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CAPEX S.A.

CONSOLIDATED FINANCIAL STATEMENTS

As of April 30, 2015 stated in pesos and presented in comparative format

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SUMMARY OF ACTIVITY

AUDITOR'S REPORT

SYNDICS' COMMITTEE REPORT



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NOMENCLATURE

Currency

<u>Terms</u>	<u>Description</u>
\$	Argentine peso
US\$	United States dollar
€	Euro
GBP	Pound sterling

Glossary of Terms

<u>Terms</u>	<u>Description</u>
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
FACPACE	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
MBTU	Million British thermal unit
MEM	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
V/N	Fair value
tn	Ton
WTI	West Texas Intermediate

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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

Mr. Miguel Fernando Götz

Mrs. Marilina Manteiga

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

M:



Letter from the President

To the Shareholders:

During the fiscal year that commenced on 1 May 2014 and ended on 30 April 2015, Capex S.A. and its controlled companies continued with a business plan having in mind the Argentine macroeconomic conditions, and in particular the electrical market, as well as the long term current vision.

In the hydrocarbons sector it continued with the drilling of new development wells and and test pits to document new reserves. Capex gained access to the "Program for the Promotion of Natural Gas Injection for Companies with Reduced Injection", which allowed it to have more resources to develop its gas reserves. In terms of exploitation of unconventional resources, activities for the characterization continued, studying alternative techniques to make it viable.

The thermal power plant had access to a financial plan for major and extraordinary maintenance, granted by CAMMESA, that is being executed. Because of this program, it achieved an increase in the availability of the power plant. The thermal power plant operated with its own gas, to which gas addressed by CAMMESA was added. Hychico managed to operate its hydrogen and oxygen production plant normally, and the high efficiency of its wind farm is worth mentioning. The LPG plant operated with high efficiency and availability.

From a financial viewpoint, the Company has a solid financing structure, which enabled it to develop its business as it considered appropriate in each moment, without having to suffer limitations for this reason.

The events above in my opinion have been key to achieving the objectives of the Company, which are implemented with a constant preservation of the environment, our support for the community in which we conduct our activities, as well as the constant commitment of all of our staff, without whom we could not have seen our activities to fruition.

These achievements reflect significant efforts and we consequently extend our special gratitude to everyone involved from our clients, banks, suppliers, shareholders and our staff.

Autonomous City of Buenos Aires, 7 July 2015.


Alejandro Götz
President

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Annual Report

To the Shareholders:

In compliance with the 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 Auditor's Report, the Report from the Syndics' Committee, the Report from the Audit Committee and the Financial Statements for the twenty-seven fiscal year that started on 1 May 2014 and ended on 30 April 2015.

1- Capex Strategy

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 electricity power, oil and gas prospecting and exploitation and production and sale of oil, gas, propane, butane, gasoline and oxygen.

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 price increase granted by Resolutions 95/13 and 529/14, the electric sector could reach low operating margins during the year ended on April 30, 2015.

In the short-term, the Company will continue focusing on consolidating its line of business and seeking new productive areas and horizons. To this end, we have focused in achieving stable oil and gas production and maintaining a level of efficiency in the obtainment of gas by-products (LPG and gasoline). Furthermore, with the objective of increasing its reserves, the Company will be focused on (i) the exploitation of new plays in Agua del Cajón (ii) continuing the studies and work that allow the potential development of unconventional resources, towards the medium and long term in Agua del Cajón and the prospecting areas for conventional oil and gas.

Development of projects for improvement of the recovery factor will continue, if feasible, in the medium and long term with the development of the unconventional potential of the areas. In addition, the Company will continue to research projects associated with the energy sector, and more precisely, with the development of renewable energy sources in Argentina. The analysis of generation projects through mixed fuels (natural gas-hydrogen) is worth mentioning in this regard.

The highly motivated and trained staff has enabled Capex to achieve high levels of efficiency, which must comply with environmental preservation and sustainability principles.

The Company's financing strategy is focused on long-term structures that give the Company a strong financial position in the face of a changing global scenario and the challenging local juncture of the Argentine energy sector, which set limits for any new undertaking. Following the same premises, regarding the unconventional , it will continue to work when conditions permit, in other financing alternatives with suppliers involved in the risk of this type of business.



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 m³ per day and oil production reached 35 m³ per day when the Company began. Since the takeover to date, gas and oil production exceeded 3 million m³ per day and 200 m³ per 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.

With the maximum volumes described above, natural production in the Agua del Cajón area started to decline, despite the investments made by the Company which enabled it to partially restore the reserves.

Through Decree N 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 (3rd Section, Operating Concessions - articles 27 and 35), 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, on 13 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 11 January 2026. On 8 May 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 by way of extraordinary production fees.

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. As from September 2013, the Company negotiated selling prices of crude oil that required a payment of 1% of the extraordinary income obtained. These higher selling prices of crude were interrupted during the months of February and March 2014 as a result of the devaluation of the local currency in January 2014 which had a negative impact on the ability of refineries to transfer the peso increase in the price of crude to the end price of fuel at filling stations. As a result the market established a reduction of 14% in the value in US dollars for February 2014 and of 8.75% for March 2014.

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 Loma de Kauffman area, exploration studies were carried out and seven wells were drilled, of which three produce gas, one produces oil, and three proved to be dry holes. 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, their commercial viability has not yet been established. The oil producing well was in production until February 2014, and it is currently subject to a technical appraisal. Lastly, the three dry holes were abandoned. On June 12, 2015, prior to fulfill the investment commitments with the SHPRN for the second exploration period, the Company decided to go on to a third exploration period reversing 50% of the area. The due date for the third period is June 2016 and the outstanding investment commitment is 279 UT. Investments made in the reversed area were provided for at the closing of this fiscal year.

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. The investments made were provided for at the closing of this fiscal year.

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 two proved to be dry holes and were abandoned. In October 2012 the Company informed the SHPRN that it would exercise its option of entering the second exploration period, reverting 50% of the area. In December 2014, after expiration of the second exploration period and having made the investments undertaken, this area was reversed because no commercially-developable hydrocarbons were found. The investments made were written off.

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. The Company has submitted four projects in Agua del Cajón. Three projects have been approved by the Energy Secretariat (by the Res. SEN 905/10, Res. SEN 392/11 and the Res. SEN 337/14) and the other one continues with administrative procedures. It should be noted that in December 2011 the Company started the sale of gas from the project approved by the Res. SEN 905/10 and in the first days of June 2014 it started the sale of gas from the project approved by Res. SEN 337/14.

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

In 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 this Company, could request adherence to that Program. 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 increase in production. 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 remaining 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. The Company adheres to the mentioned program, it has made the corresponding presentations and has claimed compensation regularly.

Hydrocarbon Law

On October 31, 2014, the National Congress passed Law 27007 amending Law 17319. The main change introduces the notion of Concessions and Permits of Unconventional Exploitations (created by Decree 929/13), for an exploration period of 35-year and allows successive renewals of 10 years for concessions for exploitation purposes.

Through the enactment of this law, the concession term for conventional exploitations is 25 years, but may be extended for successive periods of 10 years. Even the concessions in force the term of which has already been extended may be extended again.

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 three points (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.

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 is effective as from January 1, 2015 through December 31, 2015, to be extended for 12 months. 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 adhered to the mentioned program, has made the corresponding presentations and is in the process of collecting the first quarter of 2015.

2.2 Electricity

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 the power station 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. Thus the average cost of fuel required to produce an incremental volume of electricity is lowered, since additional gas is only consumed in the supplementary burner process. 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 power station 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.

The power station was operated by Westinghouse until July 1999. From July 1999 to March 12, 2002, the power station was run by a consortium formed by the international operator Steag Aktiengesellschaft and Capime Ingeniería S.A. Since then, the operation of the power station has been carried out by the Company.

The remuneration schedule - Resolution SEN 529/14 – amended by ES Resolution 95/13

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.

Below is a detail of the remuneration schedule currently applicable:

i) Fixed cost remuneration: Fixed cost remuneration is modified and it will be remunerated variably, depending on the Recorded Availability (A), the Target Availability of that technology, its Historical Availability (HA) and the season of the year, which represents an average increase percentage of 25% over ES Resolution 95/13.



ii) Variable cost remuneration: For the case of generation based on natural gas, the variable cost remuneration amounts to \$/Mwh 26.80, representing an increase in the order of 41% over the former remuneration.

iii) Additional remuneration: Additional remuneration rises by 25%, and that related to the amount allocable to the Trust rises by 24% as compared to former ES Resolution 95/13.

iv) Remuneration of non-recurring maintenance: In the case of generation with natural gas, the remuneration amounts 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.

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%.

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, two new projects were developed for the installation of a wind farm to supply the national grid with wind power and with the design and placing into operation of a hydrogen production plant through water electrolysis; the two 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 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

With 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, the Argentine Patagonia 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, a wind 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 wind farm was put into commercial operation in December 2011; subsequently, in March 2012, a contract was signed with CAMMESA for the sale of energy for 15 years. The eolic energy produced is sold in the WEM.

In its economic and financial analysis, Hychico has considered the rate of return from the wind farm 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.

2.5 The Environment

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

To this end, the Company maintains implemented an environmental management system and obtained certification under ISO 14001 standard in the oil field, in the LPG plant, and in the thermal power plant as from more than 14 years. Lloyds Register has been and is an international consulting firm that conducts environmental audits of the standards to be met to maintain certification.

Furthermore, the Company is audited by public entities, either by themselves or by companies authorized and engaged for such purpose. These audits monitor the operation of the management system for each transaction, 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.



As regards Hychico, in May 2012, Diadema Wind Farm obtained the certification under ISO 14001 Standard, so it is the first wind farm in Argentina that has obtained this goal.

3- Highlights for Fiscal Year 2014-2015

3.1 Macroeconomic context

At the beginning of the first half of 2014, according to official statistics, the Argentine economy showed a contraction of the level of industrial activity, which was mainly affected by the slowdown in the construction industry and a lower dynamism in the automotive industry.

During this period, the government increased controls of imports to prevent the loss of reserves; this has had an impact on the industrial production sector which is dependent on imported supplies. Towards the end of the first half, as a result of the settlement of higher amounts, the depreciation of the real exchange rate (the January 2014 post-devaluation) and the stricter exchange controls, relative financial stability was achieved and the level of reserves partially recovered, reducing the expectations of exchange rate depreciation.

With the change of authorities of the Central Bank of Argentina (BCRA), new regulatory measures and controls were implemented in the foreign exchange market which, added to the activation of the currency swap with China and the loans from other central banks, could level off the gross reserves.

The rate of inflation increased month after month until October 2014, and has moderated since then, reducing the inflation expectations; however, the rate of inflation is still substantially higher than in the other economies in the region.

3.2 Hydrocarbons

Agua del Cajón:

The average production of Capex at the year ended April 30, 2015 shows the following values: gas production totals 1.5 million m³/day, oil production totals 98 m³/day; in addition 60 tn/day of propane, 41 tn/day of butane and 76 m³/day of gasoline. Oil and Gas production totaled 553 MM m³ and 35.6 Mm³ respectively in the same period. Propane, butane and gasoline production totaled M 22 tn, M 15.1 tn y M 27.6 m³, respectively.

With respect to its investment plan, the Company carried out a development program in the Agua del Cajón area, through the drilling of 5 development-advanced wells, and one exploration well, to which must be added the reparations / optimizations program. The main objectives were to maintain production of gas for use by the power station and to stabilize oil production and start assessment of productivity in the Vaca Muerta and Los Molles Orgánico unconventional formations.

The independent audit was made by Héctor López (this organization was nominated by the SEN). Reserves in the Agua del Cajón area at December 31, 2014 are the following.

M:



Proven		Probable		Possible		Resources	
Oil (thousand m ³)	Gas (million m ³)	Oil (thousand m ³)	Gas (million m ³)	Oil (thousand m ³)	Gas (million m ³)	Oil (thousand m ³)	Gas (million m ³)
367	4,966	135	790	138	586	186	8,727

Proven reserves replaced with approximately 100% of what was produced in this period.

During the year ended April 30, 2015 the Company continued to sell part of its production of gas under the Gas Plus Program. Also, the Company has submitted four projects under this program for the Agua del Cajón area, of which three projects were already approved by the Enforcement Authority program.

The Production and Investment Project submitted by the Company under the "Program for the Promotion of Natural Gas Injection for Companies with Reduced Injection" was accepted in March 2014, with retroactive effect to January 2014. The program will last 4 years, with an option to be extended for a further year. The Company has made the pertinent presentations to collect that incentive throughout the fiscal year; these presentations have been approved and the stipulated amounts have been collected within the established time frames.

Prospecting areas in Río Negro

During this fiscal year, in the Cerro Chato area, a well was drilled which resulted to be sterile and on December 2014 the Company decided to fully reverse the area and focus efforts on other areas of the Basin given that, despite exploratory work performed from 2008 through December 2014, no commercially exploitable hydrocarbons have been discovered.

On June 12, 2015 and after making the investments agreed with the SHPRN, the Company decided to reverse the Lago Pellegrini area in full since no hydrocarbon findings were made that could be exploited from a commercial viewpoint. The reversal operated upon maturity of the second exploration period. The investments made were provided for at the closing of this fiscal year.

With regard to the Loma de Kauffman area, on June 12, 2015, prior to fulfill the investment commitments with the SHPRN for the second exploration period, the Company decided to go on to a third exploration period reversing 50% of the area. The due date for the third period is June 2016. Investments made in the reversed area were provided for at the closing of this fiscal year.

3.3 Electricity

The operating results of the Company for the segment of power generation for the year ended April 30, 2015 were positive.

The adoption of National Energy Secretariat Resolution 529/14 allowed access to an additional remuneration for non-recurring maintenance work which, in the case of the Company, was previously approved under the Maintenance Program for the energy generating units. This resolution also approved an increase in the value of the items forming part of the remuneration payable to the generators, compared to the previously established items.

The Energy Secretariat approved the Maintenance program for the energy generating units for the maintenance of CT ADC for a total of \$ 158,470,000 (equivalent to US\$ 30,891,000) to be financed, subject to CAMMESA's issuing together with the Company the administrative instruments necessary for those documents to be authorized by the ES.

In March 2014 the Company submitted to CAMMESA a proposal for financing and assignment of credit rights in guarantee of performing maintenance at the power plant Agua del Cajón, in the context of ES Resolution 146/02, which was approved by the Energy Secretariat.



During the year ended on April 30, 2015, the Company received from CAMMESA refunds for \$167 million, which enabled executing the maintenance program mentioned above. Within this framework, and as previously foreseen, the TG6, TG5 and TV7 were set in motion in September 2014, December 2014 and April 2015, respectively, after the maintenance had been carried out.

Gross power generation this year was 3,636 GWh, representing an increase of 18.6% over the previous year, due to the higher CT ADC availability, after making the above maintenance, and gas redirected by CAMMESA.

3.4 Renewable Energy

Through its subsidiary Hychico, the Company has continued with the operation of the plant producing hydrogen and oxygen.

In addition, Hychico continued studying and gaining experience in production and storage, working with strategic partners that are leaders around the world, and in projects such as the following:

- Analysis of the connection of a new wind 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 wind 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.

Hychico has also participated as "Supporting Partner" in the HyUnder program of the European Union (www.hyunder.eu) for the assessment of the potential, the actors and the market of large scale underground storage of hydrogen.

In addition, Hychico continued operating the Diadema wind farm which has 7 aerogenerators and delivers the generated energy to the national grid in Diadema Argentina, near Comodoro Rivadavia.



3.5 The Environment

The Company maintains the certification for its Environmental Management System pursuant to ISO 14001/2004 standard. Routine periodical analyses of exhaust gases were continued, in compliance with current regulations. As regards liquid effluents, care has been taken regarding their final disposal to comply with current regulations and mitigate their environmental impact.

Additionally, the forestation plan carried out at the Agua del Cajón area was continued. This is achieved through a drip irrigation system and, in view of the positive results obtained, the Company will continue with this plan.

With regard to DEEF, Hychico has again been certified under the requirements of the ISO 14001/2004 standard with highly satisfactory results.

Commitment to environmental protection was renewed with the recertification of ISO 14001/2004 standard CT ADC.

In line with the commitment adopted under the Company's Environmental policy to reduce the consumption of natural resources and rationalize energy consumption, modifications were carried out at the plant that contributed to minimize the consumption of industrial freshwater and reduce electric power consumption by ancillary operations.

3.6 Human Resources

The Company focused its efforts on the following strategic guidelines:

- Attraction and retention of talent, focusing efforts on key professionals
- Alignment of people's actions with the strategic goals
- Strengthening leadership in terms of succession
- Keeping social peace, by carrying out specific actions with all the social actors involved: trade unions, enforcement authorities, business chambers, among others.

These strategic guidelines continue being developed through specific action plans, with an emphasis on the outcomes and people as the backbone of our business dynamics.

Particularly, the Young Professionals Program ended with positive results, both as regards its assessment by the participants in the Program and the projects undertaken through it.

The Occupational Health programs in place also continued and new actions for improvement were added.

3.7 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.

In FY ended April 30, 2015 the implementation of tools that allow for an adequate control of variables that currently compose the remuneration of the Electric Power sector was completed. In addition, during that year, the implementation of an improvement plan of the management tools of technical processes began. This plan mainly comprises production processes.

Furthermore, "core" platform (OS, Office and SharePoint) on which the Company operates was fully updated.



3.8 Marketing

Electricity and Façon Service of electric energy

In May, 2014 the Energy Secretariat issued Resolution 529/14, which updates the values of the remuneration schedule set in ES Resolution 95/13, introduces the notion of "Remuneration of Non-Recurring Maintenance" and changes the method for fixed costs remuneration, which will be adjusted based on availability according to the time of year. This schedule is of retroactive application as of February 2014 for those generation agents that adhered to ES Resolution 95/13, as the Company did.

Sale prices for the energy of CT ADC increased 24 % from \$/MWh 161.0 on average in the fiscal year ended on April 30, 2014 to \$/MWh 199.7 on average in the fiscal year ended on April 30, 2015, as results from the application of ES Resolution 529/14.

Sales of energy from the Diadema Wind Farm measured in pesos increased by \$ 5,828 thousand, 26.4% higher than in the previous year, from \$ 22,057 thousand at April 30, 2014 to \$ 27,885 thousand at April 30, 2015. The increase in sales was due to the increment in the US dollar exchange rate, the currency in which the tariff is fixed with CAMMESA.

Façon services for the generation of electricity with natural gas and hydrogen measured in pesos increased by \$ 957 thousand, 86.1% more than in the previous year, from \$ 1,111 thousand at April 30, 2014 to \$2,068 thousand at April 30, 2015. This variation was due to an increase in MWh sold and the price as a result of the rate increase and the price of the US dollar, the currency in which the price is fixed for this service.

Gas, Oil and LPG

Of the total gas production during the year ended at April 30, 2015, 450 MMm3 was used for the generation center, and 28.8 MMm3 for the sales under the gas plus program.

Oil and gasoline mixed with oil volume sales totaled 67.8 Mm3 in the domestic market. No sales were recorded in the foreign market. Selling oil prices increased by 38.3% with respect to the previous year, caused by the increase in foreign exchange rate applicable to selling prices and, to a lower extent, also by the higher price obtained for the sales to the refineries in the domestic market.

With respect to propane, the volumes of sales in the local market amounted to 22.0 thousands tn, there being no sales to foreign markets. The average selling prices from an average \$/tn 2,017.8 at 30 April 2014 to an average \$/ton 2,608.2 at 30 April 2015, resulted in an increase of 29.3%, with respect to the previous year.

Finally, with respect to butane, the volumes of sales in the local market amounted to 15.2 thousands tn, there being no sales to foreign markets. The average selling prices from an average \$/tn 2,158.9 at 30 April 2014 to an average \$/ton 2,650.2 at 30 April 2015, resulted in an increase of 22.8%, with respect to the previous year.

Oxygen:

Hychico sold 127,433 m³ and 128,650 m³ of oxygen for a total of \$ 820 thousand and \$ 600 thousand in the years ended at April 30, 2015 and 2014, respectively.

3.9 Financial Situation

During the fiscal year ended April 30, 2015, Capex has paid the two interest installments due under the Negotiable Obligations program.

The Company and its subsidiaries keep approximately 89.3% of its financial debt in the long term through the issue of Negotiable Obligations made in March 2011, with 100% of principal falling due in March 2018, and the financing of Hychico with Corporación Interamericana de Inversiones. *M.*



The financial commitments governing the Negotiable Obligation issue program refer to incurrence than maintenance of debt. This means that creditors cannot request advanced payment if the Company does not meet any of these; instead, the Company must comply with certain pre-established financial restrictions.

At the end of the year ended April 30, 2015, the Company has reasonable liquidity levels which would enable it to face the volatilities that could arise in the development of its business in the fiscal year commenced on May 1, 2015.

Its subsidiary Hychico has structured 100% of its financial liabilities as of April 30, 2015 under a long-term financing with Corporación Interamericana de Inversiones.

Capex and its subsidiaries' bank and financial debt at April 30, 2015 is structured as follows:

Loan	Current	Non-Current	Total
	Amounts in pesos		
Corporate Bonds - Senior Notes	25,380,166	1,781,400,000	1,806,780,166
Unearned commissions and expenses re. corporate bonds	(2,131,236)	(3,907,256)	(6,038,492)
Banco de Crédito y Securitización	10,231,091	24,000,000	34,231,091
Banco Maríva	10,210,485	-	10,210,485
Syndicated loan	4,018,094	-	4,018,094
Banco Galicia de Buenos Aires	17,439,738	-	17,439,738
Industrial Commercial Bank of China (Argentina)- ICBC	1,312,715	50,000,000	51,312,715
Corporación Interamericana de Inversiones	12,826,229	74,818,800	87,645,029
Commissions and guarantees Corporación Interamericana de Inversiones	(120,550)	(773,602)	(894,152)
Bank overdrafts	151,222,593	-	151,222,593
Total	230,389,325	1,925,537,942	2,155,927,267

3.10 Revaluation of the CT ADC and Buildings and Land

The Company has changed its accounting policy to value the Property, plant and equipment caption for the assets CT ADC and Buildings and land, which has been applied to all elements that belong to the same category of assets. Previously, the Company 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.

As from July 31, 2014, the Company values the CT ADC and Buildings and Land by the revaluation method, as it considers that this model most feasibly reflects the value of these assets.

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

For the application of such model, the Company has used the services of independent experts.

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 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.

To determine the fair value of the LPG plant and DEEF, the expert independent appraiser have used the replacement cost method, computing amortization that may correspond as per the consumed useful life of the assets.



The valuation of those assets has been updated by independent appraisers as of April 30, 2015, and no significant differences were found with respect to the values given accounting recognition.

The results of this revaluation have been allocated to Other comprehensive income in the Statement of Income, and form part of the Technical Revaluation Reserve, in the Shareholders' Equity.

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.

Below is a detail of the changes and breakdown of the Reserve for revaluation of assets / Other comprehensive results at April 30, 2015:

	CT ADC	LPG Plant	DEEF	Building and land - Vicente López	Building and land - Neuquén	Total	Attributable to the Company	Attributable to Minority Interest
Opening balance	-	-	-	-	-	-	-	-
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 period ⁽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 depreciation for the 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 year end of reserve for the revaluation of assets	579,553,751	62,088,201	19,902,301	-	14,114,382	675,658,635	671,801,964	3,856,671

(1) Charged to "Retained Earnings"

(2) On September 10, 2014 the Company sold the building of Vicente Lopez for \$ 141 million ; so it has reversed the asset revaluation reserve against retained earnings .



3.11 Results for the year (consolidated information)

Ratios	04.30.2015	04.30.2014
Solvency (Net worth / Liabilities)	0.33	0.12
Borrowing (Liabilities / Net Worth)	2.99	8.33
Current Liquidity (Current assets / Current liabilities)	1.51	0.77
Acid test (Current assets – Inventories / Current liabilities)	1.51	0.76
Ratio of net worth to assets (Net worth / Total assets)	0.25	0.11
Ratio of immobilized assets (Non-current assets / Total assets)	0.80	0.86
Return on assets or economic return (Gross profit / Total assets)	0.20	0.19
Return on net worth or financial return (Comprehensive result / Average net worth)	1.17	(0.60)
Ordinary return on investment (EBT / Net worth less comprehensive result for the year)	2.84	(0.76)
Financial leverage (Return on Net Worth / Return on assets)	5.85	(3.16)
Asset turnover (Sales / Total assets)	0.31	0.33

Analysis of the results for the year ended April 30, 2015 compared with those for the year ended April 30, 2014.

Gross profit for the year ended on April 30, 2015 totaled 62.4% of net sales and the comprehensive result represented 59% of said sales.

Sales

Net sales totaled \$ 1,260,911 thousand. The breakdown of sales of products is as follows:

Product	04/30/145		04/30/14	
	\$thousand	%	\$thousand	%
Energy				
- Energy CT ADC	679,571	53.8	457,077	56.0
- Energy DEEF	27,885	2.2	22,057	2.7
Façon Service of electric energy	2,068	0.2	1,111	0.1
Gas				
- Sale	43,495	3.4	31,867	3.9
- Subsidy - Stimulus Plan for Injection of Natural Gas	116,086	9.2	2,959	0.3
Oil				
- Sale	292,631	23.2	221,678	27.2
- Subsidy - Stimulus Plan for oil Injection	644	0.1	-	-
Propane	57,500	4.6	43,775	5.4
Butane	40,211	3.2	35,088	4.3
Oxygen	820	0.1	600	0.1
Total	1,260,911	100.0	816,212	100.0

Net sales for the year ended on April 30, 2015 increased by 54.5 % 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 \$ 222,494 thousand, representing a rise of 48.7% compared with the prior year, from \$ 457,077 thousand as of April 30, 2014 to \$ 679,571 thousand as of April 30, 2015.



2015. This variation is due to a higher amount of MW sold, as a result of an increased availability in the CT ADC and a higher selling price recorded due to:

- the new pricing established by Res SEN 529/14, and
- the creation of a new remunerative concept (remuneration of non-recurring maintenance) included by the SEN Res 529/14.

Sales of CT ADC energy measured in GWh increased by 19.9% from 2,839 GWh (or an average of 237 GWh monthly) as of April 30, 2014 to 3,403 GWh (or an average of 284 GWh monthly) as of April 30, 2015.

The CT ADC energy sales price increased by 24.0% from \$/MWh 161.0 average for the year ended at April 30, 2014 to \$/MWh 199.7 average for the year ended at April 30, 2015 due to application of Res. ES 529/14.

Sales of energy from the DEEF measured in pesos increased by \$ 5,828 thousand, 26.4% higher than the prior year, from \$ 22,057 thousand at April 30, 2014 to \$ 27,885 thousand at April 30, 2015.

In the fiscal year ended April 30, 2015, sales in GWh were 28.1 at an average price of \$/MWh 992.3, and in the year ended April 30, 2014 it was of 28.7 GWh at an average price of \$/MWh 768.5; 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 energy electric

Façon services for the generation of electricity with natural gas and hydrogen measured in pesos increased by \$ 957 thousand, 86.1% more than in the previous year, from \$ 1,111 thousand at April 30, 2014 to \$2,068 thousand at April 30, 2015. This variation was due to an increase in the MWh sold, and in the price as a consequence of 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 5,487 thousand m³, namely, 1.0%, from 547,820 thousand m³ at April 30, 2014, to 553,307 thousand m³ at April 30, 2015, as a result of work done on the field.

Under the "Gas Plus" program, the Company sold \$ 43,495 thousand corresponding to the delivery of 28,837 thousand m³ at an average price of US\$/m³ 0.18302 (or US\$ 4.95 million btu). In the previous year sales of gas amounted to \$ 31,867 thousand corresponding to 29,598 thousand m³ at a price of US\$/m³ 0.1653 (or US\$ 4.48 million btu).

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

In addition, the subsidy under the *Stimulus Plan for Injection of Excess Volume of Natural Gas* was accrued, which in the year ended at April 30, 2015 amounted to \$ 116,086 thousands. In the year ended at April 30, 2014 the amount accrued amounted to \$ 2,959 thousands. At the date of issue of these consolidated financial statements the Company has collected \$ 48.6 million.

d) Oil:

Sales of oil for the year ended on April 30, 2015 increased by \$70,953 thousand, representing an increase of 32.0% compared with the previous year. This increase was due to a price rise of 38.3%, caused by the higher price obtained for the sales to the refineries in the domestic market and also to an increase in the foreign exchange rate applicable to selling prices. As result of the decrease in international crude oil price, in January 2015, it was renegotiated a lower price in domestic market with effect for deliveries since January 1, 2015.

Oil sales measured in m³ decreased by 4.4% from 70,891 m³ at April 30, 2014 to 67,793 m³ at April 30, 2015.



Oil production decreased by 12.6%, from 40,747 m³ at April 30, 2014 to 35,623 m³ at April 30, 2015, due to the natural exhaustion of the oil field.

Further, in the year ended at April 30, 2015 the subsidy under the "Program to encourage crude oil production" in place since January 1, 2015 was accrued for \$644 thousand.

e) Propane, butane and gasoline:

- Sales of propane during the year ended on 30 April 2015 increased by \$ 13,725 thousand with respect to the previous year, from \$ \$ 43,775 thousand at 30 April 2014 to \$ 57,500 thousand at 30 April 2015, as a consequence of a 29.3 % increase in average selling prices from an average \$/tn 2,017.8 at 30 April 2014 to an average \$/ton 2,608.1 at 30 April 2015. Volume sold increased by a 1.6%.
- Sales of butane during the year ended on 30 April 2015 increased by \$ 5,123 thousand, with respect to the previous year, from \$ 35,088 thousand at April 30, 2014 to \$ 40,211 thousand at April 30, 2015, as a result of an increase of 22.8% in the average sale price from an average \$/ton 2,158.8 at 30 April 2014 to an average \$/ton 2,650.2 at 30 April 2015, offset by a lower volume sold of 6.6 %
- No sales of gasoline were recorded at April 30, 2015, since production of 27,644 m³ was blended and sold with oil for market reasons. In addition, no sales of gasoline were recorded at April 30, 2014 for the same reasons indicated above.

f) Oxygen:

Hychico sold 127,433 m³ and 128,650 m³ of oxygen for a total of \$ 820 thousand and \$ 600 thousand in the years ended at April 30, 2015 and 2014, respectively. The increase in sales was caused by an increase in the selling price.

Cost of sales

The cost of sales for the year ended on April 30, 2015 amounted to \$473,719 thousand, representing 37.6 % of net sales, while in the previous year it amounted to \$ 339,524 thousand, representing 41.6% of net sales at April 30, 2014.

The 39.5% increase in the cost of sales was mainly explained by:

- The higher charge for amortization of assets related to oil and gas and the CT ADC by \$ 68,651 thousand, as a result of an increase in purchases made and the assets revaluation,
- An increase in labor costs by \$ 40,117 thousand for the award (by the Company) of compensation to cover losses in the purchasing power of salaries.
- An increment in the costs of materials and spare parts by \$ 10,574,
- A rise in the costs of maintenance and operation by \$ 13,348 thousand, and
- An increase of insurance by \$ 5,787 thousands as result, mainly, of an increment in the cost of coverage.

These charges were offset by:

- A decrease in energy purchases by \$11,124 thousands as a result of the expiration of the forward contracts, which were not renewed based on the regulations in force.

Exploration expenses

Exploration expenses for \$174,860 thousand are due to the reversal at the date of issue of these 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.

Selling expenses

Selling expenses amounted to \$ 170,351 thousand representing 13.5% of net sales. These expenses increased by 41.1% over the previous year mainly due to an increment in royalties (as a result of the increase in the price of oil and gas and in the aliquots) and the rise in turnover tax due to the higher billings.

Administrative expenses

Administrative expenses for year ended on April 30, 2015 amounted to \$ 91,528 thousand, representing 7.3% of net sales. These expenses increased, with respect to the previous year, by 39.9%, basically due to salaries and social security contributions (for the granting by the Company of the compensation to cover losses in the purchasing power of salaries), major expenses associated with the Company's IT systems maintenance, increase in rent (by selling the Vicente López building and subsequent lease) and rises in bank expenses.

Other operating income, net

Other operating income, net was positive primarily as a result of the collection of \$ 4.1 million for the transfer of compensation rights under the Oil Plus program regulated in 2008, offset by notarial expenses related to the sale of Vicente Lopez Building for \$ 2.9 million.

Financial results

The financial income reflected a balance of \$ 127,500 thousand which compares with \$151,905 thousand in the previous year. The main reasons for this negative variation by \$ 24,405 thousand are listed below:

	Item	Variation in \$thousand
(i)	Accrued interest and other results on placements	64,316
(ii)	Exchange difference	(91,719)
(iii)	Accrued interest on credits	2,998
	Total	(24,405)

- The variation in accrued interest and other results corresponds to higher results from financial placements.
- 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 2014 and April 2015 was of 11.5% and between April 2013 and April 2014 it was of 53.5%.
- The variation in accrued interest on credits mainly corresponds to the present value of Hychico's long term receivables.

Financial costs show a negative balance of \$ 474,940 thousands, while in the previous year they were negative by \$ 827,207 thousands. The main causes of the positive variation of \$ 352,267 thousands were:

	Item	Variation in \$thousand
(i)	Interest and others	(59,056)
(ii)	LIBO rate swap	(6,293)
(iii)	Exchange difference	421,094
(iv)	Interest accrued from payable	(3,478)
	Total	352,267

- The variation in interest and other results accrued on bank debt mainly corresponds to increased rates on renewals of loans and bank overdraft facilities and interest earned on the advance funding for the maintenance of CT ADC. Further, although principal on debt in US dollars remained constant, the higher exchange rate accrued higher interest in pesos.
- The Group holds 85.4% of its financial liabilities in US dollars so that the variation of the exchange rate of this currency generated a significant impact on the economic results and on equity. The variation in the US



dollar quotation between April 2014 and April 2015 was of 11.3% and between April 2013 and April 2014 it was of 54.3%.

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

The other financial results correspond to the recovery of the valuation allowance for property, plant and equipment of the hydrogen and oxygen plant of Hychico.

Other comprehensive income

The other comprehensive results relate to the effect of the change in the accounting policy for valuation of property, plant and equipment for the assets CT ADC, Buildings and Lands, LPG Plant and DEEF. Until April 30, 2014, the company valued Property, plant and equipment under the cost model in accordance with IAS 16, which consists of the initial recognition of the asset at acquisition cost less accumulated amortization and accumulated amount of losses impairment, if any. As from July 31, 2014, the Company values the CT ADC, the Buildings and Land, and the LPG Plant and DEEF under Property, plant and equipment by the revaluation model, as it believes that this model reflects more reliable value for these assets. The revaluation increment amounted to \$ 1,143,874 thousand, which net of deferred tax amounted to a net effect of revaluation of \$ 743,518 thousand.

3.12 Complementary information Oil and Gas reserves (Res. N° 541 of the CNV)

The following information is presented in accordance with the requirements of Resolution 541 of the CNV "Information about oil and gas reserves".

Below is the estimate of hydrocarbon reserves in the Agua del Cajón area made by the Company at December 31, 2014, which has been audited by the Lic. Héctor A. López, in compliance with the requirements of ES Resolution 324/06, and having as its horizon the expiry of the concession in January 2026:

Products		Proven		
		Developed	Non-developed	Total
Gas	in million cubic meters ⁽¹⁾	3,626	1,340	4,966
Oil	thousands of bbl	1,572	736	2,308
	thousands of m ³	250	117	367

⁽¹⁾ Determined at 9,300 K/Cal per cubic meter

The Company only has reserves in reservoirs in Argentina. Also, the subsidiaries have not hydrocarbon activities.

4- Corporate Structure

At April 30, 2015 the Company's corporate structure was made up by 179,802,282 ordinary class "A" book entry shares with a face value of \$1 each and the right to 1 vote per share. Of these shares, 75.2% belong directly to the Company's controlling group.



5- Action Plan for fiscal year 2015-2016

5.1 Macroeconomic Context

Outlook for 2015-2016

The wage increases under the new collective bargaining agreements, a growing trend towards private consumption associated with a reduced foreign exchange uncertainty in the very short term, and the effects of the official consumption encouragement programs could stimulate the manufacturing industry demand within the next few months.

In view of the high season for the exports of agricultural products, it is expected in principle that more funds in foreign currency will enter Argentina within the next few months, although it will be necessary to consider the probable delays in the respective settlements of those funds.

International context

There will be a moderately growing trend in the world economy, affected by the recovery from the financial and euro crises.

It is expected that the US dollar will continue to appreciate and the currencies in the region to depreciate in value in real terms.

A strong slowdown in the Latin American economy is expected, mainly affected by Brazil and the effects of the fall in the oil prices in Mexico and Colombia.

5.2 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. To this plan are added four wells Tight Gas sand and a program of repair/optimization of eight wells. The objective is to maintain the supply of gas and to seek hydrocarbon reserves. The four Tight gas sand wells are subject to the condition to get prices commensurate with the investment, under gas plus contracts and/or the Gas Stimulus Program.

The drilling of a well is expected in the Loma de Kauffman exploration area, in the Province of Río Negro, during the coming year.

5.3 Electricity

We believe that the National State will continue with the adjustment to the values of the energy generation remuneration, as it did under National Energy Secretariat Resolutions Nos. 95/13 and 529/14, and that it will continue financing the maintenance of the generation units. Further, the Company expects that important measures will be implemented in the electric energy generation business in the long term.

5.4 Renewable Energy

Hychico will continue to operate its two plants and carry out more thorough studies of the interconnection between electrolyzers and a future wind turbine. In addition, the feasibility of hydrogen storage in depleted oil reservoirs is being evaluated and a pipeline will be built to transport the hydrogen and start this storage, looking to use this as fuel to feed a power turbine at peak periods of demand for electricity in the region and thus generate new income associated with the hydrogen project.



5.5 Human Resources

For the medium term, the defined strategy includes planning and implementing actions for organizational design, updating and strengthening the leadership of the levels for leading, identification and retention of key and talented professionals, and the improvement of the organizational climate in each of the sites.

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.

In the next fiscal year, there will be challenges in implementing Change Management actions that contribute to the adaptation of operational and technical areas for the incorporation of new technological tools that have been developed in recent years and are now finally being implemented. They will strongly impact all forms of management information throughout the company.

The participation of our specialists in activities proposed by prestigious institutions for executive and technical training, as well as an exchange with international associations will allow us to ensure professional and technological updates at the highest levels to enhance our business, by devising and anticipating future scenarios.

5.6 Systems and communications

The implementation plan of technological tools is expected to be finished during the next fiscal year which will permit us to optimize production process management.

5.7 Financial Situation

Capex and its subsidiaries hold 89,3 % of financial liabilities structured on the basis of long-term financing.

Also, the Company's liquidity position would enable it to face the volatilities that may arise in the development of its business in the fiscal year commenced on May 1, 2015.

6- Allocation of Results

The Board of Directors state that the comprehensive income for the year was \$ 739,897,223, made up of i) the net income for the year for \$531,482, and ii) other comprehensive results from the revaluation of property, plant and equipment for \$739,365,741. In accordance with applicable regulations, the Reserve for revaluation of assets was set up in the amount indicated in point ii). At year end and as a result of the sale of one of the revalued assets, added to the depreciation charge for all the revalued assets, both of them net of income tax, such reserve was reversed in the amount of \$67,563,777, which now forms part of retained earnings.

Consequently, retained earnings for the year amount to \$68,095,259 (the aggregate of \$531,482 and \$67,563,777).

The Board of Directors proposes that those retained earnings: i) should be offset against accumulated losses for \$1,219,674 existing at the beginning of the year; ii) a legal reserve of 5% of earnings should be created for \$3,343,779; and iii) a free reserve should be created with the \$63,531,806 balance for the distribution of future dividends and/or investments and/or settlement of debt and/or absorption of losses.

7- Conclusions

The measures taken by the National Government during the last eighteen months in relation to the gas and electric power market are mere palliatives for the energy sector, to the extent that they last over time.

The Company will continue focusing its resources on the development of new conventional and unconventional reserves. The replenishment 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 regards the CT ADC, and provided the program agreed with the enforcement authority remains in force, we will continue with the major maintenance of the generator units, being targeted to work at full load.

With regard to Hychico, the operation of the hydrogen and the wind farm allows the Company to penetrate the renewable energy sources market in Argentina and participate in the development of new sources of alternative fuels, such as natural gas blended with hydrogen to apply to the generation of electric power.

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 2015.

Lastly, in accordance with Company by-laws, the term of office of the members of the Board and of the members of the Syndics' Committee and the Audit Committee has expired. The Shareholders' Meeting must elect new members to cover these posts for the new fiscal year for a term of one year.

Autonomous City of Buenos Aires, 7 July 2015.

THE BOARD OF DIRECTORS



CODE OF CORPORATE GOVERNANCE

<p>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.</p>		
<p>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.</p>		
	<p>Complies</p>	<p>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. 2683 I "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).</p> <p>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".</p> <p>Lastly, both the individual and the consolidated financial statements disclose the transactions and balances of Capex with its related parties.</p>
<p>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.</p>		
	<p>Complies</p>	<p>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).</p> <p>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.</p> <p>If a situation of conflict of interests arises, the decision must be arbitrated with an unconditioned third party.</p>
<p>Recommendation I.3: Preventing the improper use of privileged information.</p> <p>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.</p>		
	<p>Complies</p>	<p>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</p>

		related companies must be conducted with the participation/approval of all the responsible sectors involved, in conditions of transparency and good business practices.
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<p>PRINCIPLE II. PROVIDE THE BASIS FOR A SOLID ADMINISTRATION AND SUPERVISION OF THE ISSUER</p> <p>The framework for corporate government must:</p> <p>Recommendation II. 1: Ensure that the Governing Body assumes the administration and supervision of the Issuer and its strategic orientation.</p> <p>Answer if:</p> <p>II.1.1 the Governing Body approves:</p> <p>II.1.1.1 the strategic or business plan, as well as the management goals and annual budget,</p>		
	Complies	On April 23, 2015 the Board of Directors approved the business plan and budget for the year 2015-2016.
<p>II.1.1.2 the investment (in financial assets and capital goods) and financing policy,</p>		
	Complies	On April 23, 2015 the Board of Directors approved the investment and financing policy for the year 2015-2016.
<p>II.1.1.3 Corporate governance policy (compliance with the Code of Corporate Governance),</p>		
	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.
<p>II.1.1.4 the recruitment, evaluation and remuneration policy for senior managers,</p>		
	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. 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. 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.
<p>II.1.1.5 the policy on the assignment of responsibilities to senior managers,</p>		
	Complies	On April 19, 2013 the Board of Directors expressly delegated to the Executive Director the assignment of responsibilities to managers.
<p>II.1.1.6 the supervision of the plans for the succession of senior managers,</p>		
	Complies	On April 19, 2013 the Board of Directors expressly delegated the implementation and monitoring of succession planning to the Executive Director.
<p>II.1.1.7 the policy on corporate social responsibility</p>		
	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 23, 2015 the Board of Directors approved the CSR

		programs for the year 2015-2016.
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 Committee 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.
Recommendation II.2: Ensure an effective Management Control of the Issuer.		
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.		

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	Complies	<p>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 present 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.</p> <p>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.</p>
<p>Recommendation II.3: Communicate the Governing Body's performance appraisal process and its impact.</p> <p>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.</p>		
	Complies	<p>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.</p>
<p>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.</p> <p>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.</p>		
	Complies	<p>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 presented was on August 5, 2014.</p>
<p>Recommendation II.4: The number of external and independent members in the Governing Body of the Issuer should be significant.</p> <p>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.</p>		
	Complies	<p>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</p>

		<p>independent or non-independent (this, under the modality of a sworn statement signed by each director).</p> <p>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.</p>
<p>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.</p> <p>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.</p>		
	Complies	<p>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.</p> <p>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.</p>
<p>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.</p> <p>Answer if:</p> <p>II.5.1. the Issuer has a Committee for Appointments:</p>		
	Does not comply	<p>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).</p>
<p>II.5.1.1 made up of at least three members of the Governing Body, most of them, independent,</p>		
	Does not comply	See explanation to II.5.1
<p>II.5.1.2 chaired by an independent member of the Governing Body,</p>		
	Does not comply	See explanation to II.5.1
<p>II.5.1.3 with members that accredits qualifications and experience in human capital issues,</p>		
	Does not comply	See explanation to II.5.1
<p>II.5.1.4 holding meetings at least twice a year.</p>		
	Does not comply	See explanation to II.5.1

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<p>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.</p>		
	Does not comply	See explanation to II.5.1
<p>II.5.2 If there is a Committee for Appointments, the same:</p> <p>II.5.2.1. verifies the annual review and evaluation of its regulations and proposes to the Governing Body modifications for its approval,</p> <p>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,</p> <p>II.5.2.3 identifies the candidates for the Governing Body to be proposed to the General Shareholders' Meeting by the Committee,</p> <p>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,</p> <p>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,</p> <p>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,</p> <p>II.5.2.7 verifies the existence of a succession plan for the Governing Body and the senior managers,</p> <p>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.</p>		
	Does not comply	See explanation to II.5.1
<p>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.</p> <p>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.</p>		
	Complies	<p>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.</p>
<p>Recommendation II.7: Ensure the training and development for the members of the Governing Body and the senior management of the Issuer.</p> <p>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.</p>		
	Complies	<p>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.</p>

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		<p>To date, training takes place according to the specific needs that may exist.</p> <p>Regarding Senior Managers, the following training courses were implemented during the year:</p> <ul style="list-style-type: none"> - Update on technical matters related to the oil, gas and electricity industry – Exploration and development of unconventional reserves - Involvement in conferences and forums of the industry in the country or abroad (SPE Amsterdam) - Refreshing cycle on tax - Update on matters related to IFRS - Participation in Argentine Institute of Financial Executives congresses for local and international markets (IAEF). - Refreshing cycle on Political and Economic Outlook nationally and internationally. - Tools for advanced negotiations - Building workshops related to performance management focused on the process of evaluation and feedback to employees.
<p>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.</p>		
	Complies	By means of their participation in events, forums, seminars and congresses.
<p>PRINCIPLE III. ENDORSE AN EFFECTIVE POLICY TO IDENTIFY, MEASURE, MANAGE AND COMMUNICATE CORPORATE RISK</p>		
<p>Within the framework for corporate government:</p>		
<p>Recommendation III: The Governing Body must have a comprehensive corporate risk management policy and monitor its correct implementation.</p>		
<p>Answer if:</p>		
<p>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.</p>		
	Complies	<p>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.</p>
<p>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.</p> <p>Also, specify the degree of interaction between the Governing Body or its Committees and the Issuer's General Management regarding comprehensive corporate risk management.</p>		

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	Complies	There is a risk management function within the General Management. In this regard, 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 and functionally to the Board of Directors, and is directly responsible to both. 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 according to the changes in regulations and in internal operations and submits this to the Executive Director. They are updated as needed.
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.
<p>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.</p> <p>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.</p> <p>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).</p>		
	Complies	The Audit Committee, on a yearly basis, verifies the performance of the internal auditor and analyzes his work and degree of independence.
<p>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.</p>		
	Complies	<p>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.</p> <p>An opinion is issued, based on the applicable regulations and the Regulations for the Committee.</p>
<p>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.</p>		
	COMPLIES partially	<p>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).</p> <p>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.</p>

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.

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<p>V.2.4 The Issuer has policies in place to encourage the participation of relevant shareholders, such as institutional investors. Specify.</p>		
	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.
<p>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.</p>		
	Complies	In the Shareholders' Meetings held on August 5, 2014 the positions of the candidates regarding the adoption or non-adoption of a corporate governance code were made known, prior to the voting.
<p>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.</p>		
	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/\$ 1) each.
<p>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.</p>		
	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.
<p>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.</p>		
	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.
<p>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.</p>		
	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.
<p>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.</p> <p>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.</p>		
	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.

<p>PRINCIPLE VI. MAINTAIN A DIRECT AND RESPONSIBLE RELATION WITH THE COMMUNITY</p> <p>Recommendation VI: Disclose to the community the matters related to the Issuer and provide a direct communications channel with the company.</p> <p>Answer if:</p> <p>V.I.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.</p>		
	Complies partially	The website does not allow users to post concerns, although queries are answered immediately by the representative for market relations.
<p>V.I.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.</p>		
	Complies partially	The Issuer presents annually a Report of Internal Corporate Social Responsibility. This report is distributed to the board and the senior managers. The Company meets and adheres to the principles in accordance with the Global Compact. In addition, the Company issues an Environmental Responsibility Report (MAOT, Annual Monitoring on Works and Tasks) audited by an independent auditor.

<p>PRINCIPLE VII. JUST AND RESPONSIBLE REMUNERATION</p> <p>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.</p> <p>Answer if:</p> <p>VII.1. The Issuer has a Remunerations Committee:</p>		
	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.
<p>VII.1.1 made up of at least three members of the Governing Body, most of them, independent</p>		
	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,		
	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		

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	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

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	<p>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.</p> <p>Only in extreme circumstances, the employee could directly contact the Internal Auditor.</p> <p>Any issue related to the Executive Director will be directly addressed by the Audit Committee.</p>
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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 actually included in the By-laws from the effective date of the Code up to the present day.

	Complies	<p>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.</p>
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CAPEX S.A.

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended April 30, 2015 compared with the prior year

Fiscal year No. 27 commenced on May 1, 2014

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

Company main activity: Generation of electricity

Registration number with the Superintendency of Commercial Companies: 1507527

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, departament 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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Consolidated Statement of Financial Position
At April 30, 2015 and 2014
Stated in pesos

	Note/ Exhibit	04.30.2015	04.30.2014
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6 / A	2,646,497,530	1,670,638,617
Financial investments at amortized cost	15 / D	354,415,925	319,741,920
Spare parts and materials	11	68,755,769	53,117,121
Other accounts receivable	13	76,087,875	58,706,355
Trade accounts receivable	14	54,988,586	16,587,364
Total Non-Current Assets		3,200,745,685	2,118,791,377
CURRENT ASSETS			
Spare parts and materials	11	20,252,806	16,396,444
Inventories	12	566,297	911,170
Other accounts receivable	13	71,104,895	48,086,819
Trade accounts receivable	14	332,069,658	219,937,775
Cash and cash equivalents	16	392,703,520	51,783,467
Total Current Assets		816,697,176	337,115,675
Total Assets		4,017,442,861	2,455,907,052

The accompanying Notes 1 to 36 and Exhibits A and D to H form an integral part of these consolidated financial statements.

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Consolidated Statement of Financial Position
At April 30, 2015 and 2014
Stated in pesos

	Note / Exhibit	04.30.2015	04.30.2014
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	-	21,225,830
Free reserve	18	-	10,164,434
Special reserve for application of IFRS	18	-	192,356,878
Reserve for assets revaluation	18	671,801,964	-
Retained earnings	19	66,875,585	(224,966,816)
Total shareholders' equity attributable to shareholders		998,166,007	258,268,784
Non-controlling interest		9,062,742	5,053,918
Total shareholders' equity		1,007,228,749	263,322,702
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade accounts payable	20	20,010,647	16,713,720
Financial liabilities	21	1,988,232,816	1,675,878,223
Deferred income tax	7	460,313,748	57,811,377
Provisions and other charges	24 / E	2,367,385	1,810,499
Total Non-Current Liabilities		2,470,924,596	1,752,213,819
CURRENT LIABILITIES			
Trade accounts payable	20	222,677,877	175,943,987
Derivative financial instruments	10	-	2,424,880
Financial liabilities	21	230,389,325	207,203,873
Salaries and social security contributions		40,094,493	30,017,002
Taxes	22	25,926,106	16,979,630
Other liabilities	23	20,201,715	7,801,159
Total Current Liabilities		539,289,516	440,370,531
Total Liabilities		3,010,214,112	2,192,584,350
Total Shareholders' equity and liabilities		4,017,442,861	2,455,907,052

The accompanying Notes 1 to 36 and Exhibits A and D to H form an integral part of these consolidated financial statements.

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Consolidated Statement of Comprehensive Income
for the fiscal years ended April 30, 2015 and 2014
Stated in pesos

	Note/ Exhibit	04.30.2015	04.30.2014
Net sales	25	1,260,911,657	816,212,306
Cost of sales	F	(473,719,532)	(339,523,798)
Gross profit		787,192,125	476,688,508
Exploration expenses	33	(174,860,302)	-
Selling expenses	H	(170,351,345)	(120,730,278)
Administrative expenses	H	(91,527,822)	(65,428,564)
Other operating income, net	26	1,298,689	13,633,904
Operating income		351,751,345	304,163,570
Financial income	27	127,500,389	151,905,289
Financial costs	27	(474,939,782)	(827,207,316)
Other financial income	E	69,516	1,492,925
Result before Income Tax		4,381,468	(369,645,532)
Tax on assets		(431,582)	3,801,279
Income tax	28	(3,561,977)	140,426,465
Net result for the year		387,909	(225,417,788)
Other comprehensive results	18	743,518,138	-
Comprehensive result for the year		743,906,047	(225,417,788)
Net result for the year attributable to:			
Company shareholders		531,482	(224,966,816)
Non-controlling interest		(143,573)	(450,972)
Comprehensive result for the year		387,909	(225,417,788)
Net comprehensive result for the year attributable to:			
Company shareholders		739,897,223	(224,966,816)
Non-controlling interest		4,008,824	(450,972)
Comprehensive result for the year		743,906,047	(225,417,788)
Basic and diluted net result per share attributable to:			
- Company shareholders	29	0.00296	(1.25119)
Basic and diluted comprehensive result per share attributable to:			
- Company Shareholders	29	4.11506	(1.25119)

The accompanying Notes 1 to 36 and Exhibits A and D to H form an integral part of these consolidated financial statements.



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Statement of Changes in Shareholders' Equity
for the fiscal years ended April 30, 2015 and 2014
Stated in pesos

	Attributable to the Company shareholders									
	Capital stock	Additional paid-in capital	Legal reserve	Free reserve (1)	Special reserve for implementation of IFRS	Reserve for assets revaluation(2)	Retained earnings	Subtotal	Non-controlling interest	Total Shareholders' equity
Balances at April 30, 2013	179,802,282	79,686,176	21,225,830	10,164,434	-	-	192,356,878	483,235,600	4,104,890	487,340,490
Ordinary Shareholders' Meeting of August 9, 2013	-	-	-	-	192,356,878	-	(192,356,878)	-	-	-
Capitalization of contributions	-	-	-	-	-	-	-	-	1,400,000	1,400,000
Comprehensive result for the year	-	-	-	-	-	-	(224,966,816)	(224,966,816)	(450,972)	(225,417,788)
Balance at April 30, 2014	179,802,282	79,686,176	21,225,830	10,164,434	192,356,878	-	223,747,142	258,268,784	5,053,918	263,322,702
Ordinary and Extraordinary Shareholders' Meeting of August 5, 2014 (Note 18)	-	-	(21,225,830)	(10,164,434)	(192,356,878)	-	223,747,142	-	-	-
Comprehensive result for the year (Note 18)	-	-	-	-	-	739,365,741	531,482	739,897,223	4,008,824	743,906,047
Reversal of reserve for assets revaluation (Note 18)	-	-	-	-	-	(67,563,777)	67,563,777	-	-	-
Balances 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

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

(2) See Notes 18

The accompanying Notes 1 to 36 and Exhibit A and D to H form an integral part of these Consolidated Financial Statements.



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Consolidated Statement of Cash Flows
for the fiscal years ended April 30, 2015 and 2014
Stated in pesos

	Note / Exhibit	04.30.2015	04.30.2014
Cash flows from operating activities:			
Comprehensive result for the year		743,906,047	(225,417,788)
Adjustments to arrive at net cash flows provided by operating activities:			
Exchange differences generated by cash and cash equivalents		(36,213)	(174,487)
Income tax	28	3,561,977	(140,426,465)
Tax on assets		431,582	(3,801,279)
Interest accrued on financial liabilities and others		235,660,147	182,808,574
Exchange difference generated by financial liabilities and LIBO rate swap		189,604,553	604,379,358
Exchange difference from placements in financial investments at amortized cost not considered as cash or cash equivalents		(35,982,886)	(111,017,424)
Exchange difference for assignment of rights		(3,915,326)	(12,158,325)
Interest accrued from accounts receivable and payable	27	(3,257,672)	(3,737,911)
LIBO rate swap	27	(1,079,814)	(7,373,217)
Amortization of property, plant and equipment	6 / A	205,980,533	137,591,940
Write-off of property, plant and equipment	6 / A	175,008,522	45,928
Provision for Property, plant and equipment	6 / A	(69,516)	(1,492,925)
Other comprehensive results	18	(743,518,138)	-
Reversal of the provision for turnover and obsolescence of spare parts and materials	11 and 26	(336,824)	(27,872)
Provisions for lawsuits and fines	24 / E	556,886	(534,835)
Changes in net operating assets and liabilities:			
Increase in trade accounts receivable		(149,773,844)	(125,081,195)
Increase in other accounts receivable		(24,722,495)	(2,196,754)
Decrease / (Increase) in inventories		344,873	(540,752)
Increase in spare parts and materials		(19,158,186)	(13,302,444)
Increase in trade accounts payable		45,123,974	98,592,860
Increase in debts for remunerations and social security charges		10,077,491	6,296,565
Increase in taxes		7,530,603	6,866,911
Increase in other liabilities		12,400,556	2,352,137
Court judgements paid	24 / E	-	(1,387,474)
Tax on assets paid		(8,693,549)	(4,481,152)
Net cash flows provided by operating activities		639,643,281	385,781,974
Cash flows from investment activities			
Payments made for the acquisition of property, plant and equipment	6 / A	(349,998,605)	(191,429,095)
Disposals of property, plant and equipment	6 / A	141,000,000	-
Evolution of financial investments at amortized cost not considered as cash or cash equivalents		1,308,881	7,118,118
Contributions in subsidiaries		-	1,400,000
Net cash flows used in investment activities		(207,689,724)	(182,910,977)
Cash flows from financing activities			
Interest paid and others		(199,527,628)	(180,262,566)
Financial liabilities settled	21	(92,387,846)	(28,347,453)
Financial liabilities obtained	21	144,328,262	-
Net cash flows used in financing activities		(147,587,212)	(208,610,019)
Net Increase / (decrease) in cash, cash equivalents and overdrafts			
		284,366,345	(5,739,022)
Exchange difference generated by cash and cash equivalents		36,213	174,487
Cash, cash equivalents and overdrafts at the beginning of the year	16	(42,921,631)	(37,357,096)
Cash, cash equivalents and overdrafts at the end of the year	16	241,480,927	(42,921,631)



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Operations not generating changes in cash

Complementary information
Provision for well capping

<u>04.30.2015</u>	<u>04.30.2014</u>
3,905,442	5,114,221

The accompanying Notes 1 to 36 and Exhibits A and D to H form an integral part of these consolidated financial statements.

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Notes to the Consolidated Financial Statements
For the year ended April 30, 2015 and 2014
Stated in pesos

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 132kV 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 KV 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.

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NOTE 1 – GENERAL INFORMATION (CONT'D.)

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

a) Oil sector

- 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.

On July 27, 2012 the National Executive Branch issued Decree No. 1277/12, regulatory of Law No. 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.

Non-compliance with the Decree will be subject to the penalties included in Law No. 17319 and to suspension or deletion from the National Registry of Investments in Hydrocarbon Resources. The Committee will have exclusive jurisdiction to apply Law No. 26741 in connection with the hydrocarbon activities regulated by Decree 1277/12.

- **Export Duties**

Resolution 803/2014 issued by the Ministry of Economy and Finance on October 21, 2014 modified the reference prices and cut-off values to fix the relevant rates of export duties for crude oil and byproducts. Under the current system, when the international price exceeds the reference price of US\$ 80 per barrel, the producer earns the cut-off value of US\$ 70 per barrel, depending on the quality of the crude oil sold, and the remaining balance is withheld by the Argentine Government. When the international price is below US\$ 80 per barrel, the withholding amounts to 13%; when the international price is below US\$ 75 per barrel, the withholding amounts to 11.50%; and when the international price is below US\$ 70 per barrel, the withholding amounts to 10%. If the international price is below US\$ 45 per barrel, the Government must determine the withholding rates within a term of 90 business days. This measure could affect domestic sale prices of hydrocarbons.

- **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 No. 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 and 2014 is \$ 4,107,070 and \$ 4,024,670, respectively (see Note 26).



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NOTE 1 – GENERAL INFORMATION (CONT'D.)

• **Amendment to Law 17319 - Hydrocarbon Law**

On October 31, 2014, the National Congress passed Law 27007 amending Law 17319. The main change is the introduction of the notion of Concessions and Permits of Unconventional Exploitations (created by Decree 929/13), for an exploration period of 35 years; it allows successive renewals of 10 years for concessions for exploitation purposes.

Through the enactment of this law, the concession term for conventional exploitations is 25 years, but may be extended for successive periods of 10 years. Even the concessions in force the term of which has already been extended may be extended again.

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 three points (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.

• **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 is effective as from January 1, 2015 through December 31, 2015, to be extended for 12 months. The Program considered the creation of a register where companies should be included if they want to be considered as beneficiaries of the program, with the due date being April 30, 2015.

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 inscribed in this program and during the quarter January – March 2015 it has accrued \$ 643,767 (see Note 25).

b) Electricity sector

b.1) Energy Secretariat 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 system 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 system established by the Energy Secretariat ("the generation agents encompassed by the Resolution").



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NOTE 1 – GENERAL INFORMATION (CONT'D.)

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

The remuneration system 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

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.

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.



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NOTE 1 – GENERAL INFORMATION (CONT'D.)

b.2) Resolution SEN 529/14 – amended to ES Resolution 95/13

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.

Below is a detail of the remuneration schedule currently applicable:

- i) Fixed cost remuneration: Fixed cost remuneration is modified and it will be calculated as variable, depending on the Recorded Availability (A), the Target Availability of that technology, its Historical Availability (HA) and the season of the year, which represents an average increase percentage of 25% over ES Resolution 95/13.
- ii) Variable cost remuneration: For the case of generation based on natural gas, the variable cost remuneration amounts to \$/Mwh 26.80, representing an increase in the order of 41% over the former remuneration.
- iii) Additional remuneration: Additional remuneration rises by 25%, and that related to the amount allocable to the Trust rises by 24% as compared to former ES Resolution 95/13
- iv) Remuneration of non-recurring maintenance: In the case of generation with natural gas, the remuneration amounts 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.3)).

The balances mentioned in this section were shown in trade receivables and valued as established in Note 2.10.

b.3) 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.

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.



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NOTE 1 – GENERAL INFORMATION (CONT'D)

- 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 will guarantee, 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 installements.
- 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.
- For application of ES Resolution 529/14, the Company accrued \$ 85.4 million and \$ 14.4 million as Remuneration of Non-Recurring Maintenance, as of April 30, 2015 and 2014, respectively.
- The funds disbursed by CAMMESA as of April 30, 2015 amounted to \$ 167 million (see note 21).



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NOTE 1 – GENERAL INFORMATION (CONT'D)

b.4) Energy Secretariat Resolution No. 108/2011 (renewable sources)

Energy Secretariat Resolution No. 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 shall 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:
 - 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.

Dispatch of the wind-generated energy

As established in the Appendix 40 of the "Procedures", wind power generation receives the same treatment as run-of-the-river power generation; therefore, this will be dispatched according to the actual wind availability.

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NOTE 1 – GENERAL INFORMATION (CONT'D)

c) Gas natural 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 four projects in Agua del Cajón area. Three of them were approved by ES Resolutions No. 905/10, No. 392/11 and No. 337/14 and the remaining one is still subject to administrative procedures. It is worth mentioning that in December 2011, the Company started the sale of gas of the project approved by ES Resolution No. 905/10 and in early June 2014, it started the sale of gas of the project approved by ES Resolution No. 337/14.

- **Law 26.741 "National Hydrocarbon Sovereignty" and Decree N° 1277/12**

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. (See "Oil sector").

- **Stimulus Plan For Injection of Excess Volume of Natural Gas**

Resolution No. 1/13 of the Commission for the Strategic Planning and Coordination of the National Hydrocarbon Investment Plan (the "Commission") was published in the Official Gazette on February 14, 2013.

This Resolution created the "Stimulus Plan for Injection of Excess Volume of Natural Gas", whereby the producing companies with Projects to Increase Total Injection of Natural Gas (the "Projects") approved by the Commission will be entitled to receive US\$/Mbtu 7.5 for excess injection. The difference between the US\$/Mbtu 7.5 value and the price actually collected by the producer, will be paid by the National State and applied to the whole volume in excess of the adjusted base injection of natural gas. Projects should include a detail of the natural gas volumes that the producing company should undertake to inject over the proposed period and its commitment to compensate for its impossibility to reach the minimum injection values undertaken, through the import of liquefied natural gas ("LNG") or the payment to the National State of the difference between the import price of the LNG and the price of the excess injection. Projects could be submitted until June 30, 2013 and should comply with the requirements set out by said resolution.

On June 24, 2013, the Company submitted to the Committee, a Project to increase total injection of natural gas, under Resolution 1/13 which, as being more convenient, was subsequently replaced by a new project under the Stimulus Plan for Injection of Natural Gas for Companies with Reduced Injection created by Resolution 60/13, as explained in the next section.

- **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.



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NOTE 1 – GENERAL INFORMATION (CONT'D)

In December 2013, the Company submitted the request for mentioned program, and on March 25, 2014 the Commission, through Resolution 26/14, registered the Company. Capex has made presentations required to collect compensation from January 2014 until the presentation of these financial statements, and has collected the same regularly (see Note 25).

d) LPG sector

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 No. 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 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 No. 168/05 of the ES establishes that the export operations have to be recorded with the LPG Direction, reporting to the Undersecretariat 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.

- By Resolutions Nos. 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.
- 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.



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NOTE 1 – GENERAL INFORMATION (CONT'D)

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 24.2 a.2).

- 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.
- 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.

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 No. N°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, 2015 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 Company reports on the cash flows from operating activities using the indirect method. The fiscal year commences on May 1st 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.



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

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 7, 2015.

Comparative information

Balances at April 30, 2014 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.

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 36 (Disclosure on recoverable value of non-financial assets)**. In May 2013 the IASB issued amendments to IAS 36. The amendments require disclosures in relation to the recoverable value of impaired assets, when their estimated recoverable value is based on fair value less sale costs. In addition, for those cases in which the recoverable value based on fair value less costs to sell is calculated on the basis of discounted future values, disclosure of the interest rate used is required. These requirements are applicable for all those assets for which an impairment was recognized or reversed during the year.

* **IFRIC 21 "Levies"**. It was issued in May 2013. It provides guidance on when to recognize a liability to pay a levy that is imposed by government, both for levies that are accounted for in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and for those whose timing and amount is certain.

No other IFRS or IFRIC interpretations that are effective for the first time for the financial year beginning on May 1, 2014 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, 2014 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, 2014.

* **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 01, 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.

* **IFRS 15 "Revenue from Contracts with Customers"**: it was issued in May 2014 and applies to annual reporting periods beginning on or after 1 January 2017. 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 Company 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.



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

* **IFRS 9 "Financial Instruments"** It 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, impairment and 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 Company has already adopted the first phase of IFRS 9 at the date of transition to IFRS.

* **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 1 January 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 No. 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.

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, 2015 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	96.22%	3.78%	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, 2015 and 2014. 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 various times.



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

a) Hychico S.A.

Hychico S.A. (Hychico) is a direct subsidiary in which the Company holds an interest percentage of 54.96958% and 50.092% in the capital at April 30, 2015 and 2014, respectively and an indirect participation of 41.2496% and 45.718% through SEB at April 30, 2015 and 2014, 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) a Wind Energy Farm with a Total Installed Power of approximately 6,300 KW (the "Wind 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

Figures included in the financial statements of each of the Group's entities were stated in functional currency, that is, the currency of the primary economic environment in which the entity operates. Functional currency is the Argentine peso, which agrees with the currency for the presentation of the financial statements.

The Company has performed an assessment and concluded that the conditions set out in IAS 29 Financial Reporting in Hyperinflationary Economies are not met and, as a result, Argentina is not considered a hyperinflationary economy. These conditions include that the accumulated inflation over the last three years amounts to or exceeds 100%. As of the date of issuance of these consolidated financial statements, this standard, measured as the variance in the Wholesale Price Index ("IPIM") published by the National Institute of Statistics and Census ("INDEC"), is not met. As a result, these financial statements have not been restated.

If the conditions set out in IAS 29 to consider Argentina a hyperinflationary economy are met, the financial statements should be restated from the date of the last restatement (March 1, 2003) or the last revaluation of assets that have been revalued on transition to IFRS.

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 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.

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

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 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 33).

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

II. Oil and gas exploitation activities:

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 area Agua del Cajón 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 dismantlements 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.

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 (See Note 36) 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

The Group 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

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



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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 Group 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 Group 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 depreciation 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 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; a first scenario is taken as basis for the projection of the rate schedule in force for the activity of electricity generation, considering the increases granted by the Enforcement Authority over the past years, and a second scenario, taking as basis a rate schedule from a report issued by an independent consultant specialized in the electricity market in Argentina, which allows for restoring the profitability of the generator. The Company, based on the experience and current economic situation, granted an 85% of probability of occurrence to the first scenario and a 15% to the second, thus determining the cash flow of discounted future income, using rates that reflect the expectations of the market on these future amounts. 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 17 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, and ii) changes in the costs to be incurred. These factors have been considered when analyzing the scenarios mentioned above. The Company estimates that any sensitivity analysis that takes into account relevant changes to any of the main factors might result in significant changes.



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

The Board of Directors determines the policies and procedures to be followed by 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 July 31, 2014. As of April 30, 2015, the valuation of these assets has been updated, with independent experts, and no significant differences exist with the registered accounting values.

At year-end, the Group 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 revaluation of assets related to that asset is transferred to accumulated retained earnings (see Note 18).

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 to 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).

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

Regarding CT ADC during the fiscal year ended April 30, 2012, technicians from the Company and independent experts performed a review of the useful life assigned to the open and combined cycle electricity generation plant, which showed a remaining useful life equivalent to approximately 15 years as from May 1, 2011. For the combined cycle electricity generating plant it was considered for the calculation of the useful life the integrated operation of the power plant at nominal capacity, that is, that the operation at combined cycle is in agreement with the operation of the remaining open cycle generating units. During the fiscal year ended April 30, 2014, due to a lower level of wear and tear of equipment and facilities according to their expected performance, the Company, based on information provided by their own technicians and on a third-party technical report, has amortized the combined cycle power plant considering these effects.

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, 2015, without changes.

Assets related to Hychico's Hydrogen and Wind Energy Projects, 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.

Based on future cash flow estimates made by Hychico, in accordance with judgemental elements available, the assets related to the Hydrogen Project have been fully impaired for \$23,216,877 and \$ 23,286,393 at April 30, 2015 and 2014 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.



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

During the fiscal year ended April 30, 2012, technicians from SEB and independent experts performed a review of the useful life assigned to GLP Plant, which showed a remaining useful life equivalent to approximately 15 years as from May 1, 2011. As of July 31, 2014, technicians from the Company and independent experts performed a review of the useful life assigned to the GLP Plant and DEEF, resulting from the review a remaining useful life equivalent to 14 and 17 years respectively as from 1 August, 2014; therefore we proceeded to extend it to 14 and 17 years respectively from that date. This analysis was actualized by Company technicians as of April 30, 2015, without changes.

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 of Hychico 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 income / (expenses) 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

- 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 17 years from August 1, 2014.

CT ADC Combined cycle: GWh remaining production in 17 years from August 1, 2014.

Gas pipeline: 20 years

General: GWh remaining production in 17 years from August 1, 2014.

-LPG Plant: 14 years as from August 1, 2014

-Hydrogen and Oxygen Plant: 20 years



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

-Diadema Eolic Energy Farm: 17 years as from August 1, 2014

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, 2015 and 2014, 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 of 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 income /(expenses), 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 through profit or loss 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:

- 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 through profit or loss.

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, except for those "financial instruments - LIBO rate swap" which are measured at fair value (level 2); the changes in the valuation are recognized in the statement of comprehensive income.



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NOTA 2 - BASES DE PREPARACIÓN Y PRESENTACIÓN (Cont.)

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, and 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 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.

- 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.



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NOTA 2 - BASES DE PREPARACIÓN Y PRESENTACIÓN (Cont.)

2.10 - Trade receivables 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 debt 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.

- Corporate capital

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.

- 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.

- 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).



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

- 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. Reserved profits
 - a. Special reserve in compliance with IFRS
 - b. Free reserve
 - b. 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.

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.



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

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 \$ 56,852,527 (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, 2015 and 2014, tax on assets exceeded income tax; consequently it was recognized as a credit, in the amount of \$ 51,916,402 and \$ 30,355,303, respectively, because Capex and Hychico estimates the recovery of these credits.

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.

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

Incomes from sales are 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.



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

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 31).

Companies and individuals comprised in Decree No. 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 Group 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 analyses use variations of risk factors that represent their 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.



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

The Group'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.

The Group has approximately 85.4% of its financial liabilities stated in US dollars. The 94.0% of the debt in US dollars falls due in March 2018; thus, besides having its economic results exposed to the variation in the foreign exchange rate including the capital of liabilities, from the financial viewpoint, the foreign exchange risk in the short and medium term is limited to the amount of interest payable.

The Group does not use derivative financial instruments as hedge against foreign exchange rate fluctuations.

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 04/30/2015	At 04/30/2014
	\$	\$
Net Asset /(liability) position	(171,385,700)	(185,862,900)
US Dollar	8.9407	8.028
Total	(1,532,305,624)	(1,492,065,610)

The sensitivity of the comprehensive income and equity at April 30, 2015 and 2014, 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 \$ 99,599,866 y \$ 96,984,265, 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.

The Group approximately has 80.3% 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 the risk of hydrocarbon prices since, among others, regulatory, economic and government policies determine that local prices are not directly affected by changes in prices in the short term, both in the regional and international market. This also applies to the generation of electricity since due to the characteristics of the business relationship between the Company and CAMMESA, they do not depend on changes in the price of electricity in the Spot Market. In addition, the price of LPG is based on a monthly publication made by the Energy Secretariat establishing the export parity price in local currency for each product, which are the maximum prices at which the Company may sell them.

However, there is a latent risk that regulated sales prices in the local market are modified when there are significant variations in international oil prices, as happened in the last months.

The remuneration received by the electricity generators is not related to the demand of electricity. The fixing of the remuneration of generators is the responsibility of the Enforcement Authority, which is dependent on the National Government.

As to the Wind Energy Farm and in view of the WEM Supply contract signed between CAMMESA and Hychico for the sale of energy generated as a result of such contract, a fixed price in US Dollars is determined for a term of 15 years; therefore, there is a long-term certain price as regards income from wind energy.



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

With regard to the price of the oil, it is fixed in the negotiations between refiners and producers in accordance with the dynamics of the internal market, its framework being the transfer of these values to the final price of liquid fuels.

As regards gas, its price is fixed by the ES for each of the market segments.

The price of liquefied petroleum gas (LPG) is based on a monthly publication of the ES establishing the export parity prices in local currency for each product, which are the highest prices at which the Company can sell.

At April 30, 2015 and 2014, an increase or decrease by 10% in prices of the electricity and hydrocarbons would have given rise to an increase or decrease in the comprehensive income and equity of \$ 71,804,910 and \$ 45,676,734, 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.

In the last year, CAMMESA has come to have delays of over 50 days on its payments. The energy generators making sales in the spot market have little management capacity to ensure collection of their receivables. Likewise, with the application of ES Resolutions 95/2013 and 529/14 the credit risk of energy sales operations will pass exclusively on to CAMMESA, in view of the temporary suspension of new contracts in the WEM MAT.

The Company'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) maintain active positions in instruments with proper liquidity.

Within this strategy, the Group holds approximately 89.6% of its financial debt at long-term with 80.3% of its principal falling due in March 2018. Furthermore, the covenants that govern the debt are of incurrence and not of maintenance. This means that creditors cannot request prepayment if the Group does not comply with one or some of the covenants. The Group only has to comply with certain pre-established financial restrictions (see Note 21).

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, 2015 and 2014.



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

At April 30, 2015	Less than 3 months	Between 3 months and one year	Between 1 and 2 years	Between 2 and 7 years
Financial liabilities	172,607,605	235,657,081	270,484,966	2,036,500,546
Trade accounts payable and other debts	214,828,051	3,571,961	4,014,160	20,689,952

At April 30, 2014	Less than 3 months	Between 3 months and one year	Between 1 and 2 years	Between 2 and 7 years	More than 7 years
Financial liabilities	110,566,212	256,445,834	183,373,939	1,987,405,903	25,854,891
Derivative financial instruments	2,467,244	-	-	-	-
Trade accounts payable and other debts	144,357,052	38,894,548	1,509,739	18,065,771	-

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, 2015: 1.980; and
- b) At April 30, 2014: 2.787

3.5 Fair value estimation

The Company 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, 2015 and 2014

As of April 30, 2015

	Level 1	Level 2	Total
Assets			
Financial Assets at fair value with change in results			
Mutual funds	381,965,221	-	381,965,221
Liabilities			
Derivative financial instruments	-	-	-

As of April 30, 2014

	Level 1	Level 2	Total
Assets			
Financial Assets at fair value with change in results			
Mutual funds	45,613,802	-	45,613,802
Liabilities			
Derivative financial instruments	-	2,424,880	2,424,880



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

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 actual 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 34).

The estimates of reserves were prepared by Group technical personnel, and are based on technological and economic conditions in force at December 31, 2014, 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, which has certain degree of uncertainty. The reserves estimate is prepared based on the quality of the information of geology and engineering available at that date, as well as on its interpretation.

See details on reserves in Note 34.



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

(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 24).

(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.

(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.

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



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

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 income/loss 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, and contractual conditions. As regards exploration assets, the estimations on future necessary investments related to the non-developed oil and gas reserves will be 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 Group 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 determines 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 ("ADC Energy"),
- 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
- 6) oxygen production and sale ("Oxygen").



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NOTE 5 – SEGMENT REPORTING

Segment reporting information at April 30, 2015 and 2014 is disclosed below:

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)	(473,719,532)
Gross income/(loss)	517,634,022	151,718,013	98,718,128	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 income / (expenses), 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	-	-	-	-	-	-	(431,562)
Income tax	-	-	-	-	-	-	(3,561,977)
Comprehensive result for the year							387,909
Other comprehensive results ⁽¹⁾							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

04.30.2014							
Oil and gas	Electricity ADC	LPG	Energy DEEF	Energy HYDROGEN	Oxygen	Deletions	Total
Net sales	256,504,100	457,076,999	78,862,843	22,057,408	1,111,251	599,705	816,212,306
Sales among segments	261,532,055	-	69,308,596	-	-	(330,840,651)	-
Cost of sales	(201,356,922)	(391,517,043)	(66,659,474)	(5,634,174)	(3,353,570)	(1,843,266)	(339,523,798)
Gross income/(loss)	316,679,233	65,559,956	81,511,965	16,423,234	(2,242,319)	(1,243,561)	476,688,508
Selling expenses	(85,828,362)	(27,395,030)	(6,470,549)	(854,702)	(129,388)	(52,247)	(120,730,278)
Administrative expenses	(24,445,830)	(31,437,956)	(7,480,069)	(195,810)	(1,193,830)	(675,069)	(65,428,564)
Other operating income / (expenses), net	1,885,660	(3,811,565)	15,598,688	(36,098)	(1,819)	(982)	13,633,904
Operating results	208,290,721	2,915,405	83,160,035	15,336,624	(3,567,356)	(1,971,859)	304,163,570
Financial income	97,695,475	5,760,603	32,770,384	378,834	9,935,816	5,364,177	151,905,289
Financial costs	-	(782,355,376)	(10,276)	(44,136,479)	(456,858)	(248,327)	(827,207,316)
Other financial income	-	-	-	-	1,206,005	286,920	1,492,925
Result before Income Tax	305,986,196	(773,679,368)	115,920,143	(28,421,021)	7,117,607	3,430,911	(389,645,532)
Tax on assets	-	-	-	-	-	-	3,801,279
Income tax	-	-	-	-	-	-	140,426,465
Comprehensive result for the year							(225,417,788)
Amortization							
In Cost of sales	95,391,780	29,109,681	5,912,190	4,456,689	1,167,680	286,920	136,324,940
In Administrative expenses	410,112	730,798	126,090	-	-	-	1,267,000
Total	95,801,892	29,840,479	6,038,280	4,456,689	1,167,680	286,920	137,591,940

The Company did not make sales to customers abroad, nor does its own assets other than financial instruments outside of Argentina.



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NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

	04.30.2015	04.30.2014
Residual value at beginning of year	1,670,638,617	1,610,240,244
Additions	353,904,047	196,543,316
Provisions	69,516	1,492,925
Revaluation	1,143,874,405	-
Disposal net of amortization	(141,148,220)	(45,928)
Write-off and provision Rio Negro Areas	(174,860,302)	-
Amortization	(205,980,533)	(137,591,940)
Residual value at the end of the year	2,646,497,530	1,670,638,617

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, 2015 and 2014 for \$ 204,976,193 and \$ 136,324,940, respectively, was charged to the Cost of Sales, and \$ 1,004,340 y \$ 1,267,000, respectively, to Administrative Expenses.

Below is the revaluation by group of assets:

	Net book value at 04.30.2014	Additions/ Retirements for the year - net	Amortization for the year at cost value	Residual value at cost value
CT ADC	341,059,237	50,930,314	(25,805,742)	366,183,809
Building and land in Vicente López	69,424,520	(69,318,230)	(106,290)	-
Building and land in Neuquén	34,092,923	-	(207,111)	33,885,812
GLP Plant	70,946,279	-	(5,199,560)	65,746,719
DEEF	66,452,416	(148,220)	(3,943,833)	62,360,363
Remaining assets	1,088,663,242	128,182,947	(138,000,530)	1,078,845,659
Total	1,670,638,617	109,646,811	(173,263,066)	1,607,022,362

	Revaluation	Amortization of the year Revaluation	Additions/ Retirements for the year – Revaluation	Residual value of revaluation	Net book value at 04.30.2015
CT ADC	917,505,192	(25,884,037)	-	891,621,155	1,257,804,964
Building and land in Vicente López	71,681,770	-	(71,681,770)	-	-
Building and land in Neuquén	21,727,852	(13,419)	-	21,714,433	55,600,245
GLP Plant	100,927,485	(5,406,830)	-	95,520,655	161,267,374
DEEF	32,032,106	(1,413,181)	-	30,618,925	92,979,288
Remaining assets	-	-	-	-	1,078,845,659
Total	1,143,874,405	(32,717,467)	(71,681,770)	1,039,475,168	2,646,497,530



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NOTE 7 - DEFERRED INCOME TAX

The deferred tax net position is as follows:

	04.30.2015	04.30.2014
Deferred tax assets		
Deferred tax assets to be recovered after 12 months	67,472,558	156,986,209
Deferred tax assets to be recovered within 12 months	3,773,534	8,055,071
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after 12 months	(474,589,897)	(204,712,341)
Deferred tax liabilities to be recovered within 12 months	(56,969,943)	(18,140,316)
Net deferred tax liabilities	<u>(460,313,748)</u>	<u>(57,811,377)</u>

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

- Deferred assets:

	Specific tax-loss carry forward	Trade accounts receivable	Trade accounts payable	Provisions and other	Total
Balance at April 30, 2014	157,848,207	20,259	5,449,445	4,874,723	168,192,634
Charge to income/loss	(100,995,680)	-	490,991	3,558,147	(96,946,542)
Balance at April 30, 2015	<u>56,852,527</u>	<u>20,259</u>	<u>5,940,436</u>	<u>8,432,870</u>	<u>71,246,092</u>

- Deferred liabilities:

	Financial investments at amortized cost	Property, plant and equipment	Other accounts receivables	Finjancial liabilities	Total
Balance at April 30, 2014	267,170	(221,235,225)	(939,521)	(4,096,435)	(226,004,011)
Charge to income/loss	(7,423,979)	(298,807,163)	(70,618)	745,931	(305,555,829)
Balance at April 30, 2015	<u>(7,156,809)</u>	<u>(520,042,388)</u>	<u>(1,010,139)</u>	<u>(3,350,504)</u>	<u>(531,559,840)</u>

Specific tax-loss carry forwards recorded at April 30, 2015 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	151,836,759	53,142,866	53,142,866	2019
Tax loss generated at April 30, 2015	1,441,943	504,681	504,681	2020
Total tax-losses carry forward at April 30, 2015	184,440,054	64,554,019	56,852,527	

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

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



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NOTE 8 – FINANCIAL ASSETS AND LIABILITIES PER CATEGORY

	04.30.2015	04.30.2014
ASSETS		
Financial assets at amortized cost		
Trade accounts receivable and other accounts receivable	443,903,906	283,901,948
Financial investments at amortized cost	354,415,925	319,741,920
Cash and cash equivalents	10,738,299	6,169,665
Total	809,058,130	609,813,533
Financial assets at fair value		
Financial investments at fair value	381,965,221	45,613,802
Total	381,965,221	45,613,802
LIABILITIES		
Financial liabilities at fair value		
Derivative financial instruments	-	2,424,880
Financial assets at amortized cost	2,461,310,665	2,078,164,683
Total	2,461,310,665	2,080,589,563

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:

	04.30.2015	04.30.2014
Cash at banks and short-term deposits		
Credit rating "A"	390,384,520	51,401,758
Total	390,384,520	51,401,758

The credit rating of trade accounts receivable is as follows:

	04.30.2015	04.30.2014
Without due date (shown as current assets)	-	746,602
Without due date (shown as non-current assets)	54,988,586	16,587,364
Past due		
From 0 to 3 months	109,041,650	68,752,880
To be due		
From 0 to 3 months	223,028,008	150,438,293
Total	387,058,244	236,525,139

See Note 3.2 as regards receivables from CAMMESA.

NOTE 10 – DERIVATIVE FINANCIAL INSTRUMENTS

	04.30.2015	04.30.2014
In foreign currency (Exhibit G)		
LIBO rate swap		
Non-Current	-	-
Current	-	2,424,880
Total	-	2,424,880



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NOTE 10 – DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

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 and 2014 gains for \$ 1,079,814 and \$ 7,373,217, respectively, were generated (see Note 27).

NOTE 11 - SPARE PARTS AND MATERIALS

	04.30.2015	04.30.2014
Non-Current		
In local currency		
Spare parts and consumption materials	62,820,501	48,807,322
Provision for turnover and obsolescence (Exhibit E)	(959,414)	(1,228,874)
In foreign currency (Exhibit G)		
Advances	6,894,682	5,538,673
Total	68,755,769	53,117,121
Current		
In local currency		
Spare parts and consumption materials	18,520,081	15,318,994
Provision for turnover and obsolescence (Exhibit E)	(239,854)	(307,218)
Advances	371,623	-
In foreign currency (Exhibit G)		
Advances	1,600,956	1,384,668
Total	20,252,806	16,396,444

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:

Balance at April 30, 2013	(1.563.964)
Recovery of the provision allocated to Other operating (expenses) / Income, net	27.872
Balance at April 30, 2014	(1.536.092)
Recovery of the provision allocated to Other operating (expenses) / Income, net (Note 16 and Exhibit E)	336.824
Balance at April 30, 2015	(1.199.268))

NOTE 12 - INVENTORIES

	04.30.2015	04.30.2014
Oil	48,574	350,783
Propane and butane	517,723	560,387
Total	566,297	911,170



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NOTE 13 - OTHER ACCOUNTS RECEIVABLE

	04.30.2015	04.30.2014
Non-Current		
In local currency		
Value added tax	3,763,373	5,354,788
Tax on assets (Note 2.15.2)	51,151,967	30,355,303
In foreign currency (Exhibit G)		
Assignment of CAMMESA rights	21,172,535	22,996,264
Total	76,087,875	58,706,355
Current		
In local currency		
Sundry advances	3,456,373	1,749,885
Tax on assets (Note 2.15.2)	764,435	-
Turnover tax	2,175,122	2,485,303
Value added tax	13,644,025	10,813,573
Income tax	14,877,039	7,487,968
Other tax credits	3,971,147	2,919,430
Prepaid insurance	10,413,483	8,941,348
Prepaid expenses	1,145,788	535,317
Assignment of CAMMESA rights	411,554	-
Intercompany receivables (Note 31.b)	584,416	308,710
Sundry	540,380	410,684
In foreign currency (Exhibit G)		
Sundry advances	6,042,812	1,095,181
Assignment of CAMMESA rights	8,152,972	7,501,318
Sundry	4,925,349	3,838,102
Total	71,104,895	48,086,819

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:

	04.30.2015	04.30.2014
Without due date (shown as current assets)	13,653,338	6,589,205
To be due		
From 0 to 3 months	15,258,107	17,568,977
From 3 to 6 months	21,531,570	11,552,316
From 6 to 9 months	17,380,512	3,820,768
From 9 to 12 months	3,281,368	8,555,553
From 1 to 2 years	9,588,251	10,155,009
More than 2 years	66,499,624	48,551,346
	147,192,770	106,793,174

NOTE 14 - TRADE ACCOUNTS RECEIVABLE

	04.30.2015	04.30.2014
Non-Current		
In local currency		
From sale of energy and others (Receivables Art.5 Res 95/2013 - CAMMESA)	54,988,586	16,587,364
Doubtful accounts	2,627,115	2,627,115
Less: Provision for doubtful accounts (Exhibit E)	(2,627,115)	(2,627,115)
Total	54,988,586	16,587,364



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NOTE 14 - TRADE ACCOUNTS RECEIVABLE(CONT'D)

	<u>04.30.2015</u>	<u>04.30.2014</u>
Current		
In local currency		
From sale of energy and others	226,787,801	202,331,023
Intercompany receivables (Note 31.b))	314,422	316,262
In foreign currency (Exhibit G)		
From sale of oil and others	104,793,478	17,282,779
Intercompany receivables (Note 31.b))	173,957	7,711
Total	<u>332,069,658</u>	<u>219,937,775</u>

At April 30, 2015 and 2014, trade accounts receivable for \$ 387,058,244 and \$ 236,525,139, 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 \$ 109,041,650 and \$ 68,752,880, at April 30, 2015 and 2014, 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:

	<u>04.30.2015</u>	<u>04.30.2014</u>
Without due date (shown as current assets)	-	746,602
Without due date (shown as non-current assets)	54,988,586	16,587,364
Past due		
From 0 to 3 months	109,041,650	68,752,880
Falling due		
From 0 to 3 months	223,028,008	150,438,293
Total	<u>387,058,244</u>	<u>236,525,139</u>

At April 30, 2015 and 2014 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:

	<u>04.30.2015</u>	<u>04.30.2014</u>
Balance at beginning of year	2,627,115	2,627,115
Balance at year end	<u>2,627,115</u>	<u>2,627,115</u>

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

	<u>04.30.2015</u>	<u>04.30.2014</u>
Non-Current		
In foreign currency (Exhibit G)		
Time deposits	354,415,925	319,741,920
Total	<u>354,415,925</u>	<u>319,741,920</u>

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



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

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

	04.30.2015	04.30.2014
To be due		
From 1 to 2 years	354,415,925	319,741,920
Total	354,415,925	319,741,920

NOTE 16 - CASH AND CASH EQUIVALENTS

	04.30.2015	04.30.2014
Current		
In local currency		
Cash	51,619	33,934
Checks to be deposited	2,171,745	257,715
Banks	8,242,758	5,649,882
Financial assets at fair value (Exhibit D)	381,965,221	45,613,802
In foreign currency (Exhibit G)		
Cash	95,636	90,060
Banks	176,541	138,074
Total	392,703,520	51,783,467

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

	04.30.2015	04.30.2014
Cash and cash equivalents	10,738,299	6,169,665
Financial investments at fair value	381,965,221	45,613,802
Bank overdrafts (Note 21)	(151,222,593)	(94,705,098)
Total	241,480,927	(42,921,631)

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, 2014	179,802,282	1	179,802,282	79,686,176	259,488,458
Balances at April 30, 2015	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.



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

Capital stock at April 30, 2015 and 2014 is as follows:

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

	Legal reserve \$	Free reserve ⁽¹⁾ \$	Special reserve for implementation of IFRS \$	Reserve for assets revaluation (point b) \$
Balances at April 30, 2014	21,225,830	10,164,434	192,356,878	-
Ordinary Shareholders' Meeting dated August 5, 2014	(21,225,830)	(10,164,434)	(192,356,878)	-
Other comprehensive results	-	-	-	739,365,741
Reversal of reserve for assets revaluation (point b)	-	-	-	(67,563,777)
Balances at April 30, 2015	-	-	-	671,801,964

⁽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.

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NOTE 18 – RESERVES (CONT'D.)

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
Opening balance	-	-	-	-	-	-	-	-
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 year end of reserve for the revaluation of assets	579,553,751	62,088,201	19,902,301	-	14,114,382	675,658,635	671,801,964	3,856,671

⁽¹⁾ Charged to "Retained Earnings"

NOTE 19 – RETAINED EARNINGS

	04.30.2015	04.30.2014
	\$	\$
Balances at April 30, 2013		192,356,878
Ordinary Shareholders' Meeting dated August 9, 2013 (allocation of Special reserve for implementation of IFRS)		(192,356,878)
Net loss for the year		(224,966,816)
Balances at April 30, 2014	(224,966,816)	(224,966,816)
Ordinary Shareholders' Meeting dated August 5, 2014 (absorption of reserve)	223,747,142	
Comprehensive results of year	531,482	
Reversal of reserve for revaluation of assets (Note 18)	67,563,777	
Balances at April 30, 2015	66,875,585	

Restrictions on the distribution of profits

a) In accordance with the Commercial Companies Law, by-laws and Resolution No. 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.

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NOTE 19 – RETAINED EARNINGS (CONT'D.)

b) In line with the Global Program for the Issue of Class I Corporate Bonds (Note 21 a), the Company or 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, when incurred if 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) By application of CNV General Resolution 609/12 dated September 13, 2012, this special reserve shall not be reversed to make dividend distributions in cash or in kind to the Company's shareholders or owners, and it may be reversed only for capitalization purposes or to absorb any potential negative balance of "Unappropriated retained earnings".
- d) 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

	<u>04.30.2015</u>	<u>04.30.2014</u>
Non-Current		
In foreign currency (Exhibit G)		
Sundry accruals	20,010,647	16,713,720
Total	<u>20,010,647</u>	<u>16,713,720</u>
Current		
In local currency		
Suppliers	87,166,404	37,202,453
Intercompany Suppliers (Note 31.b))	6,636	612,231
Sundry accruals - intercompany (Note 31.b))	-	120,000
Advance of customers	-	13,311,926
Sundry accruals	9,190,212	1,661,790
In foreign currency (Exhibit G)		
Suppliers	123,293,250	94,433,294
Advance of customers	-	27,639,642
Sundry accruals	3,021,375	962,651
Total	<u>222,677,877</u>	<u>175,943,987</u>

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



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NOTE 20 - TRADE ACCOUNTS PAYABLE (CONT'D.)

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

	04.30.2015	04.30.2014
Past due		
From 0 to 3 months	458,957	7,233,380
From 3 to 6 months	25,662	43,149
From 6 to 9 months	30,600	2,159
From 9 to 12 months	-	5,166
From 1 to 2 years	166,261	-
More than 2 years	6,210	-
Without due date (shown as current liabilities)	729,804	729,804
To be due		
From 0 to 3 months	218,867,683	129,102,410
From 3 to 6 months	1,022,613	10,811,723
From 6 to 9 months	686,085	10,949,708
From 9 to 12 months	684,002	17,066,488
From 1 to 2 years	2,719,338	1,286,265
More than 2 years	17,291,309	15,427,455
	<u>242,688,524</u>	<u>192,657,707</u>

NOTE 21 - FINANCIAL LIABILITIES

	04.30.2015	04.30.2014
Non-Current		
In local currency		
Commissions and expenses to be accrued - corporate bonds	(4,680,858)	(6,941,377)
Bank	74,000,000	4,000,000
Advance funding for maintenance of the CT ADC	62,694,874	-
In foreign currency (Exhibit G)		
Bank	74,818,800	78,419,600
Corporate bonds	1,781,400,000	1,600,400,000
Total	<u>1,988,232,816</u>	<u>1,675,878,223</u>
Current		
In local currency		
Bank overdrafts	151,222,593	94,705,098
Sale & lease back CMF S.A.	-	613,590
Commissions and expenses to be accrued - corporate bonds	(2,251,786)	(2,252,522)
Bank	43,212,123	63,451,134
In foreign currency (Exhibit G)		
Bank	12,826,229	27,885,175
Corporate bonds	25,380,166	22,801,398
Total	<u>230,389,325</u>	<u>207,203,873</u>



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NOTE 21 – FINANCIAL LIABILITIES (CONT'D.)

Changes in loans are as follows:

	<u>30.04.2015</u>	<u>30.04.2014</u>
Balances at April 30, 2014	1,883,082,096	1,283,685,946
Increase in bank overdrafts	56,517,495	17,870,268
Funding for maintenance of the CT ADC net of credits applications	153,051,587	-
Offsetting with credit for remuneration of non-recurring maintenance	(114,973,325)	-
Loans obtained	106,250,000	-
Accruals:		
Accrued interest	232,288,969	176,109,833
Accrued commissions and expenses	2,261,250	2,220,600
Exchange difference generated by foreign currency debts	189,586,498	602,665,973
Payments:		
Interest	(197,054,583)	(171,123,071)
Capital	(92,387,846)	(28,347,453)
Balances at April 30, 2015	2,218,622,141	1,883,082,096

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

	<u>04.30.2015</u>	<u>04.30.2014</u>
6 months or less	202,970,043	190,419,701
6-12 months	27,419,282	16,784,172
1-2 years	71,564,962	12,942,281
More than 2 years	1,916,667,854	1,662,935,942
Total	2,218,622,141	1,883,082,096

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

	<u>04.30.2015</u>	<u>04.30.2014</u>
US Dollar	1,894,425,195	1,729,506,173
Pesos	324,196,946	153,575,923
Total	2,218,622,141	1,883,082,096

Debts in US dollars accrue annual interest averaging approximately 10% at April 30, 2015 and 2014.

The fair value of corporate bonds at April 30, 2015 amounts to \$ 1,745 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.



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NOTE 21 – FINANCIAL LIABILITIES (CONT'D.)

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%

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, 2014 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.



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NOTE 21 – FINANCIAL LIABILITIES (CONT'D.)

- 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 when incurred if 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 up 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 these financial statements at April 30, 2015, the Company and its Restricted Subsidiaries are in compliance with all commitments taken on.

The balance at April 30, 2015 amounts to \$ 1,806,780,166, \$ 25,380,166 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, 2015 amounts to \$ 6,038,492, \$ 2,131,236 of which is current (see point j)).

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, and the first one will fall 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 balance at April 30, 2015 is \$ 4,018,094, all of which is current (see point j)).



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NOTE 21 – FINANCIAL LIABILITIES (CONT'D.)

c) Banco Galicia de Buenos Aires loan for \$ 15,000,000

On April 30, 2014 the Company renewed a loan from Banco Galicia de Buenos Aires for \$ 15,000,000, the main characteristics of which are as follows:

Amount: \$ 15,000,000

Starting date: April 30, 2014

Term: 365 days

Expiration date: April 30, 2015

Amortization: 12 equal consecutive monthly installments,

Interest: it accrued interest at an annual nominal rate of 35%, payable with each quota.

The loan was paid at maturity.

d) 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 Negotiable Obligations 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, 2015 amounts to \$ 34,231,091, \$ 10,231,091 of which is current (see point j)).

e) 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 balance at April 30, 2015 amounts to \$ 10,210,485, all of which is current (see point j)). At the date of issue of these financial statements, this loan was renewed at the same interest and matures on January 6, 2016.



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NOTE 21 – FINANCIAL LIABILITIES (CONT'D.)

f) 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

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 is paid at maturity.

The balance at April 30, 2015 amounts to \$ 17,439,738, all of which is current (see point j)).

g) 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 Negotiable Obligations 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, 2015 amounts to \$ 51,312,715, \$ 1,312,715 of which is current (see point j)).

h) 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 electrolyzers, 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.

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.



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NOTE 21 – FINANCIAL LIABILITIES (CONT'D.)

i) 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:

Positive covenants

- Comply with the Financial Debt Service Coverage ratio (as from April 2013);



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NOTE 21 – FINANCIAL LIABILITIES (CONT'D.)

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⁾ By memorandum of September, 2013, the CII has dispensed Hychico permanently of the prohibition of reducing its share capital always and when it is mandatory in agreement with the Law of Commercial Companies N°19950.

These covenants have been met, there being no events of default at April 30, 2015.

At the balance sheet date, Hychico has repaid according to the due dates provided, principal for \$ 28,868,614 and interest for a cumulative total of \$ 22,930,474 at the foreseen due date.

At April 30, 2015 the balance amounts to \$ 87,645,029, \$ 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, 2015 amounts to \$ 894,152, of which \$ 120,550 is current (see point j)).

j) Summary at April 30, 2015

Loan	Current	Non-Current	Total
Corporate Bonds - Senior Notes (point a))	25,380,166	1,781,400,000	1,806,780,166
Unearned commissions and expenses re. corporate bonds (point a))	(2,131,236)	(3,907,256)	(6,038,492)
Syndicated loan (point b))	4,018,094	-	4,018,094
Banco Crédito y Securitización (point d))	10,231,091	24,000,000	34,231,091
Banco Mariva (point e))	10,210,485	-	10,210,485
Banco Galicia de Buenos Aires (point f))	17,439,738	-	17,439,738
ICBC (point g))	1,312,715	50,000,000	51,312,715
Corporación Interamericana de Inversiones (CII) (point i))	12,826,229	74,818,800	87,645,029
Commissions and guarantees Corporación Interamericana de Inversiones (point i))	(120,550)	(773,602)	(894,152)
Bank overdrafts	151,222,593	-	151,222,593
Total	230.389.325	1.925.537.942	2.155.927.267



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NOTE 22 – TAXES PAYABLES

	04.30.2015	04.30.2014
In local currency		
Provision for tax on assets	-	1,274,859
Tax withholdings and collections	4,485,422	2,553,590
Value added tax	18,634,524	10,871,227
Other	2,806,160	2,279,954
Total	25,926,106	16,979,630

NOTE 23 – OTHER LIABILITIES

	04.30.2015	04.30.2014
In local currency		
Oil and gas royalties	20,201,715	7,801,159
Total	20,201,715	7,801,159

NOTE 24 - PROVISIONS AND OTHER CHARGES

1. Provisions

	04.30.2015	04.30.2014
In local currency		
Provisions for lawsuits and fines (Exhibit E)	2,367,385	1,810,499
Total	2,367,385	1,810,499

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 at April 30, 2014	1,810,499
Increase in the provision allocated to other operating income, net – (Note 26)	556,886
Balances at April 30, 2015	2,367,385

2. Contingencies

a) Precautionary measure and administrative appeals

a.1) ES Resolution N° 821/10

On October 24, 2010, Resolution No. 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.

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.



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NOTE 24 - PROVISIONS AND OTHER CHARGES (CONT'D.)

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, 2015 do not include any related charge. However, the Company and its legal counsel are analyzing the potential impact of Law 26854 (Precautionary measures in lawsuits to which the Government is a party or intervenes as a third party claimant).

a.2) ENERGAS 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. c) 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 precautionary 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 No. 26784 was published in the Official Gazette on November 5, 2012. This law, among other issues, modified Law No. 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 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,



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NOTE 24 - PROVISIONS AND OTHER CHARGES (CONT'D.)

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 No. 26854 of Precautionary Measures against the National Government and on Law No. 26784; the Company argued, among other reasons, that: (a) the precautionary measure obtained by the Company was granted prior to enactment of Law No. 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 No. 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.

As of April 30, 2014, the provision set up in connection with this item for \$ 31.7 million was reversed and the reversed amount was allocated to the period November 2012 to April 2013 for \$ 16.3 million in the line Other operating (expenses) / income, net and the charge provided for in the period May to October 2013 in the line Cost of Sales for \$ 15.4 million.

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.

The Company 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 No. 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.

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.



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NOTE 24 - PROVISIONS AND OTHER CHARGES (CONT'D.)

In April 2012, the Company 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 the Company had not complied with the supply required by ES Note 1584/12 mentioned above. The Company 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 the Company the precautionary measure requested, staying the effects of the resolution and of the ES Notes 1584/12 and 2247/12 regarding the Company and the persons that operate with it. Consequently, the Company continues with its normal operations of production and sale of LPG.

As explained above, the Resolution is in breach of: (i) LPG Law N° 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 the Company 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) the Company'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, the financial statements at April 30, 2015 do not include any related charge.

Irrespective of the above the Company and its legal counsel are analyzing the potential impact of Law 26854 (Precautionary measures in lawsuits to which the Government is a party or intervenes as a third party claimant).

b) Differences in the liquidation of employer contributions

In August 2010, the AFIP served notice to the Company 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 the Company 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 Nos. 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 N°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. The Company challenged both the debt assessment and the applied fines. The AFIP rejected the legal challenges to the applied fine, so the Company also filed an appeal with the Federal Social Security Court and provided a bond insurance policy for the amount of the fine.



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NOTE 24 - 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 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 legal counsel, understands that it has solid grounds to reverse the position of AFIP; therefore, these financial statements do not include any related charge.

NOTE 25 – NET SALES

	04.30.2015	04.30.2014
Oil ⁽¹⁾	293,275,499	221,678,528
Gas ⁽²⁾	159,581,341	34,825,572
Electricity ADC	679,570,722	461,199,282
LPG	97,711,701	78,862,843
Electricity DEEF	27,885,132	22,057,408
Energy generated with hydrogen	2,067,532	1,111,251
Oxygen	819,730	599,705
Less:		
Transportation expenses on forward sales of electricity	-	(4,122,283)
Total	1,260,911,657	816,212,306

⁽¹⁾ At April 30, 2015, it includes compensation from the "Stimulus Program for the Production of Oil" for \$ 0.6 million.

⁽²⁾ At April 30, 2015 and 2014, it includes compensation from the "Stimulus Plan for Injection of Natural Gas for Companies with Reduced Injection" for 116.1 and 2.9 million, respectively (see Note 1.1.c)

NOTE 26 - OTHER OPERATING INCOME, NET

	04.30.2015	04.30.2014
Trust fund of LPG (Note 24)	-	16,268,270
Tax on bank debits and credits ⁽¹⁾	-	(7,296,796)
Assignment of rights under the compensation program of oil plus program	4,107,070	4,024,670
Expenses relating to the notarial registration of the sale of the Vicente López Building.	(2,908,303)	-
Sale of vehicles	268,833	-
Provision for turnover and obsolescence of spare parts and materials (Note 11 and Exhibit E)	(556,886)	534,835
Provisions (Note 11 and Exhibit E)	336,824	27,872
Sundry	51,151	75,053
Total	1,298,689	13,633,904

⁽¹⁾ On November 5 and 7, 2013, the Company deposited with the tax authorities the tax on financial transactions for transfers of checks in the amount of \$7.3 million, plus interest (included under Financial costs in the line, Interest and other of the Condensed individual statement of comprehensive income), notwithstanding any administrative or judicial action aimed at clearing any doubt as to the legality or appropriateness of the procedures carried out by the Company.

NOTE 27 – FINANCIAL RESULTS

	04.30.2015	04.30.2014
Financial income		
Interest and other	77,587,474	13,270,706
Interest accrued on receivables	3,499,807	502,158
Exchange difference	46,413,108	138,132,425
	127,500,389	151,905,289
Financial costs		
Interest and other	(279,722,538)	(220,666,995)
LIBO rate swap (see Note 10)	1,079,814	7,373,217
Exchange difference	(196,054,923)	(617,149,291)
Interest accrued from accounts receivable and payable	(242,135)	3,235,753
	(474,939,782)	(827,207,316)



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NOTE 28 - 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:

	<u>04.30.15</u>	<u>04.30.14</u>
Loss before income tax of the Group's shareholders	4,381,468	(369,645,532)
Current tax rate	35%	35 %
Result for the year at tax rate	1,533,514	(129,375,936)
Permanent differences at tax rate:		
- Interest accrued from receivables and liabilities	(1,140,185)	(1,308,269)
- Provision for deferred asset	424,640	(4,543,589)
- Sundry	493,668	1,345,281
- Tax loss from prior years	2,250,340	(5,817,888)
- Tax loss utilized	-	(726,064)
Total income tax charge	3,561,977	(140,426,465)
- Variation between deferred taxes at the beginning and end of the year charged to income (includes tax losses)	(402,502,371)	137,932,814
- Increase for revaluation deferred tax (see Note 18)	400,356,267	-
Income determined for the year	1,415,873	(2,493,651)

NOTE 29 - 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

	<u>04.30.2015</u>	<u>04.30.2014</u>
Net result attributable to the Company's equity holders	531,482	(224,966,816)
Weighted average number of ordinary outstanding shares	179,802,282	179,802,282
Basic and diluted result per share	0.00296	(1.25119)
	<u>04.30.2015</u>	<u>04.30.2014</u>
Comprehensive Results attributable to the Company's equity holders	739,897,223	(224,966,816)
Weighted average number of ordinary outstanding shares	179,802,282	179,802,282
Basic and diluted result per share	4.11506	(1.25119)



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NOTE 30 – COMMITMENTS

- In relation to the supply of LPG, the Company has commitments for fiscal year 2015/2016 for the total amount of commercial butane gas and 63% of propane gas it will produce.
- With relation to the sale of wind 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 35).
- Note 1 describes the commitments undertaken by the Company with:
 1. The Province of Neuquén.
 2. CAMMESA as a result of ES Resolution No. 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.b.3)
- Within the framework of the "Incentive Program for the Excess Natural Gas 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.c)
- In Note 21 a), d), g), i) and Note 36, there is a description of the main commitments arising from the issuance of financial liabilities.
- In Note 33, the main commitments are described related to the extension of the third exploration period of the areas in the Province of Rio Negro.
- There are not capital disbursements committed but not incurred at the closing date of the financial statements at April 30, 2015.

NOTE 31 - 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:

	04.30.2015	04.30.2014
Sale of electricity	2,067,531	1,111,251
Expenses corresponding to Hychico	(14,877)	(24,756)
Expenses corresponding to SEB	(13,488)	-
Expenses corresponding to C.A.P.S.A.	3,052,336	2,404,299
Expenses corresponding to Capex S.A.	(202,811)	(121,039)



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NOTE 31 - RELATED PARTIES AND KEY PERSONNEL FROM COMPANY MANAGEMENT

a.ii) With the companies directly or indirectly controlled by the parent company

The following transactions were carried out with Interenergy Argentina S.A.:

	04.30.2015	04.30.2014
Office and garage rental	(1,497,600)	(1,407,000)
Accrual of fees	(5,000)	
Expenses corresponding to SEB	(4,490)	
Expenses corresponding to Hychico	(4,200)	(2,100)
Capitalization of irrevocable contributions	-	1,400,000
Expenses corresponding to Interenergy	2,710	5,545

a.iii) With the parent companies of the parent company

The following transactions were carried out with Plenium Energy S.A.:

	04.30.2015	04.30.2014
Expenses corresponding to Plenium Energy S.A.	15,558	3,458

The following transactions were carried out with Wild S.A.:

	04.30.2015	04.30.2014
Expenses corresponding to Wild S.A.	9,798	4,530

a.v) With related companies

The following transactions were carried out with Alparamis S.A.:

	04.30.2015	04.30.2014
Sale of Vicente López building	141,000,000	-
Expenses corresponding to Alparamis	217,094	-
Office and garage rental	(6,640,000)	-



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NOTE 31 - RELATED PARTIES AND KEY PERSONNEL FROM COMPANY MANAGEMENT (CONT'D)

b) Balances at year end with the related companies

	With the parent company	With the companies directly or indirectly controlled by the parent company	With related company	With the parent companies of the parent company	Total at 04.30.2015
	C.A.P.S.A.	Interenergy Argentina S.A.	Alparamis S.A.	Wild S.A.	
Assets					
Current trade receivables					
In local currency	308,122	6,300	-	-	314,422
In foreign currency	173,957	-	-	-	173,957
Other current credits					
In local currency	242,522	124,800	217,094	-	584,416
Liabilities					
Current accounts payable					
In local currency	6,220	416	-	-	6,636

	With the parent company	With the companies directly or indirectly controlled by the parent company	With the parent companies of the parent company		Total at 04.30.2014
	C.A.P.S.A.	Interenergy Argentina S.A.	Plenium Energy S.A.	Wild S.A.	
Assets					
Current trade receivables					
In local currency	312,662	1,800	900	900	316,262
In foreign currency	7,711	-	-	-	7,711
Other current credits					
In local currency	182,110	125,400	600	600	308,710
Liabilities					
Current accounts payable					
In local currency	19,431	712,800	-	-	732,231

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, 2014 amounts to \$ 28,286,244.

NOTE 32 - 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.



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NOTE 32 - GUARANTEES GRANTED AND RESTRICTED ASSETS (CONT'D.)

- 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.b.3).

NOTE 33 - 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 N° 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. 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. Dry wells were abandoned and the investments made for drilling them were charged to prior-year profits/losses.

On June 12, 2015, the Company decided to go on to a third exploration period reversing 50% of the area. The due date for the third period is June 2016 and the outstanding investment commitment is 279 UT. Investments made in the reversed area were provided for at the closing of this fiscal year in the amount of \$ 9,779,714.

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.



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NOTE 33 - EXPLORATION AREAS IN RÍO NEGRO (CONT'D.)

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.

d. 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 No. 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 Río 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.

Investments written off from the areas Loma de Kauffman, Lago Pellegrini and Cerro Chato for an aggregate amount of \$ 174,860,302 were charged to Exploration Expenses (See Exhibit A)

NOTE 34 - OIL AND GAS RESERVES (NOT COVERED BY AUDITOR'S REPORT)

Below is the estimate of hydrocarbon reserves in the area Agua del Cajón made by the Company at December 31, 2014, which has been audited by the independent auditor Mr. Hector López, 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	in million cubic meters (1)	3,626	1,340	4,966	790	586
		1,572				
Oil	thousands of bbl		736	2,308	849	868
	thousands of m ³	250	117	367	135	138



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NOTE 34 - OIL AND GAS RESERVES (NOT COVERED BY AUDITOR'S REPORT) (CONT'D)

Proven developed reserves at April 30, 2015, based on the audited reserves at December 31, 2014 and adjusted according to production for the period January 2015 to April 2015, are as follows:

Gas	in million cubic meters ⁽¹⁾	3,492
Oil	thousands of bbl	1,516
	thousands of m ³	241

⁽¹⁾ Determined at 9,300 K/Cal per cubic meter

NOTE 35 - 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.

Eolic Energy Project

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 Wind 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; 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 wind 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.

Hychico was authorized as generating agent in the Wholesale Electricity Market (WEM) regarding its DEEF, through Resolution of the Energy Secretariat (ES) No. 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.



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NOTE 35 - HYCHICO BUSINESS – FINANCING – MAIN CONTRACTS (CONT'D.)

In March, 2012, in compliance with Note ES No. 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 faon service agreement signed with Compaas Asociadas Petroleras Sociedad Annima (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, 2015 and 2014, property, plant and equipment and intangible assets related to the Hydrogen Project are totally provided for in accordance with 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.

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.



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NOTE 35 - HYCHICO BUSINESS – FINANCING – MAIN CONTRACTS (CONT'D.)

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 Wind 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 No. 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 No. 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.

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 38.5, and a procedure was set for monthly adjustment; it can be renegotiated at the end of each calendar year.



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NOTE 35 - HYCHICO BUSINESS – FINANCING – MAIN CONTRACTS (CONT'D.)

f) Capital increases

After the capital increase of \$ 20,569,809 made by Capex in July 2010, the same amounted to \$ 41,547,796; as a result, 84.878% of the capital is held by Capex S.A. and the remaining 15.122% by Servicios Buproneu S.A., which waived its preemptive right and residual preemptive right.

Hychico's Shareholders' Meeting, which was held on May 27, 2011, unanimously resolved the capitalization of loans for \$ 6,453,755, \$ 4,448,158 of which corresponds to loans granted by the Company and \$ 2,005,597 to loans granted by SEB, issuing 6,453,755 ordinary, registered, non-endorsable shares of \$1 face value each entitled to one vote per share. At the date of these financial statements, Hychico's capital increases are pending approval by the Superintendency of Commercial Companies.

On April 24, 2012, SEB made a capital contribution for a total of \$ 29,865,179. By means of Shareholders' Meeting of that date, a capital increase for \$ 29,865,179 was approved with the issue of 29,865,179 nominative non-endorsable shares of face value \$ 1 each and entitled to one vote per share in favor of SEB. At the date of these financial statements, this capital increase has not yet been filed with the Superintendency of Commercial Companies of Argentina.

The Shareholders' Meeting of September 30, 2013 approved the mandatory reduction of capital stock for \$ 800,000, amounting to \$ 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 Superintendency of Commercial Companies of Argentina.

At 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 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 Superintendency of Commercial Companies of Argentina.



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NOTE 36 – SUBSEQUENT EVENTS

On May 5, 2015, the Company entered into a loan agreement with Banco de la Ciudad de Buenos Aires, Banco Hipotecario S.A. y Banco Macro S.A., as lender and Banco Macro S.A. as administrative agent and as an organizer, with the following characteristics:

Amount: \$ 125,000,000

Purpose of the funds: \$ 100,000,000 for the payment of financial liabilities and \$ 25,000,000 for working capital.

Starting date: May 5, 2015

Term: 24 months

Expiration date: May 5, 2017.

Amortization: 5 quarterly and consecutive installments, with a grace period of one year. The amount of each installments of capital is as follows:

Quota	Expiration Date	% of the loan amount
1	May 2016	15%
2	August 2016	15%
3	November 2016	15%
4	February 2017	25%
5	May 2017	30%

Interest rate: It accrues interest at nominal annual floating BADLAR rate for Private Banks (adjusted) plus 450 bps. Interest is 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 Negotiable Obligations falling due in 2018 for a nominal value of up to US\$ 200,000,000.



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EXHIBIT A
At April 30, 2015 and 2014
Property, plant and equipment

Items	ORIGINAL VALUE							DEPRECIATION				Net book value at 04.30.14	
	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	622,313	-	-	(311,157)	-	-	311,156	-	-	-	-	-	622,313
Lago Pellegrini	1,323,725	-	-	(1,323,725)	-	-	-	-	-	-	-	-	1,323,725
Cerro Chato	26,766	-	-	(26,766)	-	-	-	-	-	-	-	-	26,766
Assets for the production of oil and gas in													
Lago Pellegrini	71,351,897	34,184,924	-	(105,536,821)	-	-	-	-	-	-	-	-	71,351,897
Work in progress													
Loma de Kauffman	19,964,009	-	-	-	-	-	19,964,009	-	-	-	-	-	19,964,009
Oil and gas wells	15,809,931	-	-	-	-	-	15,809,931	-	-	-	-	-	15,809,931
Work in progress													
Cerro Chato	9,750,413	10,264,159	-	(20,014,572)	-	-	-	-	-	-	-	-	9,750,413
Work in progress													
- Other Studies													
Loma de Kauffman	17,678,416	-	-	(6,353,623)	-	-	11,324,793	-	-	-	-	-	17,678,416
Seismic	10,410,066	-	-	(2,756,578)	-	-	7,653,488	-	-	-	-	-	10,410,066
Geological research and other studies	716,711	-	-	(355,356)	-	-	358,355	-	-	-	-	-	716,711
Lago Pellegrini	22,300,806	-	-	(22,300,806)	-	-	-	-	-	-	-	-	22,300,806
Seismic	7,461,409	-	-	(7,461,409)	-	-	-	-	-	-	-	-	7,461,409
Geological research and other studies	132,260	-	-	(132,260)	-	-	-	-	-	-	-	-	132,260
Geo-magnetography	2,834,343	-	-	(2,834,343)	-	-	-	-	-	-	-	-	2,834,343
Geo-chemistry	965,106	841,800	-	(1,805,906)	-	-	-	-	-	-	-	-	965,106
Technical fees													
Cerro Chato	349,127	-	-	(349,127)	-	-	-	-	-	-	-	-	349,127
Seismic	1,555,096	-	-	(1,555,096)	-	-	-	-	-	-	-	-	1,555,096
Geo-chemistry	387,300	-	-	(387,300)	-	-	-	-	-	-	-	-	387,300
Studies	944,342	407,115	-	(1,351,457)	-	-	-	-	-	-	-	-	944,342
Technical fees													
Carried forward	184,584,036	45,687,998	-	(174,880,302)	-	-	55,421,732	-	-	-	-	-	184,584,036



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EXHIBIT A
At April 30, 2015 and 2014

Property, plant y equipment (Cont'd)

Items	ORIGINAL VALUE						DEPRECIATION					Net book value at 04.30.15	Net book value at 04.30.14	
	At the beginning of year	Additions	Completed work in progress	Retirements	Provisions	Revaluation	At year-end	At the beginning of year	Additions	Retirements	Revaluation			Accumulated at year-end
Brought forward	184,584,036	45,697,998	-	(174,860,302)	-	-	55,421,732	-	-	-	-	-	55,421,732	184,584,036
Oil and gas exploitation activities														
- Areas acquired and other studies														
Agua del Cajón - exploitation rights	120,660,816	-	-	-	-	-	120,660,816	66,601,018	4,308,221	-	-	70,909,239	49,751,577	54,058,79
- Other studies														
Agua del Cajón - Exploration	8,105,139	-	-	-	-	-	8,106,139	5,789,151	184,648	-	-	5,973,800	2,132,339	2,316,98
Agua del Cajón - Seismic	12,172,940	-	-	-	-	-	12,172,940	7,436,192	377,489	-	-	7,813,681	4,359,259	4,736,74
- Assets for the production of oil and gas in														
Oil and gas wells	1,393,932,591	3,905,442	323,302,234	-	-	-	1,721,140,267	710,575,167	119,099,166	-	-	829,674,333	891,465,934	683,357,42
Work in progress	101,132,619	251,005,070	(342,489,961)	-	-	-	9,637,728	-	-	-	-	-	9,637,728	101,132,61
Production assets	143,755,140	-	19,197,727	-	-	-	162,952,867	99,684,880	8,598,448	-	-	108,283,428	54,669,439	44,070,16
Vehicles	3,341,391	980,140	-	(148,563)	-	-	4,172,948	2,214,992	436,663	(148,563)	-	2,503,062	1,669,886	1,126,40
Gas Pipeline	33,864,764	-	-	-	-	-	33,864,764	22,913,204	2,863,774	-	-	25,776,978	8,087,786	10,951,56
Other intangible assets														
Central administration and production plant														
Nuevoquen land and buildings	37,817,296	-	-	-	-	-	37,817,296	3,724,373	220,530	-	-	3,944,903	55,600,245	34,092,92
Vicente Lopez land and buildings	75,981,741	-	-	(147,663,511)	-	-	59,545,148	6,557,221	106,290	(6,663,511)	-	-	-	69,424,52
Furniture and fixtures	1,776,563	-	-	-	-	-	1,776,563	1,776,563	-	-	-	1,776,563	-	-
Administration assets	11,451,442	-	-	-	-	-	11,451,442	9,123,942	677,521	-	-	9,801,463	1,649,979	2,327,50
Power Station														
CT ADC	1,030,882,153	50,930,314	39,969,170	-	-	-	1,081,781,637	689,822,916	51,689,779	-	-	741,512,695	1,246,843,820	341,059,23
Work in progress	-	-	(39,969,170)	-	-	-	(39,969,170)	-	-	-	-	-	(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	-	-
Called forward	3,181,541,111	352,518,964	-	(322,672,396)	-	-	4,222,302,493	1,648,301,189	188,562,550	(6,812,094)	-	1,830,051,625	2,392,250,668	1,533,239,92



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EXHIBIT A
At April 30, 2015 and 2014
Property, plant y equipment (Cont'd)

Items	ORIGINAL VALUE					DEPRECIATION					Net book value at 04.30.15	Net book value at 04.30.14		
	At the beginning of year	Additions	Completed work in progress	Retirements	Provisions	Revaluation	At year-end	At the beginning of year	Additions	Retirements			Revaluation	Accumulated at year-end
Brought forward	3,181,541,111	352,518,964	-	(322,672,396)	-	1,010,914,814	4,222,302,483	1,648,301,189	188,562,530	(6,812,094)	-	1,830,051,625	2,392,250,868	1,533,239,922
- LPG Plant - Agua del Cañón	102,456	-	-	(34,536)	-	-	67,920	102,456	-	(34,536)	-	67,920	-	-
Vehicles	54,881	-	-	-	-	-	54,881	54,881	-	-	-	54,881	-	-
Facilities	11,252	-	-	-	-	-	11,252	11,252	-	-	-	11,252	-	-
Computer equipment	4,579	-	-	-	-	-	4,579	4,579	-	-	-	4,579	-	-
Furniture and fixtures	105,956,740	-	-	-	-	253,951,355	359,908,095	35,010,461	10,606,390	-	153,023,870	198,640,721	161,267,374	70,946,279
LPG Plant ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Diadema Eolic Energy Farm (DEEF) ⁽²⁾	77,523,255	-	-	(148,220)	-	54,898,717	132,213,752	11,070,899	5,357,014	-	22,806,611	39,234,464	92,979,288	66,452,416
- Hydrogen and Oxygen Project	29,089,512	1,385,083	-	-	-	-	30,484,595	5,813,119	1,454,599	-	-	7,267,718	23,216,877	23,286,393
Hydrogen and Oxygen Plant	(23,286,393)	-	-	-	-	-	(23,216,877)	-	-	-	-	-	(23,216,877)	(23,286,393)
Hydrogen and Oxygen Plant provision	3,371,007,393	353,804,047	-	(322,855,152)	69,516	1,319,704,866	4,721,830,690	1,700,368,776	205,960,593	(6,846,630)	175,630,481	2,075,383,180	2,846,497,550	(23,286,393)
Total at April 30, 2015	3,173,230,684	196,543,316	-	(259,532)	1,492,925	1,319,704,866	3,371,007,393	1,562,980,440	137,591,940	(213,604)	-	1,700,368,776	2,846,497,550	1,670,639,617
Total at April 30, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-

⁽¹⁾ The net effect of the revaluation is of \$ 95,520,655 (See Note 6)

⁽²⁾ The net effect of the revaluation is of \$ 30,518,925 (See Note 6)



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EXHIBIT D
At April 30, 2015 and 2014

OTHER INVESTMENTS

Principal account and characteristics	Book Value at 04.30.2015	Book Value at 04.30.2014
	\$	\$
Other non-current investments		
Financial investment at amortized cost		
In foreign currency (Exhibit G)		
Time deposits	354,415,925	319,741,920
Total non-current other investments	354,415,925	319,741,920
Other current investments		
Cash and cash equivalents		
In local currency		
Financial investment at fair value		
Mutual funds	381,965,221	45,613,802
Total current other investments	381,965,221	45,613,802
Total other investments	736,381,146	365,355,722

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EXHIBIT E
At April 30, 2015 and 2014

PROVISIONS

Rubros	Balance at the beginning of year	(Recoveries) / Increases	Balance at year - end
	\$	\$	\$
<u>DEDUCTED FROM ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment			
In local currency			
Provision for property, plant and equipment	23,286,393	(2) (69,516)	23,216,877
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	1,228,874	(1) (269,460)	959,414
<u>CURRENT ASSETS</u>			
Spare parts and materials			
In local currency			
Provision for rotation and obsolescence	307,218	(1) (67,364)	239,854
Total deducted from assets	27,449,600	(406,340)	27,043,260
<u>INCLUDED IN LIABILITIES</u>			
<u>NON-CURRENT LIABILITIES</u>			
<u>Provisions</u>			
In local currency			
For lawsuits and fines	1,810,499	(1) 556,886	2,367,385
Total included in liabilities	1,810,499	556,886	2,367,385
Total provisions	29,260,099	150,546	29,410,645

(1) Charged to Other operating (expenses) / income, net (see Note 26)

(2) Charged to Other Financial Results (see Note 27)



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EXHIBIT F
At April 30, 2015 and 2014

COST OF SALES

	04.30.2015	04.30.2014
		\$
Inventories and spare parts and materials at the beginning of year ⁽¹⁾	63,501,394	56,553,667
Plus:		
- Addition to warehouses	99,608,500	49,937,072
- Production cost according to Exhibit H	473,374,667	339,380,222
Less:		
- Consumption	(82,057,418)	(42,845,769)
Inventories and spare parts and materials at year end ⁽¹⁾	(80,707,611)	(63,501,394)
Cost of sales	473,719,532	339,523,798

⁽¹⁾ Includes inventories and spare parts and materials net of advances to suppliers.



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EXHIBIT G
At April 30, 2015 and 2014

CURRENCY ASSETS AND LIABILITIES

Rubros	04.30.2015				04.30.2014			
	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	US\$	40,463,417	7.9020	319,741,920
Spare parts and materials								
Sundry advances	US\$	782,864	8.807	6,894,682	US\$	700,920	7.9020	5,538,673
Other accounts receivable								
Assignment of rights CAMMESA	US\$	2,404,058	8.807	21,172,535	US\$	2,910,183	7.9020	22,996,264
Total Non-Current Assets				382,483,142				348,276,857
CURRENT ASSETS								
Spare parts and materials								
Sundry advances	US\$	181,782	8.807	1,600,956	US\$	175,230	7.9020	1,384,668
Other accounts receivable								
Sundry advances	US\$	686,137	8.807	6,042,812	US\$	138,595	7.9020	1,095,181
Assignment of rights CAMMESA	US\$	925,738	8.807	8,152,972	US\$	949,294	7.9020	7,501,318
Sundry	US\$	559,254	8.807	4,925,349	US\$	485,713	7.9020	3,838,102
Trade accounts receivable								
Intercompany receivables	US\$	19,752	8.807	173,957	US\$	976	7.9020	7,711
For sale of oil and others	US\$	11,898,885	8.807	104,793,478	US\$	2,187,140	7.9020	17,282,779
Cash and cash equivalents								
Cash	US\$	6,019	8.807	53,010	US\$	5,399	7.9020	42,664
Cash	€	4,329	9.8462	42,626	€	4,329	10.9482	47,396
Banks	US\$	20,046	8.807	176,541	US\$	17,473	7.9020	138,074
Total Current Assets				125,961,701				31,337,893
Total assets				508,444,843				379,614,750
LIABILITIES								
NON-CURRENT LIABILITIES								
Trade accounts payable								
Sundry accruals	US\$	2,246,620	8.907	20,010,647	US\$	2,088,693	8.002	16,713,720
Financial liabilities								
Bank	US\$	8,400,000	8.907	74,818,800	US\$	9,800,000	8.002	78,419,600
Corporate bonds	US\$	200,000,000	8.907	1,781,400,000	US\$	200,000,000	8.002	1,600,400,000
Total Non-Current Liabilities				1,876,229,447				1,695,533,320
CURRENT LIABILITIES								
Trade accounts payable								
Suppliers	US\$	13,842,287	8.907	123,293,250	US\$	11,801,211	8.002	94,433,294
Advance from costumers	-	-	-	-	US\$	3,454,092	8.002	27,639,642
Sundry accruals	US\$	339,214	8.907	3,021,375	US\$	120,301	8.002	962,651
Derivative financial instruments								
-	-	-	-	-	US\$	303,034	8.002	2,424,880
Financial liabilities								
Bank	US\$	1,440,017	8.907	12,826,229	US\$	3,484,776	8.002	27,885,175
Corporate bonds	US\$	2,849,463	8.907	25,380,166	US\$	2,849,462	8.002	22,801,398
Total Current Liabilities				164,521,020				176,147,040
Total Liabilities				2,040,750,467				1,871,680,360



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EXHIBIT H

INFORMATION REQUIRED BY SECT. 64, SUB-SECT. B) OF LAW No. 19550 for years commenced on May 1, 2014 and 2013 and ended on April 30, 2015 and 2014

Items	04.30.2015			04.30.2014		
	Production cost	Selling expenses	Administrative expenses	Production cost	Selling expenses	Administrative expenses
Fees and other compensation	\$ 4,356,093	\$ -	\$ 6,637,172	\$ 4,125,638	\$ -	\$ 6,322,303
Salaries and social security contributions	131,545,876	-	46,641,304	90,765,673	-	34,053,038
Cost of personnel engaged in unconventional projects	7,461,348	-	-	8,124,765	-	-
Materials, spare parts and others	32,596,973	-	4,369	22,023,074	-	11,308
Operation, maintenance and repairs	57,775,329	-	9,105,649	44,427,069	-	6,110,767
Fuel, lubricants and fluids	2,402,129	-	-	1,651,518	-	-
Transportation, freight and studies	6,112,951	-	744,148	4,034,286	-	346,050
Amortization of Property, plant and equipment	204,976,193	-	1,004,340	136,324,940	-	1,267,000
Office, travel and representation expenses	2,562,781	-	1,135,410	1,765,222	-	800,758
Taxes, rates, contributions, insurance and rental	20,768,862	-	11,431,648	13,926,153	-	6,101,308
Acquisition of electricity from CAMMESA	169,843	-	-	11,294,374	-	-
Acquisition of gas to third parties	2,556,036	-	-	668,560	-	-
Sundry	90,243	-	-	48,950	-	-
Royalties	-	119,384,958	-	-	77,541,993	-
Cost of transport and energy deliveries	-	14,432,838	-	-	16,848,425	-
Turnover tax	-	34,109,902	-	-	23,988,395	-
Commissions and other	-	2,423,647	-	-	2,351,465	-
Bank charges	-	-	14,823,782	-	-	-
Total	473,374,667	170,351,345	91,527,822	339,380,222	120,730,278	65,428,564
			736,253,834			525,539,064

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SUMMARY OF ACTIVITY

REFERRED TO THE CONSOLIDATED FINANCIAL STATEMENTS OF CAPEX S.A.
AS OF 04/30/15

1) Comments on the consolidated comprehensive results and financial position at April 30, 2015 (Not covered by the auditor's report)

Gross profit for the year ended on April 30, 2015 totaled 62.4% of net sales and the comprehensive results arose to 59.0 % of said sales.

Sales

Net sales totaled \$ 1,260,911 thousand. The breakdown of sales of the different products is as follows:

Product	04/30/15		04/30/14	
	\$thousand	%	\$thousand	%
Energy				
- Energy CT ADC	679,571	53.8	457,077	56.0
- Energy DEEF	27,885	2.2	22,057	2.7
- Façon Service of electric energy	2,068	0.2	1,111	0.1
Gas				
- Sales	43,495	3.4	31,867	3.9
- Subsidy - Stimulus Plan for Injection of Natural Gas	116,086	9.2	2,959	0.3
Oil				
- Sales	292,631	23.2	221,678	27.2
- Subsidy - Stimulus Plan for oil Injection	644	0.1	-	-
Propane	57,500	4.6	43,775	5.4
Butane	40,211	3.2	35,088	4.3
Oxygen	820	0.1	600	0.1
Total	1,260,911	100.0	816,212	100.0

Net sales for the year ended on April 30, 2015 increased by 54.5 % 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 \$ 222,494 thousand, representing a rise of 48.7% compared with the prior year, from \$ 457,077 thousand as of April 30, 2014 to \$679,571 thousand as of April 30, 2015. This variation is due to a higher amount of MW sold, as a consequence of a greater central availability and a higher selling price recorded, as a consequence of:

- the new pricing structure established by Res SEN 529/14, and
- the creation of a new remunerative concept (remuneration of non-recurring maintenance) included in the SEN Res 529/14.

Sales of CT ADC energy measured in GWh increased by 19.9%, from 2,839 GWh (or an average of 237 GWh monthly) as of April 30, 2014 to 3,403 GWh (or an average of 284 GWh monthly) as of April 30, 2015.

The CT ADC energy sale prices increased by 24.0%, from \$/MWh 161.0 average for the year ended at April 30, 2014 to \$/MWh 199.7 average for the year ended at April 30, 2015, due to application of Res. ES 529/14.



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Sales of energy from the DEEF measured in pesos increased by \$ 5,828 thousand, 26.4% higher than the prior year, from \$ 22,057 thousand at April 30, 2014 to \$ 27,885 thousand at April 30, 2015.

In the year ended at April 30, 2015, sales in GWh were 28,1 at an average price of \$/MWh 992.3, and in the previous year ended April 30, 2014 it was of 28.7 GWh, at an average price of \$/MWh 768.5; 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 \$ 957 thousand, 86.1% more than in the previous year, from \$ 1,111 thousand at April 30, 2014 to \$2,068 thousand at April 30, 2015. This variation was due to an increase in the MWh sold, and in the price, as a consequence of 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 5,487 thousand m³, namely, 1.0%, from 547,820 thousand m³ at April 30, 2014, to 553,307 thousand m³ at April 30, 2015, as a result of the work done on the field.

Under the "Gas Plus" program, the Company sold \$ 43,495 thousand corresponding to the delivery of 28,837 thousands m³ at a price of US\$/m³ 0.18302 (or US\$ 4.95 million btu). In the previous year sales of gas amounted to \$ 31,867 thousand corresponding to 29,598 thousand m³ at a price of US\$/m³ 0.1653 (or US\$ 4.48 million btu).

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

In addition, the subsidy under the *Stimulus Plan for Injection of Excess Volume of Natural Gas* was accrued, which in the year ended at April 30, 2015 amounted to \$ 116,086 thousands. In the year ended at April 30, 2014 the amount accrued amounted to \$ 2,959 thousands. At the date of issue of these consolidated financial statements the company has collected \$ 48.6 million.

d) Oil:

Sales of oil for the year ended on April 30, 2015 increased by \$70,953 thousand, representing an increase of 32.0% compared with the previous year. This increase was due to a price rise of 38.3%, caused by the higher price obtained for the sales to the refineries in the domestic market and also to an increase in the foreign exchange rate applicable to selling prices. As result of the decrease in international crude oil price, in January 2015 it was renegotiated a lower price in domestic market with effect for deliveries since January 1, 2015.

Oil sales measured in m³ decreased by 4.4%, from 70,891 m³ at April 30, 2014 to 67,793 m³ at April 30, 2015.

Oil production decreased by 12.6%, from 40,747 m³ at April 30, 2014 to 35,623 m³ at April 30, 2015, due to the natural exhaustion of the oil field.

Further, in the year ended at April 30, 2015 the subsidy under the "Program to encourage crude oil production" in place since January 1, 2015 was accrued for \$644 thousand.

e) Propane, butane and gasoline:

- Sales of propane during the year ended on April 30, 2015 increased by \$ 13,725 thousand with respect to the same period of the previous year, from \$ \$ 43,775 thousand at April 30, 2014, to \$ 57,500 thousand at April 30, 2015, as a consequence of a 29.3 % increase in average selling prices, from an average \$/tn 2,017.8 at April 30, 2014, to an average \$/ton 2,608.1 at April 30, 2015. Also there was an increase in the volume sold of 1.6%.
- Sales of butane during the year ended on April 30, 2015 increased by \$ 5,123 thousand, with respect to the previous year, from \$ 35,088 thousand at April 30, 2014 to \$ 40,211 thousand at April 30, 2015, as a result of an



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increase of 22.8% in the average sale price from an average \$/ton 2,158.8 at April 30, 2014, to an average \$/ton 2,650.2 at April 30, 2015. Also there was a decrease in the volume sold of 6.6%.

- No sales of gasoline were recorded at April 30, 2015 since production of 27,644 m³ was blended and sold with oil for market reasons. In addition, no sales of gasoline were recorded at April 30, 2014 for the same reasons indicated above.

f) Oxygen:

Hychico sold 127,433 m³ and 128,650 m³ of oxygen for a total of \$ 820 thousand and \$ 600 thousand in the year ended at April 30, 2015 and 2014, respectively. The increase in sales was caused by an increase in the selling price.

Cost of sales

The cost of sales for the year ended on April 30, 2015 amounted to \$473,719 thousand, representing 37.6 % of net sales, while in the previous year it amounted to \$ 339,524 thousand, representing 41.6% of net sales at April 30, 2014.

The 39.5% increase in the cost of sales was mainly explained by:

- The higher charge for amortization of assets related to oil and gas and the CT ADC by \$ 68,651 thousand, as a result of an increase in purchases made and the assets revaluation,
- An increase in labor costs by \$ 40,117 thousand for the award (by the Company) of compensation to cover losses in the purchasing power of salaries.
- An increment in the costs of materials and spare parts by \$ 10,574,
- A rise in the costs of maintenance and operation by \$ 13,348 thousand, and
- An increase of insurance by \$ 5,787 thousands as result, mainly, of an increment in the cost of coverage.

These charges were offset by:

- A decrease in energy purchases by \$11,124 thousands as a result of the expiration of the forward contracts, which were not renewed based on the regulations in force.

Exploration expenses

Exploration expenses for \$174,860 thousand are due to the reversal at the date of issue of these 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.

Selling expenses

Selling expenses were \$ 170,351 thousand, representing 13.5% of net sales. These expenses increased by 41.1% with respect to the previous year mainly due to an increment in royalties (as a result of the increase in the price of oil and gas and in the aliquots) and the rise in turnover tax due to the higher billings.

Administrative expenses

Administrative expenses for year ended on April 30, 2015 amounted to \$ 91,528 thousand, representing 7.3% of net sales. These expenses increased, with respect to the previous year, by 39.9%, basically due to salaries and social security contributions (for the granting by the Company of the compensation to cover losses in the purchasing power of salaries), major expenses associated with the Company's IT systems maintenance, increase in rent (by selling the Vicente López building and subsequent lease) and rises in bank expenses.



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Other net operating income, net

Other operating income, net were positive mainly as a result of the collection of \$ 4.1 million for the transfer of compensation rights under the Oil Plus Program regulated in 2008, offset by notarial expenses related to the sale of Vicente López building, for \$ 2.9 million.

Financial results

The financial income reflected a balance of \$ 127,500 thousand, which compares with \$151,905 thousand of the previous year. The main reasons for this variation by \$ 24,405 thousand are listed below:

	Item	Variation in \$thousand
(i)	Accrued interest and other results on placements	64,316
(ii)	Exchange difference	(91,719)
(iii)	Accrued interest on credits	2,998
	Total	(24,405)

- The variation in accrued interest and other results accrued corresponds to higher results from financial placements.
- 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 2014 and April 2015 was 11.5% and between April 2013 and April 2014 it was of 53.5%.
- The variation in accrued interest on credits mainly corresponds to the present value of Hychico's long term receivables.

Financial costs show a negative balance of \$ 474,940 thousands, while in the previous year they were negative by \$827,207 thousands. The main causes of the positive variation of \$ 352,267 thousands were:

	Item	Variation in \$thousand
(i)	Interest and others	(59,056)
(ii)	LIBO rate swap	(6,293)
(iii)	Exchange difference	421,094
(iv)	Interest accrued from accounts payable	3,478
	Total	352,267

- The variation in interest and others mainly corresponds to a rise in interest rates on renewals of loans, bank overdraft facilities and interest accrued on the advance funding for the maintenance of the CT ADC. Further, although principal on debt in US dollars remained constant, the higher exchange rate accrued higher interest in pesos.
- The Group holds 85.4% of its financial liabilities in US dollars so that the variation of the exchange rate of this currency generated a significant impact on the economic results and on equity. The variation in the US dollar quotation between April 2014 and April 2015 was of 11.3% and between April 2013 and April 2014 it was of 54.3%.
- The decrease in the LIBO rate swap line is due to the cancellation of the SWAP contract owned by the company.

The other financial results correspond to the recovery of the valuation allowance for property, plant and equipment of the hydrogen and oxygen plant of Hychico.



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Other comprehensive results

The other comprehensive results relate to the effect of the change in the accounting policy for valuation of property, plant and equipment for the assets CT ADC, Buildings and Lands, LPG Plant and DEEF. Until April 30, 2014, the company valued Property, plant and equipment under the cost model in accordance with IAS 16, which consists of the initial recognition of the asset at acquisition cost less accumulated amortization and accumulated amount of losses impairment, if any. As from July 31, 2014, the Company values the CT ADC, the Buildings and Land, and the LPG Plant and DEEF under Property, plant and equipment by the revaluation model, as it believes that this model reflects more reliable value for these assets. The revaluation increment amounted to \$ 1,143,874 thousand, which net of deferred tax and minority interest amounted to a net effect of revaluation of \$ 743,518 thousand.

As of April 30, 2015 assets increased by \$ 1,561,536, which represents an increment of 63.6% compared with April 30, 2014. The main causes for this variation are net increases in:

- (i) property, plant and equipment for \$ 975,859 thousand, corresponding to the net effect of revaluation of CT ADC, buildings and lands, LPG plant and DEEF, additions, net of the sale of Vicente Lopez building, the return of Rio Negro areas and amortization of the year,
- (ii) Financial investments for \$ 34,674 thousand due to the increase in the exchange rate in the US dollar which pushed up the valuation of time deposits in that currency,
- (iii) spare parts and materials for \$ 19,495 thousand due to higher stocks and the increase of material prices related to the regular business activity of the Company,
- (iv) trade accounts receivable for \$ 150,533 thousand, due to the accounting for receivables from CAMMESA (art. 5 of Resolution 95/2013) and the increases granted by SEN Res 529/14 on the remuneration scheme of the power generation, and also to an increase in oil prices,
- (v) other accounts receivable for \$40,400 thousand mainly due to the capitalization of the balances of deferred assets of Hychico, tax on assets and taxes losses based on recovery estimates made, and
- (vi) cash and cash equivalents for \$ 340,920 thousands, principally due to the sale of the Vicente López building, among others. Also the company has received funds to be applied to the maintenance program for the energy generating units.

Liabilities increased by \$ 817,630 thousand, representing a 37.3% increase as compared with April 30, 2014, mainly as a consequence of:

- (i) net increase in financial liabilities for \$ 335,540 thousand, generated by the effect of the exchange rate variation, which leads to an increase in the accrued interest and exchange difference, and to the financing contracted with CAMMESA to perform the maintenance of CT ADC, among others.
- (ii) the increase of trade accounts payable for \$ 50,031 thousand, mainly due to an increase in costs, expenses and purchases made.
- (iii) an increase in payroll and social security for \$ 10,077 thousand, as a result of the compensation granted by the Company to cover losses in the purchasing power of salaries.
- (iv) the increase in other liabilities for \$ 12,401 thousand, as a consequence of the increase of the royalties of oil and gas.
- (v) an increase in taxes payable for \$ 8,947 thousand, due to the increase of the VAT fiscal debit.
- (vi) an increase in the deferred tax liabilities for \$ 402,502 thousand, arising mainly from the recognition of deferred tax relating to the revaluation of assets of Property, plant and equipment.
- (vii) an increase of provisions and contingencies for \$ 557 thousand.
- (viii) the decrease of derivative financial instruments for \$ 2,425 thousand due to the cancellation of the SWAP contract at LIBO.

Additionally, the Group has significant debts in US dollars and, therefore, is very sensitive to potential increases of the quotation of this currency. The loans are as follows:

1. Corporate Bonds Senior Notes, for US\$ 200,000,000.
2. Secured loan of US\$ 14,000,000 allocated to the Diadema eolic energy project (Hychico).

The amounts disbursed in point 1 accrue interest payable every six months as from disbursement date and until the full repayment date (2018), at a fixed rate of 10%.

The amount disbursed in point 2 accrues variable interest equivalent to LIBO plus an annual rate of 8.75% payable every six months.



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2) Prospects (Not covered by the auditor's report)

During the next year, the Company will continue in the Agua del Cajón area with a "conventional" development plan contemplating the drilling of four wells. To this plan are added four wells of Tight gas sand and a program for the repair/upgrade of eight wells. The purpose is to maintain the gas supply and the search for hydrocarbon reserves. The four Tight gas sand wells are subject to the condition to get prices commensurate with the investment, under gas plus contracts and/or the Gas Stimulus Program.

The drilling of a well is expected in the Loma de Kauffman exploration area, in the Province of Río Negro, during the coming year.

Regarding the electric energy segment, we believe that the National State will continue with the adjustment to the values of energy generation remuneration, as it did under ES Resolution Nos. 95/13 and 529/14, and that it will continue financing the maintenance of the generation units. Further, the Company expects that important measures will be implemented in the electric energy generation business in the long term.

Hychico will continue operating its two plants and go on with the studies about the interconnection between the electrolyzers and a future wind turbine. In addition, Hychico will continue evaluating the storage of hydrogen in depleted oil reservoirs, and will build a duct to transport hydrogen and start its storage for use as fuel of a turbine or a generation set in periods of peak demand for electricity in the region, and thus generate new revenues associated with the hydrogen project.

In addition, the Company's liquidity position would enable it to face the volatilities that may arise in the development of its business in the fiscal year commenced on May 1, 2015.

Gas and oil reserves

Below is the estimate of hydrocarbon reserves in the Agua del Cajón area made by the Company at December 31, 2014, which has been audited by the Lic. Héctor A. López, in compliance with the requirements of ES Resolution 324/06, and having as its horizon the expiry of the concession in January 2026:

Estimation of reserves in those areas at that date comprises:

Products		Proven			Probable	Possible
		Developed	Non-developed	Total		
Gas	in million cubic meters (1)	3,626	1,340	4,966	790	586
	thousands of bbl	1,572	736	2,308	849	868
Oil	thousands of m ³	250	117	367	135	138

⁽¹⁾ Determined at 9,300 K/Cal per cubic meter

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3) Balance sheet structure

	04/30/2015	04/30/2014	04/30/2013	04/30/2012
	\$	\$	\$	\$
	(a)			
Consolidated Information				
Current assets	816,697,176	337,115,675	212,565,114	199,079,558
Non-current assets	3,200,745,685	2,118,791,377	1,907,773,932	1,810,937,950
Total	4,017,442,861	2,455,907,052	2,120,339,046	2,010,017,508
Current liabilities	539,289,516	440,370,531	320,777,557	246,375,779
Non-current liabilities	2,470,924,596	1,752,213,819	1,312,220,999	1,193,810,842
Sub-total	3,010,214,112	2,192,584,350	1,632,998,556	1,440,186,621
Company shareholders	998,166,007	258,268,784	483,235,600	565,585,685
Non controlling interest	9,062,742	5,053,918	4,104,890	4,245,202
Total Shareholders' equity	1,007,228,749	263,322,702	487,340,490	569,830,887
Total Shareholders' equity and liabilities	4,017,442,861	2,455,907,052	2,120,339,046	2,010,017,508

(a) Information consolidated with SEB and Hychico, as per financial information at April 30, 2015, 2014, 2013 and 2012.

4) Income structure

	04/30/15	04/30/14	04/30/13	04/30/12
	\$	\$	\$	\$
	(a)	(a)	(a)	(a)
Consolidated Information				
Operating result	351,751,345	304,163,570	132,010,177	144,310,730
Financial Income	127,500,389	151,905,289	52,467,849	23,884,254
Financial Costs	-474,939,782	-827,207,316	-308,224,329	-184,777,790
Other financial results	69,516	1,492,925	1,593,085	1,450,903
Results before income tax	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	-3,561,977	140,426,465	40,453,292	332,395
Net result for the year	387,909	-225,427,788	-82,490,397	-15,604,940
Other comprehensive results	743,518,138	-	-	-
Comprehensive result for the year	743,906,047	-225,417,788	-82,490,397	-15,604,940

(a) Information consolidated with SEB and Hychico, as per financial information at April 30, 2015, 2014, 2013 and 2012.



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5) Statistical data (Not covered by the auditor's report)

OIL (m ³)					
	04/30/2015	04/30/2014	04/30/2013	04/30/2012	04/30/2011
	Consolidated information				
Production in bbl	224,064	256,290	286,439	322,553	306,238
Sales domestic market bbl	426,406	445,887	488,082	594,757	580,869
Production in m ³	35,623	40,747	45,540	51,282	48,688
Sales in the domestic market m ³⁽¹⁾	67,793	70,891	77,599	94,559	92,351

GAS (thousands of m ³)					
	04/30/2015	04/30/2014	04/30/2013	04/30/2012	04/30/2011
	Consolidated information				
Production	553,307	547,820	651,007	699,399	762,421
Redirected by CAMMESA – Res. SEN 95/13 /Purchase	419,390	293,754	175,364	253,597	253,044
Sales in the domestic market	28,837	29,598	27,565	9,059	-

ENERGY AGUA DEL CAJON (thousands of MWh)					
	04/30/2015	04/30/2014	04/30/2013	04/30/2012	04/30/2011
	Consolidated information				
Production	3,636	3,066	2,906	3,270	3,843
Purchase	-	31	112	148	118
Sales	3,403	2,839	2,740	3,196	3,736

RENEWABLE ENERGY (thousands of MWh)					
	04/30/2015	04/30/2014	04/30/2013	04/30/2012	04/30/2011
	Consolidated information				
Production	28.1	28.8	27.5	12.3	N/A
Sales	28.1	28.8	27.5	12.3	N/A

ENERGY DIADEMA PLANT (thousands of MWh)					
	04/30/2015	04/30/2014	04/30/2013	04/30/2012	04/30/2011
	Consolidated information				
Production	8.0	7.5	6.8	7.5	6.6
Sales	6.7	5.2	5.0	6.3	4.9

PROPANE (tn)					
	04/30/2015	04/30/2014	04/30/2013	04/30/2012	04/30/2011
	Consolidated information				
Production	22,015	21,718	24,994	29,901	31,128
Sales domestic market	22,046	21,694	25,113	28,902	31,105

BUTANE (tn)					
	04/30/2015	04/30/2014	04/30/2013	04/30/2012	04/30/2011
	Consolidated information				
Production	15,114	16,285	17,126	19,874	20,431
Sales domestic market	15,173	16,253	17,295	19,862	20,277

GASOLINE (m ³)					
	04/30/2015	04/30/2014	04/30/2013	04/30/2012	04/30/2011
	Consolidated information				
Production ⁽²⁾	27,644	26,729	29,284	35,004	36,439

OXYGEN (Nm ³)					
	04/30/2015	04/30/2014	04/30/2013	04/30/2012	04/30/2011
	Consolidated information				
Production	37,747	65,917	52,178	43,531	60,086
Sales domestic market ⁽³⁾	127,433	128,650	90,810	102,758	68,978

⁽¹⁾ Includes 27,615 m³; 26,749 m³; 29,308 m³; 34,903 m³; and 36,441 m³ of gasoline at April 2015, 2014, 2013, 2012 and 2011, respectively, sold as oil.

⁽²⁾ The gasoline at April 30, 2015, 2014, 2013, 2012 and 2011, was sold as oil.

⁽³⁾ The sales of oxygen at April 30, 2015, 2014, 2013, 2012 and 2011 include take or pay clause.

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6) Rates

	04/30/15	04/30/14	04/30/13	04/30/12
	(a)			
	Consolidated Information			
Liquidity (1)	1.51	0.77	0.66	0.81
Solvency (2)	0.33	0.12	0.30	0.40
Capital immobilization (3)	0.80	0.86	0.90	0.90
Profitability (4)	1.17	-0.60	-0.16	-0.03

a) Information consolidated with SEB and Hychico as per financial information at April 30, 2015, 2014, 2013 and 2012.

- (1) $\frac{\text{Current assets}}{\text{Current liabilities}}$
- (2) $\frac{\text{Shareholders' equity}}{\text{Total liabilities}}$
- (3) $\frac{\text{Non-current assets}}{\text{Total assets}}$
- (4) $\frac{\text{Comprehensive result for the year}}{\text{Average shareholders' equity}}$





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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, 2015, the consolidated statements of comprehensive income, of changes in 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 33, 35 and 36, and exhibits A and D to H.

The balances and other information corresponding to the fiscal year 2014 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 the 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 consolidated financial statements free of significant inaccuracies due to errors or irregularities. Our responsibility is to express an opinion on consolidated financial statements based on the audit that we have performed with the scope detailed in paragraph “Auditor’s Responsibility”.

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 and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

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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 the Company's management, as well as evaluating the overall 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, 2015, 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;
- d) as of April 30, 2015 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 \$ 2,508,655, 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, 2015 represent:

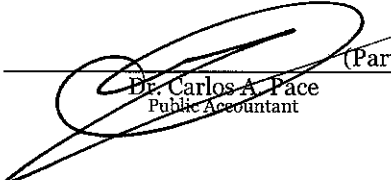
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- e.1) 91 % of the total fees for services invoiced to the Company for all items in that year;
 - e.2) 49 % of the total fees for audit and related services invoiced to the Company, its parent companies, subsidiaries and related parties in that year;
 - e.3) 44 % 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 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 7, 2015.

PRICE WATERHOUSE & CO. S.R.L.



(Partner)
Dr. Carlos A. Pace
Public Accountant

SYNDICS' COMMITTEE REPORT

To the Shareholders of
Capex S.A.

Legal address: Córdoba Av. 948/950 5th C Floor
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, 2015, and the consolidated statements of comprehensive income, of changes in shareholders' equity and cash flows 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 2014 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 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.'s 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 the 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, 2015 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.

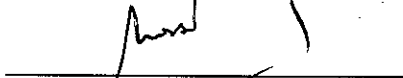
5. Based on the work done, with the scope described in previous paragraphs, we report that:
 - a) In our opinion, the consolidated financial statements mentioned in the paragraph 1. present fairly, in all material respects, the consolidated financial position of Capex and its subsidiaries as of April 30, 2015, 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. 75 of General Resolution 7/2005 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 7, 2015.

For Syndics' Committee



Norberto Luis Feoli

Syndic

Certified Public Accountant (UBA)