Changes to the regime for the promotion of renewable energies

On September 25, 2015, the National Congress enacted Law 27191 which was published in the Official Bulletin on October 21, 2015. The Law introduced amendments to the National Program for the Promotion of the Use of Renewable Energy Sources created by Law 26190. To that end, to reach an 8% renewable energy contribution to the national consumption matrix at December 31, 2017 and 20% at December 31, 2025, the law added the following: (i) it extended the definition of renewable energies; (ii) it eliminated the 10.year limitation for the tax benefit system; (iii) it set out non-excluding tax incentives such as: early refund of VAT, accelerated amortization of income tax, exclusion from the minimum notional income tax base of assets used in promoted activities, exemption from import duties, offsetting of tax losses against income (from 5 to 10 years), tax exemption for dividend distribution when the beneficiary is an individual (only in the case of reinvestment), and tax certificates for 20% of the value of the national components; (iv) it created the Fiduciary Fund for the Development of Renewable Energies that, among other things, will grant loans and guarantees for investment projects, and (v) it ordered that all power users would have to contribute by complying with the renewable energy consumption objectives set forth by the law, for which a gradual schedule was established and special obligations for Large Users of over 300kW. Finally, the law ratified that wind power generation should receive the same treatment as run-of-the-river power generation; therefore, this will be dispatched according to the actual wind availability.

In addition, in May 2016 the Ministry of Energy and Mining issued Resolutions 71/2016 and 72/2016 through which it set in motion the first round of the Open Bid Process for contracting in the WEM electricity from renewable generation sources ("Programa RenovAr") to comply with Laws 26190 and 27191. Also, a schedule was drawn up for raising questions about the preliminary bidding terms and conditions, submitting offers, opening and evaluating offers, awarding them and signing the supply contracts. According to this schedule, offers should be submitted by mid-August, 2016. The process will conclude next October.

b.10) Law XVII No. 95 – Tax benefits for renewable energies

On October 19, 2015, the Head of the Agency for the Promotion of Renewable Energies in the Province of Chubut decided to grant to Hychico for its DEEF, within the framework of Law XVII No. 95, the benefits set forth in Article 7, Section B, Sub-section 3, fully excepting it from payment of turnover tax during the first five (5) years as from the granting date, and with a 50% turnover tax exemption as from the sixth year up to and including the tenth year. Within the framework of that Law, and in accordance with the provisions of Article 8, the "tax stability" benefit was granted in the provincial territory for a term of 15 years, with tax stability being understood as the impossibility of imposing on the activity a heavier tax burden, as a consequence of tax increases.

NOTE 1 – GENERAL INFORMATION (CONT'D)

c) Gas natural sector

- **Federal Hydrocarbons Law 17319 - Law 26741 of "National Hydrocarbons Sovereignty" and Decree 1277/12**

See section a) Oil sector

- **Gas Plus Program**

Under ES Resolution 24/08 the ES created the "Gas Plus Program". The plan creates a set of incentives for those who incorporate new production of natural gas. The Company has submitted several projects, all of which have been approved. The sales of gas made by the Company correspond to the Gas Plus Program.

- **Stimulus Plan for Injection of Natural Gas for Companies with Reduced Injection**

In late November 2013 the Commission for the Strategic Planning and Coordination of the National Hydrocarbon Investment Plan issued Resolution 60/13 which created a new "Stimulus Plan for Injection of Natural Gas for Companies with Reduced Injection" (the "Program"). Companies which had an average injection lower than 3.5 million of m3/day, such as this Company, could request adherence to that Program. The request for adherence to the Program should be approved by the Commission. In general terms, the Program establishes a system for payments on the prices of Natural Gas that is made gradually depending on the excess production of each company over its adjusted base injection (injection basis = injection of the period July to December 2013). These payments range from US$4/MMBTU to US$7.5/MMBTU, depending of the injection above the injection basis. The Argentine Government makes these payments on a quarterly basis in pesos. The companies adhering to the Program undertake the commitment to inject at least the adjusted base injection, or pay the Argentine Government the import price of the remaining volume, which is calculated based on the import price of the liquefied natural gas during the last six months. The Program will be in force for 4 years with the possibility of one-year extension subject to the authorization of the Commission. Companies could request adherence to the Program until March 31, 2014.

In December 2013, the Company submitted the request for the mentioned program, and on March 25, 2014 the Commission, through Resolution 26/14, registered the Company.

As of April 30, 2016 and 2015, Capex has accrued $ 256.5 million and $ 116.1 million respectively, corresponding to the program mentioned (see Notes 26 and 37).

- **Resolution 41/16 of the Ministry of Energy and Mining**

On 7 April, 2016, the Ministry of Energy and Mining issued Resolution 41/16, setting the new prices of natural gas at the entering point to the transportation system for each basin of origin, to be used in the generation of electric power that will be sold in the WEM, applicable as from April 1, 2016. The price in effect for the Neuquén Basin is US$/MMBTU 5.53, which represents an increase in dollars of 106% compared with the former price.

d) LPG sector

- **Law 26020 and ES Resolution 168/05**

The regulatory framework for the industry and commercialization of LPG has been approved by the Argentine Congress through Law 26020. This regulatory framework is aimed at ensuring the regular, reliable and economical supply of LPG to low-income social sectors which do not have natural gas service through networks. Furthermore, a general policy has been defined, establishing specific goals for the regulation of the industry and commercialization of LPG, all of them aimed at improving market competitiveness and increasing the development of the LPG industry, promoting its efficiency and ensuring safety in all the stages of the activity, with an adequate protection of user rights, especially at the time of fixing prices.

Law 26020 rules the supply chain of LPG in full, that is to say the production, fractionation, transport, storage, distribution, port services and commercialization of LPG within the Argentine territory.

As regards the production own regulation, we have to mention that section 11 of Law 26020 has established freedom in the production activity, i.e. the LPG production under any form or technical alternative is free: the opening of new plants or

NOTE 1 – GENERAL INFORMATION (CONT'D)

the enlargement of existing ones can be made with no further requirement other than compliance with Law 26020, its regulations and pertinent technical standards.

Furthermore, Law 26020 authorizes the free import of LPG, the only requirement being that of compliance with the law, regulations and supplementary resolutions and no prior authorization is required. On the contrary, export of LPG can only be free once the internal demand volumes are satisfied and prior authorization by the Executive Branch in each case is obtained.

Resolution 168/05 of the ES establishes that the export operations have to be recorded with the LPG Direction, reporting to the Undersecretary of Fuels, for approval and those interested in the export of LPG must prove that the demand of the commercial chain has been duly satisfied through the mechanism set forth in the mentioned Resolution.

The Enforcement authority of Law 26020 is the Energy Secretariat, which shall enforce and promote compliance with the objectives of the industry and commercialization of the LPG established by such Law, issuing the necessary rules to that end.

- **ES Resolution 1070/08 and 1071/08**

By Resolutions 1070/08 and 1071/08, the Energy Secretariat ratified (i) an agreement supplementary to the Agreement with Gas Producers entered into with certain gas producers; and (ii) an Agreement for LPG Price Stability entered into with certain LPG producers, bottlers and other market players, none of which was entered into by the Company (see Note 25.2 a.1)). Subsequently, addenda to those agreements were signed, and ratified by resolutions of the Energy Secretariat.

- **ENARGAS Resolution 1982, 1988 and 1991/11**

By the end of November 2011, the ENARGAS adopted Resolutions 1982, 1988 and 1991/11 whereby, among other issues: (i) the unit prices were adjusted for the charge created by National Executive Branch Decree 2067/08, they being increased by approximately 1,000%, and (ii) said charge was fully applied to certain non-residential users of natural gas, according to their main or secondary line of business; this includes the natural gas treatment plants located outside the regulated measurement area, such as the Agua del Cajon plant of Servicios Buproneu S.A. in which the Company processes its natural gas.

The Company considers that this charge is unconstitutional since it involves a tax and has not been created under a Law passed by the National Congress. In view of this, the Company has filed legal action and has been awarded a precautionary measure, as explained in Note 25.2 a.2).

- **ES Resolution 77/12**

Energy Secretariat Resolution 77/12 (the "Resolution") was published in March 2012. This resolution extends the LPG (butane) price stability agreement; establishes that the producing companies that are not a party to the agreement must meet the supply parameters determined by the Energy Secretariat and sell LPG (butane) to the Bottling Companies at prices and with remunerations equal to the ones set for the producing Companies that are a party to the Agreement, and that the companies not complying with those parameters and provisions shall (i) not be authorized to export; (ii) not be allowed to purchase and sell LPG in the domestic market to any of the persons operating in the industry; and (iii) shall be rendered liable to fines for failure to deliver the product under the terms established by the Competent Authority or for sales in excess of the prices set in the Agreement or in the Resolution. The Company has filed administrative and legal actions against the Resolution (see Note 25.2 a.3)) and, as a result, it has been awarded a precautionary measure with staying effects on this norm and on the restrictions imposed on the Company by the Energy Secretariat under the Resolution. Subsequently, the ES issued Resolutions 429/13 and 532/14, approving the successive to the agreement for the stability of prices of LPG, and, in general, repeating the provisions of ES Resolution 77/12. The Company, not being a party to the LPG price agreement, will eventually file administrative and legal actions against those regulations, if necessary.

- **Decree 470/2015 and ES Resolution 49/2015**

In March 2015, Decree 470/2015 and ES Resolution 49/2015 were published, which replaced the "Garrafas para Todos" (Gas Bottles for Everyone) Program in force since 2009 with the "Hogares con Garrafas" (Homes with Gas Bottles) (HOGAR) Program. This new Program modifies the system of subsidies and maximum prices in force. The Company, through an

NOTE 1 – GENERAL INFORMATION (CONT´D)

individual agreement, took part in the supply for the program, effective until December 31, 2015. From January 2016 until the date of issuance of these financial statements, the Company did not take part in the HOGAR program.

- **Undiluted Propane Gas Supply Agreement**

Since 2002, "Undiluted Propane Gas Supply Agreement" for Networks have been entered into with propane gas producers; the purpose of these agreements is to ensure stability in the supply conditions of propane gas for the distribution networks currently operating in Argentina. The agreements, until December 2015, included the direct collection of $ 300/tn from the party receiving the volume of gas comprised in the agreement. The difference between this amount and the price known as "Export Parity Local" published by the ES is collected by means of a tax credit certificate and/or in cash from the enforcement authority.

NOTE 2 – BASIS FOR PREPARATION AND PRESENTATION

2.1 - International Financial Reporting Standards.

The National Securities Commission (C.N.V.), by means of G.R. Nos. 562/09 and 576/10, has established the application of T.P. Nos. 26 and 29 issued by the Argentine Federation of Professional Councils in Economic Sciences (F.A.C.P.C.E.) which adopts the International Financial Reporting Standards (IFRS) issued by the IASB (International Accounting Standards Board), for those entities included in the public offering system of Law 17811, either for their capital or corporate bonds, or which has requested authorization for being included therein.

2.2 Basis for presentation

These financial statements for the fiscal year ended April 30, 2016 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB.

The consolidated financial statements contain all the significant disclosures required by IFRS.

The presentation in the statement of financial position segregates current and non-current assets and liabilities. Current assets and liabilities are those which are expected to be recovered or settled within the twelve months after the closing of the reporting year. In addition, the Group reports on the cash flows from operating activities using the indirect method. The fiscal year commences on May 1 and ends April 30 of each year. Economic and financial and no financial results are presented on the basis of the fiscal year.

These financial statements are stated in Argentine pesos without cents, except otherwise expressly stated. They have been prepared under the historical cost convention, modified by the measurement of certain financial assets at fair value through profit or loss.

The preparation of these financial statements in accordance with IFRS requires the Company to make estimates and assessments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of issue of these financial statements as well as income and expenses recorded during the year. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

These financial statements were approved for issuance by the Company's Board of Directors on July 5, 2016.

Comparative information

Balances at April 30, 2015 shown in these individual financial statements for comparative purposes arise from the financial statements at that date. Certain amounts corresponding to the financial statements presented for comparative purposes have been reclassified to keep consistency in disclosure with the amounts for the current year.

NOTE 2 - BASIS FOR PREPARATION AND PRESENTATION (CONT'D)

2.3 - Accounting standards

2.3.1 - New and amended standards adopted by the Group

Below follows a brief description of the new and/or amended standards and interpretations adopted by the Company and their impact on these financial statements.

- Amendments to IAS 19 (Employee Contributions to Defined Benefit Plans).

In November 2013, the IASB issued amendments to IAS 19. This amendment clarifies how contributions to defined benefit plans from third parties or from employees themselves must be accounted for. These amendments are mandatory for fiscal years commencing as from July 1, 2014, retrospectively. Early adoption is permitted. The adoption of this standard will not have significant impact on the financial position or the results of operations of the Group.

No other IFRS or IFRIC interpretations that are effective for the first time for the financial year begin on May 1, 2015 are expected to have a significant effect on the Group.

2.3.2 - New published standards, amendments and interpretations which have not yet come into force for fiscal years begun on May 1, 2015 and have not been early adopted.

At the date of issue of these Financial Statements, the following standards have been issued which have not been adopted since their application is not required at the end of the year commenced May 1, 2015:

- IAS 1 "Presentation of Financial Statements"

In December 2014, the IASB modified IAS 1 "Presentation of Financial Statements" to include guidelines for the presentation of financial statements. This standard is effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted.

The Group is analyzing the impact that this amendment may have on disclosures.

- IAS 27 "Separate Financial Statements"

In August 2014, the IASB modified IAS 27 "Separate Financial Statements", allowing the use of the equity method to account for investments in subsidiaries, joint ventures and associates and applies to annual reporting periods beginning on or after January 1, 2017. Early adoption is permitted.

The Company uses the equity method to account for investments in subsidiaries, joint ventures and associates in the preparation of their separate financial statements in conformity with Technical Pronouncement 26 of the FACPCE, incorporated by the National Securities Commission ("CNV"). In consequence, the application of this change will not have a significant impact on the results of operations or the financial position of the Company.

- IFRS 15 "Revenue from Contracts with Customers"

It was issued in May 2014 and amended in July 2015 and applies to annual reporting periods beginning on or after January 1, 2018. IFRS 15 specifies how and when an IFRS reporter will recognize revenue and requires entities to provide users of financial statements with more informative disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.

The Group is analyzing the impact; however, it estimates that the application of this interpretation will not have a significant impact on the results of operations or the financial position of the Group.

- IFRS 9 "Financial Instruments"

The amendment was issued in July 2014 and includes all phases of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement. The phases comprise classification and measurement of the instruments, impairment and

NOTE 2 - BASIS FOR PREPARATION AND PRESENTATION (CONT'D)

hedge accounting. This version adds a new expected loss impairment model and some minor changes to the classification and measurement of financial assets. The new standard supersedes all previous versions of IFRS 9 and is effective for periods beginning on or after January 1, 2018.

The Group has already adopted the first phase of IFRS 9 at the date of transition to IFRS, and is analyzing the second and third phases.

2.4 - Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Subsidiaries are all entities over which the Company has control as well as rights to decide on the operating and financial policies to obtain variable returns from its activities, and has the power to use those returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and are de-consolidated from the date on which that control ceases.

The main consolidation adjustments are as follows:

1. elimination of balances of reciprocal assets and liabilities accounts between the parent company and subsidiaries, so that the financial statements disclose only the balances held with third parties;
2. elimination of transactions between the parent company and subsidiaries, so that the financial statements disclose only those operations carried out with third parties;
3. elimination of interests in equity and in the comprehensive results for each year of the subsidiaries as a whole.

Accounting policies of the subsidiaries have been amended, where applicable, to ensure consistency with the policies adopted by the Company.

The Company's subsidiaries at April 30, 2016 are those detailed below. Their Capital stock consist of ordinary shares.

Name of the entity	Country	% of shareholding and voting rights (direct and indirect)	% of non-controlling interest	Main activity
Servicios Buproneu S.A. (SEB)	Argentina	95%	5%	Provision of services related with the processing and separation of gases.
Hychico S.A. (Hychico)	Argentina	54.96958%	45.030420%	Production of electricity, hydrogen and oxygen

a) SEB

Servicios Buproneu S.A. (SEB) is a direct subsidiary in which the Company holds a 95% participation in capital stock and votes at April 30, 2016 and 2015. SEB's main asset is a gas separation plant, located at Plottier, province of Neuquén. From that plant SEB provides gas processing services to the Company, under a contract signed by those companies in November 1999, which was amended on several times.

b) Hychico S.A.

Hychico S.A. (Hychico) is a direct subsidiary in which the Company holds an interest percentage of 54.96958% in the capital at April 30, 2016 and 2015, respectively and an indirect participation of 41.2496% through SEB at April 30, 2016 and 2015, respectively. Hychico is engaged in the development of energy projects on the basis of renewable energy and it is currently carrying out in Comodoro Rivadavia, province of Chubut, (i) an Eolic Energy Farm with a Total Installed Power of approximately 6,300 KW (the "Eolic Energy Farm"), and (ii) a hydrogen and oxygen production plant (the "Plant") through the electrolysis process, using hydrogen as a fuel for power generation.

2.5 Foreign currency translation

2.5.1 - Functional and presentation currency

NOTE 2 - BASIS FOR PREPARATION AND PRESENTATION (CONT'D)

The financial statement figures of each of the Group's entities were measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency is the Argentine peso, which coincides with the presentation currency of the financial statements.

These consolidated financial statements have been prepared based on the historical cost model, except for the valuation of certain items that were measured at fair value as explained in Notes 2.6 and 3.5.

IAS 29, Financial reporting in hyperinflationary economies, requires that the financial statements of an entity whose functional currency is that of a hyperinflationary economy, regardless of whether are based on the historical cost method or the current cost method, are restated in constant currency at the end date of the reporting period. For this purpose, although the standard does not specify a single inflation rate which, when surpassed, would account for the existence of a hyperinflationary economy, the extended practice is to consider a cumulative inflation rate over three years that is approaching, or exceeds, 100%, together with a series of qualitative factors related to the macroeconomic environment.

At April 30, 2016, it is not possible to calculate the cumulative inflation rate corresponding to the three-year period then ended based on official data from the National Institute of Statistics and Census (INDEC), given that in October 2015 this agency discontinued the calculation of the Domestic Wholesale Price Index, only resuming its calculation from January 2016 onwards. However, considering the cumulative inflation rate for the thirty-month period ended on October 31, 2015, plus the consumer price indexes published by the City of Buenos Aires for the months of November and December, 2015 and using the INDEC data for the fourth-month period from January to April, 2016, the cumulative inflation rate at April 30, 2016 is less than the requirements of professional accounting standards to apply the adjustments mentioned above. Therefore, these financial statements at April 30, 2016 have not been restated.

When the conditions set forth by IAS 29 to consider Argentina as a hyperinflationary economy occur, the respective financial statements are to be restated as from the date of the latest restatement (March 1, 2003), or the latest revaluation of the assets that were revalued.

2.5.2 - Balances and transactions

Foreign currency transactions are converted into the functional currency using the exchange rate applicable at the date of transaction (or valuation, if it relates to transactions that have to be re-measured).

Gains and losses from exchange differences resulting from the cancellation of those transactions or the measurement at closing of monetary assets and liabilities stated in foreign currency are recognized in the statement of income, except for cash flow or net investment hedges which qualify to be disclosed as other comprehensive results.

Exchange differences generated are disclosed under the line "Financial income" (whether generated by asset captions) and "Financial costs"(whether generated by liabilities captions) of the statement of comprehensive income.

Exchange rates used are: buying rate for monetary assets, selling rate for monetary liabilities, each of them in effect at the end of the year according to Banco Nación, and the specific exchange rate for transactions in foreign currency.

2.6 Property, plant and equipment

I. _Oil and gas exploration activities:_

The Group applies IFRS 6 "Exploration for and Evaluation of mineral resources" to account for its oil and gas exploration and evaluation activities ("E and E").

Based on this and in accordance with IFRS 6, the Group capitalizes the expenses of E and E such as topographic, geological, geophysical and seismic studies, costs of drilling exploratory wells and evaluation of oil and gas reserves, as exploration and evaluation assets within a special category under the caption Property, Plant and Equipment, until their technical and commercial feasibility is shown for the extraction of mineral resources.

This implies that the exploration costs are temporarily capitalized until the evaluation is made and the existence of sufficient proven reserves is determined which justify their commercial development, and therefore, their addition as

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NOTE 2 - BASIS FOR PREPARATION AND PRESENTATION (CONT'D)

productive wells, assuming that the disbursements required are made and the Group is making progress in the evaluation of reserves and the economic and operating feasibility of the project.

Occasionally, at the time of concluding the drilling of an exploratory well, it is possible to determine the existence of reserves that cannot yet be classified as proven reserves. In these situations, the cost of the exploratory well is capitalized if the well enabled the discovery of a volume of reserves justifying its development as a productive well and the Group is making a substantial progress in the evaluation of reserves and of the economic and operating viability of the project. If any of these conditions is not fulfilled, the cost of the well is charged to income.

In addition to this, the exploration activity, in many cases, implies drilling multiple wells along several years, with the purpose of performing a thorough evaluation of those projects. This has as a consequence, among others, the possibility that exploratory wells are kept under evaluation for long periods, awaiting the completion of the wells and additional exploration activities that are necessary to assess and quantify the reserves corresponding to each project

If the exploration and evaluation activities do not determine proven reserves that justify their commercial development, the related capitalized amounts are charged to income/loss. Accordingly, the costs of exploratory wells and related costs of the studies mentioned above in this Note are charged to income/loss.

Exploration and evaluation assets for which proven reserves were identified are tested for impairment and reclassified to "Oil and gas exploitation activities".

When there are events or circumstances that indicate a potential impairment, an impairment test is made at the level of identifiable cash generating units. The events and circumstances include: evaluation of seismic data, requirements to abandon the areas without renewal of exploration rights, failure to make planned investments and unfavorable political and economic market conditions. Impairment is recognized for the amount exceeding the carrying value compared with its recoverable value, which is the higher between the value in use and fair value less sales cost (see Note 34).

II. <u>*Oil and gas exploitation activities:*</u>

Exploitation costs are those incurred to access the proven reserves and to provide facilities to extract, collect and store oil and gas. Under this item, the payment of concession rights on the Agua del Cajón area is included.

Exploitation costs incurred to drill development wells (successful and dry) and to build or install equipment and facilities for production are capitalized and classified as "Works in progress" until they are completed. Once they are productive, they are reclassified to "Oil and gas wells" and "Assets associated to the production of oil and gas" and start to be amortized. The costs related to the production of oil and gas are charged to results.

Cost of repairs that increase the total of recoverable reserves are capitalized in the net book value of the related wells and are amortized using the units of production method.

Maintenance costs that only resume production to its original level are charged to income/loss in the period in which they are incurred.

Assets classified as Exploitation assets are tested for impairment purposes when there are events or circumstances that indicate that their carrying value may not be recoverable. Impairment is recorded for the amount in excess of the carrying value compared to its recoverable value (value in use). For the purposes of the impairment test, assets are grouped at the minimum levels for which there are identifiable cash generating units (CGUs).

Costs for future abandonments and dismantlement of fields (environmental, safety, etc.) are capitalized at their current value when the asset is initially recorded in the financial statements and are recorded under the line "Oil and Gas wells". This capitalization is made with a counterpart in the pertinent accrual.

At April 30, 2012, the Group applied the exception of IFRS 1 "First-time adoption of IFRS" as to the use of the deemed cost for certain assets of the caption Property, plant and equipment, by considering the fair value at the transition date by applying the like-new amortized market value method for certain oil and gas wells and for certain assets associated to the production of oil and gas.

NOTE 2 - BASIS FOR PREPARATION AND PRESENTATION (CONT'D)

Below is a detail of the amortization methods during the estimated useful life of assets:

i) The areas acquired and other exploitation studies are amortized based on accumulated production and total reserves, measured in units equivalent to cubic meters of oil until expiration of the concession (See Note 1). The changes in the estimate of reserves are considered for the calculation of prospective amortization.

ii) Assets assigned to oil and gas extraction activities are amortized based on accumulated production and the proven developed reserves related to those assets, measured in units equivalent to cubic meters of oil until expiration of the concession (See Note 1). The changes in the estimate of reserves are considered for the calculation of prospective amortization.

iii) The supply gas pipeline is amortized by applying linear rates based on its estimated useful life of 20 years.

iv) Certain assets that are not assigned to oil and gas production are amortized by applying linear rates estimated based on the characteristics of each asset.

III. *Other tangible assets:*

The vehicles, furniture and fixtures and administrative assets are valued at historical cost, net of accumulated amortization and impairment losses, if any. The historical cost includes the amounts directly attributable to the acquisition of these assets.

Revaluation of the CT ADC, Buildings and Land, LPG Plant and Diadema Eolic Energy Farm

In the fiscal year ended on April 30, 2015, the Company has changed its accounting policy to value the Property, plant and equipment caption for the assets CT ADC, Buildings and land, LPG Plant (owned by SEB) and Diadema Eolic Energy Farm (owned by Hychico) which has been applied to all elements that belong to the same category of assets. Previously, the Group measured the entire caption of Property, plant and equipment according to the cost model using, at April 30, 2012, the exemption established by IFRS 1 "First time adoption of international reporting financial standards", as to the use of the deemed cost for certain assets and by the market value method for land in Vicente López and Neuquén, which are not amortized.

As from July 31, 2014, the Company values the CT ADC, Buildings and Land, GLP plant and DEEF by the revaluation method, as it considers that this model most feasibly reflects the value of these assets. Furthermore, it has determined that each of these groups of assets represent a category of asset under IFRS 13, considering the nature, features and inherent risks.

The revaluation model measures the asset at its fair value less accumulated amortization and accumulated impairment, if any.

In accordance with IAS 8, this change in the accounting policy is exempt from the retroactive application.

For the application of such model, the Company has used the services of independent experts. Their participation has been approved by the Board of Directors based on skills such as the knowledge of the market, reputation and independence. Furthermore, the Board of Directors decides, after discussing with experts, the valuation methods and, where applicable, the entry data to be used in each case.

To determine the fair value of Buildings and land, as they are assets for which there is an active market in their current status, the selling value in that market has been used, through appraisals of real estate agents renown in the area. This valuation method is classified under IFRS 13, as hierarchy of fair value level 2.

To determine the fair value of the LPG plant and DEEF, the expert independent appraiser has used the replacement cost method, computing amortization that may correspond as per the consumed useful life of the assets. This valuation method is classified under IFRS 13, as hierarchy of fair value level 2.

To determine the fair value of CT ADC, the Company with the expert independent appraiser has used the income approach, estimating the cash flow of discounted future income that will generate the CT ADC during the remaining useful life. To

NOTE 2 - BASIS FOR PREPARATION AND PRESENTATION (CONT'D)

estimate future income, the Company was based on a cash flow of income considering two alternative scenarios weighted based on probabilities of occurrence and different terms for the increases in the rate schedule.

For the first scenario it was taken, as basis for the projection, the rate schedule in force for the activity of electricity generation, considering that it will be adjusted by an index accompanying the estimated increase in cost.

For the second scenario, a report issued by an independent consultant was taken as a basis; in this, the value of the remuneration of power, variable costs and investment is estimated in equality with the principles defined in Law 24065, which, according to statements made by the National Government, is the path along which the segment of electricity generation, transportation and distribution will develop in the future. We can infer that this scenario is already under way, if we consider: i) the declaration of the state of emergency in the national electricity sector until December 31, 2017, with the Ministry of Energy and Mining being instructed to implement an action plan for the segments of electricity generation, transportation and distribution with the purpose of having an adequate quality and reliability of energy supply and ensuring the service of electric public utilities in proper technical and economic conditions; ii) the increases granted to distributors through Resolution 06/2016, transferring a greater part of the price to end users; iii) the increases granted to generating companies through ES Resolution 22/2016; and iv) the concept expressed by the National Government of restoring profitability so that the investments needed in the sector can be made.

The Company, based on the experience and on the recent measures announced by the government, ratifies the prior year definitions, granting an 85% of probability of occurrence to the first scenario and a 15% to the second, thus determining the flow of discounted future income using a discount rate in dollars equivalent to a 10.5% nominal annual rate, which reflects the expectations of the market on these future amounts. For both scenarios, the flows of income were prepared considering variables such as: i) estimates on availability of the CT ADC, ii) changes in the costs to be incurred, and iii) relevant macroeconomic variables. As a result of the National Government's unpaid debt normalization (Note 1.1), there was a significant decrease in country risk, which affected future expectations positively and was reflected in a reduction of the discount rate of assets and an increase in their fair value.

This valuation method is classified under IFRS 13, as hierarchy of fair value level 3.

The cash flow of the CT ADC covers a period equal to the remaining useful life estimated in 19 years, which was built on detailed budgets and projections approved by the Board of Directors.

The main factors that might affect, in future periods, the value of the restated assets are: i) a distortion in the nature, time and modality of increases in the tariff schedule, ii) a variation in the country risk and industry, and iii) changes in the costs to be incurred. The Company estimates that any sensitivity analysis that takes into account relevant changes to any of the main factors might result in significant changes.

The Board of Directors determines the policies and procedures to be followed for the recurring measurements of the fair value of revalued assets. Further, at each reporting period closing date, the significant variations in the fair values of assets measured are analyzed based on the revaluation model, or if there are any changes to the fair value, and therefore, the need to record a new revaluation. The application of the revaluation model to the assets mentioned implies that revaluation be made with the adequate frequency to ensure that the fair value of the revalued asset does not significantly differ from its book value.

The Board of Directors has approved the change in the accounting policy and revaluations made to the different types of assets. The last revaluation was effected on April 30, 2016.

At year-end, the Company has made a comparison between the fair values of revalued assets with their accounting values, measured based on the revaluation model, and concluded that the latter do not exceed their fair value.

The increases due to revaluations are recognized in the Statement of Comprehensive Income under the caption Other comprehensive results and they are accumulated in the Reserve for revaluation of assets of the Statement of Changes in Shareholders' Equity, unless such increase implies a reduction of the revaluation of that asset previously recognized in the statement of income, in which case the increase is recognized in the statement of income. A reduction due to revaluation is recognized in the statement of income, unless such reduction is offset by an increase in the revaluation of the same asset previously recognized in the Reserve for revaluation of assets. At the time of sale of a revalued asset, any Reserve for the

NOTE 2 - BASIS FOR PREPARATION AND PRESENTATION (CONT'D)

revaluation of assets related to that asset is transferred to accumulated retained earnings (see Note 18). See in Note 19.c) the concepts established by CNV for the reserve for revaluation of assets.

Amortization of revalued assets is recognized in the statement of income for the year. At the closing of the year, a reversal of the reserve for revaluation of assets with counterpart in unappropriated retained earnings is recorded for the difference between depreciation based on the revalued book value of the asset and depreciation based on the original cost of the asset (see Notes 6 and 18).

As of July 31, 2014, technicians from the Company and independent experts performed a review of the useful life assigned to the CT ADC, assigning from that date a useful life based on the remaining GWh per turbine to be produced. To arrive at this conclusion, adequate maintenance and the GWh produced per turbine were taken into account. This analysis was performed by Company technicians as of April 30, 2016, without significant changes.

Assets related to Hychico's Hydrogen and Oxygen and DEEF plant, and SEB's property, plant and equipment, are amortized applying linear rates based on the estimated useful life assigned to the assets, applying annual rates sufficient enough to extinguish their values at the end of their estimated useful lives. As of April 30, 2016, technicians from the Company, alongside with independent experts made a revision of the useful lives assigned to the assets, finding no significant differences.

Based on future cash flow estimates made by Hychico, in accordance with judgmental elements available, the assets related to the Hydrogen and Oxygen plant have been fully impaired for $ 22,759,964 and $ 23,216,877 at April 30, 2016 and 2015 respectively. This impairment has been partially recovered as a result of the assets related to the Hydrogen and Oxygen plant being amortized as from May 2010.

Materials are amortized in accordance with the useful life assigned to each of them.

Other tangible assets are tested for impairment when there are events or circumstances that indicate that their carrying value may not be recovered. Impairment losses are recognized for the amount exceeding the carrying value compared with its recoverable value, which is the higher between the value in use and fair value less sales costs. For the purposes of the impairment test, assets are grouped at the minimum levels for which there are identifiable CGUs. Other tangible assets impaired in prior years are reviewed to determine their possible reversal at the end of each year.

Advances on property, plant and equipment have been valued based on the sum of money delivered.

IV. *Other accounting policies applicable to Property, plant and equipment:*

Gains and losses from the sale of assets are calculated comparing the income obtained with the net-book value and are recognized in the income statement under "Other operating (expenses) / income, net".

Indebtedness cost either generic or attributable to the acquisition, construction or production of assets that necessarily require substantial time to be available for use or sale are added to the cost of those assets until they are ready to be used or sold.

Gains from temporary investments of funds generated from specific loans pending use are deducted from the total cost of financing potentially subject to capitalization.

Materials start to be amortized when they are added to tangible assets in accordance with their useful lives.

Amortization methods described for each type of asset are used to allocate the difference between the cost and the net book value during their estimated useful lives. Below are the estimated useful lives for the main assets:

- Central Administration and Plant administration
  Buildings: 50 years
  Furniture and fixtures: 5 years
  Administration assets: 5 years

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NOTE 2 - BASIS FOR PREPARATION AND PRESENTATION (CONT'D)

- Assets for the production of oil and gas in Agua del Cajón
  Areas acquired and other studies: total reserves
  Oil and gas wells: proven developed reserves
  Assets associated to production: proven developed reserves

  Vehicles: 5 years
  Supply gas pipeline: 20 years

- Power Station
  CT ADC Open cycle: GWh remaining production in 19 years from May 1, 2016.
  CT ADC Combined cycle: GWh remaining production in 19 years from May 1, 2016.
  Gas pipeline: 20 years
  General: GWh remaining production in 19 years from May 1, 2016.

- LPG Plant: 12.3 years as from May 1, 2016

- Hydrogen and Oxygen Plant: 20 years

- Diadema Eolic Energy Farm: 15.3 years as from May 1, 2016.

On an annual basis, amortization rates are reviewed and a comparison is made whether the current remaining useful life differs from that previously estimated. The effect of these changes is recorded as results for the year in which they are determined.

At April 30, 2016 and 2015, the net book value of Property, Plant and equipment does not exceed the present value of the projected future cash flows.

2.7 - Financial Instruments

2.7.1 - Recognition and measurement of financial assets

Regular purchases and sales of financial assets are recognized on the transaction date, i.e., when the Group commits to purchase or sell the asset. Financial assets are deleted from the financial statements whenever the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has substantially transferred all risks and rewards derived from the ownership. Financial assets which are not measured at fair value through profit or loss are recognized initially at fair value plus transaction costs. Financial assets which are measured at fair value through profit or loss are recognized initially at fair value and the costs of the transaction are charged to income/loss.

Gains and losses from changes in the fair value of the assets measured at fair value and which are not part of a hedging relationship, are disclosed in the income statement accounts within Other operating (expenses) / income, net in the year in which they are arise.

Gains and losses from financial assets measured at amortized cost and which are not part of a hedging relationship are recognized through profit or loss when the financial asset is deleted or impaired by the amortization process, using the effective interest rate method.

2.7.2 - Classification

The Group classifies financial instruments in the following categories: financial assets at amortized cost, financial assets at fair value, financial liabilities at fair value with changes in results and financial liabilities at amortized cost. This classification depends on the business model of the Group to manage its financial assets and the characteristics of the instruments' contractual cash flows.

2.7.2.1 - Financial Assets

Group financial assets are measured at amortized cost if both the following conditions are met:

NOTE 2 - BASIS FOR PREPARATION AND PRESENTATION (CONT'D)

i) they are kept within the business model aimed at obtaining contractual cash flows, and

ii) contractual conditions of the financial asset give rise on specified dates to cash flows that are only collection of principal and interest on the outstanding principal amount.

If any of these conditions is not met, financial assets are measured at fair value with changes in results.

Checks to be deposited, time deposits, mutual funds, stock-exchange sureties, mutual funds, trade receivables and other accounts receivable have been included within this category.

2.7.2.2 - Financial Liabilities

The Group has determined that all financial liabilities are measured at amortized cost using the effective interest method; the changes in the valuation are recognized in the statement of comprehensive income.

2.7.3 - Impairment of financial assets

The Group analyzes, at the end of each year, whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairment loss of financial assets is recognized if there is objective evidence of the impairment of value as a result of one or more events that have occurred after the initial recognition of the financial asset, and such an event has an impact on the cash flows for the financial asset or group of financial assets that can be reliably estimated.

Some examples of objective evidence include cases in which certain debtors of the Group have financial problems, have failed to pay or have not complied with the payment of accounts receivable, probability that those debtors may request reorganization proceedings or bankruptcy, as well as the experience on the behavior and characteristics of the aggregate portfolio.

The resulting loss, determined as the difference between the carrying value of the assets and the current value of estimated cash flows, is recognized in the income statement. If in a subsequent period, the amount impaired decreases, it may be related to an event occurred after the measurement and the impairment is recovered.

The amount of the provision is the difference between the book value of the assets and the current value of future estimated cash flows, discounted at the effective interest rate. The assets' carrying value is written down through an allowance account and the amount of the loss is recognized in the statement of comprehensive income.

2.8 - Transactions with financial derivatives

The financial derivatives are initially recognized at fair value at the date the contract of derivatives is signed. Later to the initial recognition, they are re-valued at fair value.

2.9 - Spare parts and materials and inventories

- Spare parts and materials

Spare parts and materials held for use in the field and in the electricity generating plant are valued at acquisition cost less the provision for obsolescence. Cost is determined applying the weighted average price method ("PPP").

The breakdown of spare parts and materials is divided in three: current, non-current (which are not amortized) and have a turnover greater than a year and the critical, which are amortized and are recorded with the electricity generation plant and LPG Plant under the caption Property, plant and equipment.(Note 2.6.III)).

It includes the advances to suppliers valued at the spot price paid at the time of the transaction.

NOTE 2 - BASIS FOR PREPARATION AND PRESENTATION (CONT'D)

- Inventories (Stock)

Stock of oil, propane, butane and fuel are measured at the lower between cost or net realizable cost. Cost is determined applying the weighted average price method ("PPP"). Net realizable value is the sale price estimated in the normal course of business, less variable sales costs applicable.

The Group assesses the net realizable value of the spare parts and materials and inventories at the end of the year, charging to income/loss the timely correction of value when they are valued in excess. Whenever the circumstances that previously caused the correction of the value were no longer in existence, or there is clear evidence of an increase in the net realizable value due to a change in the economic circumstances, their amount is reversed.

2.10 - Trade and other accounts receivable

Trade account receivables and other accounts receivables are initially recognized at fair value and subsequently at amortized cost in accordance with the effective interest rate method, less the impairment allowance.

The implicit interest is disaggregated and recognized as financial income as long as interest is accrued.

The amount of the provision is the difference between the book value of the assets and the current value of future estimated cash flows, discounted at the effective interest rate. The assets' carrying value is written down through an allowance account and the amount of the loss is recognized in the statement of comprehensive income.

They are disclosed within current assets if their collection is due in a period lower or equal to one year.

2.11 - Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits payable on demand in financial institutions, other highly liquid short-term investments with an original maturity of three months or less, and bank overdraft. In the balance sheet, overdrafts are classified as financial liabilities under current liabilities

2.12 - Equity accounts

The recognition of the activity of this caption is made in accordance with the decisions of the Shareholders' meeting, legal rules or regulations.

Capital stock

- Outstanding shares

Corporate capital represents the capital issued, which consists of contributions made by the shareholders. It is represented by ordinary, registered, non-endorsable shares of $1 face value each.

- Additional paid-in capital

It comprises the overprice paid for the shares issued with respect to their par value.

Retained earnings

- Legal Reserve

In accordance with Law 19550 on commercial companies, 5% of the profits for the year arising from the statement of comprehensive income plus (less) prior years' adjustments, transfers of other comprehensive income to retained earnings and accumulated losses of prior years, must be appropriated to the Legal Reserve until such Reserve reaches 20% of capital.

NOTE 2 - BASIS FOR PREPARATION AND PRESENTATION (CONT'D)

- Free reserve

The free reserve comprises retained earnings appropriated to the distribution of future dividends and/or investments and/or debt settlement and/or absorption of losses.

- Special reserve in compliance with IFRS

The special reserve in compliance with IFRS results from the positive difference between the initial balance of unappropriated retained earnings disclosed in the financial statements for the first year of adoption of IFRS and the closing balance of unappropriated retained earnings at the end of the last fiscal year under the former accounting standards (see Note 18).

- Reserve for assets revaluation

The reserve for assets revaluation comes from the difference between the cost value of certain assets amortized of Property, plant and equipment and the fair value of these assets (see Note 18).

- Unappropriated retained earnings/losses

Retained earnings/losses comprise accumulated gains or losses with no specific allocation, which in the case of earnings may be distributed through a decision of the shareholders' meeting provided that they are not subject to legal restrictions.

They comprise prior year results which were not distributed, the amounts transferred from other comprehensive results and the prior year adjustments due to the application of accounting standards.

In case there are retained losses to be absorbed at the end of the year and to be considered by the Shareholders' Meeting, the following order of allocation of balances should be followed:

1. Retained earnings
    a. Special reserve for implementation of IFRS
    b. Free reserve
    c. Legal reserve
2. Additional paid-in capital
3. Capital stock

- Distribution of dividends

The distribution of dividends to Company's shareholders is recognized as a liability in the financial statements in the period in which these dividends have been approved by the Shareholders' Meeting (see Note 19).

- Non-controlling interest

Non-controlling interest represents the interest of third parties on equity other than that of the owners of the Company.

2.13 Trade accounts payable, salaries and social security contributions and other payables

Accounts payable comprise payment obligations for assets and services acquired from suppliers in the normal course of business. The other liabilities represent obligations for royalties.

They are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest rate.

They are disclosed within current liabilities if their payment is due in a period lower or equal to one year. The other payables are the obligations for royalties.

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NOTE 2 - BASIS FOR PREPARATION AND PRESENTATION (CONT'D)

2.14 - Financial liabilities

Financial liabilities are initially recognized at fair value, net of the costs directly attributable to obtain them. Afterwards, they are valued at amortized cost using the effective interest rate method.

They are disclosed within current liabilities if their payment is due in a period lower or equal to one year.

2.15 - Income tax and tax on assets

2.15.1 Current and deferred income tax

The income tax charge for the year comprises current and deferred taxes. Taxes are recognized in the statement of income, except provided that they refer to items recognized in other comprehensive income or directly in equity. In this case, income tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax is calculated based on the laws approved or to be approved at the date of the financial statements. Management regularly assesses the positions of the tax returns as regards situations in which the tax regulation applicable is subject to interpretation, and, where necessary, it sets up provisions based on the amounts expected to be paid to tax authorities.

Deferred tax is recognized, in accordance with the liability method, by temporary differences arising between tax basis of assets and liabilities and their book values in the financial statements. However, deferred tax is not recognized if it arises from the initial recognition of an asset or liability in a transaction, different to a business combination, which, at the time of the transaction, does not affect either the accounting or the tax gain or loss.

Deferred tax assets are recognized only to the extent that it is probable that the company holds tax benefits which are likely to be obtained in the future to be able to offset the temporary differences. Based on economic and financial projections, which show earnings/profits that will allow for using accumulated tax-loss carry forwards in the future and prior to their expiration, the Company has capitalized them for $ 178,704,890 (see Note 7).

Deferred tax assets and liabilities are offset, only if there is a legal right to offset the amounts recognized and when the deferred tax assets and liabilities derive from the income tax corresponding to the same tax authority, are applied to the same tax entity or different tax entities, which expect to settle current tax assets and liabilities by their net amount.

2.15.2 Tax on assets

The Group determines the tax on assets by applying the current 1% rate on computable assets at the end of each year. This tax complements income tax. The tax obligation of each company for each year will agree with the higher of the two taxes. However, if tax on assets exceeds income tax in a given year, that amount in excess will be computable as payment on account of income tax arising in any of the following ten years.

In Capex and Hychico, at April 30, 2016 and 2015, tax on assets exceeded income tax; consequently it was recognized as a credit, in the amount of $ 81,810,021 and $ 51,151,967, respectively, because Capex and Hychico estimates the recovery of these credits (see Note 13). In SEB, at April 30, 2016, income tax exceeded tax on assets. Thus, it was not accrued.

2.16 - Provisions and other charges

Provisions are recognized in when:

- the Group has a present obligation, either legal or implicit, as a result of a past event,
- it is probable that an outflow of resources will be necessary to cancel that obligation, and
- a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the current value of disbursements that are expected to be necessary to settle the obligation considering the best information available at the date of preparation of the financial statements and are re-estimated at each closing. The discount rate used to determine the current value reflects the current market evaluations, at the date of the financial statements, of the time value of money as well as the specific risk related to the liability.

NOTE 2 - BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

The provision for lawsuits was set up based on the analysis of possible indemnities that the Group estimates to pay according to the opinion of its internal and external legal counsel.

To calculate the provision for well capping, the Company considered the well abandonment plan until the end of the concession and valued them at the estimated cost of capping, discounted at a rate that reflects the specific risks of liabilities and time value of money.

2.17 - Revenue recognition

Income from sales is measured at the fair value of the consideration received or to be received, and represents amounts receivable for the sale of assets and/or services net of discounts.

Income from sales of assets is recorded at the time in which the risks and rewards of ownership have been transferred. Non-invoiced sales at the end of the year are recognized based on estimates made by management, taking into account historical results, considering the type of customer, type of transaction and the specific circumstances of each agreement.

Income from the electricity generation activity is recognized as from the energy and power effectively delivered to the spot market.

Income from sales of crude oil, natural gas, butane, propane and oxygen is recognized with the transfer of ownership, in accordance with the terms of the related agreements, i.e., when the customer acquires the ownership of the product, assuming risks and rewards.

The above mentioned income is recognized when all and each of the following conditions are met:

- The entity transferred to the buyer significant risks and rewards;
- The amount of income was reliably measured;
- It is probable that the entity receives the economic benefits associated to the transaction;
- Costs incurred or to be incurred, in relation to the transaction, were reliably measured.

Income from transaction between group companies and business segments generate income, costs and results which are eliminated in the consolidation process.

Revenue from interest earned is recognized using the effective interest method. Interest is registered on a temporary basis, with reference to the principal outstanding and the applicable interest rate. Revenue is recognized whenever it is likely that the entity will receive the economic benefits associated with the transaction and the amount of the transaction can be measured through reliable means.

2.18 - Segment reporting

The Board has determined operating segments based on the reports reviewed and used for strategic decision making (see Note 5).

Segment reporting is presented in a manner consistent with the internal reporting. The Board of the Company and the Managers are responsible for assigning resources and assessing the profitability of operating segments.

2.19 - Receivable and payable balances with related parties

Receivables and debts with parent company and with other related parties generated by sundry transactions have been valued in accordance with the conditions agreed by the parties involved (see Note 32).

Companies and individuals comprised in Decree 677/01 and regulations of the CNV have been included as related parties.

NOTE 3 - ADMINISTRATION OF FINANCIAL RISKS

3.1 Market risk

Market risk is the potential loss in case of adverse changes in the market variables. The Company is exposed to different types of market risks: foreign exchange risk, interest rate risk and price risk.

For each of the market risks described below, a sensitivity analysis of the main inherent risks of financial instruments is included that shows how the results and equity might be affected in accordance with IFRS 7 - Financial Instruments, Disclosures.

The sensitivity analysis uses variations of risk factors that represent its historical behavior. Estimates made are representative both of favorable and unfavorable variations. The impact on results and/or equity is estimated based on the financial instruments owned by the Group at the closing of each year.

3.1. a. Foreign exchange risk

Foreign exchange risk arises whenever future business transactions or recognized assets or liabilities are stated in a currency different to the functional currency of the entity.

The Company's results and equity are exposed to the variations in the foreign exchange rates in the currencies with which it operates. The currency generating the greatest exposure is the US dollar.

In December 2015, Argentina's economic context was affected by a devaluation of the Argentine peso of approximately 45%, a circumstance that impacted the results of these financial statements, due to the fact that approximately 88.8% of the Company's financial liabilities are denominated in US dollars. The due date of 100% of the principal of the debt in US dollars is March 2018; therefore, even when the economic results are exposed to the foreign exchange variation, including the principal of the debt, from the financial point of view the foreign exchange variation risk in the short term is limited to the amount of interest payable.

The Group does not hedge the risk of changes in the exchange rate through derivative financial instruments. However, it should be mentioned that the price of the hydrocarbons (oil and gas) produced by Capex and the wind electric power produced by Hychico are denominated in US dollars, representing approximately 67% and 2%, respectively, of the Group's income during the fiscal year ended on April 30, 2016. In the case of the prices of propane and butane, their value is stated in pesos but it is related to an export parity price in US dollars, and the income from these products represented approximately 5% of the Company's total sales.

The table below presents the exposure of the Group to foreign exchange risk for those financial assets and liabilities stated in a currency other than the functional currency of the Group:

	At 04/30/2016 $	At 04/30/2015 $
Net Asset /(liability) position	**(171,300,045)**	**(169,666,532)**
US Dollar (buyer)	14.15	8.807
US Dollar (seller)	14.25	8.907
Total	**(2,446,496,986)**	**(1,517,305,624)**

The sensitivity of the comprehensive income and equity at April 30, 2016 and 2015, as a result of the 10% appreciation of the exchange rate on financial assets and liabilities stated in US dollars, would have been a decrease in the comprehensive income and equity of $ 159,022,304 y $ 98,624,866, respectively.

3.1.b. Interest rate risk

The variations in the interest rates may affect the income or expenses for interest of financial assets and liabilities with reference to a variable interest rate. Indebtedness at variable rates exposes the Company to interest rate risk on its cash flows due to their volatility. Indebtedness at fixed rates exposes the Company to interest rate risk on the fair value of its liabilities, since they can be considerably higher than variable rates.

NOTE 3 - ADMINISTRATION OF FINANCIAL RISKS (CONT'D)

The Group approximately has 85.3% of its financial liabilities at a fixed rate, which reduces its exposure to variations in the interest rate.

3.1.c. Price risk

The Group is not significantly exposed to hydrocarbons price risk, basically because Government regulatory and economic policies, among others, determine that local prices are not directly affected by the short-term ups and downs of prices in the international market. Within this framework, the price of oil is fixed in the negotiations between refiners and producers in accordance with the mechanics of the internal market, its framework being the transfer of these values to the final price of liquid fuels. As regards the price of gas, it is fixed by the ES for each of the market segments.

The price of LPG is based on a monthly publication issued by the ES, who sets the prices in pesos according to the export parity.

However, there can be a risk that the selling prices regulated in the local market can change in the face of significant variations in international prices of hydrocarbons.

Regarding the generation of electric power, the remuneration received by the generating companies is not in relation to its demand. The fixing of the remuneration is the responsibility of the Enforcement Authority, which is dependent on the National Government.

At April 30, 2016 and 2015, a 10% increase or decrease in the prices of electricity and hydrocarbons would have implied an increase or decrease in the comprehensive income and in equity of $ 104,352,102 and $ 71,804,910, respectively.

3.2 Credit risk

Credit risk is defined as the potential that a third party will fail to meet its contractual obligations, generating losses for the Group. The Group's credit risk is measured and controlled per customer or individual third party.

The provisions for insolvency are determined based on the following criteria:

- Aging of credits
- Existence of bankruptcy proceedings
- Analysis of the customers' capacity to repay the loan granted

The Group's exposure to the credit risk is mainly attributable to commercial receivables due to sales transactions of electricity, oil, gas and LPG; nonetheless, the Group has not had to set up provisions for uncollectibility in the past years.

During last year, CAMMESA reduced its average delay in the payments, from 60 days for the year ended April 2015 to an average of 45 days for the year ended on April 30, 2016. The generators that sell electricity in the spot market have little management capacity to ensure collection of their receivables. Also, by applying ES Resolution 95/13 and amendments, the credit risk of the energy sale transactions came to be exclusively related to CAMMESA, in view of the temporary stay of the addition of new WEM contracts in the MAT. As from January 2016, the Ministry of Energy and Mining has been issuing resolutions to update the price of electric power, transferring a greater part of the price to end users, which could contribute to ease the deficit that CAMMESA has been recording and thus to regularize the delay in payments.

The Group's investment policy only accepts banks, financial institutions and mutual funds with at least "A" risk rating from independent parties, or which consolidate with institutions having that rating.

3.3 Liquidity risk

The Administration and Finance Management monitors current and future business projections aimed at:

(i) structuring financial liabilities so that their maturity in the short and medium term does not affect the current flow of business, considering the conditions prevailing at each time, in the credit markets to which it has access, and
(ii) maintaining active positions in instruments with proper liquidity.

NOTE 3 - ADMINISTRATION OF FINANCIAL RISKS (CONT'D)

Within the framework of this strategy, the Group has structured practically all its liabilities on the basis of issuing corporate bonds in March 2011, for a term of 7 years, with the principal to be repaid in one installment at maturity date, in March 2018. The covenants governing this debt refer to incurrence rather than maintenance of debt. This means that creditors cannot request advance payment if Capex does not meet any of the covenants; instead, the Company must comply with certain pre-established financial restrictions (see Note 21). In addition, the financial ratios of the Group should enable it to refinance its liabilities in the future and to sustain its financial indebtedness policy in the long term.

The Group's Administration and Finance Management invests cash surplus in interest-bearing accounts, such as time deposits, mutual funds and corporate bonds, by choosing instruments with the proper maturities.

The table below analyzes financial liabilities grouped based on contractual terms pending and not discounted, as from the date of the financial statements and until maturity and considering the prevailing exchange rates at April 30, 2016 and 2015.

At April 30, 2016	Less than 3 months	Between 3 months and one year	Between 1 and 2 years	More than 2 years
Financial liabilities	56,122,402	464,701,032	3,217,128,366	79,800,000
Trade accounts payable	334,119,638	7,473,558	7,853,185	32,931,764

At April 30, 2015	Less than 3 months	Between 3 months and one year	Between 1 and 2 years	More than 2 years
Financial liabilities	172,607,605	235,657,081	270,484,966	2,036,500,546
Trade accounts payable	214,828,051	3,571,961	4,014,160	20,689,952

3.4. Capital risk

The Group's goals when administering capital are to safeguard its ability to continue management operating.

The Group monitors its capital structure based on the net financial debt to EBITDA ratio generated by the Company and measured in US dollars. This ratio is calculated by dividing the net financial debt by EBITDA. The net financial debt is calculated as total financial liabilities less financial investments and cash and cash equivalents.

Ratios are as follows:
a) At April 30, 2016: 1.707; and
b) At April 30, 2015: 1.405

3.5 Fair value estimation

The Group classifies the measurement of fair value of financial instrument, using a hierarchy of fair value, which reflects the significance of the inputs used to perform these measurements. The fair value hierarchy has the following levels

- Level 1: quotation prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: information different to quotation prices included in level 1 that may be observable for assets and liabilities, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3: information on assets or liabilities not based on data that may be observable in the market (non-observable information).

The table below shows the financial assets of the Company measured at fair value at April 30, 2016 and 2015.

As of April 30, 2016

	Level 1	Total
Assets		
Financial Assets at fair value with change in results		
Mutual funds	235,707,720	235,707,720

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NOTE 3 - ADMINISTRATION OF FINANCIAL RISKS (CONT'D)

As of April 30, 2015

	Level 1	Total
Assets		
Financial Assets at fair value with change in results		
Mutual funds	381,965,221	381,965,221

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from a stock exchange, broker, sector-specific institution, or regulatory agency, and those prices represent current and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current offer price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on Company specific estimates. If all significant inputs required to determine the fair value of a financial instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs required to determine the fair value of a financial instrument is not based on observable market data, the instrument is included in Level 3.

NOTE 4 - ACCOUNTING ESTIMATES AND JUDGMENTS

Accounting estimates and judgments are continually assessed and are based on the historical experience and other factors, including the expectations for future events that are considered reasonable under the circumstances.

Significant accounting estimates and judgments

The Group makes estimates and hypotheses as regards the future. Resulting accounting estimates, by definition, will rarely equal actual results. Estimates and judgments that have a significant risk to give rise to a material adjustment in the book value of assets and liabilities within the following fiscal year are explained below. The main accounting principles and areas that require a greater amount of judgment and estimates in the preparation of financial statements are:

- (i) oil and gas reserves;
- (ii) provisions for lawsuits and other charges,
- (iii) income tax and deferred tax charges
- (iv) impairment test of assets
- (v) derivative financial instruments and
- (vi) fair value of revalued assets.

(i) Oil and gas reserves

Reserves are understood as the volumes of oil and gas (determined in equivalent m3 of oil), which generate or are related to an economic benefit in the areas where the Group operates and over which it has rights for their exploration and exploitation.

The estimate of oil and gas reserves is an integral part of the Group's decision-making process. The volume of oil and gas reserves is considered in the calculation of amortization charges, applying production unit ratios, as well as in the assessment of the recoverability of the investment in Exploration and Exploitation assets (see Notes 2.6 and 35).

The estimates of reserves were prepared by Group technical personnel, and are based on technological and economic conditions in force at December 31, 2015, considering the economic assessment and having as their horizon the expiry of the concession to determine the term for recoverability.

These reserve estimates are adjusted whenever changes to the issues considered for their assessment justify so, or at least, once a year. These estimated reserves have been audited by an independent auditor.

There are several factors which create uncertainty about the estimate of proven reserves, estimates of future production profiles, development costs and prices, including other factors beyond the control of the producer. The procedure for calculating the reserves is subjective to allow for the estimate of crude oil and natural gas to be recovered from the subsoil,

NOTE 4 - ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D)

which has certain degree of uncertainty. The reserves estimate is prepared based on the quality of the information on geology and engineering available at that date, as well as on its interpretation.

See details on reserves in Note 35.

(ii) Provisions for lawsuits and other contingencies

Provisions are recognized for certain civil, commercial, labor and tax contingencies which occasionally take place in the ordinary course of business. With the aim of determining the sufficiency of the provisions for these contingencies, we have considered, based on the advice of our internal and external legal counsel, the probability of adverse judgements or resolutions regarding these matters, as well as the range of probable losses that could result from potentially adverse resolutions. Where applicable, the amount of the provisions required for these contingencies is determined after a careful analysis of each case in particular (See Note 25).

(iii) Income tax

Each group company has recognized income tax by the deferred tax liability method. Accordingly, deferred tax assets and liabilities are recognized to reflect the future tax consequences attributable to differences between the amounts recorded in the financial statements of existent assets and liabilities and their pertinent tax bases. Deferred tax assets and liabilities are valued by applying the tax rate in effect to the taxable income during the years in which these temporary differences are expected to be recorded or settled. The effect that any modification in the tax rates may have on the deferred tax assets and liabilities is recognized in the income statement for the period that includes the date in which such modification of the tax rate has been made.

The deferred tax assets are recognized only insofar that it is probable that the Company will have future taxable profits against which the temporary differences can be offset. Assets generated by tax losses are capitalized to the extent that they are recoverable before expiration date.

(iv) Impairment test of property, plant and equipment

The Group regularly assesses the recoverability of Property, plant and equipment, including assets being explored and assessed, according as mentioned in Note 2.6, when there are events or circumstances that indicate a potential sign of impairment. The carrying amount of property, plant and equipment is considered impaired by the Company when the value-in-use, calculated based on the estimated cash flows expected from those assets, discounted and separately identifiable, or their net realizable values are lower than their carrying amounts. This analysis is made at the minimum level in which there are identifiable cash generating units (CGUs).

When evaluating if there is a sign that a cash generating unit (CGU) might be affected, internal and external sources are analyzed, considering specific facts and circumstances, which, in general, include the discount rate used in the projections of cash flows for each of the cash generating units and the condition of the business in terms of economic and market factors, such as the price of the tariff, inflation, exchange rate, costs, seismic information, disposal area requirements without renewal of exploration rights, other expenses and the regulatory framework of the industry in which the Group operates.

A previously recognized impairment loss is reversed when there is a subsequent change in the estimates used to compute the recoverable value of the asset. In this case, the new value cannot exceed the value it would have at the new date of measurement had the impairment not been recognized. Both the impairment charge and its reversal are recognized as income/loss.

The value-in-use calculation requires the use of estimates and is based on cash flow projections prepared based on financial and economic budgets approved by the Board. Cash flows beyond the budgeted periods are extrapolated using estimated growth rates, which do not exceed the long-term average growth rate of each of the business segments involved.

At the time of estimating future cash flows, critical judgment is required from Management. Actual cash flows and values may significantly vary from the foreseen future cash flows and related values obtained through discount techniques. To consider the estimation risk included in those calculations, the Group has taken into consideration several scenarios of weighted probability of occurrence.

NOTE 4 - ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D)

The estimate of net realizable values, where necessary, is calculated based on valuations prepared by independent appraisers.

Methodology for the estimation of the recoverable value:

General criterion of the Group: the methodology used for the estimation of the recoverable value of fixed and intangible assets consists, mainly, of the calculation of the value in use, from the expected future flows of funds deriving from the exploitation of these assets, discounted with a rate that reflects the weighted average cost of the used capital.

In assessing the value in use, projection of cash flows based on the best estimations available for revenue and expense of the Cash Generating Units (CGUs) are used. This is done by employing sector provisions, past results and future expectations about the evolution of the business and the development of the market. Among the most sensitive aspects included in the projections used in all the CGUs, the prices of energy, the regulations in force, the estimation of costs increases, and the costs in personnel stand out.

In assessing Exploration and Production assets, projections are made about cash flows that comprise the economically productive life of the oil and gas fields, limited by the expiration of the license agreements, permits, and exploitation agreements or contracts. The estimated cash flows are based, among other factors, on production levels, prices of commodities, costs of production, market supply and demand, contractual conditions and other factors. As regards exploration assets, the estimations on future necessary investments related to the non-developed oil and gas reserves are also taken into consideration.

The cash flows of Electricity and GLP are estimated, among other factors, from the expected evolution of sales, unitary contribution margins and fixed costs, in line with the expectations considered in the specific strategic plans of each business, limited by the useful life of each asset. However, those cash inflows and outflows corresponding to future restructurings or improvements in the performance or increase in assets are not taken into consideration.

(v) *Fair value of derivative and other financial instruments*

The fair values of financial instruments that are not traded in active markets (for example derived from the outside of the official market) are determined using valuation techniques. The Company applies its judgement to select a series of methods and makes hypotheses based mainly on existent market conditions at the date of each financial statement. The Group determined the valuation at the closing of each year calculating the payment flows of future capital discounted at LIBO rate ("forward rate") that determines the "futures market" for each year.

(vi) Fair value of revalued assets

For the group of assets of the caption Property, plant and equipment (CT ADC, Buildings and Lands owned by Capex), the LPG Facility (owned by SEB), and DEEF (owned by Hychico) valued under the revaluation model, the Company makes estimates of the fair value of assets as stated in Note 2.6.III).

NOTE 5 – SEGMENT REPORTING

The Board has determined operating segment based on the reports it reviews and which are used for strategic decision making.

Segment reporting is presented in a manner consistent with the internal reporting. The Board and the Senior Managers are responsible for assigning resources and assessing the profitability of operating segments.

Management information used in the decision-making process is prepared on a monthly basis and contains a breakdown of the Group's segments:

1) the exploration, production and sale of oil and gas ("Oil and Gas"),
2) generation of electric power ("Electricity ADC"),
3) production and sale of gas-derived liquid fuel ("LPG").
4) generation of wind electric power ("Energy DEEF"),
5) generation of electric power with hydrogen ("HYDROGEN Energy") and

NOTE 5 – SEGMENT REPORTING (CONT'D)

6) oxygen production and sale ("Oxygen").

Segment reporting information at April 30, 2016 and 2015 is disclosed below:

	04.30.2016							
	Oil and Gas	Electricity ADC	LPG	Energy DEEF	Hydrogen Energy	Oxygen	Eliminations	Total
Net sales	751,636,973	968,068,884	87,428,291	33,597,175	3,077,851	995,123	-	1,844,804,297
Sales among segments	484,235,767	-	118,944,037	-	-	-	(603,179,804)	-
Cost of sales	(375,551,966)	(712,023,019)	(119,464,091)	(10,313,385)	(4,104,367)	(1,250,711)	603,179,804	(619,527,735)
Gross Profit	**860,320,774**	**256,045,865**	**86,908,237**	**23,283,790**	**(1,026,516)**	**(255,588)**	**-**	**1,225,276,562**
Exploration Expenses	(76,710,629)	-	-	-	-	-	-	(76,710,629)
Selling Expenses	(207,574,434)	(37,212,193)	(7,986,574)	(786,640)	(506,785)	(144,115)	-	(254,210,741)
Administrative Expenses	(74,974,685)	(37,497,574)	(13,443,523)	(373,018)	(2,599,350)	(1,017,996)	-	(129,906,146)
Other operating (expenses) / income, net	(429,620)	(553,327)	44,145	-	(13,286)	-	-	(952,088)
Operating result	**500,631,406**	**180,782,771**	**65,522,285**	**22,124,132**	**(4,145,937)**	**(1,417,699)**	**-**	**763,496,958**
Financial Income	313,738,583	22,609,125	42,475,689	2,703,154	14,314,590	4,628,152	(212,945)	400,256,348
Financial Costs	-	(1,499,800,104)	1,228	(61,395,633)	(281,772)	(91,009)	212,945	(1,561,354,345)
Other Financial Income	-	-	-	-	169,993	286,920	-	456,913
Result Before Tax Income	**814,369,989**	**(1,296,408,208)**	**107,999,202**	**(36,568,347)**	**10,056,874**	**3,406,364**	**-**	**(397,144,126)**
Tax on Assets								-
Income Tax								137,218,320
Result for the year								**(259,925,806)**
Other comprehensive results								1,049,995,831
Net comprehensive result for the year								**790,070,025**
Amortization								
In Cost of Sales	171,197,908	80,880,709	12,804,071	5,766,382	1,010,539	444,060	-	272,103,669
In Administrative Expenses	457,003	588,597	53,157	-	-	-	-	1,098,757
Total	171,654,911	81,469,306	12,857,228	5,766,382	1,010,539	444,060	-	273,202,426

	04.30.2015							
	Oil and gas	Electricity ADC	LPG	Energy DEEF	Energy HYDROGEN	Oxygen	Deletions	Total
Net sales	452,856,840	679,570,722	97,711,701	27,885,132	2,067,532	819,730	-	1,260,911,657
Sales among segments	349,203,436	-	96,525,534	-	-	-	(445,728,970)	-
Cost of sales	(284,426,254)	(527,852,709)	(94,519,107)	(8,037,107)	(3,420,475)	(1,192,850)	445,728,970	(473,719,532)
Gross profit	**517,634,022**	**151,718,013**	**99,718,128**	**19,848,025**	**(1,352,943)**	**(373,120)**	**-**	**787,192,125**
Exploration expenses	(174,860,302)	-	-	-	-	-	-	(174,860,302)
Selling expenses	(132,099,953)	(29,464,426)	(7,104,871)	(1,127,027)	(410,759)	(144,309)	-	(170,351,345)
Administrative expenses	(49,520,470)	(26,394,948)	(12,709,337)	(396,665)	(1,736,936)	(769,466)	-	(91,527,822)
Other operating (expenses) / income, net	3,082,206	(1,537,868)	(219,097)	-	(26,552)	-	-	1,298,689
Operating result	**164,235,503**	**94,320,771**	**79,684,823**	**18,324,333**	**(3,527,190)**	**(1,286,895)**	**-**	**351,751,345**
Financial income	76,830,430	24,848,325	17,802,184	1,939,550	4,353,739	1,726,161	-	127,500,389
Financial costs	-	(453,763,740)	(7,393)	(21,005,726)	(111,431)	(51,492)	-	(474,939,782)
Other financial income	-	-	-	-	(217,403)	286,919	-	69,516
Result before Income Tax	**241,065,933**	**(334,594,644)**	**97,479,614**	**(741,843)**	**497,715**	**674,693**	**-**	**4,381,468**
Tax on assets								(431,582)
Income tax								(3,561,977)
Result for the year								**387,909**
Other comprehensive results								743,518,138
Net comprehensive result for the year								**743,906,047**
Amortization								
In Cost of sales	135,868,410	51,689,780	10,606,390	5,357,014	1,167,680	286,919	-	204,976,193
In Administrative expenses	369,732	554,832	79,776	-	-	-	-	1,004,340
Total	136,238,142	52,244,612	10,686,166	5,357,014	1,167,680	286,919	-	205,980,533

As of April 30, 2015, the Group did not make sales to customers abroad, nor does its own assets other than financial instruments outside of Argentina.

As of April 30, 2016, the Group has sold LPG to customers abroad.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

	04.30.2016	04.30.2015
Residual value at beginning of year	2,646,497,530	1,670,638,617
Additions	641,130,235	353,904,047
Provisions	456,913	69,516
Revaluation	1,615,378,203	1,143,874,405
Write-off net of amortization	-	(141,148,220)
Write-off and provision Río Negro Areas	(76,710,629)	(174,860,302)
Amortization	(273,202,426)	(205,980,533)
Residual value at the end of the year	4,553,549,826	2,646,497,530

On September 10, 2014, the Company sold the Vicente López building in $ 141 million. The transaction was approved by the Board of Directors and the Audit Committee.

The amortization cost of the year ended at April 30, 2016 and 2015 for $ 272,103,669 and $ 204,976,193, respectively, was charged to the Cost of Sales, and $ 1,098,757 y $ 1,004,340, respectively, to Administrative Expenses.

Below is the revaluation by group of assets:

	Net book value at 04.30.2015	Additions/ Retirements for the year – net	Amortization for the year at cost value	Residual value at cost value
CT ADC	366,183,809	105,678,245	(47,205,048)	424,657,006
Building and land in Neuquén	33,885,812	-	(207,110)	33,678,702
GLP Plant	65,746,719	-	(5,040,418)	60,706,301
DEEF	62,360,363	663,796	(3,852,699)	59,171,460
Remaining assets	1,078,845,659	458,534,478	(173,526,261)	1,363,853,876
Total	1,607,022,362	564,876,519	(229,831,536)	1,942,067,345

	Revaluation at 04.30.2015	Additions/ Retirements for the year – Revaluation	Amortization of the year Revaluation	Residual value of revaluation	Net book value at 04.30.2016
CT ADC	891,621,155	1,389,024,419	(33,675,661)	2,246,969,913	2,671,626,919
Building and land in Neuquén	21,714,433	153,219,051	(17,893)	174,915,591	208,594,293
GLP Plant	95,520,655	-	(7,763,653)	87,757,002	148,463,303
DEEF	30,618,925	73,134,733	(1,913,683)	101,839,975	161,011,435
Remaining assets	-	-	-	-	1,363,853,876
Total	1,039,475,168	1,615,378,203	(43,370,890)	2,611,482,481	4,553,549,826

NOTE 7 – NET DEFERRED TAX LIABILITIES

The deferred tax net position is as follows:

	04.30.2016	04.30.2015
Deferred tax assets		
Deferred tax assets to be recovered after 12 months	193,834,548	67,472,558
Deferred tax assets to be recovered within 12 months	5,983,073	3,773,534
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after 12 months	(1,058,095,476)	(474,589,897)
Deferred tax liabilities to be recovered within 12 months	(25,318,153)	(56,969,943)
Net deferred tax liabilities	(883,596,008)	(460,313,748)

The changes in deferred tax assets and liabilities, without considering the offsetting of balances, are as follows:

NOTE 7 - DEFERRED INCOME TAX (CONT'D)

- Deferred assets:

	Tax Losses	Trade accounts receivable	Trade accounts payable	Provisions and other	Total
Balance at April 30, 2015	56,852,527	20,259	5,940,436	8,432,870	71,246,092
Charge to income/loss	121,852,363	(20,259)	4,933,967	1,805,458	128,571,529
Balance at April 30, 2016	178,704,890	-	10,874,403	10,238,328	199,817,621

- Deferred liabilities:

	Financial investments at amortized cost	Property, plant and equipment	Other accounts receivables	Financial liabilities	Total
Balance at April 30, 2015	(7,156,809)	(520,042,388)	(1,010,139)	(3,350,504)	(531,559,840)
Charge to income/loss	3,109,922	(554,586,038)	(1,951,752)	1,574,079	(551,853,789)
Balance at April 30, 2016	(4,046,887)	(1,074,628,426)	(2,961,891)	(1,776,425)	(1,083,413,629)

Capex's specific tax losses at April 30, 2016 for $ 453,700,543 may be allocated to future taxable income arising within five years as from the date they are generated; they will prescribe from the fiscal year ending on April 30, 2019.

Hychico's tax losses recorded at April 30, 2016 are as follows:

Generated in	Amount	Rate 35%	Recovery of tax-loss (1)	Expire in
Tax-loss generated at April 30, 2011	576,166	201,658	201,658	2016
Tax loss generated at April 30, 2012	23,843,898	8,345,364	643,872	2017
Tax loss generated at April 30, 2013	6,741,288	2,359,450	2,359,450	2018
Tax loss generated at April 30, 2014	19,670,479	6,884,668	6,884,668	2019
Tax loss generated at April 30, 2015	1,401,557	490,545	490,545	2020
Tax loss generated at April 30, 2016	21,913,869	7,669,854	7,669,854	2021
Total tax losses at April 30, 2016	**74,147,257**	**25,951,540**	**19,909,700**	

(1) Based on estimates made these tax-losses carryforwards may be applied against future taxable income originated within five-year term.

Such tax losses may be allocated to future taxable income arising within five years as from the date they are generated.

NOTE 8 – FINANCIAL ASSETS AND LIABILITIES PER CATEGORY

	04.30.2016	04.30.2015
ASSETS		
Financial assets at amortized cost		
Trade accounts receivable and other accounts receivable	891,870,461	443,903,906
Financial investments at amortized cost	568,799,995	354,415,925
Cash and cash equivalents	8,717,889	10,738,299
Total	**1,469,388,345**	**809,058,130**
Financial assets at fair value		
Financial investments at fair value	235,707,720	381,965,221
Total	**235,707,720**	**381,965,221**
LIABILITIES		
Financial assets at amortized cost	3,763,719,108	2,461,310,665
Total	**3,763,719,108**	**2,461,310,665**

NOTE 9 - FINANCIAL ASSETS CREDIT RATING

The credit rating of financial assets which have not yet fallen due or have not been written down can be assessed, based on the rating provided by banks for cash and cash equivalents. In the case of trade accounts receivable, the classification is based on historical ratios.

The credit rating of cash items and short-term deposits is as follows:

	04.30.2016	04.30.2015
Cash at banks and short-term deposits		
Credit rating "A"	813,020,531	390,384,520
Total	**813,020,531**	**390,384,520**

The credit rating of trade accounts receivable is as follows:

	04.30.2016	04.30.2015
Without due date (shown as non-current assets)	100,444,863	54,988,586
Past due		
From 0 to 3 months	203,050,647	109,041,650
From 3 to 6 months	47,225,732	-
To be due		
From 0 to 3 months	448,798,081	223,028,008
Total	**799,519,323**	**387,058,244**

See Note 3.2 as regards receivables from CAMMESA.

NOTE 10 – DERIVATIVE FINANCIAL INSTRUMENTS

In October 2007, the Company signed an agreement with the Deutsche Bank AG, whereby an annual nominal LIBO rate was fixed at 4.75% ("LIBO Rate Swap") for a period begun on January 18, 2008 and ended on July 18, 2014 on an amount equal to 50% of the original debt under the unsecured loans for US$ 238,339,978 and US$ 11,660,022 granted by Deutsche Bank AG in July 2007. Such loans were refinanced on February 23, 2010 and fully prepaid in March 2011.
The time period and outstanding US dollar amounts under the LIBO Rate Swap transaction respond to the variations over time in the Company's financial liabilities accrued under the swap.

At April 30, 2015 gains for $ 1,079,814 were generated (see Note 28).

NOTE 11 - SPARE PARTS AND MATERIALS

	04.30.2016	04.30.2015
Non-Current		
In local currency		
Spare parts and consumption materials	84,030,707	62,820,501
Provision for turnover and obsolescence (Exhibit E)	(839,383)	(959,414)
In foreign currency (Exhibit G)		
Sundry advances	77,105,157	6,894,682
Total	160,296,481	68,755,769
Current		
In local currency		
Spare parts and consumption materials	28,073,950	18,520,081
Provision for turnover and obsolescence (Exhibit E)	(209,846)	(239,854)
Sundry advances	-	371,623
In foreign currency (Exhibit G)		
Sundry advances	19,276,289	1,600,956
Total	47,140,393	20,252,806

The provision for turnover and obsolescence was set up based on the analysis of possible losses the Group estimates to incur due to the decrease in the value of materials. The changes are as follows:

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NOTE 11 - SPARE PARTS AND MATERIALS (CONT'D)

Balance at April 30, 2014	**(1,536,092)**
Recovery of the provision allocated to Other operating (expenses) / income, net (Note 27)	336,824
Balance at April 30, 2015	**(1,199,268)**
Recovery of the provision allocated to Other operating (expenses) / income, net (Note 27 and Exhibit E)	150,039
Balance at April 30, 2016	**(1,049,229)**

NOTE 12 - INVENTORIES

	04.30.2016	04.30.2015
Oil	1,894,668	48,574
Propane and butane	1,379,782	517,723
Total	3,274,450	566,297

NOTE 13 - OTHER ACCOUNTS RECEIVABLE

	04.30.2016	04.30.2015
Non-Current		
In local currency		
Value added tax	5,479,475	3,763,373
Tax on assets (Note 2.15.2)	81,810,021	51,151,967
In foreign currency (Exhibit G)		
Assignment of CAMMESA rights	26,280,798	21,172,535
Total	113,570,294	76,087,875
Current		
In local currency		
Sundry advances	18,209,231	3,456,373
Tax on assets (Note 2.15.2)	1,741,024	764,435
Turnover tax	3,772,105	2,175,122
Value added tax	11,384,420	13,644,025
Income tax	15,290,830	14,877,039
Other tax credits	5,597,950	3,971,147
Prepaid insurance	15,698,508	10,413,483
Prepaid expenses	3,236,324	1,145,788
Assignment of CAMMESA rights	891,038	411,554
Intercompany receivables (Note 32.b)	487,168	584,416
Sundry	1,246,971	540,380
In foreign currency (Exhibit G)		
Sundry advances	58,921	6,042,812
Assignment of CAMMESA rights	12,622,189	8,152,972
Agreement for gas propane supply for networks to collect	13,619,990	4,925,349
Total	103,856,669	71,104,895

The fair value of other accounts receivable does not significantly differ from the carrying value.

According to the term for collection, they are grouped as follows:

	04.30.2016	04.30.2015
Without due date (shown as current assets)	31,857,437	13,653,338
Past due		
From 0 to 3 months	3,391,262	-
To be due		
From 0 to 3 months	23,677,494	15,258,107
From 3 to 6 months	15,241,353	21,531,570
From 6 to 9 months	10,268,033	17,380,512
From 9 to12 months	19,421,090	3,281,368
From 1 to 2 years	92,394,223	9,588,251
More than 2 years	21,176,071	66,499,624
	217,426,963	147,192,770

NOTE 14 - TRADE ACCOUNTS RECEIVABLE

	04.30.2016	04.30.2015
Non-Current		
In local currency		
From sale of energy and others (Receivables Art.5 Res 95/2013 - CAMMESA)	100,444,863	54,988,586
Doubtful accounts	2,627,115	2,627,115
Less: Provision for doubtful accounts (Exhibit E)	(2,627,115)	(2,627,115)
Total	100,444,863	54,988,586
Current		
In local currency		
From sale of energy and others	642,488,528	226,787,801
Intercompany receivables (Note 32.b))	483,881	314,422
In foreign currency (Exhibit G)		
From sale of oil and others	55,371,084	104,793,478
Intercompany receivables (Note 32.b))	730,967	173,957
Total	699,074,460	332,069,658

At April 30, 2016 and 2015, trade accounts receivable for $ 799,519,323 and $ 387,058,244, respectively, fully complied with their contractual terms, and their fair value did not significantly differ from the carrying value.

In addition, there were trade accounts receivable for $ 250,276,379 and $ 109,041,650, at April 30, 2016 and 2015, respectively, which were due but had not been covered by a provision. They are related to CAMMESA and certain customers of LPG that do not record events of non-compliance. The aging analysis of these accounts receivable is as follows:

	04.30.2016	04.30.2015
Without due date (shown as non-current assets)	100,444,863	54,988,586
Past due		
From 0 to 3 months	203,050,647	109,041,650
From 3 to 6 months	47,225,732	-
To be due		
From 0 to 3 months	448,798,081	223,028,008
Total	799,519,323	387,058,244

At April 30, 2016 and 2015 the provision for trade accounts receivable amounts to $ 2,627,115, for both years.

The movements of the provision (Exhibit E) for doubtful trade accounts receivable are as follows:

	04.30.2016	04.30.2015
Balance at beginning of year	2,627,115	2,627,115
Balance at year end	2,627,115	2,627,115

The accounts receivable provided for correspond to certain customers facing a specific economic situation.

The amounts charged to the provision are generally deleted when there is no expectation of receiving additional cash.

NOTE 15 - FINANCIAL INVESTMENTS AT AMORTIZED COST

	04.30.2016	04.30.2015
Non-Current		
In foreign currency (Exhibit G)		
Financial investments at amortized cost (Exhibit D)	-	354,415,925
Total	-	354,415,925
Current		
In foreign currency (Exhibit G)		
Financial investments at amortized cost (Exhibit D)	556,999,401	-
Total	556,999,401	-

NOTE 15 - FINANCIAL INVESTMENTS AT AMORTIZED COST (CONT'D)

The carrying amount of financial investments at amortized cost approximates their fair value.

According to the term for collection, they are grouped as follows:

	04.30.2016	04.30.2015
To be due		
From 9 to 12 months	556,999,401	-
From 1 to 2 years	-	354,415,925
Total	556,999,401	354,415,925

NOTE 16 - CASH AND CASH EQUIVALENTS

	04.30.2016	04.30.2015
Current		
In local currency		
Cash	49,895	51,619
Checks to be deposited	-	2,171,745
Banks	8,338,715	8,242,758
Financial assets at fair value (Exhibit D)	235,707,720	381,965,221
In foreign currency (Exhibit G)		
Cash	155,178	95,636
Banks	174,101	176,541
Total	244,425,609	392,703,520

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

	04.30.2016	04.30.2015
Cash and cash equivalents	8,717,889	10,738,299
Financial investments at fair value	235,707,720	381,965,221
Bank overdrafts (Note 21)	-	(151,222,593)
Total	244,425,609	241,480,927

NOTE 17 - CAPITAL STOCK AND ADDITIONAL PAID-IN CAPITAL

	Number of shares	Face value per share	Capital subscribed	Additional paid-in capital	Subtotal
		$	$	$	$
Balances at April 30, 2015	179,802,282	1	179,802,282	79,686,176	259,488,458
Balances at April 30, 2016	179,802,282	1	179,802,282	79,686,176	259,488,458

The capital stock of $ 179,802,282 is represented by 179,802,282 ordinary, book-entry Class "A" shares of $ 1 par value and one vote each, authorized to be placed for public offering.

All the shares issued have been subscribed and paid in.

Capital stock at April 30, 2016 and 2015 is as follows:

NOTE 17 - CAPITAL STOCK AND ADDITIONAL PAID-IN CAPITAL (CONT'D)

Capital	Face value	Approved by	
		Date	Instrument/Body
	$		
Subscribed, paid-in and registered	2,000,000		Incorporation Agreement
Subscribed, paid-in and registered	18,000,000	01.17.94	Extraordinary Shareholders' Meeting
Subscribed, paid-in and registered	16,363,636	03.18.94	Extraordinary Shareholders' Meeting
Subscribed, paid-in and registered	4,520,859	08.18.99	Ordinary Shareholders' Meeting
Subscribed, paid-in and registered	7,062,780	07.11.00	Ordinary Shareholders' Meeting
Subscribed, paid-in and registered	11,986,819	09.21.05	Ordinary Shareholders' Meeting
Subscribed, paid-in and registered	119,868,188	08.28.07	Ordinary Shareholders' Meeting
Subscribed and paid-in	179,802,282		

NOTE 18 – RESERVES

a) Reserves Evolution

	Legal reserve	Free reserve [1]	Reserve for assets revaluation (see point b)
	$	$	$
Balances at April 30, 2015	-	-	**671,801,964**
Ordinary Shareholders´ Meeting dated August 7, 2015	23,508,318	43,367,267	-
Comprehensive result of the year	-	-	1,048,198,511
Reversal of reserve for assets revaluation (point b)	-	-	(27,891,729)
Balances at April 30, 2016	**23,508,318**	**43,367,267**	**1,692,108,746**

[1] For the distribution of future dividends and/or investments and/or cancellation of debts and/or absorption of losses. The amounts included in this item were determined by the Meetings of Shareholders which approved the pertinent annual financial statements.

b) Reserve for the revaluation of assets / other comprehensive results

Below is a detail of the changes and breakdown of the Reserve for revaluation of assets / Other comprehensive results:

	CT ADC	LPG Plant	DEEF	Building and land – Vicente López	Building and land - Neuquén	Total	Attributable to the Company	Attributable to Minority Interest
Balance at April 30, 2014	-	-	-	-	-	-	-	-
Increase for revaluation	917,505,192	100,927,485	32,032,106	71,681,770	21,727,852	1,143,874,405	1,137,485,756	6,388,649
Deferred tax	(321,126,817)	(35,324,845)	(11,211,237)	(25,088,620)	(7,604,748)	(400,356,267)	(398,120,015)	(2,236,252)
Total other comprehensive results	**596,378,375**	**65,602,640**	**20,820,869**	**46,593,150**	**14,123,104**	**743,518,138**	**739,365,741**	**4,152,397**
Reversal due to depreciation for the year [1]	(25,884,037)	(5,406,830)	(1,413,181)	-	(13,419)	(32,717,467)	(32,262,504)	(454,963)
Reversal due to sales [1]	-	-	-	(71,681,770)	-	(71,681,770)	(71,681,770)	-
Reversal of deferred tax [1]	9,059,413	1,892,391	494,613	25,088,620	4,697	36,539,734	36,380,497	159,237
Subtotal for reversal of revaluation of assets [1]	**(16,824,624)**	**(3,514,439)**	**(918,568)**	**(46,593,150)**	**(8,722)**	**(67,859,503)**	**(67,563,777)**	**(295,726)**
Balance at April 30, 2015 of reserve for the revaluation assets	**579,553,751**	**62,088,201**	**19,902,301**	-	**14,114,382**	**675,658,635**	**671,801,964**	**3,856,671**
Increase for revaluation [2]	1,389,024,419	-	73,134,733	-	153,219,051	1,615,378,203	1,612,613,095	2,765,108
Deferred tax [2]	(486,158,547)	-	(25,597,157)	-	(53,626,668)	(565,382,372)	(564,414,584)	(967,788)
Total other comprehensive results [2]	**902,865,872**	-	**47,537,576**	-	**99,592,383**	**1,049,995,831**	**1,048,198,511**	**1,797,320**
Reversal due to depreciation for the year [1]	(33,675,661)	(7,763,653)	(1,913,683)	-	(17,893)	(43,370,890)	(42,910,353)	(460,537)
Reversal due to sales [1]	11,786,481	2,717,279	669,789	-	6,263	15,179,812	15,018,624	161,188
Subtotal for reversal of revaluation of assets [1]	**(21,889,180)**	**(5,046,374)**	**(1,243,894)**	-	**(11,630)**	**(28,191,078)**	**(27,891,729)**	**(299,349)**
Subtotal	**880,976,692**	**(5,046,374)**	**46,293,682**	-	**99,580,753**	**1,021,804,753**	**1,020,306,782**	**1,497,971**
Balance at April 30, 2016 of reserve for the revaluation assets	**1,460,530,443**	**57,041,827**	**66,195,983**	-	**113,695,135**	**1,697,463,388**	**1,692,108,746**	**5,354,642**

[1] Charged to "Retained Earnings"
[2] Charged to "Other comprehensive results"

NOTE 19 – RETAINED EARNINGS

	04.30.2016	04.30.2015
Balances at April 30, 2014		**(224,966,816)**
Ordinary Shareholders' Meeting dated August 5, 2014 (absorption of reserve)		223,747,142
Comprehensive result for the year		531,482
Reversal of reserve for revaluation of assets (Note 18)		67,563,777
Balances at April 30, 2015	**66,875,585**	**66,875,585**
Ordinary Shareholders' Meeting dated August 7, 2015 (constitution of legal and free reserves)	(66,875,585)	
Comprehensive result of year	(259,556,433)	
Reversal of reserve for revaluation of assets (Note 18)	27,891,729	
Balances at April 30, 2016	**(231,664,704)**	

Restrictions on the distribution of profits

a) In accordance with the Commercial Companies Law, by-laws and Resolution 368/01 of the National Securities Commission, 5% of net income, once accumulated losses have been absorbed, plus (less) prior years' adjustments, must be appropriated to the Legal Reserve until it reaches 20% of capital.

b) In line with the Global Program for the Issue of Class I Corporate Bonds (Note 21 a), the Company and its subsidiary SEB may declare or pay:

- Stock dividends or distributions with voting rights;
- Dividends or distributions collected by the Company and/or its Restricted subsidiaries (SEB);
- Dividends paid pro rata to the Company and its restricted subsidiaries (SEB), on one hand, and to the minority bondholders of one Restricted Subsidiary, on the other hand.

The above will apply provided that at the time of payment and immediately after giving effect to it: (a) no default or event of default (such as nonpayment of principal or interest at maturity, failure by the Company to fulfill a commitment or agreement included in the program, or in case the Company is declared insolvent or bankrupt in an insolvency or bankruptcy proceeding) shall have occurred and still persists; and (b) the Company may incur additional financial debt for at least US$ 1 if, when incurred, the Consolidated Interest Coverage Ratio is not less than 2.5:1.0 and the Interest Coverage Ratio and Financial Debt to adjusted EBITDA Ratio is not higher than 3.5:1.0 (see Note 21).

c) At the closing of the year, the positive balance of the Reserve for the revaluation of assets may not be distributed, capitalized or allocated to absorb accumulated losses, but must be computed as part of Retained earnings for the purposes of comparison to determine the Company's situation under sections 31, 32 and 206 of the Commercial Companies Law No 19550, based on the restated text of the CNV.

NOTE 20 - TRADE ACCOUNTS PAYABLE

	04.30.2016	04.30.2015
Non-Current		
In local currency		
Sundry accruals	27,159,490	15,317,182
In foreign currency (Exhibit G)		
Sundry accruals	6,016,712	4,693,465
Total	33,176,202	20,010,647
Current		
In local currency		
Suppliers	109,626,901	87,166,404
Intercompany suppliers (Note 32.b))	44,756	6,636
Sundry accruals	26,237,447	9,190,212
In foreign currency (Exhibit G)		
Suppliers	197,378,461	123,293,250
Sundry accruals	6,476,268	3,021,375
Total	339,763,833	222,677,877

The carrying amount of trade accounts payable approximates to their fair value.

NOTE 20 - TRADE ACCOUNTS PAYABLE (CONT'D)

According to the estimated term for payment, they are grouped as follows:

	04.30.2016	04.30.2015
Past due		
From 0 to 3 months	625,576	458,957
From 3 to 6 months	552,722	25,662
From 6 to 9 months	-	30,600
From 1 to 2 years	-	166,261
More than 2 years	-	6,210
Without due date (shown as current liabilities)	729,079	729,804
To be due		
From 0 to 3 months	332,047,130	218,867,683
From 3 to 6 months	2,571,192	1,022,613
From 6 to 9 months	1,619,067	686,085
From 9 to12 months	1,619,067	684,002
From 1 to 2 years	6,016,712	2,719,338
More than 2 years	27,159,490	17,291,309
	372,940,035	242,688,524

NOTE 21 – FINANCIAL LIABILITIES

	04.30.2016	04.30.2015
Non-Current		
In local currency		
Commissions and expenses to be accrued	(2,420,340)	(4,680,858)
Bank	55,500,000	74,000,000
Advance funding for maintenance of the CT ADC	149,763,237	62,694,874
In foreign currency (Exhibit G)		
Bank	99,750,000	74,818,800
Corporate bonds	2,850,000,000	1,781,400,000
Total	3,152,592,897	1,988,232,816
Current		
In local currency		
Bank overdrafts	-	151,222,593
Commissions and expenses to be accrued	(2,260,524)	(2,251,786)
Bank	179,376,486	43,212,123
In foreign currency(Exhibit G)		
Bank	20,465,376	12,826,229
Corporate bonds	40,604,838	25,380,166
Total	238,186,176	230,389,325

Changes in loans are as follows:

	04.30.2016	04.30.2015
Balances at April 30, 2015	**2,218,622,141**	**1,883,082,096**
(Decrease) / increase in bank overdrafts	(151,222,593)	56,517,495
Funding for maintenance of the CT ADC net of credits applications	175,250,000	153,051,587
Offsetting with credit for remuneration of non-recurring maintenance	(122,561,332)	(114,973,325)
Loans obtained	181,750,000	106,250,000
Accruals:		
Accrued interest	388,300,597	232,288,969
Accrued commissions and expenses	2,251,780	2,261,250
Exchange difference generated by foreign currency debts	1,117,800,107	189,586,498
Payments:		
Interest	(325,472,701)	(197,054,583)
Capital	(93,938,926)	(92,387,846)
Balances at April 30, 2016	**3,390,779,073**	**2,218,622,141**

According to the estimated term for payment, they are grouped as follows:

NOTE 21 – FINANCIAL LIABILITIES (CONT'D)

	04.30.2016	04.30.2015
6 months or less	136,943,460	202,970,043
6-12 months	101,242,716	27,419,282
1-2 years	73,029,660	71,564,962
More than 2 years	3,079,563,237	1,916,667,854
Total	**3,390,779,073**	**2,218,622,141**

The carrying values of the resources outside the Company are stated in the following currencies:

	04.30.2016	04.30.2015
US Dollar	3,010,820,214	1,894,425,195
Pesos	379,958,859	324,196,946
Total	**3,390,779,073**	**2,218,622,141**

Debts in US dollars accrue annual interest averaging approximately 10% at April 30, 2016 and 2015.

The fair value of corporate bonds at April 30, 2016 amounts to $ 2,906 million, measured at fair value level 1 (see Note 2.7.2.2).

The carrying value of the other current and non-current financial liabilities is close to their fair value.

a) Corporate bonds – Senior Notes

On December 28, 2010, the Board of Directors of Capex approved the terms and conditions of the Global Corporate Bond Program, the request for authorization of public offering and listing for trading for a fair value of up to US$ 200 million.

On March 10, 2011 Class I Corporate Bonds were issued for an amount of US$ 200 million under that program.

At the time of their issuance, Class I Corporate Bonds has been rated locally and internationally by two credit rating agencies as "B/RR4" and "B-" and "A+(arg)" and "raA", respectively.

Its characteristics are as follows:

Facilitators: Deutsche Bank Securities Inc and J.P. Morgan Securities, LLC
Issued amount: US$ 200,000,000
Issue price: 100%
Issue date: March 10, 2011
Expiration date: March 10, 2018
Interest: it accrues compensatory interest payable every six months as from the agreement execution date and until repayment date, at an annual nominal fixed rate of 10%. The payment dates will be March 10 and September 10 of each year to maturity, commencing on September 10, 2011.
Amortization: Principal will be amortized in only one installment on March 10, 2018.
Listing for trading: The corporate bonds are listed for trading on the Buenos Aires Stock Exchange and the Luxembourg Stock Exchange.
Optional redemption with a premium: The Company may make a full and non-partial redemption at any time prior to March 10, 2015 for an amount equal to 100% of principal, plus accrued and unpaid interest until the redemption date plus a premium.
Optional redemption without premium: The Company may make a full or partial redemption at any time as from March 10, 2015, at the redemption prices expressed as percentages of the principal amount set below, plus accrued and unpaid interest, if any, until the redemption date.

Year	Redemption price
2015	105%
2016	103.3%
2017 and subsequent	100%

NOTE 21 – FINANCIAL LIABILITIES (CONT'D)

Allocation of funds: Payment of short and long term liabilities and provision of working capital in Argentina.
Guarantees: No guarantees
Main commitments of the Company and its restricted subsidiaries

At the date of issue of these financial statements at April 30, 2016 SEB but not Hychico qualifies as a restricted subsidiary for the purposes of compliance with certain covenants.

- Limitation to incur additional financial debt: the Company and its restricted subsidiaries may incur additional financial debt if at the time of incurring such debt and giving effect to it: (1) no event of default has occurred and (2) the Consolidated Interest Coverage Ratio is not less than 2.5:1.0 (adjusted EBITDA for the year of four consecutive quarters preceding the calculation date to interest paid for such year) and the Financial Debt to adjusted EBITDA ratio is not higher than 3.5:1.0. In all cases, the values are consolidated with its restricted subsidiaries. Once the minimum and maximum values have been reached in the case of the Interest Coverage Ratio and Financial Debt to adjusted EBITDA Ratio, respectively, the Company and its restricted subsidiaries, taken as a whole, may incur additional financial debt for the higher of US$ 20 million or 5% of the Consolidated Asset value.
- Change of control: In the event of a change of control, the holders may request the Company to buy all or a part of its corporate bonds.
- Limitation on dividend payments: The Company and its restricted subsidiaries may pay dividends if no event of default has occurred and the Company may incur additional financial debt for at least US$1, if, when incurred, the
  Consolidated Interest Coverage Ratio is not less than 2.5:1.0 and the Interest Coverage Ratio and Financial Debt to adjusted EBITDA Ratio is not higher than 3.5:1.0. (*)
- Limitation on dividend payments and other payment restrictions affecting the restricted subsidiaries: The restricted subsidiaries may not have agreements restricting their ability to pay dividends (*)
- Limitation on sales of assets: The Company and its subsidiaries must apply the proceeds from the sales of their assets (other than in the normal course of business) to: (1) the repayment of Financial Debt, (2) the purchase of assets in a similar line of business (in the case of the purchase of Shares in a Company, this company must, as from that moment, become a restricted subsidiary). All amounts not applied to one or some of these items within 270 days must be applied to an offer for the purchase of the Corporate Bonds (*)
- Limitation on liens on any of its assets or property (with the usual exceptions
- Limitation on sale & leaseback transactions (with the usual exceptions) (*)
- Limitation on mergers, absorptions and sales of assets (with the usual exceptions) (*)
- Limitation on transactions with related companies (with the usual exceptions) (*)
- No activity will be carried out other than the permitted businesses
- Keeping its corporate existence in full force and effect
- Maintenance of property and insurance
- Keeping its bond ratings: The Company will make all commercial efforts to keep the rating of the Corporate Bonds with at least two credit rating agencies.

If at any date following the issuance of the Corporate Bonds, they are rated as investment grade by at least two credit rating agencies (equal, for example, to a) BBB-, in the case of S&P and Fitch, and b) Baa3, in the case of Moody's, or higher) and no event of default has occurred or still subsists, the Company and its restricted subsidiaries will not be subject to the commitments marked with an (*).

For further information, see the Offering Circular and Pricing Supplement for the Company's Global Corporate Bond Issue Program.

At the date of issue of the financial statements at April 30, 2016, the Company and its Restricted Subsidiaries are in compliance with all commitments taken on.

The balance at April 30, 2016 amounts to $ 2,890,604,838, $ 40,604,838 of which is current. Commissions and expenses paid in relation to the Corporate Bonds have been deducted from liabilities, which will accrue over the life of the debt. The balance at April 30, 2016 amounts to $ 3,907,262, $ 2,131,236 of which is current (see point l)).

NOTE 21 – FINANCIAL LIABILITIES (CONT'D)

b) Syndicated loans

The Company entered into a syndicated loan with Banco Galicia de Buenos Aires and Banco Ciudad de Buenos Aires on September 20, 2012. The characteristics of the loan are as follows:

Amount: $ 20,000,000
Starting date: September 20, 2012
Term: 3 years
Expiration date: September 21, 2015
Amortization: The loan will be amortized in 25 equal consecutive monthly installments, the first having fallen due on September 21, 2013.
Interest: it accrues interest at an annual nominal rate of 15.01%, payable monthly.
Allocation of funds: Financing of investment projects over a term of 180 days.

The loan was paid at maturity.

c) Banco de Crédito y Securitización S.A. loan for $ 30,000,000

On November 11, 2014, the Company entered into a loan agreement with BACS Banco de Crédito y Securitización S.A.:

Amount: $ 30,000,000
Purpose of the funds: working capital.
Starting date: November 11, 2014
Term: 36 months
Expiration date: November 11, 2017
Amortization: 5 semi-annual, equal and consecutive installments, with a grace period of one year.
Interest rate: It accrues interest at nominal annual floating BADLAR rate for Private Banks (adjusted) plus 400 bps. Interest is paid on a semi-annual basis.
Main commitments of the Company and its restricted subsidiaries: they have general conditions similar to the conditions already existing under fixed-rate Class 1 Corporate Bonds falling due in 2018 for a nominal value of up to US$ 200,000,000. In the event of noncompliance with certain financial commitments, a restriction on the declaration or payment of dividends or on any capital distribution exists.

The balance at April 30, 2016 amounts to $ 28,322,523, $ 16,322,523 of which is current (see point l)).

d) Banco Mariva loan for $ 10,000,000

On January 6, 2015, the Company entered into a loan agreement with Banco Mariva, for $ 10,000,000, the main characteristics of which are as follows:

Amount: $ 10,000,000
Starting date: January 6, 2015
Term: 180 days
Amortization: one payment at maturity
Interest: It accrued interest at nominal monthly floating BADLAR rate (adjusted) plus 900 bps.

The loan was paid at maturity.

e) Banco Galicia de Buenos Aires loan for $ 16,250,000

On February 4, 2015, the Company entered into a loan agreement with Banco Galicia, for $ 16,250,000, the main characteristics of which are as follows:

Amount: $ 16,250,000
Starting date: February 4, 2015
Term: 365 days

NOTE 21 – FINANCIAL LIABILITIES (CONT'D)

Expiration date: February 4, 2016
Amortization: one payment at maturity
Interest: It accrues interest at nominal annual floating BADLAR rate for Private Banks (adjusted) plus 450 bps. Interest was paid at maturity.

The loan was paid at maturity.

f) Industrial Commercial Bank of China (Argentina) S.A.

On April 1, 2015, the Company entered into a loan agreement with Industrial Commercial Bank of China (Argentina) S.A. (ICBC) the main characteristics of which are as follows:

Amount: $ 50,000,000
Purpose of the funds: refinance of liabilities.
Starting date: April 1, 2015
Term: 24 months
Expiration date: April 1, 2017
Amortization: 3 quarterly, equal and consecutive installments and the first one will fall due on October 1, 2016.
Interest rate: It accrues interest at nominal annual floating BADLAR rate for Private Banks (adjusted) plus 5.25% annual interest. Interest is paid on a quarterly basis.
Main commitments of the Company and its restricted subsidiaries: they have general conditions similar to the conditions already existing under fixed-rate Class 1 Corporate Bonds falling due in 2018 for a nominal value of up to US$ 200,000,000. In the event of noncompliance with certain financial commitments, a restriction on the declaration or payment of dividends or on any capital distribution exists.

The balance at April 30, 2016 amounts to $ 51,737,210, all of which is current (see point l)). The loan was prepaid on July 1, 2016.

g) Banco Ciudad de Buenos Aires, Hipotecario and Macro loan for $ 125,000,000

On May 5, 2015, Capex entered into a loan agreement with Banco de la Ciudad de Buenos Aires, Banco Hipotecario S.A. and Banco Macro S.A., as lenders, and Banco Macro S.A. as administrative agent and organizor, the main characteristics of which are as follows:

Amount: $ 125,000,000
Purpose of the funds: $ 100,000,000 to refinance of liabilities and $ 25,000,000 for working capital.
Starting date: May 5, 2015
Term: 24 months
Expiration date: May 5, 2017
Amortization: 5 quarterly, equal and consecutive installments, with a grace period of one year. Each of those installments will be paid as follows:

Cuota	Fecha de vencimiento	Porcentaje del monto del préstamo
1	May 2016	15%
2	August 2016	15%
3	November 2016	15%
4	February 2017	25%
5	May 2017	30%

Interest: It accrues interest at nominal annual floating BADLAR rate for Private Banks (adjusted) plus 450 bps. Minimum cash used for the correction is the percentage of minimum cash liquidity required to financial institutions for loans of fixed installments within 30 to 59 residual days under Category 1 according to the BCRA, valid when determining the appropriate interest. They are paid quarterly.
Main commitments of the Company and its restricted subsidiaries: they have general conditions similar to the conditions already existing under fixed-rate Class 1 Corporate Bonds falling due in 2018 for a nominal value of up

to US$ 200,000,000. In the event of noncompliance with certain financial commitments, a restriction on the declaration or payment of dividends or on any capital distribution exists.

At the date of issuance of this financial statements at April 30, 2016, the Company and its subsidiaries are in compliance with all commitments taken on.

The balance at April 30, 2016 amounts to $ 135,824,246, $ 98,324,246 of which is current (see point l)).

h) Banco Galicia for $ 3,750,000

On May 29, 2015, Capex entered into a loan agreement with Banco Galicia for $ 3,750,000, the main characteristics of which are as follows:

Amount: $ 3,750,000
Starting date: May 29, 2015
Term: 365 days
Expiration date: May 27, 2016
Interest: It accrued interest at nominal annual floating BADLAR rate for Private Banks (adjusted) plus 400 bps. Interest is paid at maturity.

The balance at April 30, 2016 amounts to $ 4,831,245, all of it being current (see point l)). The loan was cancelled by its expiration date.

i) Banco de Crédito y Securitización S.A. loan for $ 15,000,000

On July 28, 2015, Capex entered into a loan agreement with BACS Banco de Crédito y Securitización S.A., the main characteristics of which are as follows:

Amount: $ 15,000,000
Purpose of the funds: working capital.
Starting date: July 28, 2015
Term: 28 months
Expiration date: November 13, 2017
Amortization: 5 quarterly, equal and consecutive installments, being first expiration date on November 11, 2015 and the rest payable semiannually.
Interest: It accrues interest at nominal annual floating BADLAR rate for Private Banks (adjusted) plus 400 bps. Minimum cash used for the correction is the percentage of minimum cash liquidity required to financial institutions for loans of fixed installments within 29 days under Category 1 according to the BCRA, valid when determining the appropriate interest. They are paid alongside with capital amortization.
Main commitments of the Company and its restricted subsidiaries: they have general conditions similar to the conditions already existing under fixed-rate Class 1 Corporate Bonds falling due in 2018 for a nominal value of up to US$ 200,000,000. In the event of noncompliance with certain financial commitments, a restriction on the declaration or payment of dividends or on any capital distribution exists.

At the date of issuance of this financial statements at April 30, 2016, the Company and its subsidiaries are in compliance with all commitments taken on.

The balance at April 30, 2016 amounts to $ 14,161,262, $ 8,161,262 of which is current (see point l)).

j) Sale & lease back with Banco CMF S.A.

In April 2009, Hychico signed a Sale & Lease Back agreement with Banco CMF S.A. whereby it delivered the ownership of the electrolysers, the storage systems, the oxygen compressor and the gas engine generator, among other assets, located in its industrial plant, in the Diadema Argentina oil field in Comodoro Rivadavia, Province of Chubut.

NOTE 21 – FINANCIAL LIABILITIES (CONT'D)

The term of the leasing was sixty one (61) months plus the term for exercising the purchase option, which would be computed as from the agreement date. However, Hychico had the option to purchase the title to the property upon payment of 75% of the fixed leasing price, at any time until the expiration of the term.

The purchase option exercise price was $ 400,000, with the payment of the fee accrued until that date, where applicable.

The total price for this agreement is $ 8,000,000, payable in sixty one (61) monthly consecutive fees of $ 219,562.50 (including principal and interest); the due date of the first fee was May 17, 2009.

On May 19, 2014 Hychico decided to exercise the call option on the price agreed in the contract for $ 400,000.

k) Corporación Interamericana de Inversiones - US$ 14,000,000

In March, 2012, Hychico signed a loan agreement with Corporación Interamericana de Inversiones, which was applied to the long-term refinancing of the liabilities taken on for the construction and operation of the DEEF (loan with the Deutsche Bank AG London (see point j)). Its characteristics are as follows:

Underwriter: Corporación Interamericana de Inversiones (CII)
Manager: Corporación Interamericana de Inversiones
Amount: it is divided into Loan A for up to US$ 8,000,000 and Loan B for up to US$ 6,000,000.
Disbursement date: April 24, 2012
Maturity date: 10 years as from the date of the first disbursement.
Amortization: the loan is amortized in 20 consecutive and equal semi-annual installments, falling due as from the date of the first disbursement.
Interest: it accrues interest (calculated on a six-month basis) payable semi-annually as from the disbursement at an annual rate equivalent to the aggregate of LIBO plus a rate of 8.75%. Furthermore, default interest at an annual rate of 2% will be applied to the amounts that might be owed in case of default.
Fees: it accrues i) Commitment Fee: 0.5% annual on the amounts not disbursed under the loan, which will be accrued as from the effective date and until the loan has been fully disbursed or the disbursements are ceased;
ii) Origination Fee: 1.25 % on the amount of principal payable at the date of the first disbursement; iii) Syndication Fee: 1.25% on the amount of the Loan B payable at the disbursement of each fund request; iv) Supervision Fee: US$ 8,000 payable at the time of the first interest payment of each year and until the total amortization of Loan A and v) Administration Fee: US$ 2,000 payable at the time of the first interest payment of each year and until the total amortization of Loan B.
Advance payment: the loan may voluntarily be repaid earlier, either in full or in part. Advance payments will be subject to a surcharge equal to: (i) 2% of the amount paid earlier if it occurs before the fifth anniversary of the Loan; or (ii) 1.5% if the early repayment occurs between the fifth anniversary of the loan and the expiration date. The amount of the advance payment may not be below US$ 2,000,000. All advance payments will be applied to the installments of the loan principal balance inversely to their expiration dates.
Allocation of funds: to refinance liabilities taken on for the construction and operation of DEEF.
Guarantees: the loan is secured as follows:

- Senior Pledge on the equipment and all assets of DEEF
- Surety bonds provided by the Company as surety and principal payor of all obligations assumed by Hychico under the loan agreement, the promissory notes and other main documents;
- Conditional assignment of the rights included in the Energy Purchase Agreement;
- Conditional assignment of the rights arising from the permits and main agreements, including easement, connection agreements, and any other document or agreement related to DEEF;
- Assignment of the guarantee over the rights arising under the loan for use signed with CAPSA on the land where DEEF is located; and
- Senior pledge on 100% of the shares of Hychico.

[1] Capex undertakes, until full repayment of the loan, to maintain ownership and control, directly or indirectly through its subsidiary SEB, a majority of the share capital with voting rights.

The loan sets forth covenants for Hychico and for the Company, as its Guarantor, the most important ones are mentioned below:

NOTE 21 – FINANCIAL LIABILITIES (CONT'D)

Positive covenants

- Comply with the Financial Debt Service Coverage ratio (as from April 2013);

Negative covenants

- Incur and maintain any financial debt, except for this loan and the liabilities derived from the loans of the Guarantor, which are subject to the Loan with regard to payment terms and conditions, except for a maximum amount of US$500,000;
- Declare, approve and/or distribute dividends or any type of remuneration to the shareholders, temporary and definitive, directly or indirectly, except each of the following conditions are met:
  - that the net result for the year be positive and it be declared against the income of the year;
  - that the Financial Debt Service Coverage ratio be greater than 1.1, measured after payment of dividends; and
  - that Hychico complies with its obligations under this Agreement and the Main Documents.
- Invest in assets outside the normal course of business;
- Guarantee and become surety of third party debts;
- Constitute and/or allow that a lien is levied on any of the assets belonging to Hychico, except for those mentioned in the Loan Agreement;
- Sell or lease more than ten per cent (10%) of DEEF assets or carry out a merger, division, consolidation and transfer of more than ten per cent (10%) of DEEF assets, spin-off, transformation, change of the corporate name or any other significant change to its legal structure, unless the proceeds be applied to the acquisition of replacement assets;
- Reduce its capital stock[1];
- Allow or take any action that allows the Loan to be lower in priority (including the Guarantee) with respect to the other preferred debts incurred.

[1] In September, 2013, the CII removed permanently the restriction imposed on Hychico relating to the reduction of its capital stock provided that it is mandatory under the Law of Commercial Companies N°19950.

These covenants have been met, there being no events of default at April 30, 2016.

At the balance sheet date of Capex, Hychico has repaid according to the due dates provided, principal for $ 45,558,540 and interest for a cumulative total of $ 33,440,981 at the foreseen due date.

At April 30, 2016 and 2015 the balance amounts to $ 120,215,376 and $ 87,645,029, $ 20,465,376 and $ 12,826,229, of which are current respectively. The commissions and guarantees paid have been deducted from the loan, which will accrue during the life of the loan. The balance of these commissions and guarantees at April 30, 2016 and 2015 amounts to $ 796,519 and $ 917,069, $ 152,205 and $ 143,467 of which are current (see point l)).

l) Summary at April 30, 2016

Loan	Current	Non-Current	Total
Corporate Bonds - Senior Notes (point a))	40,604,838	2,850,000,000	2,890,604,838
Unearned commissions and expenses corporate bonds (point a))	(2,131,236)	(1,776,026)	(3,907,262)
Banco Crédito y Securitización (point c))	16,322,523	12,000,000	28,322,523
ICBC (point f))	51,737,210	-	51,737,210
Banco Ciudad de Buenos Aires, Hipotecario and Macro (point g))	98,324,246	37,500,000	135,824,246
Banco Galicia (point h))	4,831,245	-	4,831,245
Banco Crédito y Securitización (point i))	8,161,262	6,000,000	14,161,262
Corporación Interamericana de Inversiones (CII) (point k))	20,465,376	99,750,000	120,215,376
Commissions and guarantees Corporación Interamericana de Inversiones (point k))	(129,288)	(644,314)	(773,602)
Total	**238,186,176**	**3,002,829,660**	**3,241,015,836**

NOTE 21 – FINANCIAL LIABILITIES (CONT'D)

On June 8, 2015, Capex entered into a loan agreement with Banco Itaú for $ 28,000,000, its expiracy date being less than a year. The loan was cancelled on its expiration date.

NOTE 22 – SALARIES AND SOCIAL SECURITY CONTRIBUTIONS

	04.30.2016	04.30.2015
In local currency		
Salaries and social security contributions	11,840,756	9,166,400
Sundry accruals	39,020,541	30,928,093
Total	50,861,297	40,094,493

NOTE 23 – TAXES PAYABLES

	04.30.2016	04.30.2015
In local currency		
Provision for tax on assets	2,465,925	-
Tax withholdings and collections	2,839,811	4,485,422
Value added tax	29,139,387	18,634,524
Other	5,407,428	2,806,160
Total	39,852,551	25,926,106

NOTE 24 – OTHER LIABILITIES

	04.30.2016	04.30.2015
In local currency		
Oil and gas royalties	55,860,950	20,201,715
Total	55,860,950	20,201,715

NOTE 25 - PROVISIONS AND OTHER CHARGES

1. Provisions

	04.30.2016	04.30.2015
In local currency		
Provisions for lawsuits and fines (Exhibit E)	3,244,352	2,367,385
Total	3,244,352	2,367,385

The provision for lawsuits was set up based on the analysis of possible indemnities that the Group estimates to pay according to the opinion of its legal counsel. The changes are as follows:

Balances as of May 1, 2015	**2.367.385**
Increase in the provision allocated to other operating (expenses) / income, net – (Note 28)	1.509.967
Sentences paid as of April 30, 2016	(633.000)
Balances as of April 30, 2016	**3.244.352**

2. Contingencies

a) Precautionary measure and administrative appeals

a.1) ES Resolution N° 821/10

On October 24, 2010, Resolution 821/10 (the "Resolution") issued by the ES imposed penalties on the Company for alleged non-compliance with the supply of liquefied petroleum gas (LPG) in accordance with the agreement on LPG price stability (the "Agreement") executed between the ES and some LPG retailers and producers, among which the Company is not included.

The penalties imposed are:

- A fine of $ 3,117,426,
- The forced delivery of LPG 2,351 tn to other producers and/ or retailers for a market value of approximately $ 3,853,289, and
- Prohibition to export for the time the resolution is not complied with.

NOTE 25 - PROVISIONS AND OTHER CHARGES (CONT'D)

The Company requested the stay of the resolution and filed a motion for reconsideration with the administrative court. Additionally, the Company filed an autonomous precautionary measure with a federal court to prevent the application of the resolution until the courts decide on the administrative appeals lodged. The precautionary measure was granted and notice was served on the ES on November 25, 2010.

The Company's management, in line with the opinion of the legal advisors, understands that it has solid grounds to consider these claims to be wrongful; therefore, the financial statements at April 30, 2016 do not include any related charge. Legal advisors of the Company consider that Law 26854 on precautionary measures in lawsuits to which the Government is a party or intervenes as a third party claimant, would not have a significant impact on the precautionary measure granted.

a.2) ENARGAS Resolutions Nos. 1982, 1988 and 1991/2011

The Company considers that the charge envisaged by Resolutions N° 1982, 1988 and 1991, as mentioned in Note 1.2 d) is unconstitutional for it is clearly a tax and has not been created by a Law passed by National Congress. The charge has a tax nature for the following reasons: (i) it is not aimed at expanding or improving the public utility service for gas distribution or transport; instead, it is destined for a trust fund created and administered by the national state to meet natural gas imports; (ii) the gas treatment plants without regulated measurement, as is the case of the Company, do not use public utility services for gas distribution or transport but receive the fluid directly from producers; (iii) the charge has been excluded from other tax bases (except for VAT); (iv) without prejudice to its name, the charge is a requirement imposed by the state in the exercise of its powers so that private parties may deliver to it sums of money to defray expenses to serve its purposes, in this case the importation of gas for supply to the domestic market.

For all these reasons, and considering that this charge has a significant economic impact on the LPG business unit, on December 29, 2011 the Company filed with the Neuquén Federal Court action for declaration of unconstitutionality against the resolutions referred to in the foregoing paragraph and paid the charge for December 2011 under protest, which amounted to $ 3,498,609 plus VAT.

Subsequently, on March 5, 2012, the Company requested that a precautionary measure be granted by the Federal Court at which the action for declaration of unconstitutionality is pending, to stay the effects of the norms referred to above. As a result, on March 14, 2012, the Federal Court hearing the case sustained the precautionary measure requested by the Company, staying the above-mentioned norms and the consequent obligation to pay the charge imposed by them, and requesting the Company to take out bond insurance for $25,400,000 as security for costs. The Company notified the ES and the ENARGAS of the precautionary measure on March 30, 2012. Other LPG producing companies also requested and obtained similar precautionary measures.

On August 2, 2012, the Company was served notice of the resolution of the Federal Court of Neuquén whereby the court declared that it was competent to hear the case but considered that the judicial stage had not yet been authorized to file the claim. Consequently, the precautionaly measure ordered was lifted. The resolution was appealed on August 10, 2012; therefore the precautionary measure will remain effective until the resolution becomes final. The Company considers that there are strong grounds for reversal of the appealed resolution. Also, in August 2012, the Company filed an administrative appeal against Decree 2067/08 and the resolutions adopted in compliance therewith.

Law 26784 was published in the Official Gazette on November 5, 2012. This law, among other issues, modified Law 26095 on Energy Infrastructure Works by establishing that gas imports are a priority for the National Government, and that the charge and the trust fund created by Decree 2067/08 and the proceedings performed as a consequence will be governed by the provisions of that Law.

In August of 2013 the Federal Court of Appeals in General Roca allowed the appeal filed by Capex in August 2012 and reversed in part the judgment of the lower court; thus the court permitted that claim of CAPEX S.A. could be heard, ordered the parties to the case to bear their own costs and maintained the effectiveness of the provisional remedy issued.

The ruling of the court of appeals removed the uncertainty of the Company regarding the feasibility of its original claim.

The Company's legal counsel completed an analysis of Law 26784 and came to the conclusion that the law does not make Decree 2067/08 and related ENARGAS resolutions constitutional mainly because the Argentine Supreme Court of Justice (CSJN) in the case known as "Franco" established that the Argentine Constitution prevents the Executive Branch from exercising legislative powers without sufficient and prior legal grounds and that "only in the exceptional case of a decree of

NOTE 25 - PROVISIONS AND OTHER CHARGES (CONT'D)

necessity and urgency it is allowed that a subsequent confirmation is virtually binding, the analogous application of which is not appropriate in this case..." In other words, according to the case law mentioned above, the Argentine Congress could not cure the defect of unconstitutionality of a regulation issued by the Executive Branch, clearly exceeding its regulatory powers. As a result, since it becomes apparent that Decree 2067/08 is not a decree of necessity and urgency, a law passed by the Congress confirming the decree is not sufficient to cure the unconstitutionality.

As regards Law 26784 and after the decision of the Court of Appeals allowing the Company to file its claim and maintain the provisional remedy, on October 29, 2013 the Company filed an amended complaint with the Federal Court of Neuquén requesting that section 54 of the law was also declared unconstitutional. The court hearing the case accepted the amended complaint and ordered that the summons and amended complaint be served upon the National Government and ENARGAS.

On May 22, 2014, the Company filed a voluntary petition, asking for the rejection of a request by ENARGAS based on Law 26854 of Precautionary Measures against the National Government and on Law 26784; the Company argued, among other reasons, that: (a) the precautionary measure obtained by the Company was granted prior to enactment of Law 26854, and this cannot be applied retroactively (b) the provisions included in the Law of Precautionary Measures against the National Government are unconstitutional, as has been ruled in numerous preceding cases and (c) the Annual Budget Law for 2013 does not ratify Decree 2067/08 or the regulations of ENARGAS derived from it, neither does it amend the unconstitutionality of these regulations due to the fact that it does not meet the requirements demanded by the principle of legality of taxation rooted in the Constitution.

The Company's management, based on the above and in the opinion of its internal and external legal advisors, considers that the Company has solid grounds to request the Court to declare the unconstitutionality of the charge created by Decree 2067/08, the related Resolutions of ENARGAS and section 54 of Law 26784 and to reject their enforceability. As a result, it is not necessary to set up any provision.

On November 5, 2014, the Company was notified of the decision rendered by the Federal Court of Neuquén removing the provisional remedy, as requested by ENARGAS, on the grounds that the likelihood of the claim originally considered when granting the precautionary measure should have disappeared upon the passing of Law 26784. On the same date, the Company filed an appeal against the decision of the court, which was granted with a stay of execution on November 6, 2014.

On September 16, 2015, the General Roca Federal Court of Appeals admitted the appeal filed by Capex and revoked the petition for release of the injunction submitted by ENARGAS. ENARGAS filed an extraordinary appeal against such decision, which was rejected on February 10, 2016.

In addition to the maintenance of the precautionary measure, on 27 October 2015 the Supreme Court of Justice of the Nation issued the ruling "Company Mega SA c /EN" in which, in a similar case in which the gas consumed by the plaintiff does not enter the transportation system and cannot be confused with imported gas, it was established that the charge created by Decree 2067/08 is unconstitutional. The Company's legal advisors believe that this ruling is a precedent of importance to endorse the position of the Company.

The Company's Management, based on the opinion of its legal internal and external advisors, continue considering that it has solid arguments to obtain a declaration from the court that the charge created by Decree 2067/08, the related Resolutions issued by ENARGAS and section 54 of Law 26784 are unconstitutional and, thus deny their application, and maintain the provisional remedy. In consequence, it would not be necessary to set up a provision.

a.3) Energy Secretariat Resolution 77/12

The Company considers, among other issues, that ES Resolution 77/2012 mentioned in Note 1.2.d) is in breach of the provisions of LPG Law 26020, which establish that the only price limit for the sales of LPG to the domestic market is the export parity (Section 7, subsect. b)) and that the LPG production activity will be free (Section 11). On March 29, 2012, the Company received Note 1584/12 from the Energy Secretariat whereby, under the provisions of the Resolution, the Company will be required to supply certain bottlers with 12,418 tons of butane at the prices set in that resolution; these prices are significantly lower than the prices at which Capex sells its production, and that they meet the "export parity" limit set by the LPG Law.

NOTE 25 - PROVISIONS AND OTHER CHARGES (CONT'D)

Upon receipt of that Note, on April 4, 2012 the Company filed a motion for reconsideration and, in the alternative, an appeal before a higher administrative authority, against the resolution and Note 1584/12 of the ES; subsequently, it applied for an autonomous precautionary measure with staying effects on both of them before the Neuquén Federal Court.

In April 2012, Capex received ES Note 2247/12 whereby the ES prohibits it from (i) exporting LPG, and (ii) entering into LPG purchase and sale transactions in the domestic market with all of the persons operating in the industry, on the grounds that Capex had not complied with the supply required by ES Note 1584/12 mentioned above. Capex filed a motion for reconsideration and, in the alternative, an appeal before a higher administrative authority, against ES Note 2247/12, and informed the Neuquén Federal Court of this Note, requesting it that the precautionary measure be extended to the prohibitions imposed by that Note.

On April 25, 2012, the Neuquén Federal Court awarded Capex the precautionary measure requested, staying the effects of the resolution and of the ES Notes 1584/12 and 2247/12 regarding Capex and the persons that operate with it. Consequently, Capex continues with its normal operations of production and sale of LPG.

As explained above, the resolution is in breach of: (i) LPG Law 26020 which provides that the only price limit on the sales of LPG to the domestic market is the export parity (Section 7, subsect. b)) and that the LPG production activity will be free (Section 11); (ii) the guarantee of due administrative process and defense envisaged by Section 18 of the Argentine Constitution, for it imposes a sanction without granting Capex the right of self-defense; (iii) the principle of legality, envisaged by Sections 18 and 19 of the Constitution, as the sanctions have not been created by Congress; and (iv) Capex's right to perform any lawful work, as guaranteed by Section 14 of the Argentine Constitution.

The Company's Management, in line with the opinion of the internal and external legal advisors, understands that it has solid grounds to consider these claims to be wrongful; therefore, these financial statements at April 30, 2016 do not include any related charge.

Capex's legal advisors consider that Law 26854 on precautionary measures in lawsuits to which the Government is a party or intervenes as a third party claimant, would not have a significant impact on the precautionary measure granted.

b) <u>Differences in the liquidation of employer contributions</u>

In August 2010, the AFIP served notice to Capex of a debt assessment for $ 6,334,286.51 for differences in the computation of employer contributions to the social security system. This amount is made up of principal for $2,863,919.51 plus interest accrued for $ 3,470,367 for the periods from August 2001 to March 2008.

The AFIP considers that Capex should have made employer contributions at a tax rate of 21%, applicable to employers whose main activity is the provision of services instead of the tax rate of 17% applicable to industries, among others. The Tax Authorities consider that applicable regulations state that the generation activity is a service rather than an industrial activity.

The Company challenged the debt assessment based on electricity laws (Laws 15336 and 24065) and other regulations and case law which define the generation activity as an industrial activity.

In June 2011, the Company received notice of AFIP Resolution 69/2011 rejecting the challenge filed and suspending the application of penalties for certain periods until a final and conclusive judgment is rendered by a criminal court.

The Company filed motion for reversal of the above resolution, which was rejected by the AFIP, as notified in August 2011.

The Company filed legal action with the Federal Social Security Court; to that end, the prior deposit of the assessed debt is required, but it was replaced, according to different legal precedents, with a fidelity bond insurance policy for $ 7,186,211.25.

In July 2011, the AFIP notified the Company of (i) a new debt assessment due to differences in employer contributions for the April 2008-April 2009 year for a total amount of $1,717,313.35 (principal of $1,002,396.78 plus interest of $714,916.57) and (ii) the application of fines totaling $490,686.71, on grounds of an alleged false statement invoking an employer contribution abatement benefit for the period from August 2001 to April 2005. Capex challenged both the debt assessment and the applied fines. The AFIP rejected the legal challenges to the applied fine, so Capex also filed an appeal with the Federal Social Security Court and provided a bond insurance policy for the amount of the fine.

NOTE 25 - PROVISIONS AND OTHER CHARGES (CONT'D)

On March 17, 2015, Panel I of the Court of Appeals with jurisdiction over Social Security Matters in and for the City of Buenos Aires rendered AFIP's resolution ineffective. The resolution had ordered the Company to pay the differences in employers' contributions. The court considered the resolution arbitrary on the grounds that AFIP had dismissed the evidence presented by the Company thus breaching the right to defense and ordered that a new resolution be issued after Capex has produced the evidence it had offered.

The Company's Management, in line with the opinion of its internal and external legal counsel, understands that it has solid grounds to reverse the position of AFIP; therefore, these financial statements at April 30, 2016 do not include any related charge.

c) Argentine Central Bank ("BCRA") Summary Proceedings – Access to the foreign exchange market for payments under the Swap Agreement

In November 2015, through Resolution 881/2015, the BCRA started summary proceedings under the criminal exchange system against Capex and its directors Alejandro Götz, Pablo Götz and Rafael Götz. The summary proceedings were commenced under three exchange operations performed in 2011 and 2012 for U$S 5,334,192.77, corresponding to purchases of foreign currency for the settlement of interest rate hedge agreements which, according to the BCRA, have apparently been made without prior authorization. Capex filed the pertinent disclaimers on December 4, 2015 and the legal advisors consider that it has grounds to argue that the purchases of foreign currency did not require prior authorization from the BCRA under the regulations prevailing at the time of the agreement.

NOTE 26 – NET SALES

	04.30.2016	04.30.2015
Oil [(1)]	386,375,303	293,275,499
Gas [(2)]	365,261,670	159,581,341
Electricity ADC	968,068,884	679,570,722
LPG [(3)]	87,428,291	97,711,701
Electricity DEEF	33,597,175	27,885,132
Energy generated with hydrogen	3,077,851	2,067,532
Oxygen	995,123	819,730
Total	1,844,804,297	1,260,911,657

(1) At April 30, 2016 and 2015, it includes compensation from the "Stimulus Program for the Production of Oil" for $ 3.2 million and $ 0.6 million, respectively (see Note 1.2.a).

(2) At April 30, 2016 and 2015, it includes compensation from the "Stimulus Plan for Injection of Natural Gas for Companies with Reduced Injection" for $ 256.5 million and $ 116.1 million, respectively (see Note 1.2.c)

(3) At April 30, 2016, it includes compensation from the "Propano Sur Program" and "Hogar Program" for $ 1.6 million.

NOTE 27 - OTHER OPERATING (EXPENSES) / INCOME, NET

	04.30.2016	04.30.2015
Assignment of rights under the compensation program of oil plus program [(1)]	-	4,107,070
Expenses relating to the notarial registration of the sale of the Vicente López Building.	-	(2,908,303)
Sale of vehicles	525,600	268,833
Provision for lawsuits and fines (Note 25 and Exhibit E)	(1,509,967)	(556,886)
Provision for turnover and obsolescence of spare parts and materials (Note 11 and Exhibit E)	150,039	336,824
Sundry	(117,760)	51,151
Total	(952,088)	1,298,689

(1) See Note 1.2.a)

NOTE 28 – FINANCIAL RESULTS

	04.30.2016	04.30.2015
Financial income		
Interest and other	120,523,841	77,587,474
Interest accrued on receivables	(3,809,929)	3,499,807
Exchange difference	283,542,436	46,413,108
	400,256,348	**127,500,389**

NOTE 28 – FINANCIAL RESULTS (CONT'D)

	04.30.2016	04.30.2015
Financial costs		
Interest and other	(403,188,432)	(279,722,538)
LIBO rate swap (see Note 10)	-	1,079,814
Exchange difference	(1,154,517,380)	(196,054,923)
Interest accrued from accounts receivable and payable	(3,648,533)	(242,135)
	(1,561,354,345)	**(474,939,782)**

NOTE 29 - INCOME TAX

Below is reconciliation between income tax charged to earnings and tax resulting from applying the income tax rate applicable in each jurisdiction on the accounting profit before taxes:

	04.30.2016	04.30.2015
Accounting result before income tax of the Group's shareholders	**(397,144,126)**	**4,381,468**
Current tax rate	35%	35%
Result for the year at tax rate	**(139,000,444)**	**1,533,514**
Permanent differences at tax rate:		
- Interest accrued from liabilities and credits	2,610,462	(1,140,185)
- Provision for deferred asset	(1,639,872)	424,640
- Sundry	930,183	493,668
- Tax losses from prior years	-	2,250,340
- Recovery of tax loss	(118,649)	-
Total income tax charge	**(137,218,320)**	**3,561,977**
- Adjustment in previous tax returns	(133)	-
- Variation between deferred taxes at the beginning and end of the year charged to income (includes tax losses)	(423,282,260)	(402,502,371)
- Payment of amendments	(47,646)	-
- Increase for revaluation - deferred tax (see Note 18)	565,382,372	400,356,267
Income determined for the year	**4,834,013**	**1,415,873**

NOTE 30 - EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net income attributable to the Company equity holders by the weighted average number of ordinary shares outstanding during the year, excluding own shares acquired by the Company (Note 17).

The Company does not have ordinary shares to be potentially diluted, so basic earnings per share are equal to diluted earnings per share

	04.30.2016	04.30.2015
Net result attributable to the Company's equity holders	(259,556,433)	531,482
Weighted average number of ordinary outstanding shares	179,802,282	179,802,282
Basic and diluted result per share	(1.44562)	0.00296

	04.30.2016	04.30.2015
Comprehensive result attributable to the Company's equity holders	788,642,078	739,897,223
Weighted average number of ordinary outstanding shares	179,802,282	179,802,282
Basic and diluted result per share	4.39410	4.11506

NOTE 31 – COMMITMENTS

- In relation to the supply of LPG, the Company has commitments for fiscal year 2016/2017 for the total amount of commercial butane gas and 30% of propane gas it will produce.
- In connection with the supply of gas, the Company has undertaken a commitment to delivering 30,000 m3 a day at a value of US$/bbl 5.50 between May 1, 2016 and September 30, 2016.
- With relation to the sale of eolic energy, according to the contract signed with CAMMESA, the latter agrees to purchase up to 361,755 MWh, during the term of the contract (15 years from the first day of the month following signature - March/12) (see Note 36).
- Note 1 describes the commitments undertaken by the Company with:
    1. The Province of Neuquén.
    2. CAMMESA as a result of ES Resolution 529/14 and 95/13.
- The Company has entered into an agreement with Halliburton Argentina S.A. for the provision of fracturing services at risk, being the price for the provision of them subject to the condition that there is commercial production in fractured wells.
- As for the "Maintenance program for the energy generating units", the Company, after completion of the maintenance works, commits to maintaining the minimum availability of the repaired power generation units, from their becoming operative until the end of the repayment period (see Note 1.2.b.5)
- Within the framework of the "Stimulus Plan for Injection of Natural Gas for Companies with Reduced Injection", the Company committed to injecting at least the adjusted base injection or repaying to the National Government the price of importing the deficit volume of gas (see Note 1.2.c)
- In Note 21 a), c), f), g) and i) and Note 33, there is a description of the main commitments arising from the issuance of financial liabilities.
- In Note 34, the main commitments are described related to the extension of the third exploration period of the areas in the Province of Río Negro.
- There are not capital disbursements committed but not incurred at the closing date of the financial statements at April 30, 2016.

NOTE 32 - RELATED PARTIES AND KEY PERSONNEL FROM COMPANY MANAGEMENT

The Company is controlled by Compañías Asociadas Petroleras Sociedad Anónima (C.A.P.S.A.) which holds 75.2% of the Company's shares. Furthermore, Wild S.A. is the last group parent company with a direct and indirect interest of 98.01% in the shares of CAPSA. The remaining shares are held by shareholders who have acquired them in the Stock Market.

Transactions between related parties were conducted as if between independent parties and are as follows:

a) Transactions with related parties

a.i.) With the parent company

Transactions with the parent company C.A.P.S.A. were:

	04.30.2016	04.30.2015
Sale of electricity	3,077,851	2,067,531
Expenses corresponding to Hychico	(2,631)	(14,877)
Expenses corresponding to SEB	(176)	(13,488)
Expenses corresponding to C.A.P.S.A.	4,234,880	3,052,336
Expenses corresponding to Capex S.A.	(169,739)	(202,811)

NOTE 32 - RELATED PARTIES AND KEY PERSONNEL FROM COMPANY MANAGEMENT (CONT'D)

a.ii.) With the companies directly or indirectly controlled by the parent company

The following transactions were carried out with Interenergy Argentina S.A.:

	04.30.2016	04.30.2015
Office and garage rental	(2,329,000)	(1,497,600)
Accrual of fees	(10,000)	(5,000)
Expenses corresponding to SEB	-	(4,490)
Expenses corresponding to Hychico	-	(4,200)
Expenses corresponding to Interenergy	5,394	2,710

a.iii.) With the parent companies of the parent company

The following transactions were carried out with Plenium Energy S.A.:

	04.30.2016	04.30.2015
Expenses corresponding to Plenium Energy S.A.	-	15,558

The following transactions were carried out with Wild S.A.:

	04.30.2016	04.30.2015
Expenses corresponding to Wild S.A.	-	9,798

a.iv.) With related companies

The following transactions were carried out with Alparamis S.A.:

	04.30.2016	04.30.2015
Sale of Vicente López building	-	141,000,000
Expenses corresponding to Alparamis	-	217,094
Office and garage rental	(12,540,000)	(6,640,000)

b) Balances at year end with the related companies

	With the parent company	With the companies directly or indirectly controlled by the parent company	Total at 04.30.2016
	C.A.P.S.A.	Interenergy Argentina S.A.	
Assets			
Current trade receivables			
In local currency	483,881	-	483,881
In foreign currency	730,967	-	730,967
Other current trade receivables			
In local currency	362,368	124,800	487,168
Liabilities			
Current accounts payable			
In local currency	44,756	-	44,756

NOTE 32 - RELATED PARTIES AND KEY PERSONNEL FROM COMPANY MANAGEMENT (CONT'D)

	With the parent company	With the companies directly or indirectly controlled by the parent company	With the related companies	Total at 04.30.2015
	C.A.P.S.A.	Interenergy Argentina S.A.	Alparamis S.A.	
Assets				
Current trade receivables				
In local currency	308,122	6,300	-	314,422
In foreign currency	173,957	-	-	173,957
Other current trade receivables				
In local currency	242,522	124,800	217,094	584,416
Liabilities				
Current accounts payable				
In local currency	6,220	416	-	6,636

c) Remuneration of key management personnel

The remuneration of the members of top management on account of services provided (salaries and other services rendered) accrued in the year ended April 30, 2016 amounts to $ 40,383,943.

NOTE 33 - GUARANTEES GRANTED AND RESTRICTED ASSETS

• On March 29, 2012 Hychico signed a new loan agreement with Corporación Interamericana de Inversiones for US$ 14,000,000. With respect to this loan, the Company provided the surety bonds as surety and principal payer of all obligations assumed by Hychico under the loan agreement, promissory notes and other main documents. Further, the Company and SEB granted as surety a chattel mortgage on 100% of the shares in Hychico.

As consideration for the guarantee granted, Hychico pays the Company an annual fee calculated on the loan outstanding balance.

• In guarantee of faithful compliance with every commitment undertaken under the "Maintenance program for the energy generating units", the Company assigns and transfers in favor of CAMMESA 100% of its present and future credit rights, accrued or to be accrued in favor of Capex derived exclusively from Fixed Cost Remuneration, Variable Costs (non-fuel) and Additional Remuneration for generators, in accordance with ES Resolution 95/2013, for a maximum amount of up to US$ 20 million at each time point, and up to the limit of the value of unpaid installments (see Note 1.2.b.3).

NOTE 34 - EXPLORATION AREAS IN RÍO NEGRO

a. Loma de Kauffman

The "National and International Public Tender N° 1/06" was called for by the Province of Río Negro for the granting of other permits for the exploration and potential concessions for the exploitation, development, transportation and sale of hydrocarbons. Interenergy Argentina S.A. was awarded a permit of the Loma de Kauffman area under Decree 126/07 dated February 28, 2007.

In June 2007, the Company acquired from Interenergy Argentina S.A. the permit for the exploration of that area. After such acquisition, the Company undertook the commitment to invest in exploration works during the first period of exploration for US$ 14,280,000. Such works had to be carried out within 3 years counted as from the date of acquisition.

In November 2009, the Company requested a one-year extension of the first exploration period.

In August 2010, through Decree 90/10, the Hydrocarbons Secretariat for the Río Negro Province (HSRNP) suspended for one year compliance with the obligations arising from the exploration permits, with the first period expiring on April 5, 2012, after the extension requested in the year 2009 has been added.

On June 10, 2013, the Province of Río Negro served notice on Capex of Decree 728/13, whereby the Company was authorized to go on to the "Second Exploration Period" in the area Loma de Kauffman retaining the original exploration area,

NOTE 34 - EXPLORATION AREAS IN RÍO NEGRO (CONT'D)

Furthermore, it was recognized that Capex completed 571 UT in excess of the investment commitments for the first exploration period, and the allocation of those UT to the second exploration period was approved. The second exploration period expired on June 13, 2015.

During the first and second exploration periods, seven wells were drilled, three of which are gas-producing wells, one is an oil-producing well and the remaining three are dry wells. Gas-producing wells are low-productivity wells and given their location and the works necessary to connect them to the transportation system, they are not viable from a business viewpoint. The oil-producing well is still under technical evaluation. The three dry wells were abandoned and the investments made for drilling them were charged to prior-year profits/losses.

On June 12, 2015, the Company went on to the third exploration period, reverting 50% of the area; due to this, at April 30, 2015 it set a provision to cover the investments made in the reverted portion of the area, for $ 9,779,714. The third exploration period will expire in May, 2017. At the date of issuance of these financial statements the Company has complied with the investments committed to and, in accordance with the results recently obtained, it set a provision to cover the investments made for $ 76,710,629.

b. Lago Pellegrini

In March 2007, the National and International Public Tender 2/06 was called for by the province of Río Negro for the granting of other permits for the exploration and potential concessions for the exploitation, development, transportation and sale of hydrocarbons. Interenergy Argentina S.A. was awarded an exploration permit for the Lago Pellegrini area under Decree 560/07.

In June 2007 the Company acquired this exploration permit from Interenergy Argentina S.A., taking on a commitment to invest for an amount of US$ 31,400,000 in exploration work in the Lago Pellegrini area, during the first exploration period. Such works had to be carried out within 3 years counted as from the date of award.

On June 10, 2013, the Province of Río served notice on Capex of Decree 727/13, whereby the Company was authorized to go on to the "Second Exploration Period" in the area Lago Pellegrini retaining the original exploration area. The second exploration period expired on June 13, 2015.

In the first and second exploration periods, the Company performed seismic studies, analyzed the geochemistry and drilled three wells that turned out to be dry.

On June 12, 2015 and after making the investments agreed with the SHPRN, the Company decided to reverse the area in full since no hydrocarbon findings were made that could be exploited from a commercial viewpoint. The investments made were provided for at the closing of this fiscal year for an aggregate amount of $ 141,396,270.

c. Cerro Chato

In May 2008, the Company was pre-awarded an exploration permit and potential concession for the exploitation, development, transportation and sale of hydrocarbons in the Cerro Chato area (situated to the east of the Loma Kauffman area and to the north of the Villa Regina area). This award took place within the framework of the Fourth Bidding Process involving the Río Negro Hydrocarbon Areas, through National and International Public Tender 2/07 in the province of Río Negro. Through Decree 1066 of October 2008 the Company was awarded the Cerro Chato area.

In the first and second exploration periods, the Company performed seismic studies, analyzed the geochemistry and drilled four wells that turned out to be dry.

On December 22, 2014, the Company sent to the Energy Secretariat of the Province of Rio Negro as Enforcement Authority, a note with (i) the Work Plan required for the Second Exploration Period and (ii) the decision adopted by the Company to reverse the Cerro Chato Exploration Area in full since despite the exploratory work performed at that date, no hydrocarbons that could be commercially exploited were discovered.

At April 30, 2015, the Company charged to profit/loss the investments made in Cerro Chato for $ 23,684,318.

NOTE 34 - EXPLORATION AREAS IN RÍO NEGRO (CONT'D)

Investments written off from the areas Loma de Kauffman, Lago Pellegrini and Cerro Chato as of April 30, 2016 and 2015 amount $ 76,710,629 and $ 174,860,302 (see Note 6), respectively, and were charged to Exploration Expenses.

NOTE 35 - OIL AND GAS RESERVES (NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

Below is the estimate of hydrocarbon reserves in the area Agua del Cajón made by the Company at December 31, 2015, which has been audited by the independent auditor Mrs. Ana M. Nardone, in compliance with the requirements of ES Resolution 324/06, and having as its horizon the expiry of the concession in January 2026 (see Note 1), is as follows:

Products		Proven			Probable	Possible
		Developed	Non-developed	Total		
Gas	MMm3 (1)	3,636	1,339	4,975	430	408
Oil	Mbbl	1,830	566	2,396	654	830
	Mm3	291	90	381	104	132

Proven developed reserves at April 30, 2016, based on the audited reserves at December 31, 2015 and adjusted according to production for the period January to April 2016, are as follows:

Gas	MMm^3 (1)	3,451
Oil	Mbbl	1,746
	Mm^3	278

(1) Determined at 9,300 K/Cal per cubic meter

NOTE 36 - HYCHICO BUSINESS – FINANCING – MAIN CONTRACTS

a) Business of Hychico

Hychico S.A. was incorporated on September 28, 2006, and its main activity is the generation of electricity, and the production of hydrogen and oxygen

Hychico decided to start the development of two projects involving the construction of an eolic energy farm and a plant for the production of hydrogen and oxygen through the electrolysis process.

<u>Eolic Energy Project</u>
This project was started in the Argentine patagonia due to the abundance of the eolic resource in particular and other resources, such as a large area available with a low demographic density, qualified workforce and road infrastructure, which will enable in the medium term the commencement of large scale projects, involving the generation of energy free from greenhouse gas emissions.

Hychico started in December 2006 the wind measurement using three towers located approximately 20 km from the city of Comodoro Rivadavia, Province of Chubut, and one tower located in the municipality of Colonia Presidente Luis Sáenz Peña, Province of Santa Cruz. The measurement towers are 50 meters high, with masts manufactured in Argentina and approved by the National Committee of Communications. Their installation has been approved by international auditors, and they all have calibration certificates issued by internationally renowned laboratories.

The Diadema Eolic Energy Farm (PED for its acronym in Spanish) comprises 7 wind energy converters model ENERCON E-44 with a nominal power of 0.9 MW (megawatt) each, adding up to a total installed power of 6.3 MW, located in the area where the measurements mentioned above were conducted. Each wind energy converter is connected to the Diadema Transformer Station by means of underground cables and overhead lines, through a transmission line of 33 KV (kilovolt) and 5.7 km length. Total investment in it was approximately US$ 17 million.

Work performed has been aimed at: 1- the performance of different studies on the feasibility of this activity in Argentina and its environmental impact; 2- analysis of the national electric market; 3- retaining an international advisor on the development of wind energy farms, purchase, installation and start-up of the equipment necessary for measuring the winds in the aforementioned places; 4- international bidding procedure for the acquisition, assembly and start-up of the wind energy farm;

NOTE 36 - HYCHICO BUSINESS – FINANCING – MAIN CONTRACTS (CONT'D)

5- execution of a contract for the purchase of wind energy converters and a contract for their Operation, Maintenance and Technical Assistance (points c.1 and c.2, respectively) (Note 16), 6- assembly and installation of the wind energy farm, 7- installation of wind energy 8-construction of medium voltage lines and electromechanical works and 9- testing and start-up of the wind generators and electromechanical installations.

In its economic and financial analysis, Hychico has considered the return on the eolic energy farm and the obtainment of greenhouse gas emissions reduction certificates (CERs) within the framework of the clean development mechanism (CDM). To that end, Hychico has prepared and submitted the PDD (Project Design Document) which has been approved by the United Nations Executive Board with retroactive effects to July 2012. The next step is to verify the reduction of emissions and the subsequent issuance of the pertinent certificates, which would be sold by Hychico. Given the present market for carbon bones and the recent international negotiations on this matter, we are awaiting for the commitments that could be made in the next COPs (Conference of Parties) to be able to sell the certificates accumulated up to that moment.

Hychico was authorized as generating agent in the Wholesale Electricity Market (WEM) regarding its DEEF, through Resolution of the Energy Secretariat (ES) 424/10. Commercial operation of the DEEF commenced in December 2011. The electricity generated is being sold to the WEM, in compliance with regulations in force.

In March, 2012, in compliance with Note ES 1205/2012, the Supply Contract to the WEM from renewable energy sources for a term of 15 years was signed, within the framework of ES Resolution 108/2011.

Hydrogen Project

In December 2008 the plant for the production of hydrogen and oxygen through the electrolysis process was inaugurated; it will produce 850,000 normal cubic meters of hydrogen per year and 425,000 normal cubic meters of oxygen per year.

The plant boasts two electrolyzers with a total capacity of 120 Nm3/h of hydrogen and 60 Nm3/h of oxygen. The high purity hydrogen (99.998%) is mixed with natural gas to power a motor-generator of 1.4 MW, which has an internal combustion engine specially adapted to operate with gas-rich and / or poor mixed with hydrogen.

It is worth mentioning that the purity of hydrogen produced makes it especially suitable for use in fuel cells. It should be noted that the proportions reached up to 42% hydrogen mixture are above the usual international ranges for these high horsepower engines, achieving good performances in terms of yields and reducing emissions of greenhouse gases.

The oxygen produced, also high purity (99.998%), is marketed to high pressure in the market for industrial gases.

The Plant for the production of hydrogen and oxygen was built in 11,000 m2 and is divided into different areas: control, processes and auxiliary systems

In accordance with the façon service agreement signed with Compañías Asociadas Petroleras Sociedad Anónima (CAPSA) in May 2009, as from March 1, 2009 it has started its pre-operating stage, thus generating electricity on an irregular basis. As for oxygen, in November 2008 a contract was signed with Air Liquide Argentina S.A. for the supply of oxygen which is being dispatched as from June 2009.

The hydrogen and oxygen production plant started operations in May 2010 and, thus, the amortization of property, plant and equipment related to the project started.

This first stage places Hychico as a key participant in the hydrogen production, as energy and renewable energy vector, whose impact on the energy matrix of the nations will be growing. The hydrogen and oxygen plant allows Hychico to develop experience in these new technologies' operations and processes, to attract strategic partners with technological experience, thus ensuring even more ambitious projects, and to achieve a competitive advantage for Argentina and Hychico in a world market that will demand increasing energy volumes.

At April 30, 2016 and 2015, property, plant and equipment and intangible assets related to the Hydrogen Project are totally provided for in accordance to current economic conditions.

The hydrogen and oxygen produced and the electricity generated have been dispatched and invoiced, and they have been allocated to "Net sales" in the Statement of Income.

NOTE 36 - HYCHICO BUSINESS – FINANCING – MAIN CONTRACTS (CONT'D)

b) Wind energy converters

Contract for the Operation, Maintenance and Technical Assistance

In June 2008 a contract was signed with Wobben Windpower Industria y Comercio Ltda. (Wobben), supplier of seven Wind Energy Converters installed in the Wind Energy Farm, for the Wind Energy Converters Operation, Maintenance and Technical Assistance, which is valid, since the start–up, for a period of six years with two options for extension of two years each. It includes a clause whereby, in case the aerogenerators are not in service, Wobben must compensate Hychico for such loss. This contract became effective in December 2011. In November 2013, an amendment was signed to that contract, which was assigned to the Argentine affiliate Wobben Windpower Argentina S.R.L. with a corporate guarantee provided by the head office based in Germany.

c) Oxygen supply Contract

In November 2008, The Company entered into an Oxygen Supply Contract with Air Liquide Argentina S.A. (ALASA), with a duration of 4 years from June 1, 2009 (date of start of the commercial operation of the plant) which establishes that ALASA was responsible for the design, assembly supervision and construction, start-up, operation and maintenance of a system to supply oxygen and Hychico was in charge of its construction according to the design, instructions and under the supervision of ALASA.

Since then, extensions of the commercial and operating agreement have been executed; the one currently effective is that corresponding to the period from June 2015 to May 2018.

In the agreement in effect, three differential prices are set for oxygen, according to the packing methodology used by ALASA: i) oxygen in cylinders for industrial use, ii) LASAL-type packed oxygen, and iii) oxygen packed in the highly pure mode; in addition, a volume of oxygen is defined to be supplied monthly, under a "Take or Pay" clause on ALASA.

d) Contract to supply the Wholesale Electric Market with renewable sources

The energy generated by the Diadema Eolic Energy Farm (DEEF) from its startup in December 2011 to March 2012 has been sold to the WEM at spot prices in accordance with current regulations.

In March 2012, by means of Note 1205/2012 the Energy Secretariat instructed CAMMESA and Hychico to enter into a Contract to Supply the WEM with Renewable Sources, within the framework of Energy Secretariat Resolution 108/2011, for the commercialization of the energy generated by the DEEF.

The contracted power is 6.3 MW and CAMMESA agreed to acquire up to 361,755 MWh over the life of the contract. The power surpluses in each hour over the contracted power shall be sold in the spot market or through contracts with WEM agents and shall not be considered in the calculation of the contracted power.

The price of the supplied energy is set at US$/MWh 115,896, remaining constant over the life of the contract, and the energy actually delivered into the grid is remunerated with up to an amount equal to the quantity of maximum energy established for the hour, at that price. Power is not remunerated. A fraction of the fixed costs of operation of the machinery committed in the WEM will be reimbursed, based on information published in the Economic Transaction Document (ETD) issued by CAMMESA in the respective month.

The duration of the contract is 15 years counted as from the first day of the month following that of the contract date and will be renewable by the Energy Secretariat for a maximum period of 18 months, unless Hychico delivers the contracted power within a shorter term.

e) Long-Term Façon Service Agreement with CAPSA

In May 2009, a long-term façon service agreement was entered into between Hychico and CAPSA, whereby CAPSA will deliver to Hychico, free of charge, a maximum of 7,000 m3/d (cubic meters per day) of natural gas at 9,300 kcal/Nm3 (kilo calorie per normal cubic meter) which, together with a minor percentage of hydrogen added by Hychico, will be used to supply the power plant at a rate of 1 MW/h (megawatt per hour) per each 270 m3 of natural gas; the electricity thus produced will be delivered to CAPSA at the electricity connection point established in the agreement.

NOTE 36 - HYCHICO BUSINESS – FINANCING – MAIN CONTRACTS (CONT'D)

The term is eighteen (18) years from the date of commencement of supply. Operational activity began in May 2009 (see point a).

Until April 30, 2011 the price of the energy generation service was US$/MWh 30. As from May 1, 2011 it amounts to US$/MWh 34.

As from December 2014 a new price was agreed upon, US$/MWh 40, and a procedure was set for monthly adjustment; it can be renegotiated at the end of each calendar year.

f) Capital increases

The Shareholders' Meeting of September 30, 2013 approved the mandatory reduction of capital stock for $ 800,000, thus resulting in an amount of $ 77,066,730, issuing in place of outstanding securities, ordinary, registered, non-endorsable shares of $ 1 face value each, entitled to one vote per share. At the date of these financial statements, the reduction of capital has not yet been filed with the Superintendence of Commercial Companies of Argentina.

On April 29, 2014, the Ordinary Shareholders' Meeting resolved to accept $ 1,400,000 of the irrevocable contribution made by Interenergy Argentina S.A.on October 31, 2013 for the total sum of $ 3,000,000, and return $ 1,600,000. This Meeting also approved a capital increase for $ 1,400,000 with the issue of 1,400,000 registered, non-endorsable shares of $ 1 face value each and entitled to one vote per share in favor of Interenergy Argentina; the capital stock thus amounted to $ 78,466,730. At the date of these financial statements, this capitalization has not yet been filed with the Superintendency of Commercial Companies of Argentina.

On April 24, 2015, through Ordinary Meeting of Shareholders Minutes Record, Hychico decided to capitalize the irrevocable contribution made by Capex S.A. on October 28, 2014 for $ 8,500,000, with the issuance of 8,500,000 nominative non-endorsable shares of face value $ 1 each and entitled to one vote per share in favor of Capex S.A.; thus, the capital stock is now of $ 86,966,730. On the minutes record, Servicios Buproneu S.A. and Interenergy Argentina S.A. waived their preemptive right and residual preemptive right. At the date of these financial statements, this capitalization has not yet been filed with the Superintendence of Commercial Companies of Argentina.

At April 30, 2016 accumulated losses recorded by the Company absorb 50% of social capital; therefore, Hychico falls within the provisions of section 206 of the Commercial Companies Law 19550 that establishes the mandatory reduction of capital in this situation. When the Shareholders' Meeting considers the financial statements of Hychico as of April 30, 2016, if this situation persists, it should take the necessary measures to solve it.

NOTE 37 - SUBSEQUENT EVENTS

National Decree 704/16

On May 23, 2016, the National Executive Branch issued Decree 704/16, which established the payment of the funds accumulated until December 31, 2015 corresponding to:

a) "Incentive Program for the Excess Natural Gas Injection",
b) "Incentive Program for Natural Gas Injection for Companies with Reduced Injection", and
c) "Propane gas supply agreement for distribution networks of undiluted propane gas", subject to the execution of the pertinent extension agreement by the producing companies.

Payment will be made by means of "BONAR 2020 US$" (Argentina Bonds in US dollars at 8%, due 2020) at market value, based on the average market value for five business days prior to the date of issuance of this decree.

The beneficiaries must sign the application letters and submit them to the Secretariat of Hydrocarbon Resources of the Ministry of Energy and Mining within 30 calendar days following publication of this decree in the Official Gazette. The bank accounts used exclusively by the beneficiary companies that adhere to this decree, in the amounts corresponding to the Bonds received, will be exempt from the Tax on financial transactions in bank accounts and other operations created by Law 25413 and amendments.

NOTE 37 - SUBSEQUENT EVENTS (CONT'D)

The BONAR 2020 US$ received are restricted for sale, in such a way that until December 2017 inclusive, the beneficiary companies will not be able to sell more than a monthly 3% of the total of the bonds received; this percentage can be cumulative, provided it does not exceed 12%. In case of non-compliance, they must pay a fine equivalent to 10% of the market value of the total amount of BONAR 2020 US$ received.

From 2018 onwards, there will be no restrictions on the sale of the BONAR 2020 US$ received.

The Company adhered to this decree on June 13, 2016, to the "Incentive Program for Natural Gas Injection for Companies with Reduced Injection" for $ 107,931,422, and on June 16, 2016 to the "Propane gas supply agreement for distribution networks of undiluted propane gas" for $ 13,382,586.

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EXHIBIT A

At April 30, 2016 and 2015

Property, plant and equipment

Items	ORIGINAL VALUE						AMORTIZATION					Net book value at 04.30.16	Net book value at 04.30.15
	At the beginning of year	Additions	Completed work in progress	Retirements / Provisions	Revaluation	At year-end	Accumulated at the beginning of year	For the year	Retirements	Revaluation	Accumulated at year -end		
Assets for the production of oil and gas:													
- **Acquired exploration permits** (includes fidelity bond insurance)													
Loma de Kauffman	311,156	-	-	(311,156)	-	-	-	-	-	-	-	-	311,156
- **Assets for the production of oil and gas in Loma de Kauffman**													
Oil and gas wells	19,964,009	-	37,098,828	(57,062,837)	-	-	-	-	-	-	-	-	19,964,009
Work in progress	15,809,931	21,288,897	(37,098,828)	-	-	-	-	-	-	-	-	-	15,809,931
- **Other Studies**													
Loma de Kauffman													
Seismic	11,324,793	-	-	(11,324,793)	-	-	-	-	-	-	-	-	11,324,793
Geological research and other studies	7,653,488	-	-	(7,653,488)	-	-	-	-	-	-	-	-	7,653,488
Geo-magnetography	358,355	-	-	(358,355)	-	-	-	-	-	-	-	-	358,355
Oil and gas exploitation activities:													
- **Areas acquired and other studies**													
Agua del Cajón - exploitation rights	120,660,816	-	-	-	-	120,660,816	70,909,239	4,357,547	-	-	75,266,786	45,394,030	49,751,577
- **Other studies**													
Agua del Cajón – Exploration	8,106,139	-	-	-	-	8,106,139	5,973,800	186,763	-	-	6,160,563	1,945,576	2,132,339
Agua del Cajón – Seismic	12,172,940	-	-	-	-	12,172,940	7,813,681	381,811	-	-	8,195,492	3,977,448	4,359,259
- **Assets for the production of oil in:**													
Oil and gas Wells	1,721,140,267	7,767,499	378,055,355	-	-	2,106,963,121	829,674,333	153,278,389	-	-	982,952,722	1,124,010,399	891,465,934
Work in progress	9,637,728	500,656,161	(392,643,619)	-		117,650,270	-	-	-	-	-	117,650,270	9,637,728
Production assets	162,952,867	-	14,588,264	-	-	177,541,131	108,283,428	9,515,798	-	-	117,799,226	59,741,905	54,669,439
Vehicles	4,172,948	1,802,489	-	(234,863)	-	5,740,574	2,503,062	615,711	(234,863)	-	2,883,910	2,856,664	1,669,886
Gas Pipeline	33,864,764	-	-	-		33,864,764	25,776,978	2,861,889	-	-	28,638,867	5,225,897	8,087,786
Transport	2,128,130,201	531,515,046	-	(76,945,492)	-	2,582,699,755	1,050,934,521	171,197,908	(234,863)	-	1,221,897,566	1,360,802,189	1,077,195,680

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EXHIBIT A
At April 30, 2016 and 2015

Property, plant y equipment (Cont'd)

Items	ORIGINAL VALUE						AMORTIZATION					Net book value at 04.30.16	Net book value at 04.30.15
	At the beginning of year	Additions	Completed work in progress	Retirements / Provisions	Revaluation	At year-end	At the beginning of year	Additions	Retirements	Revaluation	Acumulated at year-end		
Brought forward	2,128,130,201	531,515,046	-	(76,945,492)	-	2,582,699,755	1,050,934,521	171,197,908	(234,863)	-	1,221,897,566	1,360,802,189	1,077,195,680
Central administration and production plant													
Neuquén land and buildings	59,545,148	-	-	-	153,219,051	212,764,199	3,944,903	225,003	-	-	4,169,906	208,594,293	55,600,245
Furniture and fixtures	1,776,563	-	-	-	-	1,776,563	1,776,563	-	-	-	1,776,563	-	-
Administration assets	11,451,442	2,275,462	-	-	-	13,726,904	9,801,463	873,754	-	-	10,675,217	3,051,687	1,649,979
Power Station Agua del Cajón													
CT ADC	1,988,356,515	-	93,981,016	-	1,389,024,419	3,471,361,950	741,512,695	80,880,709	-	-	822,393,404	2,648,968,546	1,246,843,820
Work in progress	10,961,144	105,678,245	(93,981,016)	-	-	22,658,373	-	-	-	-	-	22,658,373	10,961,144
Assets under Surplus due to Restrictions to the Transportation Capacity Account													
Fourth line	15,523,142	-	-	-	-	15,523,142	15,523,142	-	-	-	15,523,142	-	-
Capacitor bank	6,558,338	-	-	-	-	6,558,338	6,558,338	-	-	-	6,558,338	-	-
- LPG Plant - Agua del Cajón													
Vehicles	67,920	-	-	-	-	67,920	67,920	-	-	-	67,920	-	-
Facilities	54,881	-	-	-	-	54,881	54,881	-	-	-	54,881	-	-
Computer equipment	11,252	-	-	-	-	11,252	11,252	-	-	-	11,252	-	-
Furniture and fixtures	4,579	-	-	-	-	4,579	4,579	-	-	-	4,579	-	-
LPG Plant (1)	359,908,095	-	-	-	-	359,908,095	198,640,721	12,804,071	-	-	211,444,792	148,463,303	161,267,374
- Diadema Eolic Energy Farm (DEEF)													
DEEF (2)	132,213,752	663,796	-	-	94,855,368	227,732,916	39,234,464	5,766,382	-	21,720,635	66,721,481	161,011,435	92,979,288
- Hydrogen and Oxygen Project													
Hydrogen and Oxygen Plant	30,484,595	997,686	-	-	-	31,482,281	7,267,718	1,454,599	-	-	8,722,317	22,759,964	23,216,877
Hydrogen and Oxygen Plant provision	(23,216,877)	-	-	456,913	-	(22,759,964)	-	-	-	-	-	(22,759,964)	(23,216,877)
Total at April 30, 2016	4,721,830,690	641,130,235	-	(76,488,579)	1,637,098,838	6,923,571,184	2,075,333,160	273,202,426	(234,863)	21,720,635	2,370,021,358	4,553,549,826	
Total at April 30, 2015	3,371,007,393	353,904,047	-	(322,785,636)	1,319,704,886	4,721,830,690	1,700,368,776	205,980,533	(6,846,630)	175,830,481	2,075,333,160		2,646,497,530

(1) The net effect of the revaluation is of $ 87,757,002 (See Note 6)
(2) The net effect of the revaluation is of $ 101,839,975 (See Note 6)

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EXHIBIT D
At April 30, 2016 and 2015

OTHER INVESTMENTS

Principal account and characteristics	Book Value at 04.30.2016	Book Value at 04.30.2015
	$	$
Other non-current investments		
Financial investment at amortized cost		
In foreign currency (Exhibit G)		
Time deposits	-	354,415,925
Total non-current other investments	-	354,415,925
Other current investments		
Financial investment at amortized cost		
In foreign currency (Exhibit G)		
Time deposits	568,799,995	-
Cash and cash equivalents		
In local currency		
Financial investment at fair value		
Mutual funds	235,707,720	381,965,221
Total current other investments	804,507,715	381,965,221
Total other investments	804,507,715	736,381,146

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EXHIBIT E
At April 30, 2016 and 2015

PROVISIONS

Rubros	Balance at the beginning of year	(Recoveries) / Increases	Balance at year - end
	$	$	$
DEDUCTED FROM ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
In local currency			
Provision for property, plant and equipment	23,216,877	(3) (456,913)	22,759,964
Trade accounts receivable			
In local currency			
Provision for doubtful accounts	2,627,115	-	2,627,115
Spare parts and materials			
In local currency			
Provision for rotation and obsolescence	959,414	(1) (120,031)	839,383
CURRENT ASSETS			
Spare parts and materials			
In local currency			
Provision for rotation and obsolescence	239,854	(1) (30,008)	209,846
Total deducted from assets	27,043,260	(606,952)	26,436,308
INCLUDED IN LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions			
In local currency			
For lawsuits and fines	2,367,385	(2) 876,967	3,244,352
Total included in liabilities	2,367,385	876,967	3,244,352
Total provisions	29,410,645	270,015	29,680,660

(1) Charged to Other operating (expenses) / income, net (see Note 27)
(2) As of April 30, 2016 sentences were paid for an amount of $ 633,000. The remaining $ 1,509,967 were charged to other operating (expenses) / income, net (see Note 27)
(3) Charged to Other Financial Results

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EXHIBIT F
At April 30, 2016 and 2015

COST OF SALES

	04.30.2016	04.30.2015
	$	
Inventories and spare parts and materials at the beginning of year [1]	80,707,611	63,501,394
Plus:		
- Addition to warehouses	170,975,420	99,608,500
- Production cost according to Exhibit H	622,234,505	473,374,667
Less:		
- Consumption	(140,059,923)	(82,057,418)
Inventories and spare parts and materials at year end[1]	(114,329,878)	(80,707,611)
Cost of sales	619,527,735	473,719,532

[1] Includes inventories and spare parts and materials net of advances to suppliers.

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EXHIBIT G
At April 30, 2016 and 2015

CURRENCY ASSETS AND LIABILITIES

Items	04.30.2016				04.30.2015			
	Class	Amount	Exchange rate	Amount in $	Class	Amount	Exchange rate	Amount in $
ASSETS								
NON-CURRENT ASSETS								
Financial investments at amortized cost								
Time deposits		-	-	-	US$	40,242,526	8.807	354,415,925
Spare parts and materials		-	-	-				
Sundry advances	US$	5,449,128	14.15	77,105,157	US$	782,864	8.807	6,894,682
Other accounts receivable								
Assignment of rights CAMMESA	US$	1,857,300	14.15	26,280,798	US$	2,404,058	8.807	21,172,535
Total Non-Current Assets				**103,385,955**				**382,483,142**
CURRENT ASSETS								
Spare parts and materials								
Sundry advances	US$	1,362,282	14.15	19,276,289	US$	181,782	8.807	1,600,956
Other accounts receivable								
Sundry advances	US$	4,165	14.15	58,921	US$	686,137	8.807	6,042,812
Assignment of rights CAMMESA	US$	892,027	14.15	12,622,189	US$	925,738	8.807	8,152,972
Agreement of propane supply for networks to collect	US$	962,543	14.15	13,619,990	US$	559,254	8.807	4,925,349
Trade accounts receivable								
Intercompany receivables	US$	51,658	14.15	730,967	US$	19,752	8.807	173,957
For sale of oil and others	US$	3,913,151	14.15	55,371,084	US$	11,898,885	8.807	104,793,478
Financial investment at amortized cost								
Financial investment at amortized cost	US$	40,197,880	14.15	568,799,995		-	-	-
Cash and cash equivalents								
Cash	US$	6,019	14.15	85,173	US$	6,019	8.807	53,010
Cash	€	4,329	16.1706	70,005	€	4,329	9.8462	42,626
Banks	US$	12,304	14.15	174,101	US$	20,046	8.807	176,541
Total Current Assets				**670,808,714**				**125,961,701**
Total assets				**774,194,669**				**508,444,843**
LIABILITIES								
NON-CURRENT LIABILITIES								
Trade accounts payable								
Sundry accruals	US$	422,225	14.25	6,016,712	US$	526,941	8.907	4,693,465
Financial liabilities								
Bank	US$	7,000,000	14.25	99,750,000	US$	8,400,000	8.907	74,818,800
Corporate bonds	US$	200,000,000	14.25	2,850,000,000	US$	200,000,000	8.907	1,781,400,000
Total Non-Current Liabilities				**2,955,766,712**				**1,860,912,265**
CURRENT LIABILITIES								
Trade accounts payable								
Suppliers	US$	13,851,120	14.25	197,378,461	US$	13,842,287	8.907	123,293,250
Sundry accruals	US$	454,475	14.25	6,476,268	US$	339,214	8.907	3,021,375
Financial liabilities								
Bank	US$	1,436,167	14.25	20,465,376	US$	1,440,017	8.907	12,826,229
Corporate bonds	US$	2,849,462	14.25	40,604,838	US$	2,849,463	8.907	25,380,166
Total Current Liabilities				**264,924,943**				**164,521,020**
Total Liabilities				**3,220,691,655**				**2,025,433,285**

EXHIBIT H

INFORMATION REQUIRED BY SECT, 64, SUB-SECT, B) OF LAW No, 19550
for years commenced on May 1, 2015 and 2016 and ended on April 30, 2016 and 2015

Items	04.30.2016				04.30.2015			
	Production cost	Selling expenses	Administrative expenses	Total	Production cost	Selling expenses	Administrative expenses	Total
	$	$	$	$	$	$	$	$
Fees and other compensation	11,112,411	-	13,366,089	24,478,500	4,356,093	-	6,637,172	10,993,265
Salaries and social security contributions	180,405,530	-	62,161,503	242,567,033	139,007,224	-	46,641,304	185,648,528
Materials, spare parts and others	33,002,912	-	5,982	33,008,894	32,596,973	-	4,369	32,601,342
Operation, maintenance and repairs	83,473,941	-	11,644,426	95,118,367	57,775,329	-	9,105,649	66,880,978
Fuel, lubricants and fluids	3,223,185	-	-	3,223,185	2,402,129	-	-	2,402,129
Transportation, freight and studies	8,562,291	-	893,520	9,455,811	6,112,951	-	744,148	6,857,099
Amortization of Property, plant and equipment	272,103,669	-	1,098,757	273,202,426	204,976,193	-	1,004,340	205,980,533
Office, travel and representation expenses	2,112,590	-	1,793,323	3,905,913	2,562,791	-	1,135,410	3,698,201
Taxes, rates, contributions, insurance and rental	24,806,544	-	18,670,322	43,476,866	20,768,862	-	11,431,648	32,200,510
Acquisition of electricity from CAMMESA	741,146	-	-	741,146	169,843	-	-	169,843
Acquisition of gas to third parties	2,690,286	-	-	2,690,286	2,556,036	-	-	2,556,036
Sundry	-	-	-	-	90,243	-	-	90,243
Royalties	-	189,087,790	-	189,087,790	-	119,384,958	-	119,384,958
Cost of transport and energy deliveries	-	14,336,597	-	14,336,597	-	14,432,838	-	14,432,838
Export withholdings	-	91,600	-	91,600	-	-	-	-
Turnover tax	-	46,868,127	-	46,868,127	-	34,109,902	-	34,109,902
Commissions and other	-	3,826,627	-	3,826,627	-	2,423,647	-	2,423,647
Bank charges	-	-	20,272,224	20,272,224	-	-	14,823,782	14,823,782
Total	622,234,505	254,210,741	129,906,146	1,006,351,392	473,374,667	170,351,345	91,527,822	735,253,834

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Capex S.A.

SUMMARY OF ACTIVITY

REFERRED TO THE CONSOLIDATED FINANCIAL STATEMENTS OF

CAPEX S.A. AS OF APRIL 30, 2016

a) Comments on the consolidated comprehensive results and financial position at April 30, 2016 (information not covered by the audit report).

Consolidated Statement of Results

Thousand $

	04/30/2016	04/30/2015	Variation	
Net Sales	1,844,804	1,260,912	583,892	46.3%
Cost of Sales	(619,527)	(473,720)	(145,807)	30.8%
Gross Profit	**1,225,277**	**787,192**	**438,085**	**55.7%**
Exploration Expenses	(76,711)	(174,860)	98,149	-56.1%
Selling Expenses	(254,211)	(170,351)	(83,860)	49.2%
Administrative Expenses	(129,906)	(91,528)	(38,378)	41.9%
Other operating (expenses) / income, net	(952)	1,298	(2,250)	-173.3%
Operating result	**763,497**	**351,751**	**411,746**	**117.1%**
Financial Income	400,256	127,500	272,756	213.9%
Financial Costs	(1,561,354)	(474,940)	(1,086,414)	228.7%
Other Financial Income	457	70	387	552.9%
Result before income tax	**(397,144)**	**4,381**	**(401,525)**	**-9165.1%**
Tax on Assets	-	(431)	431	-100.0%
Income Tax	137,218	(3,562)	140,780	3952.3%
Net result of the year	**(259,926)**	**388**	**(260,314)**	**-67091.2%**
Other Comprehensive Results				
No future charge to results	1,049,996	743,518	306,478	41.2%
Comprehensive Result for the Year	**790,070**	**743,906**	**46,164**	**6.2%**

Gross profit for the year ended April 30, 2016 was $1,225,277, representing 66.4% of net sales, while in the previous year it amounted to $787,192, representing 62.4% of net sales. Gross profit for the current year increased by 55.7%, as compared with the previous year.

Operating income in the year ended April 30, 2016 was $763,497, while in the previous year it amounted to $351,751, representing an increase of 117.1%.

The net result for the year ended April 30, 2016 was a loss of $259,926, while in the previous year it amounted to a profit of $388. In spite of the good operating results obtained by the Group, the net result (loss) for the year was influenced by the net financial results, as a consequence of the appreciation in the value of the US dollar relative to the peso.

Other comprehensive results for the year ended April 30, 2016 amounted to $1,049,996 thousand, while in the previous year it amounted to $743,518 thousand, since the Company has applied since July 31, 2014 the revaluation model for certain assets within Property, plant and equipment, and adjusted the fair values of those assets at the end of the current year.

Finally, the comprehensive result for the year ended April 30, 2016 amounted to $790,070, and to $743,906 in the previous year.

Sales

Thousand $

Product	04/30/2016	04/30/2015	Variation	
Energy				
Energy CT ADC	968,070	679,571	288,499	42.5%
Energy DEEF	33,597	27,885	5,712	20.5%
Façon Service of electric energy	**3,078**	**2,068**	**1,010**	**48.8%**
Gas				
Sales	108,729	43,495	65,234	150.0%
Subsidy – "Stimulus Plan for Injection of Natural Gas"	256,533	116,086	140,447	121.0%
Oil				
Sales	383,155	292,631	90,524	30.9%
Subsidy – "Stimulus Plan for Oil Injection"	3,220	644	2,576	400.0%
Propane				
Sales	50,515	57,500	(6,985)	-12.1%
Subsidy – "Propano Sur Program"	244	-	244	100.0%
Butane				
Sales	35,268	40,211	(4,943)	-12.3%
Subsidy – "Hogar Program"	1,400	-	1,400	100.0%
Oxygen	995	820	175	21.3%
Total	**1,844,804**	**1,260,911**	**583,893**	**46.3%**

Net sales for the year ended on April 30, 2016 increased by 46.3% compared with the previous year. The evolution of each product was as follows:

a) Energy:

Sales of CT ADC energy measured in pesos increased by $ 288,499 thousand, representing a rise of 42.5% compared with the prior year, from $ 679,571 thousand as of April 30, 2015 to $ 968,070 thousand as of April 30, 2016. This variation is due to:

(i) recognition in this fiscal year of the increase for $18 million in the remuneration schedule set forth by ES Resolution 482/15 corresponding to the February-April 2015 period,
(ii) a higher average sale price recorded for the MW sold during the period, as a result of the application of ES Resolution 482/15 and ES Resolution 22/16 (effective February 2016) and of the increase in the exchange rate that directly affected the remuneration for the gas consumed by CT ADC, and
(iii) to a higher price of gas recognized by CAMMESA generators, which increased by 106.3 % in dollars.

Sales of CT ADC energy measured in GWh decreased by 0.6% from 3.403 GWh (or an average of 284 GWh monthly) as of April 30, 2015 to 3,381 GWh (or an average of 282 GWh monthly) as of April 30, 2016.

Sale prices for the energy of CT ADC, including the remuneration for its own gas used in the generation, increased 40.7%, from $/GWh 199.7 on average during the fiscal year ended April 30, 2015 to $/GWh 281.0 on average in the fiscal year ended April 30, 2016, due to the application of ES Resolutions 482/15, 22/16 and 41/16 and to the increase in the exchange rate. In the calculation of the average price as of April 30, 2016 the effect of the price increase recorded at that date corresponding to the February-April 2015 period was not considered.

Sales of energy from the DEEF measured in pesos increased by $ 5,712 thousand, 20.5% higher than the prior year, from $ 27,885 thousand at April 30, 2015 to $ 33,597 thousand at April 30, 2016.

In the fiscal year ended April 30, 2016, sales in GWh were 25.6 at an average price of $/MWh 1,312.4, and in the year ended April 30, 2015 it was of 28.1 GWh at an average price of $/MWh 992.3; the price increase is due to the increment in the US dollar exchange rate, the currency in which the price is fixed with CAMMESA.

b) Façon Service of electric energy

Façon services for the generation of electricity with natural gas and hydrogen measured in pesos increased by $ 1,010 thousand, 48.8% more than in the previous year, from $ 2,068 thousand at April 30, 2015 to $3,078 thousand at April 30, 2016. This variation was principally due to an increment in the tariff and in the US dollar quotation, currency in which the price is fixed for this service.

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c) Gas

Gas production increased by 4,695 thousand m3, that is 0.8%, from 553,307 thousand m3 as of April 30, 2015 to 558,002 thousand m3 as of April 30, 2016. This increase, which reversed the decline in the production curve, was due to investments made under the Stimulus Plan for Injection of Excess Natural Gas and to the development of more productive reserves.

Under the Gas Plus program, the Company sold $108,729 thousand corresponding to the delivery of 61,632 thousand m3 at an average price of US$/m3 0.1547 (or US$ 4.2 million BTU), while gas sales in the previous year amounted to $43,495 thousand corresponding to 28,837 thousand m3 at an average price of US$/m3 0.18302 (or US$ 4.95 million BTU). The 114% increase in the m3 sold is attributable to an increase in production of wells associated with the gas plus projects, in view of the larger investment, while the fall in prices (US$/million BTU) is due to market reasons, an oversupply of natural gas in the summer (as a result of the lower consumption of natural gas by residential customers) did not justify payment by the market of higher prices for gas plus.

The remaining gas was used for the generation of electric power in the CT ADC and in the operation of the LPG plant.

The subsidy under the "Stimulus Plan for Injection of Natural Gas for Companies with Reduced Injection" accrued for $256,533 thousand in the year ended April 30, 2016, while the amount accrued in the year ended April 30, 2015 was $116,086 thousand, generating a revenue increase of 121% for that plan. The revenue increase was due to the following: i) the Company has sustained the gas production and the annual decrease of 15% in the adjusted base injection curve, with which it is compared for the calculation; and ii) the increase in the dollar exchange rate, as the remuneration under the plan is calculated in dollars. In the fiscal year ended April 30, 2016, $117.3 million were collected under the above-mentioned plan, corresponding to the October 2014-June 2015 period. At the date of issue of these financial statements, the Company had adhered to National Executive Branch Decree 704/16, whereby the National Government offered to pay the balances past due under this program until December 31, 2015 with BONAR 2020 in US dollars.

d) Oil:

Sales of oil for the year ended on April 30, 2016 increased by $90,524 thousand, representing an increase of 30.9% compared with the previous year. This increase was due to a sold volume rise of 9.7%, from 67,793 m3 as of April 30, 2015 to 74,395 m3 as of April 30, 2016, to a price rise of 20.1%, caused by an increase in the foreign exchange rate applicable to selling prices and the "Program to encourage crude oil production".

Taking into account the fall in international crude oil prices and the need to maintain a price to support the production activity, while diminishing the impact on the price of fuels of the peso devaluation relative to the dollar, producers and refineries renegotiated in the fiscal year ended April 30, 2016 a reduction of the prices in dollars in effect in their agreements, for the deliveries made as from December 2015.

Oil production increased 17.2 %, from 35,623 m3 as of April 30, 2015 to 41,743 m3 as of April 30, 2016, due to the results obtained from the stimulation of some wells.

Further, in the year ended at April 30, 2016 the subsidy under the "Program to encourage crude oil production" during the period May-December 2015 was accrued for $3,220 thousand. During the year ended at April 30, 2016 $1,458 thousand were collected.

e) Propane, butane and gasoline:

- Sales of propane during the year ended on April 30, 2016 decreased by $6,741 thousand with respect to the previous year, from $ 57,500 thousand at April 30, 2015 to $ 50,759 thousand at April 30, 2016, including the subsidy "Propano Sur Program". As of April 30, 2016 Capex has exported 2,378 tn. for $ 9,875 thousand.

  Without considering the effect of the above-mentioned export, the fall in sales is the consequence of: (i) a reduction of 25.1% in the volume sold, due to plant shutdowns, and (ii) a fall of 5.2% in the average sale price, from $/tn 2,608.2 on average as of April 30, 2015 to $/ton 2,478.5 on average as of April 30, 2016, as a consequence of the fall in international prices, offset by the increase in the exchange rate and the deliveries of products at regulated prices.

- Sales of butane during the year ended on 30 April 2016 decreased by $ 3,543 thousand, with respect to the previous year, from $ 40,211 thousand at April 30, 2015 to $ 36,668 thousand at April 30, 2016, including the subsidy "Hogar Program". This is result of a drop in the volume sold of 9.3% due to plant shutdowns, offset by a slight rise in the average sales price of 0.6 %, from $average/ tn 2,650.2 as of April 30, 2015 to $average/ tn 2,665.4 as of April 30, 2016.

- No sales of gasoline were recorded at April 30, 2016 and 2015, since production of 28,022 m3 and 27,644 m3, respectively, were blended and sold with oil for market reasons.

Capex S.A.

f) Oxygen:

Hychico sold 114,037 m^3 and 127,433 m^3 of oxygen for a total of $ 995 thousand and $ 820 thousand in the years ended at April 30, 2016 and 2015, respectively. This increase in sales was the result of an increase in the sale price, due to the higher exchange rate, offset by a lower volume sold.

Cost of sales

Thousand $

	04/30/2016	04/30/2015	Variation	
Fees and other compensations	(11,112)	(4,356)	(6,756)	155.1%
Salaries and social security contributions	(180,406)	(139,007)	(41,399)	29.8%
Materials, spare parts and others	(33,003)	(32,597)	(406)	1.2%
Operation, maintenance and repairs	(83,474)	(57,775)	(25,699)	44.5%
Fuel, lubricants and fluids	(3,223)	(2,402)	(821)	34.2%
Transportation, freight and studies	(8,562)	(6,113)	(2,449)	40.1%
Amortization of property, plant and equipment	(272,104)	(204,976)	(67,128)	32.7%
Office, travel and representation expenses	(2,113)	(2,563)	450	-17.6%
Taxes, rates, contributions, insurance and rental	(24,807)	(20,769)	(4,038)	19.4%
Acquisition of electricity from CAMMESA	(741)	(170)	(571)	335.9%
Acquisition of gas to third parties	(2,690)	(2,556)	(134)	5.2%
Sundry	-	(90)	90	-100.0%
Adjustment on the cost of sales	2,707	(346)	3,053	-882.4%
Cost of Sales	**(619,528)**	**(473,720)**	**(145,808)**	**30.8%**

The cost of sales for the year ended on April 30, 2016 amounted to $ 619,528 thousand, representing 33.6 % of net sales, while in the previous year it amounted to $ 473,720 thousand, representing 37.6% of net sales at April 30, 2015.

The 30.8% increase in the cost of sales was mainly explained by:

- the higher amortization charge for the assets related to the exploitation of oil and gas, the CT ADC, Diadema Eolic Energy Farm and the LPG Plant for $67,128 thousand, as a result of the larger investment made and the technical revaluation of certain assets carried out as from July 31, 2014.
- an increase of $41,399 thousand in labor costs, as a result of the salary increases granted;
- an increase of $25,699 thousand in operation and maintenance costs, as a result of the rate increases for these services throughout the fiscal year;
- an increase of $2,449 thousand in costs of transportation, freight and studies, as a result of the larger number of hours for cargo transport and rate increases;
- an increase of $6,756 thousand in fees and other compensations; and
- an increase of $4,038 thousand in taxes, rates, contributions and insurance, mainly due to the increase in costs of insurance coverage.

Exploration expenses

Thousand $

	04/30/2016	04/30/2015	Variation	
Exploration expenses	**(76,711)**	**(174,860)**	**98,149**	**-56.1%**

Exploration expenses for $ 76,711 thousand as of April 30, 2016 correspond to the withdrawal of an unproductive exploratory well in Loma de Kauffman, and to a provision for investments made in the area, as they are not expected to be recovered.

Exploration expenses as of April 30, 2015 for $174,860 thousand are due to the reversal at the date of issue of those financial statements of the Cerro Chato and Lago Pellegrini exploration areas for $23,684 thousand and $ 141,396 thousand, respectively, upon the Company's decision to return 100% of the areas in the second exploration period, after complying with the investments undertaken with the Province of Rio Negro. On June 12, 2015, after making the investments undertaken, the Company decided to go on to the third exploration period in the Loma de Kauffman area, reversing 50% thereof; for this reason, $9,780 thousand were provided for as of April 30, 2015.

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Selling expenses

Thousand $

	04/30/2016	04/30/2015	Variation	
Royalties	(189,087)	(119,384)	(69,703)	58.4%
Cost of transport and energy deliveries	(14,337)	(14,433)	96	-0.7%
Tax on exports	(92)	-	(92)	100.0%
Turnover tax	(46,868)	(34,110)	(12,758)	37.4%
Commissions and other	(3,827)	(2,424)	(1,403)	57.9%
Selling expenses	**(254,211)**	**(170,351)**	**(83,860)**	**49.2%**

Selling expenses amounted to $ 254,211 thousand representing 13,8% of net sales. These expenses increased by 49.2% over the previous year mainly due to a rise in the turnover tax as a result of higher billings and a rise in royalties related to gas. The rise in royalties was due to: i) the increase in gas production, ii) the increase in gas sales through the Gas Plus Program, iii) the increase in gas prices as a result of the increase in the price of reference recognized by CAMMESA and the rise in the exchange rate; and iv) the increase in revenues from the Stimulus Plan for Injection of Natural Gas for Companies with Reduced Injection.

Administrative expenses

Thousand $

	04/30/2016	04/30/2015	Variation	
Fees and other compensations	(13,366)	(6,637)	(6,729)	101.4%
Salaries and social security contributions	(62,162)	(46,641)	(15,521)	33.3%
Materials, spare parts and others	(6)	(4)	(2)	50.0%
Operation, maintenance and repairs	(11,644)	(9,106)	(2,538)	27.9%
Transportation, freight and studies	(894)	(744)	(150)	20.2%
Amortization of property, plant and equipment	(1,099)	(1,004)	(95)	9.5%
Office, travel and representation expenses	(1,793)	(1,135)	(658)	58.0%
Taxes, rates, contributions, insurance and rental	(18,670)	(11,432)	(7,238)	63.3%
Bank charges	(20,272)	(14,825)	(5,447)	36.7%
Administrative expenses	**(129,906)**	**(91,528)**	**(38,378)**	**41.9%**

Administrative expenses for the year ended April 30, 2016 amounted to $129,906 thousand, representing 7.0% of net sales. Administrative expenses increased by 41.9% compared to the same period of the previous year, which is basically due to: i) an increase in salaries and social security contributions, as a result of the salary increases granted; ii) an increase in rental expenses; and iii) in legal fees and bank charges.

Other operating (expenses) / income, net

Thousand $

	04/30/2016	04/30/2015	Variation	
Assignment of rights under the compensation program of oil plus program	-	4.107	(4.107)	-100,0%
Expenses relating to the notarial registration of the sale of the Vicente López Building	-	(2.908)	2.908	-100,0%
Sale of vehicles	526	269	257	95,5%
Provision for lawsuits and fines	(1.510)	(557)	(953)	171,1%
Provision for turnover and obsolescence of spare parts and materials	150	337	(187)	-55,5%
Sundry	(118)	51	(169)	-331,4%
Other operating (expenses) / income, net	**(952)**	**1.299**	**(2.251)**	**-173,3%**

Other operating (expenses) / income, net, as of April 30, 2016 represented a loss of $952 thousand, while an income for $1,299 thousand was recorded as of April 30, 2015, primarily as a result of the collection of $4,107 thousand in the previous year for the assignment of set-off rights under the Oil Plus Program regulated in 2008, which was offset by the notarial expenses of $2,908 thousand for the sale of the building in Vicente López.

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Financial results

Thousand $

	04/30/2016	04/30/2015	Variation	
Financial Income	400,256	127,500	272,756	213.9%
Financial Costs	(1,561,354)	(474,940)	(1,086,414)	228.7%
Financial Results	**(1,161,098)**	**(347,440)**	**(813,658)**	**234.2%**

a) Financial Income

Thousand $

	04/30/2016	04/30/2015	Variation	
Interest and other	120,524	77,587	42,937	55.3%
Interest accrued on receivables	(3,810)	3,500	(7,310)	-208.9%
Exchange difference	283,542	46,413	237,129	510.9%
Financial Income	**400,256**	**127,500**	**272,756**	**213.9%**

The financial income reflected a balance of $ 400,256 thousand which compares with $ 127,500 thousand in the previous year, representing an increase of 213.9%. The main reasons for this variation by $ 272,756 thousand are listed below:

- The variation in accrued interest and other results corresponds to higher results from financial placements, due to an increment in placements made and in their yields.

- The variation in exchange difference is due to an increase in the US dollar exchange rate with respect to the peso calculated on investments in such foreign currency. The variation in the US dollar quotation between April 2015 and April 2016 was of 60.7% and between April 2014 and April 2015 it was of 11.5%,

- The variation in interest accrued on receivables mainly corresponds to the present value of Hychico's long term receivables and Capex's trusts.

b) Financial Costs

Thousand $

	04/30/2016	04/30/2015	Variation	
Interest and other	(403.188)	(279.723)	(123.465)	44,1%
LIBO rate swap	-	1.080	(1.080)	-100,0%
Exchange difference	(1.154.517)	(196.055)	(958.462)	488,9%
Interest accrued from accounts receivable and payable	(3.649)	(242)	(3.407)	1.407,9%
Financial Costs	**(1.561.354)**	**(474.940)**	**(1.086.414)**	**228,7%**

Financial costs show a negative balance of $ 1,561,354 thousands, while in the previous year they were negative by $ 474,940 thousands. The main causes of the variation of $ 1,086,414 thousands were:

- The variation in interest and other mainly corresponds to interest accrued by Corporate Bonds. While the capital of the debt in dollars for the Notes remained constant, due to its maturity date in March 2018, the increase in the exchange rate generated a higher accrual of interest in pesos.

- The higher exchange losses are the consequence of an increase in the US dollar exchange rate relative to the peso; the variation in the US dollar quotation between April 2015 and April 2016 was 60%, and 11.3% between April 2014 and April 2015. The Group holds 88.8% of its financial liabilities in US dollars, so the variation in the exchange rate of that currency has had a significant impact on the economic results and on equity.

  The loans referred to above are as follows:
  - Corporate Bonds, Senior Notes, for US$ 200,000,000 accruing interest payable semi-annually, as from the disbursement date and until full repayment (March 2018), at a fixed rate of 10%.
  - Secured loan for US$ 14,000,000 destined for Hychico Diadema Eolic Energy Farm, accruing interest at variable rates equivalent to LIBO plus a nominal annual rate of 8.75% payable semi-annually.

- The decrease in the LIBO rate swap line is due to the cancellation of the SWAP contract owned by the company.

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- The accrual of interest from accounts receivable and payable corresponds to the present value of the provision for plugging of wells.

Income Tax

Thousand $

	04/30/2016	04/30/2015	Variation	
Tax on assets	-	(432)	432	-100%
Income Tax	137,218	(3,562)	140,780	-3952.3%
Income Tax	**137,218**	**(3,994)**	**141,212**	**3535.6%**

Income tax as of April 30, 2016 showed a positive balance of $137,218 thousand, as a result of the recognition of the tax effect on the loss for the year, based on the estimate made by the Company of the offsetting against future profits of tax losses accumulated at year end, before expiration.

Other comprehensive results

Thousand $

	04/30/2016	04/30/2015	Variation	
Other comprehensive results	**1,049,996**	**743,518**	**306,478**	**41.2%**

Other comprehensive results for the year ended April 30, 2016 amounted to $1,049,996, while in the previous year it amounted to $743,518, for the Company has applied since July 31, 2014 the revaluation model for certain assets within Property, plant and equipment and as of April 30, 2016 it has updated the fair value of those assets.

The portion of total other comprehensive results for $1,049,996 thousand attributable to the Company is $1,048,198 thousand, and is accumulated in the Reserve for assets revaluation, in the Statement of Changes in Shareholders' Equity. The closing balance as of April 30, 2016 for that reserve is $ 1,692,109 which, as set forth in the Restated Text of the CNV, may not be distributed, capitalized or allocated to absorb accumulated losses, but must be computed as part of accumulated gains/losses for the purposes of comparison to determine the Company's situation under sections 31, 32 and 206 of Commercial Companies Law 19550.

Consolidated Financial Statements

Thousand $

	04/30/2016	04/30/2015	Variation	
Property, plant and equipment	4,553,550	2,646,498	1,907,052	72.1%
Financial investments at amortized cost	568,800	354,416	214,384	60.5%
Spare parts and materials	207,437	89,009	118,428	133.1%
Other accounts receivable	217,427	147,193	70,234	47.7%
Trade accounts receivable	799,519	387,058	412,461	106.6%
Inventories	3,274	566	2,708	478.4%
Cash and cash equivalents	244,426	392,704	(148,278)	(37.8)%
Total Assets	**6,594,433**	**4,017,444**	**2,576,989**	**64.1%**
Total shareholders' equity attributable to shareholders	1,786,808	998,166	788,642	79.0%
Non-controlling interest	10,491	9,063	1,428	15.7%
Total shareholders' equity	**1,797,299**	**1,007,229**	**790,070**	**78.4%**
Trade accounts payable	372,940	242,689	130,251	53.7%
Financial liabilities	3,390,779	2,218,622	1,172,157	52.8%
Deferred income tax	883,596	460,314	423,282	92.0%
Taxes	39,853	25,926	13,927	53.7%
Provisions and contingencies	3,244	2,367	877	37.1%
Salaries and social security contributions	50,861	40,095	10,766	26.9%
Other liabilities	55,861	20,202	35,659	176.5%
Total Liabilities	**4,797,134**	**3,010,215**	**1,786,919**	**59.4%**
Total Shareholders' equity and liabilities	**6,594,433**	**4,017,444**	**2,576,989**	**64.1%**

Total assets as of April 30, 2016 increased in $ 2,576,989 thousand, which represents a variation of 64.1% compared to the previous year.

The main reasons for this variation are listed below:

(i) Property, plant and equipment: an increase of $1,907,052 thousand, due to the net effect of the technical revaluation of certain assets recorded at year end, the investments made, the provision for the areas in Rio Negro, and amortization charges for the year;
(ii) Financial investments at amortized cost: an increase of $214,384 thousand, due to the higher US dollar exchange rate which increased the valuation of time deposits denominated in that currency;
(iii) Spare parts and materials: an increase of $118,428 thousand due to the larger number of stocks and the advances to suppliers for the purchase of materials for maintenance of the CT ADC;
(iv) Other accounts receivable: an increase of $70,234 thousand, mainly attributable to the variation in the tax on assets credit and to the increase in advances to suppliers;
(v) Trade accounts receivable: an increase of $412,461 thousand, due to: i) the increase in the remuneration schedule for energy generation granted under ES Resolution 482/15 and ES Resolution 22/16; ii) the increase in the price of natural gas for electricity generation granted under Resolution 41/16 of the Ministry of Energy and Mining; iii) the increase in the accrual under the Stimulus Plan for Injection of Excess Natural Gas, which will be paid off with BONAR 2020; iv) the increase in gas sales; and v) the higher exchange rate for the credits denominated in US dollars;
(vi) Inventories: An increase of $2,708 thousand, due to a larger number of stocks.
(vii) Cash and cash equivalents: a decrease of $148,278 thousand due to the lower financial investments at fair value.

Total liabilities as of April 30, 2016 increased in $ 1,786,919, which represents a variation of 59.4% in comparison with the previous year.

The main reasons for this variation are listed below:

(i) Trade accounts payables: an increase of $130,251 thousand, basically due to the increase in prices of costs, expenses and investments made.
(ii) Financial liabilities: an increase of $1,172,157 thousand, mainly generated by: (i) a higher US dollar exchange rate, which gave rise to an increase in accrued interest and exchange differences; and (ii) greater financing granted by CAMMESA to carry out maintenance of the CT ADC.
(iii) Deferred income tax: an increase of $423,282 thousand as a result of the tax effect of recognition of technical revaluation, offset by recognition of tax losses produced by the devaluation.
(iv) Taxes: an increase of $ 13,927, due to the increase in VAT debit.
(v) Provisions and contingencies: an increase of $877 thousand, due to the higher contingencies, which was offset by the payment under court orders for $633 thousand.
(vi) Salaries and social security contributions: an increase of $10,766 thousand, as a result of the salary increases granted.
(vii) Other liabilities: an increase of $35,659 thousand, due to the increase in oil and gas royalties.

Subsequent events

- Until the date of issuance of these financial statements, Capex has received a total of $ 43.2 million from CAMMESA, corresponding to the "Program of maintenance of power generation units".
- On July 1, 2016 Capex prepaid the loan with the Industrial Commercial Bank of China (Argentina) S.A. (ICBC) for $ 50,000,000.
- On May 23, 2016, the National Executive Branch issued Decree No. 704/16, which established the payment of the funds accumulated until December 31, 2015 corresponding to:

a) "Stimulus Plan for Injection of Natural Gas Excess",
b) "Program for Natural Gas Injection for Companies with Reduced Injection", and
c) "Propane gas supply agreement for distribution networks of undiluted propane gas", subject to the execution of the pertinent extension agreement by the producing companies.

Payment will be made by means of "BONAR 2020 US$" (Argentina Bonds in US dollars at 8%, due 2020), with certain sale restrictions.

The Company adhered to this decree on June 13, 2016, to the "Incentive Program for Natural Gas Injection for Companies with Reduced Injection" for $ 107,931,422, and on June 16, 2016 to the "Propane gas supply agreement for distribution networks of undiluted propane gas" for $ 13,382,586.

Capex S.A.

<u>Oil and gas reserves</u> (information not covered by the audit report)

Below is the hydrocarbon reserves estimate of the Agua del Cajón area at December 31, 2015 made by the Company, which has been audited by the independent auditor Ana M. Nardone, complying with the requirements of ES Resolution 324/06 and considering the expiry date of the concession in January 2026:

Products		Proven			Probable	Possible
		Developed	Non-developed	Total		
Gas	MMm^3 (1)	3,636	1,339	4,975	430	408
Oil	Mbbl	1,830	566	2,396	654	830
	Mm^3	291	90	381	104	132

(1) Expressed in 9300 $kcal/m^3$

b) <u>Asset structure</u>

	04/30/2016	04/30/2015	04/30/2014	04/30/2013	04/30/2012
			$ (a)		
Current Assets	1,666,571,576	816,697,176	337,115,675	212,565,114	199,079,558
Non-Current Assets	4,927,861,464	3,200,745,685	2,118,791,377	1,907,773,932	1,810,937,950
Total Assets	**6,594,433,040**	**4,017,442,861**	**2,455,907,052**	**2,120,339,046**	**2,010,017,508**
Current Liabilities	724,524,807	539,289,516	440,370,531	320,777,557	246,375,779
Non-Current Liabilities	4,072,609,459	2,470,924,596	1,752,213,819	1,312,220,999	1,193,810,842
Total Liabilities	**4,797,134,266**	**3,010,214,112**	**2,192,584,350**	**1,632,998,556**	**1,440,186,621**
Shareholders' equity attributable to shareholders	1,786,808,085	998,166,007	258,268,784	483,235,600	565,585,685
Non-Controlling interest	10,490,689	9,062,742	5,053,918	4,104,890	4,245,202
Total Shareholders' Equity	**1,797,298,774**	**1,007,228,749**	**263,322,702**	**487,340,490**	**569,830,887**
Total Shareholders' Equity and Liabilities	**6,594,433,040**	**4,017,442,861**	**2,455,907,052**	**2,120,339,046**	**2,010,017,508**

(a) Information consolidated with SEB and Hychico, according to financial information as of April 30, 2016, 2015, 2014, 2013 and 2012.

c) <u>Results Structure</u>

	04/30/2016	04/30/2015	04/30/2014	04/30/2013	04/30/2012
			$ (a)		
Operating result	763,496,958	351,751,345	304,163,570	132,010,177	144,310,730
Financial income	400,256,348	127,500,389	151;905,289	52,467,849	23,884,254
Financial costs	(1,561,354,345)	(474,939,782)	(827,207,316)	(308,224,329)	(184,777,790)
Other financial income	456,913	69,516	1,492,925	1,593,085	1,450,903
Result before Income Tax	**(397,144,126)**	**4,381,468**	**(369,645,532)**	**(122,153,218)**	**(15,131,903)**
Tax on assets	-	(431,582)	3,801,279	(790,471)	(805,432)
Income tax	137,218,320	(3,561,977)	140,426,465	40,453,292	332,395
Net result for the year	**(259,925,806)**	**387,909**	**(225,417,788)**	**(82,490,397)**	**(15,604,940)**
Other comprehensive results	1,049,995,831	743,518,138	-	-	-
Comprehensive result for the year	**790,070,025**	**743,906,047**	**(225,417,788)**	**(82,490,397)**	**(15,604,940)**

(a) Information consolidated with SEB and Hychico, according to financial information as of April 30, 2016, 2015, 2014, 2013 and 2012.

Capex S.A.

d) <u>Cash flow Structure</u>

	04/30/2016	04/30/2015	04/30/2014	04/30/2013	04/30/2012
			$ (a)		
Net cash flows provided by operating activities	824,398,528	639,643,281	385,781,974	266,751,423	282,229,159
Net cash flows used in investment activities	(637,042,352)	(207,689,724)	(182,910,977)	(196,382,679)	(375,062,421)
Net cash flows used in financing activities	(184,972,959)	(147,587,212)	(208,610,019)	(64,542,581)	(110,868,582)
Net Increase / (decrease) in cash, cash equivalents and overdrafts	**2,383,217**	**284,366,345**	**(5,739,022)**	**5,826,163**	**(203,701,844)**

e) <u>Statistical Data</u> (Not covered by the auditor's report)

OIL					
	04/30/2016	04/30/2015	04/30/2014	04/30/2013	04/30/2012
	Consolidated Information				
Production in bbl	262,554	224,064	256,290	286,439	322,553
Sales domestic market bbl	467,932	426,406	445,887	488,082	594,757
Production in m^3	41,743	35,623	40,747	45,540	51,282
Sales in the domestic market m^{3}(1)	74,395	67,793	70,891	77,599	94,559

GAS (thousands of m^3)					
	04/30/2016	04/30/2015	04/30/2014	04/30/2013	04/30/2012
	Consolidated information				
Production	558,002	553,307	547,820	651,007	699,399
Redirected by CAMMESA – Res. SEN 95/13 /Purchase	455,302	419,390	293,754	175,364	253,597
Sales in the domestic market	61,632	28,837	29,598	27,565	9,059

ENERGY AGUA DEL CAJON (thousands of MWh)					
	04/30/2016	04/30/2015	04/30/2014	04/30/2013	04/30/2012
	Consolidated information				
Production	3,672	3,636	3,066	2,906	3,270
Purchase	-	-	31	112	148
Sales	3,381	3,403	2,839	2,740	3,196

RENEWABLE ENERGY (thousands of MWh)					
	04/30/2016	04/30/2015	04/30/2014	04/30/2013	04/30/2012
	Consolidated information				
Production	25.6	28.1	28.8	27.5	12.3
Sales	25.6	28.1	28.8	27.5	12.3

ENERGY DIADEMA PLANT (thousands of MWh)					
	04/30/2016	04/30/2015	04/30/2014	04/30/2013	04/30/2012
	Consolidated information				
Production	9.3	8.0	7.5	6.8	7.5
Sales	8.3	6.7	5.2	5.0	6.3

PROPANE (tn)					
	04/30/2016	04/30/2015	04/30/2014	04/30/2013	04/30/2012
	Consolidated information				
Production	18,873	22,015	21,718	24,994	29,901
Sales domestic market	16,533	22,046	21,694	25,113	28,902
Sales foreign market	2,378	-	-	-	-
BUTANE (tn)					

	04/30/2016	04/30/2015	04/30/2014	04/30/2013	04/30/2012
	Consolidated information				
Production	13,882	15,114	16,285	17,126	19,874
Sales domestic market	13,757	15,173	16,253	17,295	19,862

GASOLINE (m^3)					
	04/30/2016	04/30/2015	04/30/2014	04/30/2013	04/30/2012
	Consolidated information				
Production [2]	28,022	27,644	26,729	29,284	35,004

OXYGEN (Nm^3)					
	04/30/2016	04/30/2015	04/30/2014	04/30/2013	04/30/2012
	Consolidated information				
Production	46,079	37,747	65,917	52,178	43,531
Sales domestic market [3]	114,037	127,433	128,650	90,810	102,758

[1] Includes 28,010 m3, 27,615 m3; 26,749 m3, 29,308 m3, 34,903 m3 and 36,441 m3 of gasoline at April 2016, 2015, 2014, 2013 and 2012, respectively, sold as oil.
[2] The gasoline at April 30, 2016, 2015, 2014, 2013 and 2012, was sold as oil.
[3] The sales of oxygen at April 30, 2016, 2015, 2014, 2013 and 2012 include take or pay clause.

f) Ratios

	04/30/2016	04/30/2015	04/30/2014	04/30/2013	04/30/2012
			(a)		
Liquidity (1)	2.30	1.51	0.77	0.66	0.81
Solvency (2)	0.37	0.33	0.12	0.30	0.40
Capital Immobilization (3)	0.75	0.80	0.86	0.90	0.90
Profitability (4)	0.56	1.17	(0.60)	(0.16)	(0.03)

a) Information consolidated with SEB and Hychico as per financial information at April 30, 2016, 2015, 2014, 2013 and 2012.

(1) $\dfrac{\text{Current Assets}}{\text{Current Liabilities}}$

(2) $\dfrac{\text{Shareholders' Equity}}{\text{Total Liabilities}}$

(3) $\dfrac{\text{Non-Current Assets}}{\text{Total Assets}}$

(4) $\dfrac{\text{Comprehensive result for the year}}{\text{Average shareholders' equity}}$

g) Perspectives (not covered by the auditor's report)

Hydrocarbons

In the next fiscal year, Capex will continue in the Agua del Cajón area with a development plan called "conventional" which includes the drilling of four wells; also to this plan are added four wells Tight Gas sand and a program of repair/optimization of eleven wells.

As to the addition and development of new reserves, an advanced well will be drilled within the plan for the conventional hydrocarbon potential of the blocks nearby to the field Agua del Cajón. Furthermore, an exploratory well will be drilled to continue
investigating Shale Gas in the Los Molles formation and the potential for oil will continue to be assessed in the Shale Vaca Muerta formation.

The Company will continue focusing its resources on the development of new conventional and unconventional reserves. The replacement of reserves in the short term will be based on the exploration and development of conventional reserves and tight gas sand projects. The Company will continue working on the technical and economic viability of unconventional resources before embarking on any development project.

As for Loma de Kauffman area, the prospective potential will continue to be assessed as the third exploration period is due in May 2017, and it may be extended another year.

Further, the Company is evaluating other hydrocarbon assets to apply the expertise gained over the years and seize growth opportunities for its operations.

Electric Energy

Through ES Resolution 22/16 issued in March 2016, the remuneration values for electricity generation have been increased 49% on average retroactively to February 2016, and we estimate that the measures taken so far by the new National Government intending to increase the price of fuel in general, transferring a greater part of prices to the end users, together with the statements of government officials, would indicate a return path to the principles laid down in Law 24065 and to establish rules and remunerations that promote the development of the sector to meet the demand.

Renewable Energy

Hychico will continue operating its two plants and will deepen the interconnection studies among electrolyzers and a future aerogenerator. In addition, it will continue assessing the storage of hydrogen in oil depleted reservoirs, as well as the feasibility to progress with the methanation project. In this sense, we have defined a working program with the pertinent budget and schedule, which will be developed over the following 24 months.

As for the development of DEEF, Hychico is assessing its participation in the project launched by the National Government as regards the installation of new eolic energy farms, it is currently working on the development of a new park of 27.3 MW to be installed in Diadema (close to the existing one). Depending on the timing of the bidding by the ES and its award, this park could be operative at the end of 2017 or early 2018.

Financial

The Company's financing strategy is focused on long-term structures that give the Company financial strength, regardless of the situation existing locally and around the world. As part of this strategy, the Company structured almost all its liabilities by issuing in March 2011 corporate bonds for a term of 7 years, with one principal amortization installment falling due in March 2018. The covenants governing this debt refer to incurring rather than maintaining debt. This means that creditors cannot request advance payment if the Company does not meet any of the covenants; instead, the Company must comply with certain pre-established financial restrictions. In addition, the financial ratios recorded by the Company should allow it to refinance its liabilities in the future and sustain its financial indebtedness policy in the long term.

The Company's financial ratios show that in the future it should be possible to refinance its liabilities and sustaining its policy of financial debt in the long term.

The agreement reached with the "holdouts" (holders of Argentine bonds that did not accept the debt swaps offered by the government) allowed for the country's return to international financial credit markets, with a substantial reduction of the country risk. The fact of leaving behind the default to holdouts will enable both public and private sectors to have a more fluent access to foreign credit.

The Group estimates that, if the country continues along this path, in the medium term Argentina will have access to a more competitive and reasonable financing than other countries of the region.

Additionally, the Company's liquidity position should enable it to meet short-term volatilities that may occur in the development of its businesses.

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CONSOLIDATED REPORT OF INDEPENDENT ACCOUNTANTS

To the President and Directors of
Capex S.A.
Legal address: Córdoba Av. 948/950 5th C Floor
Autonomous City of Buenos Aires
Tax Code: 30-62982706-0

Financial statements report

We have audited the accompanying consolidated financial statements of Capex S.A. and its subsidiaries (the "Company") including the consolidated statement of financial position as of April 30, 2016, the consolidated statements of comprehensive income, of changes in consolidated shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information contained in the notes 1 to 34, 36 and 37, and exhibits A and D to H.

The balances and other information corresponding to the fiscal year 2015 are an integral part of the audited financial statements mentioned above; therefore, they must be considered in connection with these financial statements.

Board of Directors responsibility

The Board of Directors of the Company is responsible for the preparation and reasonable presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), which were adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and incorporated into the regulations of the National Securities Commission (CNV), as approved by the International Accounting Standards Board (IASB). Also the Board is responsible of internal control that it deems necessary to enable the preparation of these consolidated financial statements free of significant inaccuracies due to errors or irregularities.

Auditor´s Responsibility

Our responsibility is to express an opinion on the attached consolidated financial statements, based on our audit. We performed our audit in accordance with International Standards on Auditing (ISAs). These standards were adopted as review standards in Argentina through Technical Pronouncement No. 32 of the FACPCE (Argentine Federation of Professional Councils in Economic Sciences), as approved by the International Auditing and Assurance Standard Board (IAASB) and they require that we comply with ethical requirements as well as to plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and other information disclosed in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the consolidated financial statements due to fraud or error. In making those risk assessments, the auditor must consider internal control relevant to the Company's preparation and reasonable presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of significant estimates made by the Company's management, and the presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements mentioned in the first paragraph of this report present fairly, in all material respects, the consolidated statement of financial position as of April 30, 2016, the consolidated statement of comprehensive income and consolidated cash flows for the year ended in this date, in accordance with the International Financial Reporting Standards.

Report about compliance with current regulations

In accordance with current regulations, we report that, in connection with the Company:

a) the consolidated financial statements of the Company are transcribed into the "Inventory and Balance Sheet" book and as regards those matters that are within our competence, they are in compliance with the provisions of the Commercial Companies Law and pertinent resolutions of the National Securities Commission;

b) the individual financial statements of the Company arise from accounting records carried in all formal respects in accordance with legal requirements, which maintain the security and integrity conditions based on which they were authorized by the National Securities Commission;

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

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d) as of April 30, 2016 the debt accrued by Capex S.A. in favor of the Argentine Integrated Social Security System according to the Company's accounting records amounted to $ 2,599,414, none of which was claimable at that date;

e) in accordance with article 21, paragraph e) Chapter III, Section VI, Title II of the regulation of the National Securities Commission, we report that the total fees on account of audit and related services invoiced to the Company for the year ended April 30, 2016 represent:
   - e.1) 92 % of the total fees for services invoiced to the Company for all items in that year;
   - e.2) 48 % of the total fees for audit and related services invoiced to the Company, its parent companies, subsidiaries and related parties in that year;
   - e.3) 43 % of the total fees for services invoiced to the Company, its parent companies, subsidiaries and related parties for all items in that year;

f) we have applied money laundering abatement and anti-terrorist financing procedures to the Company foreseen in the professional standards issued by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires.

Autonomous City of Buenos Aires, July 5, 2016.

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Dr. Carlos A. Pace
Public Accountant

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SYNDICS' COMMITTEE REPORT

To the Shareholders of
Capex S.A.
Legal Address: Córdoba Av. 948/950 5th floor C
Autonomous City of Buenos Aires

1. As called for by sub-section 5, section 294 of Law N° 19550, we have examined the consolidated financial statements of Capex S.A. (the "Company") and its subsidiaries including the consolidated statement of financial position as of April 30, 2016, and the consolidated statements of comprehensive income, of changes in shareholders' equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information (Notes 1 to 33, 35 and 36 and Exhibits A and D to H). The balances and other information corresponding to the fiscal year 2015 are an integral part of the financial statements mentioned above; therefore, they must be considered in connection with those financial statements. Additionally, we have reviewed the Annual Report for that year.

2. The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financing Reporting Standards, which were adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and incorporated into the regulations of the National Securities Commission (CNV), as approved by the International Accounting Standards Board (IASB). Also the Board is responsible of internal control that it deems necessary to enable the preparation of consolidated financial statements free of significant misstatements due to errors or irregularities. Our responsibility is to express an opinion based on the audit that we have performed with the scope detailed in paragraph 3.

3. Our examination was carried out in accordance with the standards applicable to syndics in force in Argentina. Those standards require that examination of financial statements be performed in accordance with International Standards on Auditing (ISAs), which were adopted as review standards in Argentina through Technical Pronouncement N° 32 of the FACPCE, as approved by the International Auditing and Assurance Standards Board (IAASB), and include verifying the consistency of the information included in the documents examined with the information concerning corporate decisions, of which we have become aware, as disclosed in Shareholders' and Board Meeting's minutes and the conformity of those decisions with the law and by-laws insofar as concerns formal and documentary aspects. To perform our professional work, we have reviewed the work done by Capex S.A. external auditors, Price Waterhouse & Co. S.R.L., who issued an unqualified audit report dated as of today. That review included the verification of work

planning, the nature, scope and timing of the procedures applied and the results of the audit examination performed by those professionals. An audit involves performing procedures to obtain audit evidence about the amounts and other information disclosed in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the consolidated financial statements due to fraud or error. In making those risk assessments, the auditor must consider internal control relevant to the Company's preparation and reasonable presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by Company´s Management, as well as evaluating the overall presentation of the consolidated financial statements. We have not assessed the administrative, marketing or operating business criteria as these fall within the exclusive competence of the Board and Shareholders.

4. Furthermore, we have verified that the Annual Report from the Board of Directors for the year ended April 30, 2016 contains the information required by section 66 of the Commercial Companies Law and, as regards those matters that are within our competence, the amounts disclosed therein agree with the Company´s accounting records and other relevant documentation.

5. Based on the work done, with the scope described in previous paragraphs, we report that:

   a) In our opinion, the consolidated financial statements mentioned in paragraph 1. present fairly, in all material respects, the consolidated financial position of Capex and its subsidiaries as of April 30, 2016, the consolidated comprehensive income and consolidated cash flow for the year ended on this date, in conformity with International Financing Reporting Standards.

   b) As regards those matters that are within our competence, we have no observations to make in connection with the Annual Report from the Board of Directors, any statement about future events being the exclusive responsibility of the Board of Directors.

   c) As established by article 4 of chapter XXI of the National Securities Commission and the Resolution N° 368 of that Commission, we declare that:

      i) The accounting and auditing policies of the Company relate to standards in the field, and they disclose a reasonable quality, and that the external auditor is compliant with his work with a satisfactory degree of objectivity and independence, as per the report issued in this regard by the Audit Committee.

ii) The financial statements were prepared taking into account the professional accounting standards approved by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires and the provisions of the National Securities Commission.

d) We have read the summary of activity, on which, as regards those matters that are within our competence, we have no observations to make.

6. The provisions of section 294 of Commercial Companies Law and Art. 76 of General Resolution 7/2015 of the Superintendency of Commercial Companies have been duly fulfilled.

7. We have verified that the external auditors indicate in clause f) of the section "Report about compliance with current regulations" of their audit report that they have complied with the professional standard as regards money laundering abatement and anti-terrorist financing issued by the Professional Council in Economic Sciences of the City of Buenos Aires.

Autonomous City of Buenos Aires, July 5, 2016

For Syndics' Committee

Norberto Luis Feoli
Syndic
Certified Public Accountant (UBA)