

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

CAPEX S.A.

CONSOLIDATED FINANCIAL STATEMENTS
As of April 30, 2020, presented in comparative format

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Annual Report Fiscal Year 2019 - 2020

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1. Summary for the year and prospects

Main milestones for the year ended April 30, 2020:

Acquisition of Areas of Hydrocarbons

During this fiscal year, two hydrocarbon areas mentioned below were acquired:

Parva Negra Oeste: In the framework of Neuquén Exploration Plan, Gas y Petróleo del Neuquén S.A ("GyP"), launched the 7th invitation for bids for the exploration, development and potential operation of a series of hydrocarbon areas. On July 25, 2019 the Company submitted a bid for the Parva Negra Oeste area, which was awarded. In November 2019, the Company and GyP entered into a contract for the exploration, development and production of the area, which is in a good location for the possible development of Vaca Muerta formation.

The contract foresees the realization of an exploration plan with an investment of approximately US\$ 19 million, to take place within the First Exploration Period of four years. The conditions of the bid include a payment of US\$ 5.5 million to the Province of Neuquén for the right of access to the área. Upon compliance with certain conditions and if commercially exploitable hydrocarbons are found, GyP will apply for a Concession for Exploitation of Non-Conventional Hydrocarbons for 35 years, in the framework of the above-mentioned contract. On November 22, 2019 the Province of Neuquén published in the Official Gazette Decree No. 2499/19 that approves the aforementioned contract.

Bella Vista Oeste Block I: In May 2019, Petrominera Chubut S.E. (PMC) launched a call for National and International Public Bid No. 2/19 with the aim of awarding exclusive rights for the operation, transport and commercialization of hydrocarbons within the area of the Bella Vista Oeste Block I, in the Province of Chubut. The Company participated in the Bid and its Economic Tender was accepted on September 2, 2019. In October 2019, the Company entered into a concession contract for 25 years with PMC, Subject to approval from the Executive Branch and the Legislative Branch of the Province of Chubut. According to the concession contract, Capex may request 10-year term extensions, provided always it meets its obligations as a concessionaire, produces hydrocarbons in the area and submits an investment plan.

The related contract was approved by the Executive Branch of the Province of Chubut through Decree No. 14/20, dated January 6, 2020, and subsequently, by the Legislative Branch of the Province of Chubut through Law IX No. 148, dated January 13, 2020. In January 2020, Capex made an initial payment of US\$ 4.5 million to PMC. Furthermore, during the concession term, it will pay a Variable Bond on a quarterly basis, as provided for in the contract. The concession is effective as from February 1, 2020, and the investments committed for the first 5 years amount to US\$ 50.1.

As regards Puesto Zúñiga area, in November 2019, the Secretariat of Energy of the Government of Río Negro called for the National and International Public Tender No. 1/19 for the award of exclusive rights for hydrocarbon exploration and potential exploitation concession, transportation and commercialization over this area, in the Province of Río Negro. The Company participated in the Tender by submitting an offer on November 28, 2019, which consisted of an investment commitment of US\$ 7.1 million to be developed within the first exploration period. On February 6, 2020, the Energy Secretariat of Río Negro approved Capex's rating and pre-awarded the area. To date, the Pre-award Commission is preparing an opinion for the provincial government containing an assessment of the offer and advising whether the exploration permit should be awarded

Evolution of hydrocarbon production and reserves:

In the fiscal year 2019/2020, average oil production from the areas operated by Capex was 1,129 m3/day compared to 787 m3/day of the period 2018/19, representing an increase of 44%. For the same periods, taking Capex's interests in the areas operated, oil production was 907 m3/day and 612 m3/day respectively, representing an increase of 48%.

With regard to gas production, in the fiscal year 2019/2020 the average production of the areas operated by Capex was 2.03 million m3/day compared to 1.88 million m3/day in 2018/19, representing an increase of 8%. For the same periods, taking the Company's holdings in the areas operated, production was 1.56 million m3/day and 1.60 million m3/day, respectively, representing a decrease of 3%.

With respect to the evolution of oil and gas reserves, taking into account the interest in the areas operated by Capex, the following values at December 31, 2019 stand out: in oil, proven reserves of 3.44 million m³ show an increase of 20.6% with respect to the previous year, mainly as a result of the incorporation of the Bella Vista Oeste area; as regards gas, proven reserves of 5,588 million m³ show a decrease of 3.7% with respect to the previous year. It is worth noting the importance of the increase in gas resources due to the incorporation of the Parva Negra Oeste area, which contributed 139,000 million m³. This area is located in the province of Neuquén, in a very favorable position for the eventual development of the non-conventional Vaca Muerta formation.

With respect to the plans for the immediate future, the Company is evaluating them taking into account the economic conditions caused by the Covid19 pandemic mentioned below.

Start of operations of the Diadema II Wind Farm:

The Farm received the authorization to operate from CAMMESA on September 18, 2019, complying with the terms stipulated in the bid. The Diadema Eólico Energy Farm II is located near the city of Comodoro Rivadavia, in the Province of Chubut, and comprise 9 wind energy converters model ENERCON E-82 E4 with a nominal power of 3,07 MW (megawatt) each, adding up to a total installed power of 27.6 MW. The total investment amounted to estimated to approximately MM 35.7.

DEEF I and II - Diadema Transformer Station Fire:

As a consequence of the fire that occurred in March 2020 at the Diadema Transformer Station that connects PED I and PED II with SADI, both farms were disconnected. After the repair work carried out, on May 22, 2020, both farms resumed their connection to SADI and started to dispatch electricity to the grid normally. At the date of these financial statements, the procedures towards the collection of the insured amounts are in progress.

ADC Thermal Power Plant - Steam Turbine 7 transformer failure:

In January 2020, the transformer of Steam Turbine 7 at the ADC Power Plant had a failure in the output terminal of a high voltage phase. This failure started a fire in the transformer that was extinguished by its own protection system and the assistance of third parties, affecting its internal windings and forcing a major repair on the site. The repair began in April 2020, after obtaining authorizations for the entry of personnel and cargo movement equipment to the site due to the mandatory isolation in force at that time. Since January 2020, the ADC Power Plant has been operating in open cycle mode, with the related decrease in power generation. Repairs are estimated to be completed in early August 2020 and operation in a combined cycle is expected thereafter. The above has affected the operating income of the ADC Energy segment. As of the date of these financial statements, the procedures for the collection of the insured sums are in process.

Res 31/2020 of the Ministry of Energy:

On February 26, 2020, the Secretariat of Energy of the Ministry of Productive Development published Resolution No. 31/2020, whereby values remunerated through Resolution Res 1/2019 issued by the former Secretariat of Renewable Resources and Electricity Market (SRRyME) were pesified as from February 1, 2020.

Likewise, this resolution further established that values stated in pesos would be adjusted on a monthly basis according to the amount resulting from the sum of 60% of Consumer Price Index (CPI) variation and 40% of Wholesale Price Index (WPI) variation from the previous month. This update will be applicable as from the transaction carried out on the second month of this resolution validity. Currently the aforementioned update is suspended in accordance with the provisions of Administrative Note NO-2020-24910606-PN-SE # MDP, issued by the Ministry of Energy, which empowered CAMMESA to postpone until further decision the application of the adjustment factor.

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Impact of the Coronavirus on the operations of the Company and its subsidiaries:

The COVID-19 outbreak is causing an adverse impact on global economy and, in particular, on oil price, which has recorded a decline of over 50%. The drop in economic activity due to the isolation measures adopted by different governments to mitigate the virus spread caused a strong downturn in the demand for oil. The scope and duration of those containment measures and their impact on the world economy are still uncertain.

In line with WHO recommendations for all countries affected by the COVID-19 pandemic, the National Government issued Emergency Decree (DNU) No. 297/20, whereby the social, preventive and mandatory isolation was implemented as from March 20, 2020, and a series of measures aimed at decreasing the circulation of the population were imposed, being exempted from isolation only those individuals engaged in essential activities. The isolation term has been extended several times and may be extended for as long as necessary in light of the epidemiological situation.

The Company has reduced the activities in its operations preserving the health and safety of its employees and what continued in operation was executed with strict and precise protocols that to date have given very good results, preventing the infection and spread of the disease in the minimum endowments that continued to operate. As regards administrative and management staff, work continued to be carried out from home. These well-coordinated activities enabled the Company to maintain its income and expense flows, which were strongly affected by the previous market situation and then imposed by the pandemic. Even with a very retracted market and low energy demand, the Company has managed to sell its production on the local and international markets and the thermal power plant has continued to operate so that to date we have not been forced to stop production.

Summary of profits/losses for the year

During the fiscal year commenced on May 1, 2019 and ended on April 30, 2020, Capex and its controlled companies continued to develop their business plan segments in I) Oil and Gas, II) Energy, by generating of I) thermal power and II) wind power, and III) energy from hydrogen, III) Processing and Separation of Liquid Gases Derived from Gas, and IV) Production and Sale of Oxygen.

During the current fiscal year, the Company had a comprehensive income loss of \$ 1,789.2 million (of which a loss of \$ 1,795.4 million corresponds to the owners of the Company), which compared to the previous year, the comprehensive result of which was a profit of \$ 3,199.9 million (of which millions of \$ 3,165.3 corresponded to the owners of the Company), shows a decrease of 155.9%.

The comprehensive income of the present year is composed of a net profit of \$ 938.9 million and other comprehensive loss of \$ 2,728.1 million, while in the previous year the comprehensive income was comprised of a net profit of \$ 2,029.2 million and other comprehensive income gain of \$ 1,170.8 million.

The operating income for the current year showed a profit of \$ 2,442.6 million, which compared to the previous year shows an decrease of 68.4%.

In the oil and gas segment, during the fiscal year ended April 30, 2020 the Company has maintained the level of gas production through continued investments, principally encouraged by the incentive programs for unconventional gas and the development of higher productivity reserves in the areas Loma Negra and La Yesera. Additionally, in terms of oil, since February 2020 the production of the Bella Vista Oeste area has been added.

However, a decrease in the reference value of gas per million BTU for thermal plants in the Neuquén of Energy as a result of the application of established maximum prices and the auctions carried out by CAMMESA for the purchase of natural gas for electricity generation, caused a strong impact on operating results.

Additionally, during the fiscal year the Company recognized an impairment loss for \$ 1,813.3 million relating to exploitation assets for Agua del Cajón CGU associated with the current and future estimated values of the gas price and the increase in value of the assets comprising the CGU, as a result of the application of the adjustment for inflation accounting standards.

Regarding oil, as of April 30, 2020 the fall in its price has led the Company to record an impairment of crude oil inventories amounting to \$ 484.3 million, because the net realizable value at April 30, 2020 was lower than the production cost.

The aforementioned points generated a decrease of 81.1% in operating results in this segment compared to the previous year.

Regarding the thermal energy generation segment, operating results decreased by 53.5%. Although the maintenance programs of the Agua del Cajón Thermal Power Plant ("CT ADC") carried out by the Company since 2014 allowed it to maintain good levels of availability and generation, the pesification of rates as from February 2020 through Res 31/2020 and the suspension of the adjustment provided for them adversely affected the results of the segment. Additionally, since January 2020, the ADC Power Plant has been operating in open cycle mode, due to the failure of the transformer of Steam Turbine 7, with the related decrease in power generation. Repairs are estimated to be completed in early August 2020 and operation in a combined cycle is expected thereafter.

Regarding the energy wind power generation segment, the Diadema II Wind Farm ("DEEF II") has been incorporated in September 2019, which, together with the Diadema I Wind Farm ("DEEF I"), has operated with high efficiency until March 2020, when both farms were disconnected from SADI as a result of the fire at the Diadema Transformer Station. The average load factors for the fiscal year for DEEF I (46.5%) and DEEF II (37.8%) were affected due to the lack of operations in March and April 2020. In May 2020, both farms resumed their connection to SADI and started to dispatch electricity to the grid normally. The incorporation of the DEEF II and the rate fixed in US doll\$ enabled Capex to obtain an increase in its operating results for this segment of 41.4%.

With respect to financial results, as of April 30, 2020, the price of the US dollar reached \$ 66.84, an increase from the previous year's closing of 51.4%. Due to the fact that the Company is indebted in such currency, the appreciation of the dollar affects its net financial results. However, the fact that its income and most of its investment portfolio are also denominated in US doll\$ allows to mitigate the fluctuations of the exchange rate in the net results. Further, in accordance with the accounting standards in force, these financial statements include recognition of the effects of inflation at the beginning and end of the year; it should be noted that the variation of the Consumer Price Index over the year was 45.6%, compared with 55.8% in the prior year. This recognition of exposure to purchasing power parity is disclosed under the heading Other financial results - (RECPAM).

The other comprehensive income without future allocation to results associated for the year ended April 30, 2020 amounted a loss to \$ 2,812.5 million, while in the previous fiscal year it was profit of \$ 1,170.8 million, due to the Company's application since July 31, 2014, of the revaluation model for certain assets of Property, Plant and Equipment and during the fiscal year it has updated the fair values of said assets, net of the effect of applying the adjustment for inflation and the tax effect. Additionally, other comprehensive income with future allocation to results amounted to \$84.4 (gain) million as of April 30, 2020.

In the fiscal year ended April 30, 2020, the Company segment with the largest contribution to EBITDA (69.2%) was oil and gas, because, where we added the production of Bella Vista Oeste area. The ADC energy segment had a decrease of 44.2%, while renewable energies increased by 125%, mainly as a result of the start-up of the DEEF II.

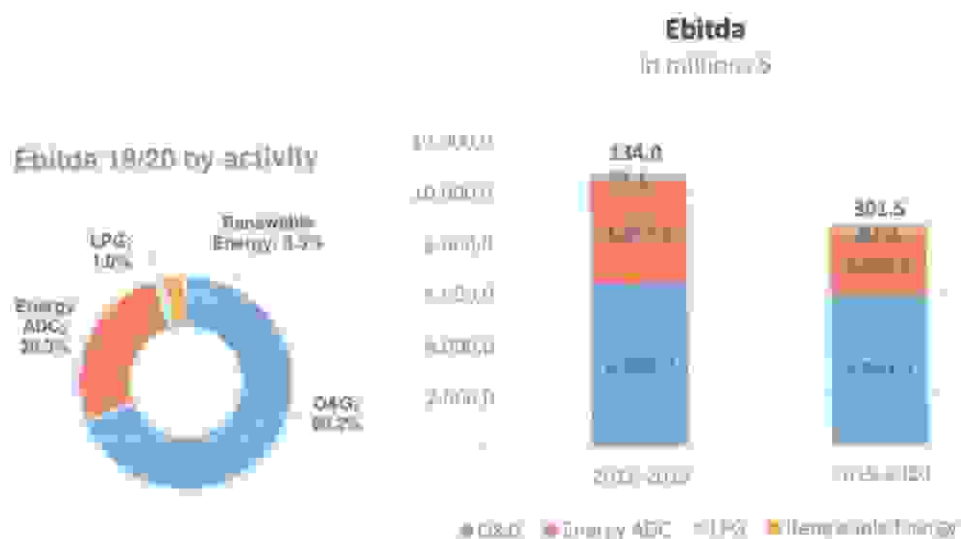


In thousand pesos

	04/30/2019	04/30/2020	Var 20 vs 19
	\$	\$	%
Adjusted EBITDA (*)	10,651,871	8,599,286	-19.3%

Average daily exchange rate for the year as of 01/01/2019	34,597 \$/US\$
Average daily exchange rate for the year as of 01/01/2020	55,526 \$/US\$
Exchange rate at year end 04/30/19	44,150 \$/US\$
Exchange rate at year end 04/30/20	66,840 \$/US\$

* Operating Result plus: i) depreciation of Property, Plant and Equipment, ii) depreciation of Right of use asset, iii) impairment of Property, Plant and Equipment and iv) impairment of inventories.



The Company's intention is to continue working on its expansion strategy throughout the energy value chain. In line with this strategy, Capex will evaluate potential acquisitions of hydrocarbon assets to increase its reserves and production levels.

In addition, it is the Company and its subsidiary Hychico's intention to achieve greater insertion in projects in the renewable energies, for which they are performing assessments and feasibility studies on potential projects.

Lastly, as part of its growth and diversification strategy, the Company continues evaluating projects for generation and other lines related to the energy sector.



1.1 Hydrocarbons

1.1.1 Current situation

Agua del Cajón Area

Regarding the investment plan developed in this year, the Company carried out a drilling program for the development of gas and oil wells and the performance of certain repairs and optimizations of gas producing wells.

The main objectives of the investments made were: i) maintaining gas and oil production; ii) investigate extensions of productive areas, and iii) continuing investigating the productivity for shale gas in Los Molles Organic, with the aim of adapting the stimulation treatments and starting to design the potential future developments.

The average gas production at 9300 Kcal/m³ was 1.3 million m³/day, while the average oil production was 103 m³/day, being these production levels lower by approximately 10% in gas and 14% in oil, compared to the previous year. Regarding the average productions of propane, butane and gasoline for the year, they were 53 tn/day, 35 tn/day and 68 m³/day, respectively, slightly decreasing the production level with respect to the previous year. The total values produced in the year in the oil and gas segments were 474.0 MMm³ and 37.5 Mm³, respectively, while the total productions of propane, butane and gasoline were 19.3 Mtn, 12.8 Mtn and 24.8 Mm³, respectively. The number of wells in production as of April 30, 2020 was 32 producing oil and 242 producing gas.

The estimate of hydrocarbon reserves of Agua del Cajón area as of December 31, 2019 was certified by the independent auditor, Lic. Ana Maria Nardone, according to the requirements established in Res. SEN 324/06 and Res. MINEM 69E/2016 having as concession expiration horizon the month of January 2052:

Gas	MMm ³ (1)	3,687	1,558	5,245	660	746	16,181	
Oil	Mbbl	1,535	1,535	3,070	4,906	7,126	25,858	
	Mm ³	244	244	488	780	1,133	4,111	

(1) Determined at 9,300 Kcal/m³

It should be noted that during this year the total proven reserves of Oil and gas totals remained similar to last year.

On January 31, 2018, the Company submitted an application for accession to the Undersecretariat of Exploration and Production under the Ministry of Energy and Mining for the Agua del Cajón Concession to the Program to Encourage Investment in Development of Natural Gas Production from Non-Conventional Reservoirs. Said presentation includes the approval from the Provincial Implementation Authority (Neuquén Ministry of Energy and Natural Resources - Resolution 12 of January 29, 2018) of an investment plan for millions of US\$ 101.5 up to the year 2021, which would enable the development of the production of natural gas from unconventional reservoirs.

Said program was approved on June 4, 2018. The Company complied with the requirement of reaching an average annual production of 500,000 m³/day during 12 consecutive months, before December 31, 2019, and it has recorded under the heading sales in the fiscal year ended April 30, 2020 \$ 1,386.7 million in relation to the Program incentives, whose collection in the present year has been partially effected, with important delays in the timeframe in the Program.

Additionally, the Energy Secretariat applied in December 2018, with retroactive effect to January 2018, a new criterion regarding the volume to be recognized for the payment of compensation derived from the Stimulus Plan, the same being the minimum between the nonconventional actual volume produced and the original curve timely presented.

During the fiscal year ended April 30, 2020, the Company has allocated almost the totality of its gas production to electric power generation through the ADC CT.

Loma Negra and La Yesera areas

Loma Negra

Capex operates the Rio Negro Norte Concession since December 1, 2017. The area is located in the province of Rio Negro, with the concession end date being February 24, 2024. The participations on the area are the following:

Partners	Participation
Capex S.A.	37.50%
YPF S.A.	35.00%
Corporación Financiera Internacional	15.00%
Metro Holding S.A.	12.50%

The area has a total of 134 drilled wells, of which only 34 are active today (29 producers and 5 injectors) and has several fields in production or temporarily inactive (Loma Negra, El Látigo Occidental, Cerro Solo, Anticlinal de María, Anticlinal Viejo, Anticlinal de María Occidental and Loma de María). The average production in the month of April 2020 was 180 m3/day of oil and 684 Mm3/day of gas, while in April 2019 it was 183 m3/day of oil and 655 Mm3/day of gas.

With respect to the investment plan developed this year, the Consortium implemented a program to drill four wells (1 advanced well, 1 well of tight gas and 2 wells conventional of oil) and a repair program of producing and injection wells.

The estimation of hydrocarbon reserves in the Loma Negra area, as of December 31, 2019, was certified by the independent auditor, Lic. Ana Maria Nardone, according to the requirements established in Res. SEN 324/06 and Res. MINEM 69E/2016.

a) **Until the End of the Concession**

Gas	MMm ³ ⁽¹⁾	705	-	705	-	-	1,400
Oil	Mbbl	1,277	-	1,277	-	-	969
	Mm ³	203	-	203	-	-	154

⁽¹⁾ Determined at 9,300 K/Cal per m³

b) **Until the End of Useful Life**

Gas	MMm ³ ⁽¹⁾	1,378	-	1,378	-	-	1,400
Oil	Mbbl	2,742	-	2,742	-	-	969
	Mm ³	436	-	436	-	-	154

⁽¹⁾ Determined at 9,300 K/Cal per m³

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During the present year, total proven reserves of oil and gas decreased approximately by 33% and 18% respectively. This decrease is mainly due to the proximity of the date of the end of the concession. The undeveloped proved reserves were re-categorized as C1 contingent resources, due to the low price of gas and the proximity of the end date of the concession.

It is the intention of the Loma Negra Consortium to ask the Province of Río Negro for an extension of the concession to continue developing the area.

La Yesera

Capex is the operator of the Lote IV La Yesera Concession since December 1, 2017. The area is located in the province of Río Negro. The end date of the concession is August 4, 2027.

The participations are the following:

Partners	Participation
Capex S.A.	18.75%
YPF S.A.	35.00%
Corporación Financiera Internacional	15.00%
Metro Holding S.A.	12.50%
San Jorge Energy S.A.	18.75%

The field has 4 wells drilled, of which one is currently in production of oil and associated gas. The average production in the month of April 2020 was 86 Mm³/day of oil and 72 Mm³/day of gas. During this year, the construction of the La Yesera battery was carried out.

The estimate of hydrocarbon reserves in the La Yesera area as of December 31, 2019 was certified by the independent auditor, Lic. Ana María Nardone, according to the requirements established in Res. SEN 324/06 and Res. MINEM 69E/2016.

a) Until the End of the Concession

Gas	MMm ³ ⁽¹⁾	139	27	166	-	-	364
Oil	Mbbl	1,044	352	1,396	-	-	4,692
	Mm ³	166	56	222	-	-	746

⁽¹⁾ Determined at 9,300 K/Cal per m³

b) Until the End of Useful Life

Gas	MMm ³ ⁽¹⁾	212	34	246	-	-	364
Oil	Mbbl	1,591	447	2,038	-	-	4,692
	Mm ³	253	71	324	-	-	746

⁽¹⁾ Determined at 9,300 K/Cal per m³

During this year, oil proven reserves decreased by 8% compared to the previous year, while gas proven reserves decreased by 36% due to a stabilization in the GOR (gas/oil ratio) reaching a value less than that of the well in continuous production.

It is the intention of the La Yesera Consortium to ask the Province of Río Negro for an extension of the concession to continue developing the area.

Pampa del Castillo area- La Guitarra

The Pampa del Castillo-La Guitarra area is located in the northern area of the San Jorge Gulf Basin and has an approximate surface of 121 km². It is located about 50 km west of the city of Comodoro Rivadavia in the Province of Chubut. This concession has a single field with the same name that, operatively, was divided into three regions: Pampa Norte, Pampa Centro (includes the areas Block I to Block V) and Pampa Sur (includes the areas La Guitarra and La Guitarrita).

Capex operates the exploitation concession of the area as from August 1, 2018. The concession for the area expires in 2026, with the option to extend it for 20 additional years if the additional stipulated investments are complied with.

Below is the interest of the Temporary Union of Enterprises (UTE):

Partners	Participation
Capex S.A.	95.00%
Petrominera Chubut S.E.	5.00%

In total there are 572 wells drilled, of which 330 are active (221 producing wells and 109 injection wells). The average production in the month of April 2020 was 772 m³/day of oil and 14 Mm³ / day of gas that compares with the production to April 2019 with 667 m³/day of oil and 15 Mm³/day of gas, highlighting an increase of 15.8% in the oil production. At the date of taking over the operations, oil production reached 557 m³/day (July 2018), representing an increment of 38.5% with respect to April, 2020.

The estimate of hydrocarbon reserves for the Pampa del Castillo-La Guitarra area at December 31, 2019 was certified by the independent auditor, Lic. Hector Alberto Lopez, as per the requirements of SEE Resolution 324/2006 and Res. MINEM 69E/2016.

a) Until the End of the Concession

Gas	Mm ³ ⁽¹⁾	30	20	50	1	4	-
Oil	Mbbl	7,806	5,585	13,391	176	208	-
	Mm ³	1,241	888	2,129	28	33	-

⁽¹⁾ Determined at 9,300 Kcal/m³

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b) Until the End of Useful Life

Gas	MMm ³	57	53	110	2	2	0
Oil	Mbbl	15,769	10,209	25,978	428	428	0
	Mm ³	2,507	1,623	4,130	68	68	0

⁽¹⁾ Determined at 9,300 Kcal/m³

Oil proven reserves at December 31, 2019 decreased 9.6% compared to the report submitted at December 31, 2018, due to the proximity to the concession end date.

Due to the problems raised by COVID-19, the Company filed a request with the Competent Authorities for the extension of the terms to carry out the committed investments. At the date of issuance of these financial statements, Capex is awaiting approval of such request.

Bella Vista Oeste Area - Block I

The Bella Vista Oeste-Block I field is located in the northern zone of the San Jorge Gulf Basin in the Province of Chubut and has an area of approximately 49.33 km². It is located about 18 km west of the city of Comodoro Rivadavia.

Geologically, it is located in the northern flank of the San Jorge Gulf Basin, near the area of Pampa del Castillo - La Guitarra. It is a typical intra-cratonic basin, of extensive genesis developed on a basement constituted by a complex of quartz porphyries and associated tuffs known as Lonco Trapial Group in its northern sector and Bahía Laura Group in the southern sector.

The main producing units in the Bella Vista Oeste area belong to El Trébol Formation, Comodoro Rivadavia Formation and Mina del Carmen Formation from the Chubut Group. Reservoirs are made up of sandstones and tuff-sandstones of fluvial origin, separated from each other by silty clay stones. Formation D129 is the main hydrocarbon source rock.

There is a total of 108 wells drilled, 32 of which are currently active (21 producing wells and 11 injection wells). At April 30, 2020, oil production was 126 m³/day, which accounts for an increase of 44.4% compared with the 87 m³/day of oil produced at the date the area was taken over.

The estimate of hydrocarbon reserves for Bella Vista Oeste Block I area at December 31, 2019 was certified by the independent auditor, Lic. Ana Maria Nardone, according to the requirements established in Res. SEN 324/06 and Res. MINEM 69E/2016. The concession term will expire in February 2045.

a) Until the End of the Concession

Oil	Mbbl	1,415	3,661	5,076	182	-	-
	Mm ³	225	582	807	29	-	-

⁽¹⁾ Determined at 9,300 Kcal/m³

b) Until the End of Useful Life

Oil	Mbbl	1,415	3,661	5,076	182	-	-
	Mm ³	225	582	807	29	-	-

¹⁾ Determined at 9,300 Kcal/m³

It is not possible to calculate the evolution of reserves since there are no previous reports.

Due to the problems raised by COVID-19, the Company filed a request with the Competent Authorities for the extension of the terms to carry out the committed investments. At the date of issuance of these financial statements, Capex is awaiting approval of such request.

Área Parva Negra Oeste

Capex has been awarded the Exploration, Development and Production Permit for the "Parva Negra Oeste" area by Decree No. 2499/2019 of the Province of Neuquén dated November 22, 2019. This permit contemplates a participation of Gas y Petróleo del Neuquén S.A. according to the following table:

Partners	Participation
Capex S.A.	90.00%
Gas y Petróleo del Neuquén S.A.	10.00%

The Parva Negra Oeste (PNO) area is located approximately 200 km NW of the capital city of the province of Neuquén, and is accessed through provincial route No. 7 and, then, through a secondary road. It has a surface area of 143 km².

From the geological standpoint, the area subsoil comprises part of the north-eastern hillside known as "Dorso de los Chihuidos" and the north-western area known as "Bajo de Añelo".

The Parva Negra Oeste area is at an ideal location to exploit Vaca Muerta unconventional resources, such as shale gas. However, it has other formations of prospective interest.

The exploration work plan includes the drilling of 1 vertical well and 1 horizontal well for a total amount of approximately US\$ 19.1 million over the first 4 years.

At April 30, 2020, the international auditor DeGolyer and MacNaughton conducted an assessment of the contingent resources of the area, focused on the development of two levels of Vaca Muerta formation. According to this assessment, estimated 3C contingent resources are 138,977 MM m³ of gas at 9300 Kcal/m³.

Consolidation of Proven Reserves

In order to observe the evolution of proven reserves and the impact of the acquisitions of the areas in these, they are compared in the following table, taking the expiration of each concession term as horizon and the audit reserves at December 31, 2019 and 2018 as a basis. Values are shown considering the participation of Capex percentages in each area and referred to those dates.

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Areas (Participation of Capex)	Products		Proven	
			Total 12.31.19	Total 12.31.18
Agua del Cajón (100%)	Gas	MMm ³ ⁽¹⁾	5,245	5,334
	Oil	Mbbl	3,070	2,868
		Mm ³	488	456
Bella Vista Oeste – Block I (100%)	Oil	Mbbl	5,076	-
		Mm ³	807	-
Loma Negra (37.5%)	Gas	MMm ³ ⁽¹⁾	264	367
	Oil	Mbbl	479	717
		Mm ³	76	114
La Yesera (18.75%)	Gas	MMm ³ ⁽¹⁾	31	49
	Oil	Mbbl	262	283
		Mm ³	42	45
Pampa del Castillo – La Guiltarra (95%)	Gas	MMm ³ ⁽¹⁾	48	51
	Oil	Mbbl	12,721	14,066
		Mm ³	2,023	2,236
Total	Gas	MMm ³ ⁽¹⁾	5,588	5,801
	Oil	Mbbl	21,608	17,934
		Mm ³	3,436	2,851

⁽¹⁾ Determined at 9,300 K/Cal per m3

With respect to proven reserves of the operated areas, taking into account the participation in them, an increase of 20.5% in proven oil reserves is observed as a result mainly of the acquisition of the Bella Vista Oeste - Block I area and a decrease of 3.7% in proven gas reserves.

The information on the reserves in different areas included in this Annual Report complies with the requirements of CNV resolution No. 541 "Information about oil and gas reserves". The Company owns reserves only in reservoirs in Argentina and its related subsidiaries have no hydrocarbon activities.

1.1.2 Future prospects

In the short term, the Company has established as its main objectives to preserve the health and safety of its personnel and to maintain its operational sites. Once the COVID 19 pandemic has been overcome, it is the Company's intention to continue with its investment plan based on the following guidelines:

- in the **Agua del Cajón** area, continue with the development plan called "conventional" that includes an advanced well drilling and development plan for conventional gas and "tight gas sand" and a plan for repairs and optimizations of oil and gas wells.

The Company will continue focusing its resources on the development of new conventional and unconventional reserves. The replacement of reserves in the short term will be based on the exploration and development of conventional reserves and tight gas sand projects. With regard to the development of shale resources (schist of slate rock), the Company will continue working on its technical-economic viability before embarking on any development project.



- in the **Loma Negra area**, continue with the development of oil and gas prospects in this block.
- in the **La Yesera area**, drill 1 development well (Side-Track to well LY-1). The Consortium will focus on the development of oil reserves in deep targets.
- In the **Pampa del Castillo- La Guitarra area**, continue the drilling of advanced wells and primary/secondary development producing wells, a repair program for oil producing wells and the adaptation of secondary recovery facilities in batteries and plants. In addition, a pilot project for tertiary recovery through the injection of polymers in the most mature and marginal areas is expected to be implemented, producing today under secondary recovery.
- In the **Bella Vista Oeste area - Block I**, continue with the adaptation of the facilities and the drilling of advanced wells and primary/secondary development wells, as well as to carry out a repair campaign of oil producing wells.
- in the **Parva Negra Oeste area**, reprocess the seismic information and start drilling wells to investigate the productivity of this unconventional prospect located in a central zone of Vaca Muerta.

Additionally, it is worth mentioning that in November 2019, the Secretariat of Energy of the Government of Rio Negro called for the National and International Public Tender No. 1/19 for the award of exclusive rights for hydrocarbon exploration and potential exploitation concession, transportation and commercialization over the **Puesto Zúñiga area**, in the Province of Rio Negro. The Company participated in the Tender by submitting an offer on November 28, 2019, which consisted of an investment commitment of US\$ 7.1 million to be developed within the first exploration period. On February 6, 2020, the Energy Secretariat of Río Negro approved Capex's rating and pre-awarded the Puesto Zúñiga area. At the date of issuance of these financial statements, the Secretariat of Energy of the Government of Rio Negro is analyzing the technical and economic aspects of the bid and advising whether the exploration permit should be awarded.

As part of the growth strategy, the Company will continue evaluating potential acquisitions of hydrocarbon assets that will increase production levels and reserves.

1.2 Electric Energy

1.2.1 Current situation

Capex obtained in January 2014 a financing program for major and extraordinary maintenance of CT ADC, granted by CAMMESA for approximately US\$ 31 million, which was extended by US\$ 20 million in the subsequent year. The Company carried out the maintenance in accordance with the program, both those of open-cycle turbines and of its combined cycle, ending with them in the month of September of 2017. Having carried out said maintenance program allowed it to maintain at the Company good levels of availability and generation during the year and compromising its availability in the long term.

This financing was offset by the Company with the "Remuneration for non-recurring maintenance" established by ES Resolution No. 529/14 and its amendments and with the credit balance for "Additional remuneration - Trust fund". As from the passing of SRRyME Resolution No. 1/2019, repayment or refund is made by deducting up an amount equivalent to the maximum between US\$ 1 MW /h generated and US\$ 700 MW/h, from the monthly payment, until full repayment of the financing. As of the date of these financial statements, the financing described above has been fully repaid by the Company.

The Company continued carrying out the technical maintenance required to comply with the power guarantee availability (DIGO) commitments.

During the year the CT ADC has operated with gas from the field, to which the gas purchased from third parties was added. The gross electric power generation of the current year was 3,589 GWh, decreasing the generation level by approximately 25% compared to the previous year, mainly due to the failure of the transformer of Steam Turbine 7 that occurred in January 2020, which made the Company operate in open cycle mode; repairs are estimated to be completed in early August 2020 and operation in a combined cycle is expected thereafter. *M.*

1.2.2 Future prospects

With respect to the remuneration of the electricity tariff, through Resolution 31/2020 of the Secretariat of Energy provided for the pesification of electric power rate values as from February 1, 2020, and although it established that values stated in pesos should be adjusted for inflation on a monthly basis, such adjustment is currently suspended. The Company estimates that the adjustment will be applied in the short-term.

The Company will evaluate the policies defined by the National Government as well as comply with the regulations in force to develop its medium- and long-term growth and diversification strategy in the energy area. It will also evaluate growth opportunities in the region.

1.3 Renewable Energy

1.3.1 Current situation

Diadema Eolic Energy Farm I

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

Year	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Energy MWh	28,849.2	28,083.7	25,506.6	22,969.1	29,060.5	27,939.65	25,656.7
FC	52.3%	50.9%	46.1%	41.6%	57.5%	50.8%	46.5%

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

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

Diadema Eolic Energy Farm II

The Farm received the authorization from CAMMESA to operate on September 18, 2019, complying with the terms stipulated in the bid. Due to the limitations in the electrical transportation of the Patagonian corridor and the 132 kV Comodoro Rivadavia - Pico Truncado line in particular, the farm must operate with power restrictions, which are administered by CAMMESA. Until the enlargement works are not performed by the National Government, these restrictions will be more severe as new wind farms are constructed in the area. As a compensation mechanism for said restrictions, section 10.3 of the agreement establishes the "Take-or-Pay Obligation" that will come into effect on June 19, 2020, i.e. 30 months following the award.

The performance achieved by the park since its start-up is reflected in the following table:

Month	Oct./2019	Nov./2019	Dic./2019	Jan./2020	Feb./2020	Mar/2020	Apr /2020
FC	34.3%	39.0%	54.0%	51.4%	42.2%	33.7%	0.0%

It is important to note that both farms were affected by a fire that occurred on March 25, 2020 at the Diadema Transformer Station, which connects the park to the SADI (Argentine Interconnection System), and as a result they were disconnected. The work to re-establish the connection and the root cause analysis were affected by the situation of COVID-19 and the social isolation measures, both preventive and obligatory, established by the National State through National Decree No. 297/2020. This fortuitous event was duly reported to both the National Secretariat of Energy and CAMMESA, and the corresponding disturbance reports were subsequently submitted. The reconnection of both farms was on 22 May 2020.

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

Storage of Renewable Energy through Hydrogen: There are several technologies for energy storage. According to the Fraunhofer institute in Germany, for high levels of power, energy and accumulation times, the options covering a wider spectrum are those of hydrogen and synthetic methane. Hychico projects involve both types of technologies.

Given the proximity of the Hydrogen Plant to some "depleted" reservoirs of oil and gas, in 2010 Hychico initiated a series of geological studies and surveys of facilities in order to analyze the feasibility of underground hydrogen storage in one of those reservoirs. The objective of the pilot project is to test reservoir capacity, watertightness and behavior of the reservoir to gain experience in large-scale hydrogen storage. One possible application is the use of mixtures of hydrogen with natural gas as fuel to power an equipment of between 10 and 30 MW and to supply electric energy to the MEM at times of peak demand.

For this pilot project, Hychico submitted the corresponding Environmental Impact Study and held a public hearing coordinated by the Ministry of Environment and Control of Sustainable Development of the Province of Chubut, achieving its approval in May 2014. Thus, in 2015 a pipeline of 2.3 km was built linking the Hydrogen Plant with the F-160 well where the pilot project is being carried out. The development of the tests is carried out in different stages that involve cycles of injection and production of natural gas and hydrogen at different levels of pressure and concentration.

In connection with this project, Hychico participated in the European Union's HyUnder programme - www.hyunder.eu - aimed at evaluating the potential, players and market for large-scale underground hydrogen storage. Likewise, it is part of other projects such as H2Store and HyInteger, with companies and research centres of international prestige in subjects related to microbiology, geosciences and materials.

Towards the production of "Green Methane": a possible application of stored hydrogen in underground form is the use of the microbial action present in the reservoirs that could combine the hydrogen with the carbon dioxide contained or injected in the formation to finally obtain methane. The advantages of this process would be the large volumes involved as well as taking advantage of natural geothermal energy. Methane, the main component of natural gas, could be used directly in applications such as turbine fuel, GNC, heating, etc., using the currently available natural gas infrastructure.

Through a scientific-technological collaboration agreement, the renowned Institute of Geological and Mining Research of France, BRGM -www.brgm.fr- was selected to provide advice to Hychico in the plan under analysis.

This project includes the biological characterization of the site, the identification and the optimization of parameters. Its objective is to model the behavior of the reservoir to provide a feasibility study of "green methane" production.

The results obtained up to the present in the Hydrogen and "Green Methane" underground storage projects have been selected to be exhibited in the last two World Hydrogen Energy Conferences (World Hydrogen Energy Conference 2016 and 2018 -www.whec2018.com-) that were developed in Spain and Brazil, respectively.

Preliminary tests in the BRGM laboratories show that the type of microorganisms in the reservoir and the physicochemical conditions of the reservoir allow the natural processes of methanogenesis to be carried out, transforming mixtures of hydrogen and carbon dioxide into methane. Field tests began in early 2019 and the final results expected in early 2020 were affected by the global situation of the Novel Coronavirus Pandemic (COVID-19) that affects Argentina and the whole world. The presentation is expected to be available in mid-2020.

In a national context where the significant increase in gas production generates a reduction in its price to values lower than US \$ 3 / MMBTU, the probability of a "green" methane market in the short term is drastically reduced. This causes future actions and developments linked to these types of projects to be subject to a more favorable context.

1.3.2 Future prospects

E G WIND will continue operating its Diadema II Wind Farm, while Hychico will operate its Diadema Wind Farm jointly with its Hydrogen and Oxygen Plant. At the international level, numerous countries have announced a "Road Map", with the incorporation of renewable energy and "green" hydrogen in their energy matrices. Such is the case of Japan, the Netherlands, Germany, Denmark, Norway, and, at the regional level, Chile, among the most outstanding. In this context, Hychico intends to achieve a higher share of regional and international projects. To this end, it has been a member of the Hydrogen Committee of the International Energy Agency (IEA) since 2018. At present, it is conducting a study in collaboration with the well-known research organization TNO in the Netherlands. This study evaluates the future renewable hydrogen market in the Netherlands and Europe, and includes an analysis of the potential competitiveness of producing "green" hydrogen through wind energy in Argentina. Based on the results projected for mid-2020, and if estimates are favorable for Argentina, a second phase would be initiated in which a list of projects and leading companies will be selected to form strategic technology and business partnerships.

2. Historical review

Capex was incorporated in 1988 to carry out oil and gas exploration in Argentina. This activity was performed through the acquisition/exploration of several areas (ADC, Senillosa, Villa Regina, Lago Pellegrini, Cerro Chato, Loma Kauffman and Loma Negra, La Yesera, Pampa del Castillo and recently Bella Vista Oeste and Parva Negra Oeste. Subsequently, Capex expanded its operations to include electricity generation, to become an integrated energy company. As a result, from 1993 to 2000 Capex developed a 672-MW combined cycle thermal station and an LPG plant on the ADC field, which allowed the business to vertically integrate operations. In addition, through its subsidiaries Hychico and E G WIND, Capex participates into the field of renewable energies, including the generation of wind power and the production of oxygen and hydrogen.

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 awardee of 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.

Agua del Cajón area

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 Agua del Cajón area is 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 area (El Salitral and Agua del Cajón), where, lastly, exploitation tasks were intensified.

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/day and oil production reached 35 m³/day when the Company began. Since the takeover to date, gas and oil production exceeded 3 million m³/day and 200 m³/day, respectively. This increase was mainly driven by putting new formations into production, the optimization of oil recovery systems, increased efficiency in field operation, and the oil uptake associated with gas production and gas processing at the gas separation plant. As a result of the prospecting and development efforts in the area, significant reserves of natural gas and oil were identified and added. The accumulated productions of gas and oil reached 20.6 million of m³ and 2.9 million m³, respectively, at April 30, 2020.





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

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

- Fee: Payment to the Province of Neuquén of a concession fee of US\$ 17 million.
- Investment and disbursement work plan: This involves an estimated total of US\$ 144 million until the end of the concession. At the date of issuance of these financial statements, the Company complied with all the investment amounts committed.
- Extraordinary production fee: Since June 2009, the Company has paid the corresponding concession fees to the Province of Neuquén at a 15% rate, with the addition of a 3% rate for this concept.
- Extraordinary income: Involves paying an additional percentage of an extraordinary fee that varies between 1% and 3 % depending upon the behavior of the price of crude oil and natural gas, in relation to a reference price scale.

In April 2017, by means of Decree No. 556/17, the Executive Power of the Province of Neuquén granted the Company a non-conventional hydrocarbon exploitation concession for a term of 35 years over the entire Agua del Cajón Area. This concession will end in the year 2052 and, as a condition for its granting, the Company undertook to carry out an investment program for US\$ 126.0 million, to be carried out for a period of five years as from January 1, 2017. As of April 30, 2020, the Company has exceeded the investment committed earlier than stipulated.

Likewise, as part of the terms and conditions for granting the non-conventional exploitation concession, the Company paid the following amounts to the Province of Neuquén: (i) US\$ 4.97 million as a conventional exploitation bond under the article 58 bis, second paragraph, of Law 17,319; (ii) US\$ 3.1 million in contributions for corporate social responsibility; and (iii) US\$ 0.882 million in stamp tax due to the signing of the investment agreement with the Province. By virtue of the payment of the bond mentioned in (i), the Company also maintains the right to conventionally exploit the area until the end of the non-conventional concession.

Under the agreement signed with the Neuquén Province, the Company pays the following royalties: (a) on the production from all completed and finished wells, except for those with production from unconventional reservoirs, such as shale gas, shale oil or schist of slate rock, the percentages paid under the Memorandum of Understanding shall be paid from April 13, 2009 to January 11, 2026, date as from which the maximum royalty payment of 18% shall be made, as set forth in Section 59 of Law 17319; and (b) royalties of 12% shall be paid on the production from wells completed and finished as from the grant of the unconventional hydrocarbon exploitation concession, with production from the unconventional shale gas, shale oil, or schist of slate rock reservoirs.

The productions of the area in the last 5 years are included below:

	ADC				
	04/30/2020	04/30/2019	04/30/2018	04/30/2017	04/30/2016
Oil production in bbl	235,971	274,775	337,305	298,093	262,556
Oil production in m ³	37,516	43,686	53,627	47,393	41,743
Gas production (Thousands of m ³)	473,979	527,704	540,848	566,840	558,002

Senillosa area

In October 1991, the Company acquired 100% of the exploration rights in the Senillosa area, having paid thousands of US \$ 315.2. In October 2005 the Senillosa area was returned to the Province of Neuquén.

Exploration areas in the province of Río Negro

During 2007 and 2008, Capex acquired exploration permits for 4 areas that were directly tendered by the Province of Río Negro (Villa Regina, Lago Pellegrini, Cerro Chato and Loma de Kauffman). From 2012 to 2017, exploratory studies were conducted and wells were drilled; most of them proved to be unproductive wells and others produce gas, with low productivity. The Company complied with the investment commitments and carried out the reversion of the areas, approved by the province of Río Negro.

Loma Negra and La Yesera areas

On October 31, 2017, Capex S.A. acquired the participation from Chevron Argentina S.R.L. of 37.5% of the concession of hydrocarbon exploitation "Loma Negra", and 18.75% of the concession of hydrocarbon exploitation "La Yesera", located in the province of Río Negro. The agreed price was US\$ 25.2 million which, net of adjustments set forth in the purchase agreement, amounted to a total purchase price of US\$ 24.7 million (including taxes). Capex was designated operator of both areas.

The partners that make up the consortia are: Capex, YPF, Metroholding, IFC and San Jorge (Point 1.1.1.)

The productions of both areas since the acquisition of Capex are indicated below:

	Loma Negra (100% Production)		
	04/30/2020	04/30/2019	04/30/2018
Oil production in bbl	415,164	268,616	72,768
Oil production in m ³	66,006	42,707	11,569
Gas production (Thousands of m ³)	240,613	133,114	40,010

	La Yesera (100% Production)		
	04/30/2020	04/30/2019	04/30/2018
Oil production in bbl	207,502	221,070	111,653
Oil production in m ³	32,990	35,147	17,751
Gas production (Thousands of m ³)	27,065	21,148	8,003

(1) At April 30, 2018 corresponds to the production of the period November 2017 to April 2018.

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Pampa del Castillo – La Guitarra area

On October 3, 2017, the Company agreed with ENAP SIPETROL ARGENTINA S.A the terms and conditions for the acquisition of 88% of the Concession of Exploitation "Pampa del Castillo - La Guitarra", for an amount of US\$ 33 million, which was paid in advance on July 31, 2018 for US \$ 28 million, withholding US \$ 5 million for contingent environmental liabilities.

On 13 April 2018 Capex agreed with Petrominera Chubut S.E. ("Petrominera") the terms and conditions for the acquisition of the 7% of the participation in the Concession of Exploitation "Pampa del Castillo - La Guitarra". The agreed purchase price paid was US\$ 6.27 million.

The Pampa del Castillo-La Guitarra area, located in the northern region of the San Jorge Gulf basin, in the Province of Chubut, has an approximate surface area of 121 km².

Capex is the operator of the Concession for the exploitation of the area since August 1, 2018. The term of the concession of the area expires in 2026 with the option to extend it for 20 additional years stipulated investments are met.

Capex and Petrominera committed to make investments in the area until 2021 for US\$ 108.4 million, in proportion to their interest and Capex, at its own risk, must make investments in exploration for an amount of US\$ 10.6 million during the same period. Additionally, Capex and Petrominera must make additional investments for US\$ 70 million until 2026 to make use of the option to continue the area exploitation until the subsequent period (year 2046).

Below is the interest of the Temporary Union of Enterprises (UTE):

Partners	Participation
Capex S.A.	95.00%
Petrominera Chubut S.E.	5.00%

The productions of the area since the acquisition of Capex are indicated below:

Pampa de Castillo (100% Production)		
	04/30/2020	04/30/2019
Oil production in bbl	1,683,861	1,042,083
Oil production in m3	267,713	165,678

At April 30, 2019 corresponds to production for the period August 2018 to April 2019.

2.2 Electric energy

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

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

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

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

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

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

	04/30/2020	04/30/2019	04/30/2018	04/30/2017	04/30/2016
Power generated	3,589,000	4,784,000	4,325,000	4,344,000	3,683,000
Power nominal	5,886,720	5,886,720	5,886,720	5,886,720	5,886,720
Charge factor	61.0%	81.3%	73.5%	73.8%	62.6%

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., subsidiary of Capex. 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 strategic vision of sustainable development and environmental preservation, the Company started the activity in relation to renewable energies by means of its subsidiary Hychico S.A. and subsequently also through its subsidiary E G WIND S.A.

As from the start of Hychico's activities, in 2006, two new projects related to the installation of a wind farm that supplied wind energy to the national interconnected system (DEEF) and the design and commissioning of a production plant were worked on of hydrogen from the electrolysis of water, both located in the Argentine Patagonia. Subsequently, in 2017, the development of a second wind farm began (DEEF II) which ended in 2019.

Diadema Eolic Energy Farm I

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

Based on a long-term vision, and on the importance to gain operating experience in the development and operation of wind farms, Hychico has defined the execution of a project in the Patagonia. Thus, an eolic energy farm was built which is composed of 7 aerogenerators with a generation capacity of 6.3 MW, each of them interconnected with the national grid. The Diadema Eolic Energy Farm (DEEF) was put into commercial operation in December 2011. In March 2012, Hychico and Cammesa entered into a WEM Supply Contract with Renewable Sources of Energy for the commercialization of energy generated by DEEF, under ES Resolution 108/11 at a price of 115.9 US\$/MWh.

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

In its economic and financial analysis, Hychico has considered the rate of return from the DEEF and the obtainment of greenhouse gases emission reduction certificates (GGAC) in the framework of the Clean Development Mechanism (CDM). To this end, Hychico has written the Project Design Document (PDD) and submitted it to the Argentine Office of the Clean Development Mechanism (OAMDL for its Spanish acronym), having obtained approval from this organism with retroactive effects to July 2012.

Likewise, it must be taken into account that the CDM methodology is currently being replaced by "Verified Carbon Standards" (VCS) and that the markets for the purchase and sale of carbon credits are not active, so the sales expectations are low and at prices well below prices at the beginning. This is mainly due to the few agreements reached in the last Conferences of the Parties (COPs), and therefore to the little commitment to mitigation and swap of bonds for correction time, showing little interest from the industry.

Diadema Eolic Energy Farm II

Furthermore, the Company presented the Diadema II Wind Farm project (DEEF II) in the RenovAr Program – Round 2 and it was approved on December 19, 2017 through ES Resolution No. 488/2017 from the Ministry Energy. It is carried out through its subsidiary E G WIND S.A. On June 4, 2018 E G WIND entered into an agreement with CAMMESA for the construction, start-up and supply of renewable energy for a maximum power of 27.6 MW at a price of US\$ 40.27 MWh, for a period of 20 years from the date of the commercial operation, including E G WIND's obligation to build the DEEF II.

The Diadema II Wind Farm is located in the city of Comodoro Rivadavia, Province of Chubut, and comprises 9 wind energy converters model ENERCON E-82 E4 with a nominal power of 3.07 MW (megawatt) each, adding up to a total installed power of 27.6 MW. The total investment was approximately 35.7 US\$ MM.

The Farm received the authorization to operate from CAMMESA on September 18, 2019, complying with the terms stipulated in the bid. Due to the limitations in the electrical transportation of the Patagonian corridor and the 132 kV Comodoro Rivadavia - Pico Truncado line in particular, the farm must operate with power restrictions, which are administered by CAMMESA. Until the enlargement works are not performed by the National Government, these restrictions will be more severe as new wind farms are constructed in the area. As a compensation mechanism for said restrictions, section 10.3 of the agreement establishes the "Take-or-Pay Obligation" that will come into effect on June 19, 2020, i.e. 30 months following the award.

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, hydrogen and oxygen storage systems and auxiliary systems. The plant has been operational since May 2010. Hydrogen is used for generating electric power by an air gas combination and the oxygen is used for the industrial gas market of the region.

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

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

The Plant was built in 11,000 m2 and is divided into different areas: control, processes and auxiliary systems.

3. Macroeconomic context

Due to the external financial issues and the subsequent domestic currency and tax crisis, coupled with the recession initiated in 2018, there was a sharp increase in inflation and a strong contraction of activity and consumption. All the foregoing in addition to the electoral process, which resulted in a new Administration since December 10, 2019.

Currently, the COVID-19 pandemic (as explained later on) is the main variable that explains the behavior of the local and international economy over the last months. As mentioned in the paragraph above, the coronavirus pandemic and the underlying negative local circumstances have plunged the Argentine economy into contraction. Consequently, the Argentine Government applied a series of measures to increase public spending and thus mitigate the negative effects of the preventive isolation on the economic activity.

The National Cost of Living Index published by the National Institute of Statistics and Census (INDEC) showed a 53.8% variation in 2019. The most significant variations were recorded in the areas Health (+72.1%), communications (+63.9%) and equipment and home maintenance (+63.7%). The less affected sectors were housing, water, electricity and other fuels (+39.4%), education (+47.1%) and recreation and culture (48.5%). In addition, salaries measured by the Workers' Average Taxable Remuneration Registry (RIPTE, its acronym in Spanish) had a 44.4% year-on-year increase at December 2019 compared to the same month of 2018. Inflation registered in the period May 2019 - April 2020 amounted to 45.6%.

The non-financial public sector had at December 2019 a total primary deficit of 0.5% and 4.0% in relation to GDP respectively. Annual variation in total tax revenue measured in \$ according to AFIP statistics ended 2019 with an increase of 47.4%, as compared with 2018. Primary expenses recorded by the National Treasury in 2019 varied 37.2% year-on-year.

In relation to the financial situation the wholesale exchange rate for the US dollar (as per BCRA Resolution A3500) closed at \$59.90/US\$ as of December 31, 2019, with an accumulated increase of 58.4% as against 2018. As of April 30, 2020, the price of US \$ reached \$ 66.84 / US\$, representing an average year-on-year variation of 51%.

Regarding the exchange and monetary scheme, in September 2019, the BCRA established measures for access to the exchange market, including maximum terms to bring into and settle foreign currency from export transactions, as well as limitations on the acquisition of foreign currency. In May 2020, the BCRA imposed new measures to restrict access to the foreign exchange market by residents with liquid assets abroad.

In March 2020, the National Government began a formal external debt restructuring process, which included successive offers in the rounds of negotiation with external creditors.

Impact of the Coronavirus on the operations of the Company and its subsidiaries

The World Health Organization (WHO) declared COVID-19 a pandemic on March 11, 2020. The COVID-19 outbreak is causing an adverse impact on global economy and, in particular, on oil price, which has recorded a decline of over 50%. The drop in economic activity due to the isolation measures adopted by different governments to mitigate the virus spread caused a strong downturn in the demand for oil, which was worsened by the lack of agreement between OPEC members and Russia regarding production volumes and consequent supply adjustment. Today, some countries have loosened confinement and isolation measures, but, in some cases, new virus outbreaks have been reported, which would entail going back to more strict measures. The scope and duration of those containment measures and their impact on the world economy are still uncertain.



In line with WHO recommendations for all countries affected by the COVID-19 pandemic, the National Government issued Emergency Decree (DNU) No. 297/20, whereby the social, preventive and mandatory isolation was implemented as from March 20, 2020, and a series of measures aimed at decreasing the circulation of the population were imposed, being exempted from isolation only those individuals engaged in essential activities. The isolation term has been extended several times and may be extended for as long as necessary in light of the epidemiological situation.

The DNU establishes as essential activities, workers on duty to ensure the operation and maintenance of: oil and gas fields, oil and gas treatment and/or refining plants, transport and distribution of electric power, liquid fuels, oil and gas, fuel supply stations and electric power generators.

The situations mentioned have significantly affected the hydrocarbons industry in the country, as detailed below:

- Even though the demand for hydrocarbons and, in particular, the demand for oil, has plunged, at the date of presentation of these Financial Statements, the volumes of demand show an upward trend.
- The storage capacity of crude oil was severely affected as a result of refineries' decrease in consumption.
- Local oil prices, which use international values as reference, have recorded a strong fall, but projections show recoverability (see "criollo barrel").
- The demand for gas was mainly affected by the fact that CAMMESA reduced the electric power dispatch and, therefore, there is less gas consumption for thermal generation.

The suspension of all non-essential industrial activities and consumption seasonality have contributed to the decline in demand. As a consequence, prices obtained by the Company in recent auctions by CAMMESA have experienced a steady downward trend compared with pre-isolation prices. Additionally, the National Government issued Decree No. 488/20, effective as from May 19, 2020, by means of which it provides that crude oil deliveries conducted in the domestic market between that date and December 31, 2020, have to be invoiced by producing companies and paid by refineries and retailers taking a reference value of US\$ 45/bbl for Medanito crude oil.

Regarding gas price, the National Government is considering the implementation of a Gas Plan with a price support mechanism for the industry.

In connection with electric power rates, on April 8, 2020, the Energy Secretariat empowered CAMMESA to postpone until further decision the application of the adjustment factor set forth in Resolution No. 31/20. According to this resolution, electric power generation rates will be pesified and later updated by an adjustment factor tied to inflation.

The main objectives of the Company are to preserve its employees' health and safety and keep its fields operating by selling its production in the domestic and international markets. To date, the Company has achieved these objectives. Additionally, the Company has been able to dispatch electric power generated in Agua del Cajón Thermal Power Plant using the gas produced in its field, in spite of the decline in the demand for electric power as a consequence of the COVID-19 pandemic mentioned above and of the breakdown of one of the Thermal Power Plant transformers in January 2020, whose repair is currently in progress and its start-up expected for August 2020.

Company Management is controlling this situation and adopting measures to ensure employee integrity, maintain operations and preserve its financial position. These actions entailed the development of an action plan including the implementation of the following measures: i) teleworking for all positions, where possible; ii) prevention protocols for operations that require the presence of staff to guarantee due and timely performance of maintenance work; iii) review of investments program; and iv) maintenance of an appropriate liquidity position, considering the situation and current market conditions, among others.

Given the measures adopted pursuant to the explanations above, the Company continues operating all its fields and the rest of its activities, adapting its operations to the current context.

In connection with the Financial Statements at April 30, 2020, the main consequences of the circumstances described are summarized below:

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- Assessment of the recoverable value of Property, Plant and Equipment: the current and foreseen drop in hydrocarbons prices and macroeconomic variables, which are the main assumptions for the estimate of the recoverable value of assets, recorded an impairment recognition in the oil and gas segment attributable to Agua del Cajón field amounting to \$ 1,813,300.

- Impairment of oil inventories: the fall in oil price has led the Company to record an impairment of crude oil inventories amounting to \$ 484,343. This impairment is a consequence of the fact that the net realizable value at April 30, 2020 was lower than the production cost.

The extent of the COVID-19 outbreak and its final impact on the Argentine economy is unknown and may not be reasonably predicted to date. However, although there have been some significant short-term effects, they are not expected to affect business continuity. It is expected that the Company will be able to continue to meet its financial and commercial commitments within the next twelve months due to its current financial soundness.

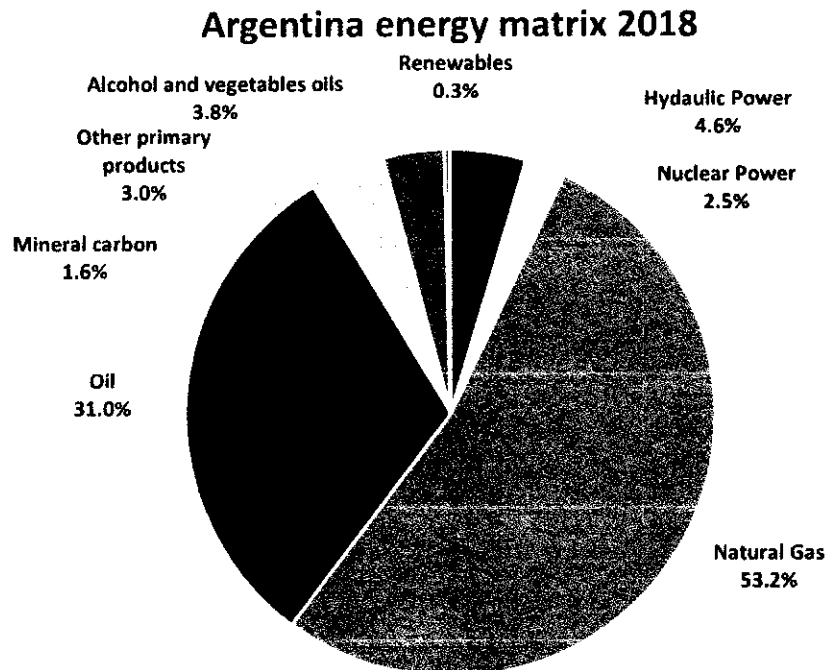
The Board of Directors is closely monitoring the situation and taking all necessary measures to preserve human life and the Company's business.

4. Argentine Energy Market

Argentine Energy Matrix

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

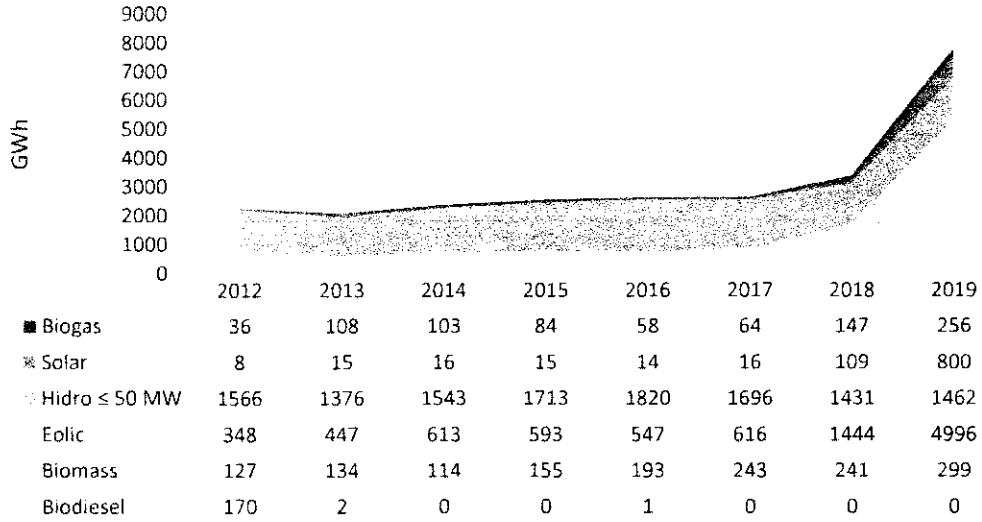
The following graphic shows the participations at December 31, 2018, since no official data are available as of December 31, 2019:



Source: Secretaría de Gobierno (SGE)

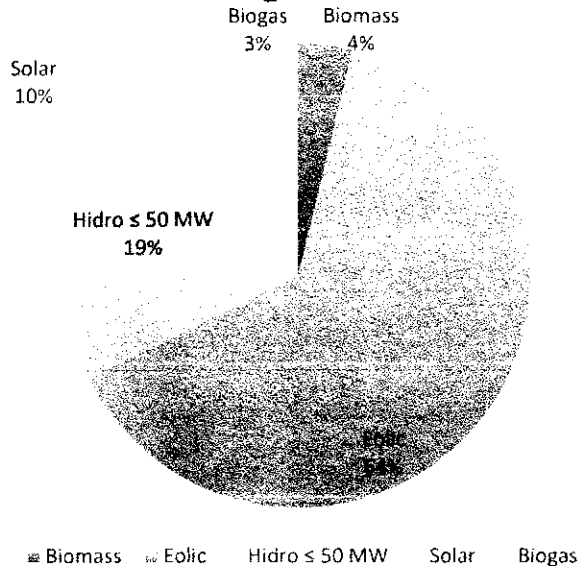
In 2019, 6.0% of the total energy generated of the country corresponds to the generation of renewable energy (including the run-on-the-river power generation lower or equal to 50MW). The following tables show the changes over the last 8 years and its breakdown in the year 2019:

Evolution of the generation of renewables energies



Source: SGE

Renewable generation - Year 2019



Source SGE

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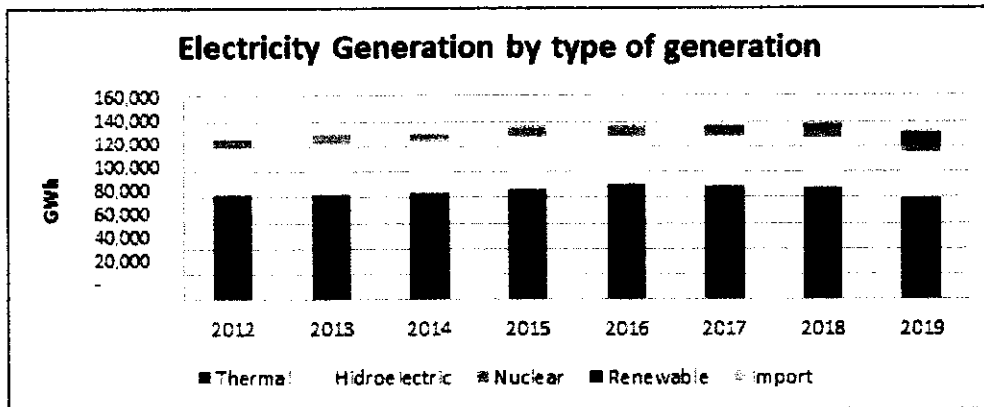
4.1 Electric Market

In the year 2019, the energy generated in Argentina decreased by 4.5%, reaching a volume of electricity generated of 131,246 GWh compared with the 137,481 GWh generated in 2018 mainly due to the drop in economic activity.

The thermal generation continued to be the main resource for supplying demand, contributing to an energy volume of 80,137 GWh (61.1%), followed by the hydroelectric power generation which contributed 35,370 GWh (26.9%), nuclear with 7,927 GWh (6.0%) and photovoltaic and eolic energy with 7,816 GWh (6.0%).

Thermal generation and the hydroelectric in the year 2019 were 9% and 11% respectively, lower than that recorded in the year 2018, while the nuclear energy recorded an increase of 23% given by the re-entry of the Embalse Nuclear Power Plant after its maintenance. Imports were also recorded for 2,746 GWh (698% superior as compared with 2018).

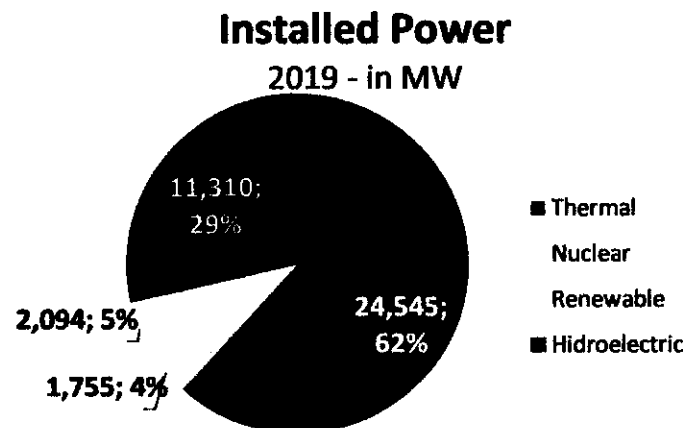
The following table shows the changes in electricity generation by type of generation:



Source: CAMMESA

It should be noted that during the year 2019, the pool of generating resources recorded an increase in its installed capacity as against the prior year, totaling 39,704 MW.

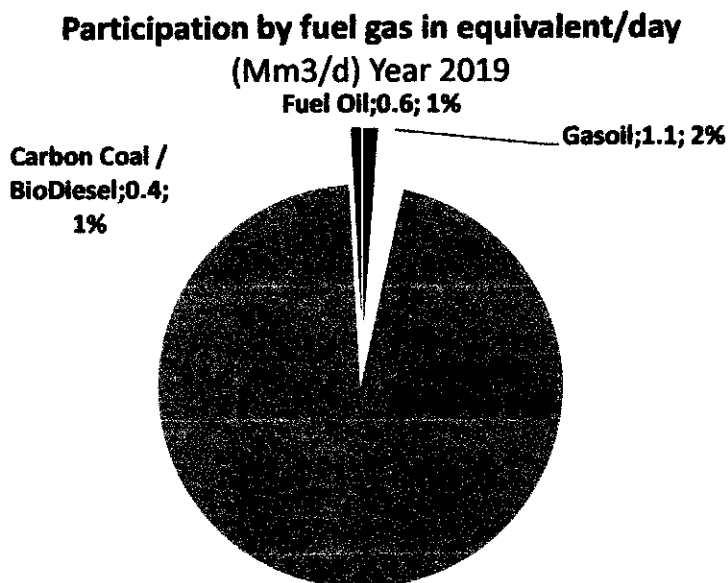
The following table shows the installed power in Argentina at December 2019:



Source: CAMMESA

As to fuel supply for the electric sector, during 2019 the ES Resolution No. 70/2018 was in force, which empowered the Generating, Co-generating and Self-generating WEM Agents to self-supply their fuel for the generation of electricity. The generation costs of electricity with self-supplied fuel are valued in accordance with the mechanism used to recognize Variable Production Costs accepted by CAMMESA. The Agency in charge of Dispatch (OED) will continue to commercially manage and dispatch fuel for those Generating Agents that do not or may not use the power granted in this Resolution. As of December 30, 2019, the fuel supply was again centralized in CAMMESA.

In the year 2019, consumption of natural gas for energy generation had a decrease compared with the prior year by 4.5%, due to a lower demand of energy in the period and an increase in the generation of energy from renewable sources. The consumption of fuel oil and gas oil were lower than those for the year 2018 by 66.7% and 54.2%, respectively. On the other hand, the consumption of coal decreased by 66.7% compared with the prior year.



Source: CAMMESA

Regulatory Framework - Main topics

Current remuneration schedule for the Electricity Generation Market

Res 31/2020 of the Ministry of Energy and Mining - applicable from February 1, 2020

On February 26, 2020, the Secretariat of Energy of the Ministry of Productive Development published Resolution 31/2020, whereby values remunerated through Resolution Res 1/2019 (see below) issued by the former Secretariat of Renewable Resources and Electricity Market (SRRyME) are pesified as from February 1, 2020.

This resolution further establishes that values stated in pesos will be adjusted on a monthly basis according to the amount resulting from the sum of 60% of Consumer Price Index (CPI) variation and 40% of Wholesale Price Index (WPI) variation from the previous month. This update would be applicable as from the transaction carried out on the second month following the resolution validity. Through Administrative Note NO-2020-24910606-APN-SE # MDP, dated April 8, 2020, the Ministry of Energy empowered CAMMESA to postpone the application of the update factor until a further decision. By virtue of this, as of the date of presentation of these financial

statements, CAMMESA has not applied the update factor provided in Resolution SE No. 31/2020. The Company's Management estimates that the update factor will be applied in the short term.

The new values set for remunerations for technologies with characteristics similar to CT ADC (> 150MW) are the following:

i) Remuneration for monthly available power, which will be allocated depending on the use factor of the generation equipment.

a) Minimum price associated with the Real Availability of Power ("DRP", for its acronym in Spanish).

Technology / Scale	[\$/MW-month]
Large CC P > 150 MW	100,650

This remuneration will be the base value for the availability of power to be applied for those generators that do not declare DIGO.

b) Base Price for the Guaranteed Availability Offered ("DIGO", for its acronym in Spanish)

Period	[\$/MW - month]
Dic - Ene - Feb - Jun - Jul - Ago	360,000
Mar - Abr - May - Sep - Oct - Nov	270,000

Monthly power remuneration of a Thermal Authorized Generator ("GHT", for its acronym in Spanish) will be proportional to monthly availability, use factor of the generation unit and seasonal prices. The applicable physical value is the monthly average power, less the hours of scheduled and agreed-upon maintenance. Power unavailability considered when calculating available average power will be the generating agent's sole responsibility.

The DIGO unavailability of a generating unit arising from any own flaw or due to the failure to consume fuel allocated in the economic dispatch is GHT's responsibility and will be considered forced unavailability.

ii) Remuneration for energy generated and operated

a) Generated Energy: non-fuel variable prices, by type of fuel consumed by the generating unit, is as follows:

Technology/Scale	Natural Gas [US\$/MWh]
CC - Large P > 150 MW	240

For the hours the generating unit is dispatched out of power as optimal dispatched power for operating reasons not attributable to forced generation due to transport, voltage or safety control requirements, it will be recognized as remuneration for generated energy considering it equal to 60% of net installed power, notwithstanding the energy actually dispatched by the generating unit.

b) Operated Energy: generators will receive a monthly remuneration for this concept represented by the integration of the hourly powers in the period, valued at 84 \$/MWh for any type of fuel.

When the generating unit does not dispatch power as optimal dispatched power for operating reasons not attributable to forced generation due to transport, voltage or safety control requirements, it will be recognized as remuneration for operated energy when it is equal to 60% of net installed power, notwithstanding the energy actually dispatched by the generating unit, plus rotating power calculated as the difference between the available net installed power and generated energy.

iii) Power availability remuneration in hours of high demand

Resolution 31/2020 introduces the concept of Period for the assessment of the generating park operation in Maximum Thermal Requirement Hours ("HMRT", per its acronym in Spanish) in the 50 hours in which the highest dispatch of net thermal generation is recorded in each month of the calendar year.

These hours will be assessed, as shown in the following chart, analyzing the hours of each month ordered from the maximum to the minimum thermal requirement, as indicated below:

HMRT	Period			
	Summer	Rest/Autumn	Winter	Rest/Spring
HMRT-1	First 25 hours of highest heat requirement of each month in each period			
HMRT-2	Second 25 hours of highest heat requirement of each month in each period			

GHT will receive 37,500 \$/MW for the average generated power in the 50 hours of the maximum thermal requirement of the month, differentiating between the first 25 hours and the second 25 hours and the seasonal periods of the year (summer, winter, autumn and spring).

- o Summer / Winter:
 - First 25 hs of the month: 37,500 \$/MW x 1.2
 - Second 25 hs of the month: 37,500 \$/MW x 0.6
- o Autumn / Spring:
 - First 25 hs of the month: 37,500 \$/MW x 0.2
 - Second 25 hs of the month: 37,500 \$/MW x 0.0

Lastly, the Undersecretariat of Energy of the Ministry of Productive Development is empowered to issue any such complementary or explanatory rules and regulations as are required for the implementation of this resolution.

Flexibility of charges and interest for late payment of the economic transaction

By means of SRRYME Resolution No. 29/2019, the application of default interest and charges was relaxed in the event of delays in the payment of economic transactions in the WEM.

i. Reduction of surcharges: The 50% reduction of surcharges for agents with overdue and unpaid debts is extended until April 30, 2020.

ii. Compensatory and default interest: Compensatory interest will only apply, at a rate equivalent to that set by Banco de la Nación Argentina for its 30-day discount operations, to agents that have failed to make the payment, but made the last three immediately preceding payments in due time, provided that such payment is made within 15 days of the invoice expiration date. A 1% default interest will additionally apply for each day of delay, calculated on the overdue and unpaid debt amount, with a cap equivalent to the surcharges provided for in CAMMESA's procedures when the payment is made after such term. It must be noted that the previous scheme established increasing default interest based on the time elapsed.

iii. Compensations: In the case of delays not exceeding 5 days in any given month, compensations without the application of compensatory interest are allowed by advancing the payment of the following invoice by 2 days per each day of delay.

Res 1/2019 of the Secretariat of Renewable Resources and Electricity Market (SRRyME) - applicable from March 1, 2019 until January 31, 2020

On March 1, 2019, the Secretariat of Renewable Resources and Electricity Market published Resolution 1/2019 repealing Resolution 19/2017 of the former Electric Power Secretariat since March 1, 2019. In line with the repealed regulation, the new one established:

- Establish that all Generating Agents, Cogenerators and Self-generators of the MEM shall be Authorized Generators (AG), with the exception of the Generation from the Binational Hydroelectric Power Plants and the Nuclear Generation, and the exception of Generators, Cogenerators and Self-generators of the MEM with generating units with power committed in the framework of Centralized Contracts for the Supply of the MEM demand (MEM Supply Contracts), the electric power of which will fulfill their obligations under the aforementioned contracts.
- Establish a guaranteed power availability system, in accordance with the methodology defined in Annex I "Guaranteed Availability of Power". Generation
- Establish a remuneration system for the Thermal Authorized (TAG) in accordance with the methodology and remuneration defined in Annex II "Remuneration for the Thermal Authorized Generation".
- Establish a remuneration system for the Hydraulic Authorized Generation (HAG) and generation through other sources of energy (RAG) in accordance with the methodology and remuneration defined in Annex III "Remuneration for the Hydroelectric Authorized Generation and Generation Through Other Sources of Energy".
- Establish a remuneration methodology for the Yacretá and Salto Grande Hydraulic Power Plants, as stated in Annex IV "Remuneration of Binational Hydraulic Power Plant".

The modifications included in Annexes I and II applicable to the CT ADC are detailed below:

Guaranteed Availability of Power ("DIGO", for its acronym in Spanish).

It is the available power that a Thermal Authorized Generator (TAG) commits for each generation unit and for each DIGO Remuneration Period. The availability contemplates typical temperature conditions of the site and with its base fuel for dispatch. In no case shall the power and energy committed under any other type of contract executed in the MEM be committed in DIGO.

The DIGO requirement periods include:

- a) Summer period: December, January, February
- b) Winter period: June, July, August
- c) Rest of the year:
 - * March, April, May
 - * September, October, November

CAMMESA will inform the declaration dates, which must be at least 30 days before the beginning of each quarter.

The values set by ES Res 19 E / 2017 for technologies with characteristics similar to CT ADC (> 150MW) are the following:

- i) Remuneration for monthly available power, it will be allocated depending on the use factor of the generation equipment.
 - a) Minimum price associated with the Actual Availability of Power ("DRP" for its acronym in Spanish)

Technology/Scale	[US\$/MW-month]
Large CC P > 150 MW	3,050

This remuneration will be the base value for the availability of power to be applied for those generators that do not declare DIGO.

b) Base Price for Offered Guaranteed Availability (DIGO)

Period	[U\$\$/MW – month]
Dec – Jan – Feb – Jun – Jul – Aug	7,000
Mar – Apr – May – Sep – Oct – Nov	5,500

Generating units that have declared that they manage fuel for generation purposes on their own, but do not have the fuel they were called for dispatch, will be considered they have 50% availability of the actual availability.

ii) Remuneration for generated and operated energy

- a) Generated Energy: Non-fuel variable prices, per type of fuel consumed by the generating unit, are established in the following chart:

Technology/Scale	Natural Gas [U\$\$/MWh]
CC – Large P > 150 MW	4.0

Generating units that have declared that they manage fuel for generation purposes on their own, but do not have the fuel they were called for dispatch, will lose their order for dispatch until, if necessary, the Agency Responsible for Dispatch (“OED”) allocates fuel for their operation. In the last case, only 50% of the related non-combustible variable costs would be remunerated for the Generated Energy.

- b) Operated Energy: the generators would receive a monthly remuneration on this concept, represented by the integration of time powers in the period, valued at 1.4 U\$\$ / MWh for any type of fuel.

Generating units that have declared that they manage fuel for generation purposes on their own, but do not have the fuel they were called for dispatch, would lose their order for dispatch until, if necessary, the OED allocate fuel for their operation. In the last case, only the Generated Energy by the generation unit will be recognized as Operated Energy and 50% of the price of the Operated Energy will be applied.

Remuneration of other Generation Technologies:

The resolution also covers remuneration for other generation technologies not applicable to the Company.

The remuneration for generator's energy is defined in its node.

The generators that choose to manage their own fuel had to make a declaration of the commitment assumed for the aforementioned management. Such declaration was made following the current procedure for fortnightly declarations of CVP (Variable Production Cost).

Likewise, it established that for the recovery of the amounts associated with the financing granted for the execution of non-recurrent, major and/or extraordinary maintenance, CAMMESA had to deduct from the settlement of the generator's credits an amount equivalent to the maximum between 1 U\$\$/MWh generated and 700 U\$\$/MW-month.

In relation to the concepts that the respective Annexes determined in US Dollars, the Resolution provided that the OED would convert the values denominated in US Dollars to Argentine Pesos, at the exchange rate published by the Central Bank of Argentina in “Reference Exchange Rate - Communication A 3500 (Wholesale)” of the day prior to the due date of the economic transactions.

Lastly, the Undersecretary of Electricity Market was empowered to issue complementary or explanatory rules and regulations that are required for the implementation of this resolution.

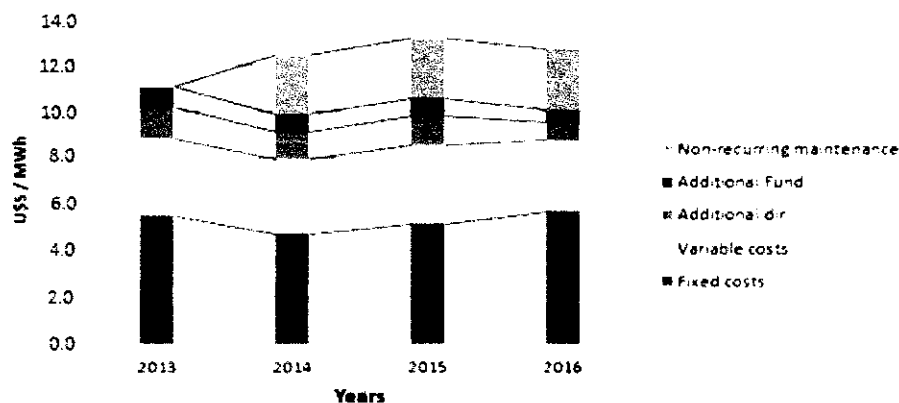
The following tables show the evolution of the compensation scheme for thermal generation since the sanction of Res SEN 95/2013. It should be noted that the values correspond to thermal power plants with technology similar to CT ADC (> 150MW). Additionally, and for comparative purposes, the remunerations in pesos established in Res. SEN 95/13, 529/14, 482/15 and 22/16 have been calculated in US \$ at the annual average exchange rate.

Fixed cost remuneration	5.5	4.7	5.1	5.6
Variable cost remuneration	3.4	3.2	3.4	3.1
Additional direct remuneration	1.3	1.1	1.2	0.8
Additional remuneration trust (*)	0.9	0.8	0.8	0.5
Non-recurring maintenance remuneration	-	2.5	2.5	2.6
Total	11.1	12.3	13.0	12.6

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

- (1) In effect as from February 2013 to January 2014, in pesos converted to US\$ at the average annual exchange rate for comparison.
- (2) In effect as from February 2014 to January 2015, in pesos converted to US\$ at the average annual exchange rate for comparison.
- (3) In effect as from February 2015 to January 2016, in pesos converted to US\$ at the average annual exchange rate for comparison.
- (4) In effect as from February 2016 to January 2017, in pesos converted to US\$ at the average annual exchange rate for comparison.

Evolution of energy remuneration 2013 to 2016



Source: CAMMESA. In pesos converted to US \$ at the average annual exchange rate for comparison.

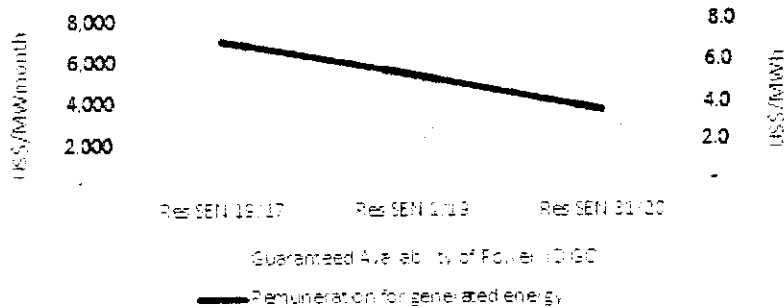
The following tables show the variation in the remuneration schedule for thermal generation since the passing of ES Resolution No. 19/2017, whereby Power Availability (DIGO) and Power Generation are paid for as separate items. The values correspond to thermal power plants with technology similar to that of CT ADC (> 150 MW).

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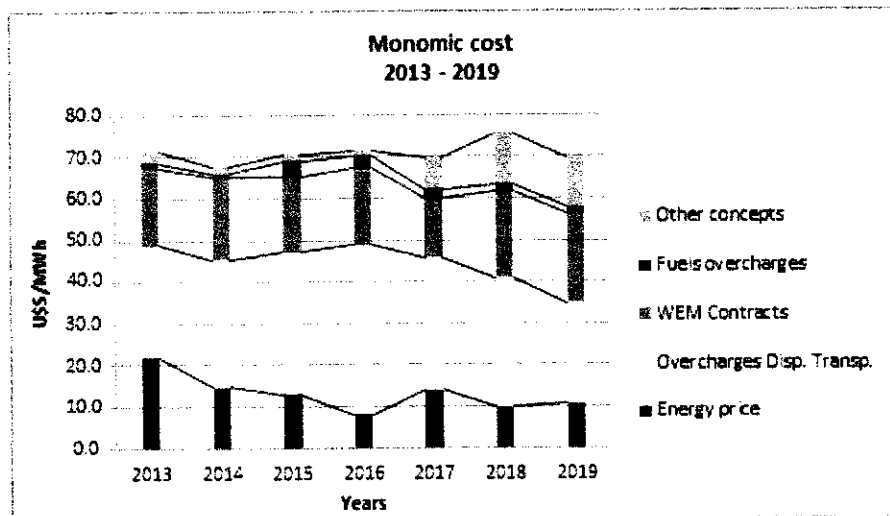
Power Availability remuneration (DIGO)	U\$/MWh	7,000	6,250	4,713
Power Generation remuneration	U\$/MWh	7.00	5.40	3.59

- (1) Valid from February 2017 to February 2019.
- (2) Valid since March 2019 to January 2020.
- (3) Valid from February 2020. Remuneration in pesos converted to U\$S at the exchange rate of April 30, 2020 for comparison.

Evolution of remuneration for Energy and Power 2017 to 2020



Additionally, the following graph shows the average annual cost of generating 1 MWh in the electric system. This cost includes, in addition to the price of energy, the charge for power, the cost of generation with liquid fuels and other concepts.



M.

Source: CAMMESA in pesos, converted to US\$ at the average annual exchange rate for comparison

Renewable energies

Energy Secretariat Resolution 108/2011

Res SE 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 should be granted to all projects involving the National State, ENARSA or the projects that the Minister of Federal Planning, Public Investment and Services so determined.

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 the 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 submitted.

It was 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.

Although Resolution No. 108/11 was repealed by Resolution No. 202 - E/2016, the latter provided that the contracts entered into under Resolution No. 108 will remain valid as originally established.

Law XVII No. 95 – Tax benefits for renewable energies

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

Law 27191 – Changes to the regime for the promotion of renewable energies

On September 25, 2016, the National Congress enacted Law 27191 which was published in the Official Gazette on October 21, 2016. The Law introduced amendments to the National Program for the Promotion of the Use of Renewable Energy Sources created by Law 26190. To that end, to reach an 8% renewable energy contribution to the national consumption matrix at December 31, 2017 and 20% at December 31, 2025, the law added the following: (i) it extended the definition of renewable energies; (ii) it eliminated the 10 year limitation for the tax benefit system; (iii) it set out non-excluding tax incentives such as: early refund of VAT, accelerated depreciation of income tax, exclusion from the tax on assets base of assets used in promoted activities, exemption from import duties, offsetting of tax losses against income (going from 5 to 10 years), tax exemption for dividend distribution when the beneficiary is an individual (only in the case of reinvestment), and tax certificates for 20% of the value of the national components; (iv) it created the Trust Fund for the Development of Renewable Energies that, among other things, will grant loans and guarantees for investment projects, and (v) it ordered that all power users would have to contribute by complying with the renewable energy consumption objectives set forth by the law, for which a gradual schedule was established and special obligations for Large Users of over 300kW. Finally, the law ratified that wind power generation should receive the same treatment as run-of-the-river power generation; therefore, this will be dispatched according to the actual wind availability.

In addition, in May 2016 the Ministry of Energy and Mining issued Resolutions 71/2016 and 72/2016 through which it set in motion the first round of the Open Bid Process for contracting in the WEM electricity from renewable generation sources ("Programa RenovAr") to comply with Laws 26190 and 27191.

Decree No. 531/2016 – Regulatory of Laws No. 26190 and 27191

On March 31, 2016 Decree No. 531/2016 was published in the Official Gazette; it approves the regulatory provisions to Law No. 26190, amended by Chapter I of Law No. 27191 and Chapter II of Law No. 27191 related to the Second Stage of the National Regime for Promotion of Renewable Sources of Energy Intended for the Production of Electric Power. It also approves the regulation to the Chapters of Law No. 27191 related to the Trust Fund for Renewable Energy (Chapter III), contribution by electrical energy users to comply with the objectives established by the Promotion Regime (Chapter IV), tax increases (Chapter V), regime on exports (Chapter VI), access to and use of renewable energy sources (Chapter VII), electric power from intermittent renewable resources (Chapter VIII) and supplementary clauses (Chapter IX) stating that the Enforcement Authority must widely publish offers for generation of electric power from renewable energy sources and invite the City of Buenos Aires and the Provinces to adhere to the law and issue their own local rules aimed at promoting the production of electrical energy from renewable sources.

Resolution E-275/2017 of the Ministry of Energy and Mining

On August 17, 2017, Resolution No. E-275/2017 from the Ministry of Energy and Mining was published in the Official Gazette which called for interested parties to offer in the National and International Open Bid Process for contracting in the WEM electricity from renewable sources - Program RENOVAR (2nd Round), with the aim of entering into contracts in the forward market (called supply contracts of renewable electricity) with CAMMESA in representation of Distributors and Large Users of the Wholesale Electric Market - until their reallocation to distribution agents and/or Large Users of WEM in accordance with the Program Bidding Terms and Conditions.

Resolution No. E-281/2017 - Ministry of Energy and Mining

On August 22, 2017 Resolution No. 281/2017 was published, which established the Forward Market System for Electricity from Renewable Sources within the framework of Law No. 27191 and its Regulatory Decree No. 531/2016. This system has the purpose of establishing conditions in accordance with Section 9 of the Law 27191 to be complied with by Large Users in the Wholesale Electricity Market and Large Demands from Customers of the Distribution Agents of the WEM or Utility Distribution Providers as long as their power demands are equal to or greater than three hundred kilowatts (300 KW) on average, through the individual contracting in the Forward Market of Electricity from Renewable Sources or by self-generation from renewable sources, in accordance with Section 9 of Law. 27191 and Section 9 of Exhibit II of Decree No. 531. Specifically, the entities falling within the mentioned Section of the Law could comply with their obligation in any of the following ways: a) individual contracting of

electricity from renewable energies, b) self-generation or co-generation from renewable sources, or c) participation in the procedure of joint purchases developed by CAMMESA. Section 9, subsection 2, paragraph (i) of Exhibit II of the regulatory Decree establishes that supply contracts for electricity from renewable sources entered into within the framework of Law 27191 by entities falling within Section 9 will be freely agreed upon by the parties, considering the characteristics of investment projects and compliance with obligations established by the law and regulatory decree, information duties and management requirements established by the CAMMESA Procedures and in the supplementary regulations issued by the Enforcement Authority.

Resolution 488/2017 - Renewable Electric Power Supply Contracts

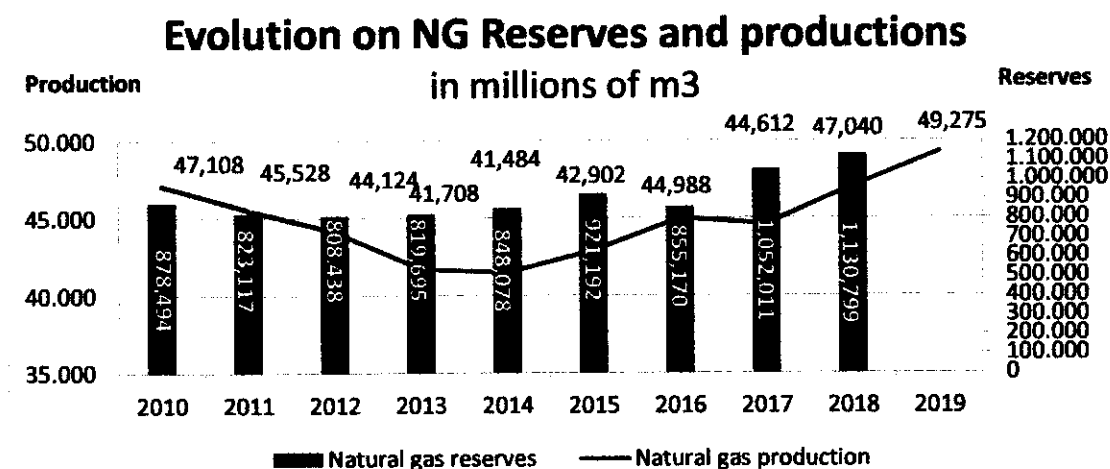
On December 19, 2017, through Resolution 488/2017 of the Ministry of Energy and Mining, the Renewable Electric Power Supply Contracts were awarded in accordance with Resolutions No. 275 dated August 16, 2017 and No. 473 dated November 30, 2017, both from the above Ministry, indicating the Awarded Price per megawatt hour for each technology in each Renewable Electric Power Supply Contract to be signed and the allocation of the remaining quota.

Resolution 230/2019 - Ministry of Finance - Secretary of the Government of Energy

On April 30, 2019, Resolution 230/19 of the Energy Secretariat was issued, modifying Annex I of Resolution 281/17 and establishing as relevant issues the new conditions for maintaining the dispatch priority granted, the ways to demonstrate the progress of the project and the term during which the bond insurance taken out for the power for which priority was given to the project should be maintained.

4.2 Oil, Gas and LPG Market

Natural Gas



Source: SGE - There is no available information on reserves for the year 2019

In 2019, the total country production of natural gas was 49,275 million m3, representing an increase of 4.8% compared to the volumes produced in 2018, basically due to the rise in production in the Neuquen Basin and to a lesser extent in the Austral Basin and mainly offset by a drop in production in the San Jorge Gulf and Northwestern Basins.



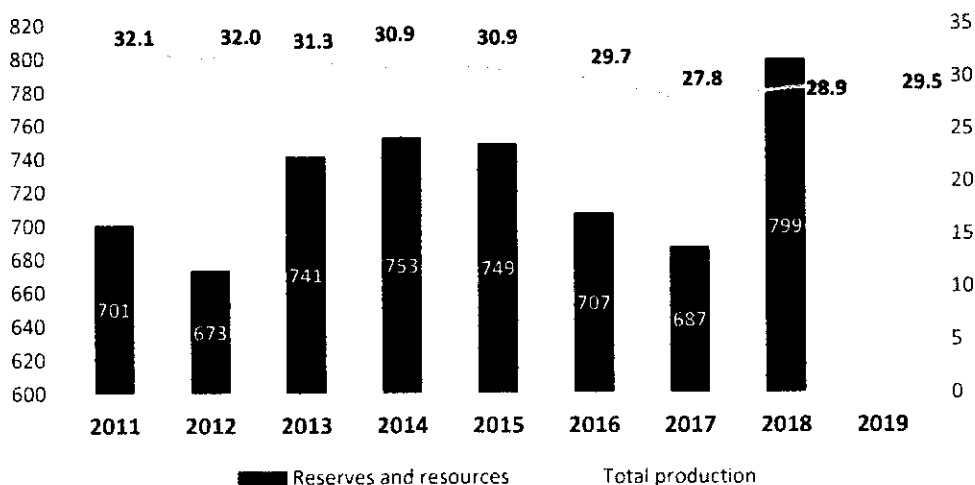
In April 2020, Argentina's total natural gas production was 116.7 million m³/day, representing an 11.3% decrease, compared with the volumes produced in April 2019 due, mainly, to the effect caused by the Covid-19 pandemic. Unconventional gas production at April 30, 2020 decreased by 8.0%, reaching 49.4 million m³ / day, while 53.7 million m³/day were recorded in April 2019.

Imports of natural gas decreased by 30.1%, 6,872 million m³ imported during 2020, while in the previous year 9,829 million m³ were imported, mainly due to greater supply of local gas and the decrease in domestic demand as a result of the economic recession.

According to the latest annual information published by the SGE, as of December 31, 2018, the total reserves and resources of natural gas in the country amounted to 1,130,799 million m³, of which 33% corresponded to proven reserves. Compared to the same data as of December 31, 2017, total reserves experienced an increase of 7.5%.

Oil

Evolution of Reserves & Resources and oil production in million of m³



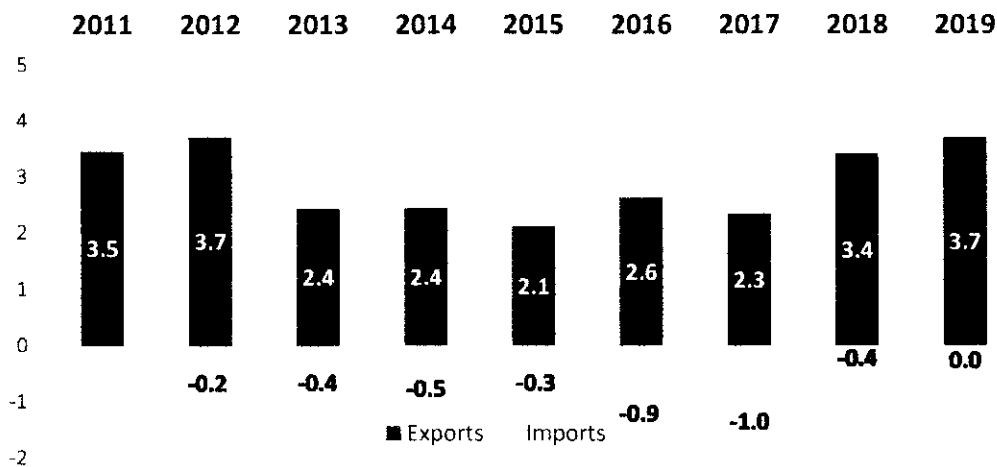
Source: SGE - There is no available information on reserves and resources for the year 2018

According to the data published by the SGE, the total oil production of the country registered in 2019 was 29.5 million m³, 2% higher than that registered in 2018, mainly from the greater and conventional production. The production corresponding to the San Jorge Golfo Basin amounts to 45.15% of the total country's production, while the Neuquén Basin represents 45.06%.

Total reserves and resources of the country at December 31, 2018 amounted to 799 million m³, registering a slight increase of 16.3% compared to 2017.



Balance of trade in oil in millions of m3

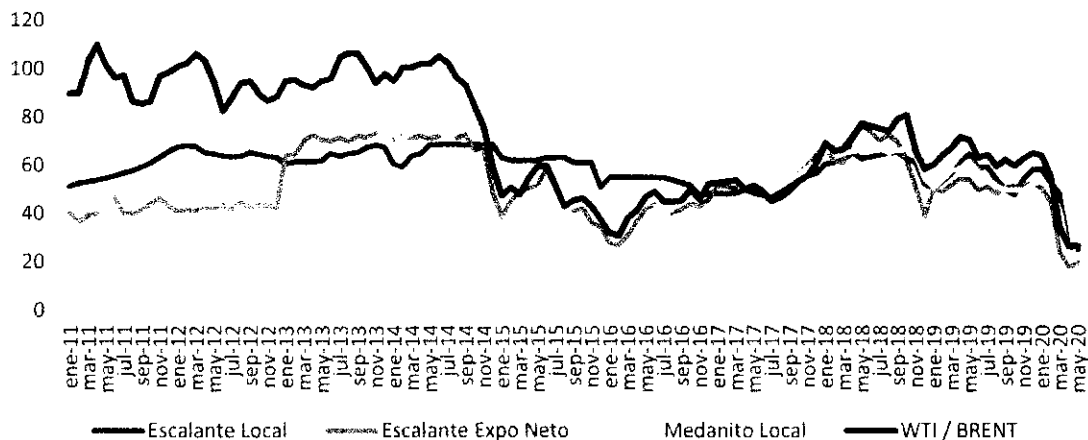


Source: SGE

During 2019 and according to the information published by the SGE, no oil imports were recorded, while in 2018 they were approximately 0.4 million m3. Exports increased by 8.8% compared to 2018, with 3.7 million m3 of oil being exported, which represents 12.5% of the country's total production in the year.

Evolution of oil prices in Argentina

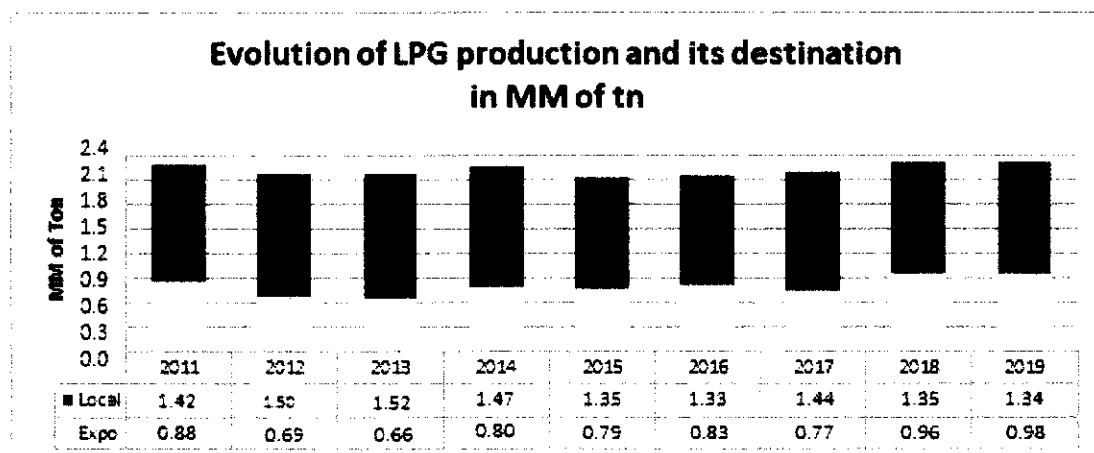
Crude oil prices in US\$/Bbl



Source: SGE

See the effects of the COVID-19 Pandemic on oil prices in Chapter 4.

LPG



Source: SGE

With respect to the previous year, the total country production of propane and butane increased by 0.2% during 2019, reaching 2.32 million tons. The 51% of this production corresponds to propane gas, while the remaining 49% is butane gas, as reported by the SGE.

Exports, which had increased by 25% between 2017 and 2018, registered a mild 2% increase between 2018 and 2019.

Sales in the local market represent 58% of total production in 2019, while the remaining 42% was mainly exported to Brazil, Chile, Senegal and South Africa.

Regulatory Framework - Main topics

Federal Hydrocarbons Law 17319 and 27007

Ownership of fields

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

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

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

With the enforcement of this law, the term of the concessions for conventional exploitation is maintained at 25 years; however, successive renewals of 10 years are authorized for both conventional and non-conventional exploitation concessions.

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 for increasing it up to 3 points (resulting 15%). A ceiling of 18% is set for successive extensions.

Furthermore, Law 27007 created an Investment Promotion System for the Exploitation of Hydrocarbons for investment projects exceeding US\$ 250 million and established that in, certain exceptional 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 available to the exporter.

Federal Law 26741

Public Interest Statement

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

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

Domestic market prices

In the domestic market, oil sales are made at prices negotiated between oil producers and refineries to which crude oil is sold. Those prices are set taking into consideration the current quotation of Brent crude oil, retail (pump) prices for fuels and byproducts, the future price scenarios, and the regulations and requirements established by the government.

Through Decree of Necessity and Urgency No. 566/19 dated August 15, 2019 and effective since the day of publication in the Official Gazette on August 16, 2019, the National Executive Branch ("PEN", for its acronym in spanish) established that:

- 1) deliveries of crude oil in the local market during the ninety calendar days following the entry into force of the measure must be invoiced and paid at the price agreed by producing and refining companies at August 9, 2019, applying a reference exchange rate of \$ 45.19/US\$ and a BRENT reference price of US\$ 59/bbl.
- 2) the maximum price of gasoline and gas oil (all qualities), marketed by refining companies and/or wholesalers and/or retailers, in all sale channels, during the ninety calendar days following the entry into force of the measure, shall not be higher than the current price at August 9, 2019.
- 3) during the period covered by this measure, refining companies and/or wholesalers and/or retailers must meet, at the prices established in said decree, the total national demand for liquid fuels, in accordance with the volumes required under usual market practices, supplying on a regular and continuous basis to each and every area that makes up the territory of the Argentine Republic.
- 4) hydrocarbon producing companies must meet the total demand for crude oil required by local refining companies, supplying regularly and continuously to all refineries located in the territory of the Argentine Republic to satisfy domestic demand.
- 5) fuels shall be marketed according to the qualities, types and other requirements established by current regulations.

Through Decree of Necessity and Urgency No. 601/19 dated August 30, 2019 and effective since the day of its publication in the Official Gazette on September 2, 2019, the PEN superseded sections 1 and 2 of Presidential Decree 566/19 and established a reference exchange rate of \$ 46.69/US\$ until November 13, 2019. In addition, the maximum price of gasoline and gas oil (all qualities), marketed by refining companies and/or wholesalers and/or retailers, whose final destination is the supply of fuel in points of sale (service station) shall not exceed the price effective at August 9, 2019.

To this end, the following resolutions were issued: ES Resolution No. 577/19 (effective September 19, 2019), raising the reference exchange rate to \$ 49.30/US\$ and ES Resolution No. 688/19 (effective November 1, 2019), raising the reference exchange rate to \$ 51.77/US\$.

On September 13, 2019, Resolution No. 552/19 of the Ministry of Finance was published, establishing a transfer of \$ 116.10 per barrel of oil delivered to the local market during September 2019, to be paid 88% to the requesting producing company and 12% to the province in which the oil was produced. The above-mentioned request for transfer must be accompanied by a waiver by the oil producing company and the grantor of the concession (the province) of any right or administrative, judicial, out-of-court action or claim or arbitration proceedings, in Argentina or abroad, and at international level, in relation to the application of Decrees Nos. 566 and 601/19. The Company has not made any request in this regard.

Given the economic context the country is going through as mentioned in Note 1, on May 18, 2020, Decree No. 488/2020 was issued, published in the Official Gazette on May 19, 2020, by means of which the National Executive Branch provides that crude oil deliveries conducted in the domestic market between that date and December 31, 2020, have to be invoiced by producing companies and paid by refineries and retailers taking a reference value of US\$ 45/bbl for Medanito crude oil. This regulation, which is inconsistent with the provisions of Law No. 17319 regarding the fact that the price basis for calculation for the payment of royalties has to be the price actually collected, will no longer be in force if the Brent quotation exceeds such value for ten consecutive days. The Energy Secretariat was authorized to modify the reference price on a quarterly basis and to periodically review the scope of the measure adopted based on production volume parameters and the levels of activity and investment. Additionally, the decree established, during its effective term, the following provisions for producing companies:

1. Maintain the levels of activity and/or production recorded during 2019, keeping the agreements with regional services companies and its employees at December 31, 2019, for which companies should consider the current contraction of domestic and international demand for hydrocarbons and byproducts as a consequence of the COVID-19 pandemic within the appropriate and economic operation parameters set forth by Sect. 31 of Law No. 17319;
2. Fulfill the annual investment plan;
3. Do not acceded to the exchange market for the purchase of external assets or securities in pesos to be later sold in foreign currency or transfer of custody abroad; and
4. Apply the price established in every case for the calculation of hydrocarbon royalties.

Export Duties

Under Decree No. 793/2018 dated September 3, 2018, the National Executive Branch determines export duties until December 31, 2020, equivalent to 12% of the exports for consumption of all goods within the tariff positions from the Common MERCOSUR Nomenclature (NCM, for its acronym in Spanish), among which are the hydrocarbons sold by the Company. The duty established may not exceed \$4/US\$ of the tax value or the FOB official price.

By means of Decree No. 37/99 issued by the National Executive Branch and published in the Official Gazette on December 14, 2019, the cap of \$ 4/US\$ of the tax value or FOB price as export duties under Decree No. 793/18 was eliminated. Therefore, the rate for export duties applicable to hydrocarbons will be 12%, subject to no cap.



Besides, Law No. 27541 published in the Official Gazette on December 23, 2019, stated that rates for export duties applicable to hydrocarbons and mining cannot be higher than 8% of the tax value or FOB price. However, to the date of these financial statements, Customs settles export duties for hydrocarbons at a 12% rate. The Company has filed the corresponding objections and has requested the reimbursement for the export duties paid in excess

Finally, National Executive Branch Decree No. 488/2020, published on May 18, 2020, provides a schedule to determine the rate for export duties, revoking any regulation contrary to it, and outlines the following definitions:

- a. Base value (VB): U\$S 45/bbl
- b. Reference value (VR): U\$S 60/bbl
- c. International Price: the last business day of each month, the Energy Secretariat will publish the quote of "ICE Brent First Line" barrel price, for which it will consider the average of the last five quotes published by the "Platts Crude Marketwire" under the heading "Futures Settlements." If there were a difference of over 15%, a new quote will be determined, to be applied as from the following business day.

Based on these definitions, the Decree sets forth the following provisions regarding export duties:

- A 0% rate if the international price is equal or lower than the base value.
- An 8% rate if the international price is equal or higher than the reference value.
- If the international price is between the base value and the reference value, the rate is determined using the following formula:

$$\text{Aliquot} = \frac{\text{PI} - \text{VB}}{\text{VR} - \text{VB}} \times 8\%$$

The Company made foreign oil sales for \$ 5,255 and \$ 4,070 million as of April 30, 2020 and 2019, respectively.

Natural gas

Gas Plus Program

Under ES Resolution 24/08, the Energy Secretariat created the so-called "Gas Plus Program" consisting of incentives for new production of natural gas. The Company has submitted several projects, which have been approved. Gas sales made by the Company correspond to the Gas Plus Program.

Resolution 41/16 of the Ministry of Energy and Mining

On April 7, 2016, the Ministry of Energy and Mining adopted Resolution 41/16 setting effective April 1, 2016 the new prices for natural gas at the point of access to the transport system for each original basin, destined for the generation of electricity for sale in the WEM.

Resolution 46-E / 2017 - Stimulus Program for Investments in Developments in Natural Gas Production from Unconventional Reservoirs

On March 2, 2017, the Ministry of Energy and Mining issued Resolution 46-E/2017, by means of which the Incentive Program for Investments in Developments of Natural Gas Production derived from Unconventional Reservoirs (the "Program") was created with the aim of stimulating the investments in natural gas production derived from unconventional reservoirs in the Neuquén Basin.

The Program will be in force from its publication in the Official Gazette to December 31, 2021.

Companies that have the right to produce unconventional gas derived from concessions located in the Neuquina Basin could request adherence to this Program. They should be registered with the National Registry of Oil Companies. Further, to be included in this Program, these companies should have a specific investment plan approved by the competent provincial authority, in conformity with the Secretariat of Hydrocarbon Resources.

The compensation is calculated based on the production of unconventional gas to be sold, that is to say, the natural gas prepared for commercialization, excluding internal consumption in the fields and taking into account the difference between the effective price (average weighted price of each company's sales of natural gas to the internal market) and the minimum price.

The minimum price will be:

- 7.50 US\$/MMbtu for calendar year 2018,
- 7.00 US\$/MMbtu for calendar year 2019,
- 6.50 US\$/MMbtu for calendar year 2020, and
- 6.00 US\$/MMbtu for calendar year 2021.

The payment of the first compensation under the program will be made in the month after the request is submitted or in January 2018, whichever occurs later. Nevertheless, those companies taking part in the "Incentive Program for Natural Gas Injection for Companies with Reduced Injection", created by Resolution 60/2013 of the former Commission for the Strategic Planning and Coordination of the National Hydrocarbon Investment Plan, which adhere to the current program, may receive compensation, if applicable, as from the month following submission of request for adherence to the Program.

Resolution 419-E/2017 - Incentive Program for the Investments in Developments of Natural Gas Production from Unconventional Reservoirs

On November 1, 2017, Resolution 419-E/2017 (which amends Resolution 46-E/2017) was issued, setting a new Appendix I modifying the terms and conditions of the Program.

Definitions:

1. Unconventional Gas: gas from natural gas reservoirs, characterized by the presence of very compact sandstones or clays with low permeability and porosity (Tight Gas or Shale Gas).
2. Included Concessions: Concessions which produce Unconventional Gas, located in the Neuquina Basin.
3. Initial Production: Average monthly Unconventional Gas Production for the period July 2016/June 2017.
4. Included Production:
 - a. All the monthly production of Unconventional Gas for those concessions whose Initial Production is lower than 500,000 m³/d.
 - b. All the monthly production of Unconventional Gas minus the Initial Production for those whose Initial Production is equal to or higher than 500,000 m³/d.
5. Minimum Price:
 - o 2018: 7.50 US\$/MMbtu.
 - o 2019: 7.00 US\$/MMbtu.
 - o 2020: 6.50 US\$/MMbtu.
 - o 2021: 6.00 US\$/MMbtu.
6. Effective Price: Average weighted monthly price for the total volume of natural gas sales in Argentina (to be published by the ES).
7. Unit Compensation: The result of the Effective Price subtracted from the Minimum Price (when such difference is greater than zero).
8. Interim payments: payment of 85% of the compensation (estimated on the projections of companies) for the previous month.

Concessions which do not reach an average annual production (12 consecutive months) of 500,000 m³/day in their investment plan before December 31, 2019 will not be considered. If they do not reach the 500,000 m³/day, they must reimburse the compensation amounts received, adjusted with an interest rate (average lending rate of Banco Nación for trade discounts operations). The Secretariat of Hydrocarbon Resources can request a fidelity bond insurance policy to guarantee the reimbursement of the compensation.

- An independent measurement and production schedule must be submitted.
- The payment of the first compensation will correspond to the month after the request is submitted or in January 2018, whichever occurs later.

- **Early start of Gas II Plan:**
 - The companies participating in Gas II Plan (Resolution 60/13) will be able to receive compensations as from the month after the submission is completed.
 - For 2017, the minimum price to be used will be that of 2018.
- The effective price for 2017 will be the corresponding price of the excess injection.
- **Payments:**
 - 88% will be paid to the Company and 12% to the corresponding province.
 - Payment order in pesos, with the exchange rate of the last business day of the month to which the volumes correspond.
- **Initial interim Payment:**
 - The Secretariat of Hydrocarbon Resources will issue a payment order before the last business day of the month following that of the inclusion of the Company.
 - Within 20 days of the month after which the payment order is issued, a sworn statement of the Included Production, certified by independent auditors, must be submitted.
- **Control of Production volumes:**
 - Volumes corresponding to the entering points to the Transportation System of Natural Gas: the Secretariat of Hydrocarbon Resources will send the volumes of included production submitted by the companies to ENARGAS, which will verify the injection volumes.
 - Points located before the entering points to the Transportation System of Natural Gas: the Secretariat of Hydrocarbon Resources will verify the results of the measurement of volumes from each Gas Measure Point installed, pursuant to Resolution 318/2010.


On January 31, 2018, the Company submitted an application to the Exploration and Production Undersecretariat of the Ministry of Energy and Mining, requesting adherence to the mentioned Program for the Agua del Cajón concession. This presentation included the approval by the Provincial Enforcement Authority (Ministry of Energy and Natural Resources for the Province of Neuquén – Resolution No. 012 dated January 29, 2018) of an investment plan for US\$ 101.5 million, until 2021, which would make the development of natural gas production from unconventional reservoirs possible. On June 6, 2018, the ES notified Capex that the Agua del Cajón concession was included in the Program. As of April 30, 2020, the investment plan has been completed with a total investment of US \$ 127.5 million.

Likewise, on that date Capex requested before the Ministry of Energy and Mining adherence to the same Program for the Loma Negra concession, located in the province of Río Negro; the Company holds an interest of 37.5% in the concession and operates it. The presentation also included the approval by the Provincial Enforcement Authority (Energy Secretariat for the Province of Río Negro – Resolution No. 13 dated January 30, 2018) of an investment plan for US\$ 74.5 million, corresponding to the “Loma Negra” concession area in its entirety. This request was not approved by the Ministry of Energy and Mining of the Nation.

The Company has submitted the affidavits for the production of natural gas coming from unconventional reservoirs from the Agua del Cajón Area corresponding to the periods January 2018 – March 2020 and the bond insurance policies to request the payment of the incentive program. The Ministry of Energy authorized the interim payment equivalent to 85% of the economic remuneration requested for the period January 2018 – September 2019 for approximately \$ 1,637.1 million. The Company has recorded under Sales the total incentive complying with the conditions set forth in Resolution No. 419 E/2017, amounting to \$ 1,386.7 million, for the monthly production from April 2019 to March 2020.

Additionally, the Energy Secretariat applied in December 2018, with retroactive effect to January 2018, a new criterion regarding the volume to be recognized for the payment of compensation derived from the Stimulus Plan, the same being the minimum between the nonconventional actual volume produced and the original curve timely presented.

Resolution 46/2018 – Reference price for electricity generating

On July 31, 2018, the Ministry of Energy issued Resolution 46/2018, by means of which it established the new maximum prices at the entering point to the transportation system for natural gas, for each basin of origin, that will be applied for the valuation of natural gas volumes for electricity generation that will be sold in the WEM or, in general, for the provision of the utility service of distribution of electricity. These maximum prices were valid from August 1, 2018. For the Neuquén Basin the established maximum price was to US\$/MMBTU 4.42. 

NO-2018-40206154-APN-SSEE#MEN – Acquisition of natural gas to be used in the generation of electricity. Undersecretariat of Electric Power of the Ministry of Energy.

As part of the regularization process of the sector and where mechanisms will be gradually implemented for Generators to acquire by themselves the fuel volumes necessary for the production of electricity and their selling under competitive terms, on August 17, 2018, the Under Secretariat of Electric Power through Note NO-2018-40206154-APN-SSEE#MEN ordered CAMMESA to implement competitive mechanisms, on a temporary basis, until reaching this goal, taking into consideration the following guidelines to call for a bidding:

- CAMMESA must acquire natural gas under firm and interruptible quantities through the Gas Electronic Market (MEG, for its acronym in Spanish), based on the system needs and considering the Maximum Daily Quantities of the contracts in force for the period.
- Acquisitions must be open to producers and sellers of natural gas, for each of the productive basins and up to the required quantities.
- The maximum value to accept should be up to the price established in Resolution MEN No. 46/2018.
- Volumes to be acquired in each basin will be those required to cover supply needs.
- The bidding must be competitive and transparent, the outcome of which must be published.

The daily dispatch of natural gas volumes hired must be made in ascendant order of generation cost, considering the transportation capacity and the availability of electricity generation.

Resolution No. 70/2018 ES - Acquisition of Gas

Through ES Resolution No. 70/2018, on November 6 2018, the Generating, Co-generating and Self-generating WEM Agents are empowered to supply their own fuel for the generation of electricity. This power will not affect the commitments taken on by the Generators under the framework of WEM supply contracts with CAMMESA. The generation costs with own fuel will be valued in accordance with the mechanism to recognize Variable Production Costs accepted by CAMMESA.

The Agency in charge of Dispatch (OED) will continue to commercially manage and dispatch fuel for those Generating Agents that do not or may not use the power granted in this Resolution.

Note from the Energy Secretariat NO-2018-66680075-APN-SGE # MHA - Maximum prices (PIST) to be considered for each basin in US\$/MMBTu.

On December 19, 2018, the Energy Secretariat issued the note NO-2018-66680075-APN-SGE # MHA, which instructs CAMMESA to apply, for the period January to December 2019, the new natural gas reference prices for the generation of electricity. For the Neuquén basin, the maximum price established is 3.70 US\$/MMbtu for the months of Jan-Feb-Mar-Apr-May-Sep-Oct-Nov-Dec and of 4.95 US\$/MMbtu for the months of Jun-Jul-Aug.

Note from the Energy Secretariat NO-2019-07973690-APN-SGE # MHA -Valuation of Generation Costs with Own Fuel. RESOL-2018-70-APN-SGE#MHA.

On February 8, 2019, the Energy Secretariat issued Note NO-2019-07973690-APN-SGE # MHA, which instructs CAMMESA to apply, for the definition of the Maximum Production Variable Costs to be recognized in each fortnight, the weighted average price of natural gas per basin that would have resulted if all the natural gas produced in Argentina needed for the estimated supply in the electricity sector had been acquired through the contracts arising from the last bidding made by CAMMESA in the MEG.

Resolution 12/2019 SEN

On December 27, 2019, the Ministry of Productive Development issued Resolution No. 12/19 repealing SGE Resolution No. 70/18 effective as from December 30, 2019, whereby CAMMESA's centralization scheme for the supply of fuel for generation purposes was restored.

Note from the Energy Secretariat NO-2020-05333189-APN-SE#MDP - Mechanisms for the provision of natural gas to be used in the Wholesale Electric Market in auctions

On January 24, 2020, the Secretariat of Energy through Note NO-2020-05333189-APN-SE#MDP ordered CAMMESA to include in the General and Specific Bidding Terms and Conditions clauses stating the obligation to provide the volumes awarded and nominated by CAMMESA.

It also established new maximum reference prices for the purchase of natural gas by CAMMESA as from February 1, 2020. For the Neuquén Basin, the maximum price established was US\$/MMbtu 4.02 for June, July and August and US\$/MMbtu 2.67 for the rest of the year.

Note from the Energy Secretariat NO-2020-33627304-APN-SE#MDP – The maximum Price established

On May 21, 2020, the Secretariat of Energy issued Note NO-2020-33627304-APN-SE#MDP, whereby new maximum reference prices were established for the purchase of natural gas by CAMMESA as from June 1, 2020. For the Neuquén Basin, the maximum price established was US\$/MMbtu 2.67 for the year.

The National Government is considering the implementation of a Gas Plan with a price support mechanism for the industry

LPG

Law 26020 and ES Resolution 168/05

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

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

As regards the production own regulation, we have to mention that section 11 of Law 26020 has established freedom in the production activity, i.e. the LPG production under any form or technical alternative is free: the opening of new plants or the enlargement of existing ones can be made with no further requirement other than compliance with Law 26020, its regulations and pertinent technical standards.

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

Resolution 168/05 of the ES establishes that the export operations have to be recorded with the LPG Direction, reporting to the 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 regulations to that end.

ES Resolutions Nos. 1070/08 and 1071/08

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 26.2 a.1)). Subsequently, addenda to those agreements were signed, and ratified by resolutions of the Energy Secretariat.

ENARGAS Resolution Nos 1882, 1988 and 1991/11

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

The Company considers that this charge is unconstitutional since it involves a tax and has not been created under a Law passed by the National Congress. In view of this, the Company has filed legal action and has been awarded a precautionary measure, as explained in Note 27.2 a.2).

ES Resolution No 77/12

Energy Secretariat Resolution 77/12 (the "Resolution") was published in March 2012. This resolution extends the LPG (butane) price stability agreement, establishes that the producing companies that are not a party to the agreement must meet the supply parameters determined by the Energy Secretariat and sell LPG (butane) to the Bottling Companies at prices and with remunerations equal to the ones set for the producing Companies that are a party to the Agreement, and that the companies not complying with those parameters and provisions shall (i) not be authorized to export; (ii) not be allowed to purchase and sell LPG in the domestic market to any of the persons operating in the industry; and (iii) shall be rendered liable to fines for failure to deliver the product under the terms established by the Competent Authority or for sales in excess of the prices set in the Agreement or in the Resolution. The Company has filed administrative and legal actions against the Resolution (see Note 27.2 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 extensions to the agreement for the stability of prices of LPG, and, in general, repeating the provisions of ES Resolution 77/12. The Company, not being a party to the LPG price agreement, will eventually file administrative and legal actions against those regulations, if necessary.

Decree 470/2015 and ES Resolution 49/2015

In March 2015, Decree 470/2015 and ES Resolution 49/2015 were published, which replaced the "Garrafas para Todos" (Gas Bottles for Everyone) Program in force since 2009 with the "Hogares con Garrafas" (Homes with Gas Bottles) (HOGAR) Program. This new Program modifies the scheme of volume contributions of propane and butane, the system of subsidies and maximum prices in force. The Company has challenged the application in those programs.

The maximum reference prices to be billed by producers under the "Homes with Gas Cylinders" ("Hogares con Garrafas" or "HOGAR") are updated regularly. The maximum reference prices established by Provision 104/2019, of the Undersecretariat of Hydrocarbons and Fuels, and in force of April 30, 2020 were set at \$ / tn 9,895 for butane and \$ / tn 9,656 for propane.

Undiluted Propane Gas Supply Contracts

Since 2002, "Undiluted Propane Gas Supply Agreements" for Networks have been entered into with propane gas producers; the purpose of these agreements is to ensure stability in the supply conditions of propane gas for the distribution networks currently operating in Argentina.

The agreements, until December 2015, included the direct collection of \$ 300/tn (stated at historical cost) from the party receiving the volume of gas comprised in the agreement (stated at historical cost). The difference between this amount and the price known as "Export Parity Local" published by the ES is collected by means of a tax credit certificate and/or in cash from the enforcement authority.

Deliveries between May 1, 2015 and December 31, 2015 were not collected through a tax certificate, instead they were collected through the issuance of public debt instruments (BONAR 2020 US\$). The Company had to join as a Beneficiary Company of that program, created by means of Decree 704/2016, published in the Official Gazette on May 20, 2016.

The prices collected by these companies were index-adjusted in October 2016 (Res 212/2016), March 2017 (Res 74-E/2017) and in November 2017 (474/ E/2017), determining for that date, prices for residential users of \$/tn 1,941 (stated at historical cost).

As set forth in the Sixteenth Agreement to Extend the Propane Gas Supply Agreement for Undiluted Propane Gas Distribution Networks expiring on December 31, 2019, a new semi-annual price adjustment mechanism was established effective March 2018, with an Adjustment Percentage of 35% between April and September 2018; 49% between October 2018 and March 2019, and 70% between April and December 2019. Those percentages will be applied to the price of LPG - Export Parity for the month prior to the commencement of each period of price adjustment. Notwithstanding this, the Company delivered propane in accordance with the conditions of the sixteenth extension of the Propane Network Agreement, also indicating that this agency is working to extend the validity of the Agreement at least until June 30, 2020.

External market

On September 3, 2018, the PEN issued Decree No. 793/18 which, between September 4, 2018 and December 31, 2020, sets an export duty of 12% on the amount exported of propane, butane and natural gasoline. This withholding is limited to \$4 for each dollar of taxable base or the official FOB price. Besides, Law No. 27541 published in the Official Gazette on December 23, 2019, stated that rates for export duties applicable to hydrocarbons and mining cannot be higher than 8% of the tax value or FOB price. However, to the date of these financial statements, Customs settles export duties for hydrocarbons at a 12% rate. The Company has filed the corresponding objections and has requested the reimbursement for the export duties paid in excess.

5. The Environment

The Company's strategy continues basing on sustainable development, environmental preservation and compliance with applicable legislation, for which purpose it annually proposes actions for which it allocates resources and ensures follow-up to achieve the proposed objectives. This is done through the annual development of a dynamic Environmental Management Plan which provides all necessary measures for the effective control of the environmental aspects associated with activities, products and services, including emergency situations.

The Company has always placed great importance on environmental protection and on its employees' health and safety, and, therefore, each of the areas of Capex has an Environmental and Occupational Health and Safety policy in place with basic principles applicable to its management system. As a result, the Company complies with the environmental and occupational safety regulations issued by the competent authorities for this industry.

The different standards that are not mandatory but help improve safety and environmental management have been taken into account. For instance, IRAM and IAPG (Instituto Argentino del Petróleo y del Gas) standards, which apply directly to the oil and gas industry.

The Company has also implemented procedures to achieve the annual environmental and safety goals, and to fulfill legal requirements and deals with inquiries from third parties, being them environmental protection authorities, neighbors or the "superficiales" (owners of land where the Company carries out its business activities).

In addition, there are operating procedures in place for the performance of the Company's activities to minimize and prevent any previously identified impact or risk from occurring and to be able to respond rapidly and effectively if other unforeseen impacts or risks occur, which due to their nature, have not been contemplated in the risk analyses of each area.

These operating procedures include contingency plans that define the actions required to respond immediately in case of personal accidents or environmental damage.

Annually, independent consultants produce environmental reports on the surveys conducted, in which they assess the conditions of the facilities, the environmental impact of the tasks performed, the environmental impact associated with new construction works and compliance with applicable laws and regulations. Safety audits are conducted by public and private entities.

Routine analyses of environmental parameters are determined, in compliance with current regulations.

At present, Capex operates in three provinces: Neuquén, Río Negro and Chubut. In all these provinces, Capex has environmental managers responsible for monitoring and controlling environmental management plans.

In Capex operations in the province of Neuquén, the Environmental Management System ("EMS") developed under the ISO 14001 standard was implemented and certified in the oil and gas field of Agua del Cajón and in the LPG plant in 2000, while in the Agua del Cajón thermal power plant it was certified in 2001.

From the date of certification to date, Capex renewed the certification of its environmental management system according to ISO 14001 (in its 1996 and 2004 versions). As from 2015, with the issuance of the new ISO 14001 standard, work began on adapting to the requirements of this, achieving certification in December 2017 for the CT ADC, and in January 2018 for the Agua del Cajón field and the LPG plant. On May 22 and 23, 2019, ISO 14001 was recertified, within the scope of the Electric Power Generating Plant.

Through the application of the SGA, Capex constantly strives to improve its environmental performance, for which:

- (i) Keeps under control all significant environmental aspects of the activities, products or services of the operating areas, taking into account the interests of third parties and legal.
- (ii) Sets environmental goals and targets, analyzing the context as well as the risks and opportunities that it presents.
- (iii) Permanently monitors the key indicators of each operational area. Some of them are associated with the monthly monitoring of water, soil, air resources, and others are of process such as waste generated vs generated equivalent energy; waste generated vs. waste reused; volume of affected soils vs spills. These indicators give an account of the evolution and management of resources.

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

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 (USJI)* as a reducer of greenhouse gas emissions. It has also obtained recognition from the Argentine Bureau for Joint Implementation.

During the current year the Company continued with the routine of periodical monitoring of exhaust gases, in compliance with current regulations and thus control their impact on the environment. The NOx emissions indicator is one of the indicators that are reviewed periodically, giving results below the limits established by current regulations. As regards liquid effluents, care has been taken regarding their final disposal to comply with current regulations and mitigate their environmental impact, in addition to carrying an indicator related with the volume generated annually. Studies were also carried out to evaluate the performance of what is installed to date in relation to effluent management.

Additionally, in the area of Agua del Cajón, in 2014 a reforestation plan was initiated that has been maintained to date and which has allowed the rehabilitation of sectors impacted by hydrocarbons activity in a total area of 7 hectares. This is possible through the implantation of native species adapted and cared for in such a way as to support the climate of the Patagonian steppe. Based on the achievements, it is expected to continue this same methodology.

Furthermore, over the years improvements have been made in waste management, with on-site treatment systems that allow the reduction of the impacts associated with transport and better control of the application of the measures necessary for the treatment. Examples of this are the recent management of cutting residues and the management of oiled soil, which treats all soils originated by possible oil spills. Currently, there are no volumes left to deal with these types of waste.

Lastly, in line with the commitment to reduce the consumption of natural resources and rationalize the energy consumption adopted in its environmental policy, Capex has made modifications to the Agua del Cajón Thermal Power Plant that allowed to optimize the consumption of industrial fresh water, so that any discards from the power plant process are used in the field operation processes (both in plants and in drilling equipment), minimizing the consumption of this vital resource; likewise, appropriate adjustments were made to reduce energy consumption by plant auxiliaries.

In the case of the areas in the province of Río Negro where Capex operates through consortia, since these are recent operations, the review of each practice and the identification of improvement opportunities were considered of utmost importance.

Accordingly, each process is continuously reviewed for higher sustainability and efficiency. An example of this is the management of cutting and drilling muds, waste and environmental management of permits in the areas of Loma Negra and La Yesera.

Finally, with the commitment to reducing the consumption of natural resources that are very scarce in these areas and rationalizing energy consumption, Capex's priority is to evaluate each development in detail to identify possible savings.

Regarding the Chubut areas, environmental management is similar to that described so far, with great emphasis on groundwater monitoring through annual sampling of the water contained in the water meters strategically distributed in all fields, depending on the operating facilities, such as batteries and oil and gas processing plants.

To reduce the consumption of freshwater, in particular in the Pampa del Castillo field, Capex adapted sewage treatment plants so that the treated freshwater might be used for operational tasks, such as road irrigation and construction of new well locations.

In the recently incorporated Bella Vista Oeste area, work is being done on the implementation of all the guidelines and the management plan in force in the rest of the Chubut areas.

Regarding the actions taken to minimize the risk of infection of COVID-19 and thus prevent its spread, preserving the health of all personnel, different protocols have been implemented from the onset of the pandemic, which control each of the activities and indicate the general and particular prevention measures to be applied.

These protocols were developed taking into account the recommendations of the WHO as well as national and provincial health agencies, with the support of occupational doctors who work for the society.

In addition, important publicity and training campaigns were carried out for all personnel, the appropriate PPE was distributed for this type of risk, and work methodologies were adapted in all areas, both from an operational and logistical standpoint.

Finally, and to ensure that all the measures implemented are maintained over time, continuous audits are carried out to identify possible deviations and implement corrective measures.

6. Systems and communications

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



During the year, the implementation of the SuccessFactors platform was completed, which allows for a Comprehensive Management tool for the HR area and also includes the Digitization of pay slips and digital signature. For the incorporation of the operation of the Bella Vista Oeste area, corporate systems were implemented to comply with operational, commercial and administrative requirements. Improvements were introduced to equipment maintenance process for the Loma Negra and La Yesera areas, and electronic AFEs ("Authorization for Expenditures") were implemented to allow for a better management.

The new Plant Management system was developed and implemented for all group companies. This system replaces some of the existing functionalities, such as Log Book and Daily Production Reports, and adds other functionalities, such as Work Permits, Directives and Forced Points.

Definition and detailed planning were completed, and the solutions identified to improve the Purchases and Accounts Payable processes started being implemented and will be deployed during fiscal year 2020-2021, as planned.

Oracle EMP (Enterprise Performance Management) was selected as the tool for the implementation of the new Budget and Management Control model, which will allow us to automate the budget preparation and approval process and provide a single database for Management Control. It will also allow operating areas to acceded to management indicators. It is estimated that the first implementation phase of the project will be completed in the third quarter of the next fiscal year.

With the start-up of the Wind Farm Diadema II, an improvement of the Billing and Control System of Power and Energy used in the Thermal Power Plant to include the necessary functionalities for the commercial management of renewable energy was achieved. In addition, the necessary infrastructure tasks were carried out and supporting systems were implemented for the start-up of the Single Dispatch Center (CUD, for its Spanish acronym) located in Neuquén.

The Company continued implementing the new system for the Recording of Drilling, Completion and Maintenance tasks on wells for all group companies, which is estimated to be functioning for the operation of Pampa del Castillo by the first quarter of fiscal year 2020-2021.

During the fiscal year, the Company developed a Cybersecurity awareness program, mandatory for all employees, which included in-person activities and ten e-learning modules on different matters.

Further, JDEdwards' Environmental and Security Management Module was implemented, which allows for an integral management of the different processes carried out by the area. This Module is currently being deployed in the first quarter of fiscal year 2020-2021.

Lastly, within the COVID-19 framework, the necessary measures were taken to enable teleworking for all users required to continue with the Company's operations. The tools to access applications securely were made available, and the MS Teams application was implemented at a corporate level to keep Company's staff communications in a safe environment.

7. Human Resources

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

Strengthening leadership skills and competencies critical to the business:

- We developed a Team Building Program for Management to acquire the main managerial skills required for new business scenarios. Jointly with consultants specialized in Strategy and Leadership, we reviewed and redefined each manager's expectations in relation to the business and their role in their teams, and the interaction among all Company's areas.
- We continue with the realization of Focused Programs, oriented to cover development needs, identified in the middle and managerial levels from the Performance Management tools.
- We are progressing with the development of Supervisor Training Programs in the fields and in the Thermal Power Plant.

- We continue the actions started during the previous year in the Executive Coaching Program for the managerial team.

Promoting change and organizational alignment:

- We continued with the lines of work defined in the continuous improvement processes. The "Procurement to Pay" Program, implemented through Lean Sigma methodology, the objective of which program is to check and optimize the process from Supply to Payment, proposing improvements and automation for all the stages involved to make it efficient in every dimension, moved forward with final implementation scheduled for next year.
- We identified other initiatives to improve the current business processes through Business Intelligence tools that will be implemented according to the defined work plans.

Having a sustainable organization:

- We continue working on the strategy of succession of critical positions defining actions for the medium / long term, identifying key positions and maps of succession that will be implemented with a defined schedule.
- The development of Occupational Health programs continued.
- We successfully implemented a platform an HR system common to the entire company, and identified Success Factors as an essential tool for recording, following-up and communicating issues relating to HR, and as a platform for launching the e-learning tools required for professional and regulatory updating.

Attraction and retention of talent:

- We launched selection processes considering the incorporation of new businesses and the potential required for the growth of the organization.
- We have a strict recruitment process seeking to integrate into the company the best profiles to accompany its culture, also generating opportunities for our own personnel through the publication of internal searches.
- Regarding the process of Internal Searches, in order to guarantee transparency and equal opportunities for all employees, all the personnel were informed about vacant positions in the process of taking over the new fields.
- We have implemented a process for identifying talented people within the company and set in motion individual development plans for their growth, with a focus on critical competencies.

Strengthening labor relations within a positive productive environment:

- We maintain open and transparent relations and negotiations with the different actors - Unions, Provincial and National Authorities, Municipalities - that operate in the Neuquén and Río Negro Basins, as well as in the Golfo Basin, in order to ensure the maintenance of social peace in a changing and challenging environment. Our goal is not to affect production or negatively impact the scope of work of our employees and contractors, guaranteeing the realization of the committed investment plans.
- We participated in collective wage negotiation processes in the oil and gas segment in the two basins operated, and in the electricity sector

Our professionals participate in professional updating programs and specialty forums both national and abroad.

Within the framework of COVID-19, and the mandatory isolation imposed by the National Government, the Company adopted specific measures that allowed for an effective transition to new ways of working, including working remotely.

In order to prevent the disease to spread among employees, and to ensure the Company is fully operational, the following working methods were adopted: remote working and minimum number of employees per shifts in case in-person work is required, with a substitution schedule in place.

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Therefore, both management and business operations continued without affecting the overall business or putting people at risk, including employees and contractors.

Communication on prevention measures was reinforced, following the instructions and provisions issued by the National Government and the protocols prepared by hydrocarbons and energy companies.

Together with the Environmental and Safety area, the Company implemented specific trainings on safety and prevention protocols in place, which are available in the Success Factors platform (HR+) which must be done by all employees who have to perform their duties.

The Company taught remote training courses using video conference technology, webinars and remote working teams to keep training employees.

The Company paid employees and made employees' withholdings and employer's contributions in accordance with its regular schedule.

The lines of action defined for the medium term accompany the changes and new businesses incorporated. To this end, we will focus on strengthening the top management levels in terms of their strategic development and adaptive leadership, so that they ensure the alignment of the entire organization with their definitions of long-term growth and sustainability.

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

We maintain our commitment to strengthen the relationship with the main social and union actors, promoting actions that ensure social peace.

8. Financial Situation

The Group bases its financial strategy on maintaining its financial liabilities in medium and long-term structures in order to maintain a maturity profile according to the cash generation of its businesses.

Within this strategy, the Group has structured 93.1% of its financial liabilities on the basis of the issue in May 2017 of 7-year Class 2 Corporate Bonds with a maturity date of May 2024.

In addition, the Group has structured its investment portfolio according to the maturities of its liabilities and the financial needs to meet the investments required by the incorporation of the new hydrocarbon areas (Loma Negra, La Yesera, Pampa del Castillo, Bella Vista Oeste Block I, Parva Negra Oeste), the development of the DEEF II and the working capital needs, investing in turn the cash surpluses in accounts that generate results, choosing low risk instruments and adequate credit quality.

The financial debt of the Company and its controlled companies as of April 30, 2020 is structured as follows:

Amounts in \$thousands

Corporate Bonds - Senior Notes (NO)	(635,676)	(20,052,000)	(20,687,676)
Corporación Interamericana de Inversiones (CII)	(52,709)	(52,606)	(105,315)
Bank Macro			
BBVA Francés	(288,353)	(533,362)	(821,715)
Corporación Interamericana de Inversiones (CII)	(603,380)	-	(603,380)
Commissions, accrued expenses and guarantees	22,665	75,944	98,609
Total	(1,557,453)	(20,562,024)	(22,119,477)

The liquidity position of the Company and its subsidiaries is invested in the following financial instruments:

Amounts in \$ thousands

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Cash and banks	2,255,191	-	2,255,191
Mutual funds	1,358,189	-	1,358,189
Paid account	5,911	-	5,911
Private titles	-	9,103,455	9,103,455
Total	3,619,291	9,103,455	12,722,746

Amounts in \$ thousands

Total	2,061,838	(11,458,569)	(9,396,731)
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Qualification of Class 2 Negotiable Obligations

At the date of issue of these financial statements, the Class 2 corporate bonds issued by the Company were internationally rated as "CCC" and "CCC+" respectively, by Fitch and Standard & Poor's and locally rated as "CCC+/RR3" and "raBBB-", respectively, by Fitch and Standard & Poor's.

9. Results for the year

The following table summarizes the consolidated ratios obtained in the fiscal year ended April 30, 2020, compared to the previous year:

Solvency (Shareholders' Equity/Liabilities)	0.59	0.64
Debt-to-equity ratio (Liabilities / Shareholders' Equity)	1.70	1.57
Current ratio (Current Assets / Current Liabilities)	1.45	2.74
Quick (Acid Test) Ratio (Current Assets - Inventory and Spares and Materials / Current Liabilities)	1.40	2.74
Net worth to assets ratio (Shareholders' Equity/ Total Assets)	0.37	0.39
Asset immobilization Ratio (Non-current Assets / Total Assets)	0.84	0.67
Return on Assets (Gross Profit / Total Assets)	0.16	0.22
Return on Equity (Net Profit / Average Shareholders' Equity)	(0.09)	0.17
Ordinary Return on Investment (EBT / Shareholders' Equity (excluding net comprehensive result for the year))	(0.003)	0.147
Leverage (Return on Equity / Return on Assets)	(0.56)	0.77
Assets turnover (Sales / Total Assets)	0.35	0.38

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Consolidated comprehensive income statement

Income	17,580,804	19,959,323	(2,378,519)	-11.9%
Cost of Income	(9,396,453)	(8,648,042)	(748,411)	8.7%
Gross Profit	8,184,351	11,311,281	(3,126,930)	-27.6%
Preoperating expenses	(4,229)	(15,923)	11,694	-73.4%
Selling Expenses	(2,585,835)	(2,764,358)	178,523	-6.5%
Administrative Expenses	(901,930)	(791,905)	(110,025)	13.9%
Other operating (expenses), net	(2,249,773)	(6,349)	(2,243,424)	35335.1%
Operating result	2,442,584	7,732,746	(5,290,162)	-68.4%
Financial income	5,973,054	8,398,766	(2,425,712)	-28.9%
Financial costs	(11,281,850)	(16,516,202)	5,234,352	-31.7%
Other financial income	21,770	543	21,227	3909.2%
Other financial results RECPAM	2,793,670	2,888,191	(94,521)	-3.3%
Result Before Income Tax	(50,772)	2,504,044	(2,554,816)	-102.0%
Income Tax	989,693	(474,882)	1,464,575	-308.4%
Net Result	938,921	2,029,162	(1,090,241)	-53.7%
Other Comprehensive Results				
With future allocation to results	84,422	-	84,422	100.0%
Without future allocation to results	(2,812,516)	1,170,763	(3,983,279)	-340.2%
Comprehensive Result for the Year	(1,789,173)	3,199,925	(4,989,098)	-155.9%

To analyze the changes, it should be taken into account that the balances as of April 30, 2019 disclosed below arise from the restatement of the balances at that date in terms of unit of measurement at April 30, 2020, following the guidelines detailed in Note 3 of the consolidated financial statements as of April 30, 2020.

The comparative evolution of the results as of April 30, 2020 with respect to April 30, 2019 was as follows:

- The gross profit for the year ended April 30, 2020 was \$ 8,184,351 (profit), or 46.6% of sales, while in the same period of the previous year it amounted to \$ 11,311,281 (profit) or 56.7% of sales at April 30, 2019. The gross profit decreased by 27.6%.
- Operating result for the year ended April 30, 2020 was of \$ 2,442,584 (profit), compared to \$ 7,732,746 (profit) for the same period of the previous year, representing a decrease of 68.4%. The electricity segment showed a decrease in generation, due to i) scheduled maintenance during the fiscal year and the subsequent failure of a transformer of Steam Turbine 7, which made the Company operate in open cycle mode as from January 2020 and led to a decrease in energy generation; and ii) a decrease in the remuneration of generated energy and power as a result of the adoption of SRRME Resolution 01/19 between May 2019 and January 2020, which led to a drop in the rates in doll\$, and the adoption of Resolution 31/20 from February 2020, whereby energy rates were pesified. Operating result was also hit by the decline in gas prices, as a result of the application of maximum prices established, the auctions by CAMMESA for the purchase of natural gas for electricity generation and gas cost declarations made by Capex. In the case of oil, prices in the local market were affected by the different decrees establishing prices and exchange rates since August 2019. Additionally, the Company recorded impairments of Property, plant and equipment for the year relating to the oil and gas segment and the stock of oil, as the net realizable value was lower than the production cost at April 30, 2020.
- The net result amounted to \$ 938,921 (profit), in the year ended April 30, 2020, compared to \$ 2,029,162 (profit) for the previous year.
- Other comprehensive income without future recognition through profit or loss, which affects the reserve for the revaluation of assets stated at real values, amounted to a loss of \$ 2,812,516, due to the effect of the application of the inflation adjustment, net of the tax effect of those items of property, plant and equipment recognized as assets and measured at fair value, partially offset by the revaluation of these assets at April 30, 2020. At April 30, 2019, a profit of \$1,170,763 was recorded, as a result of the revaluation of certain items of property, plant and equipment recorded in the fiscal year ended on that date. In turn, at April 30, 2020, the Company recorded a profit of \$84,422 under other comprehensive income with future recognition through profit or loss, which affects the reserve for investments at fair value.

- The comprehensive result for the year was of \$ 1,789,173 (loss) in the year ended April 30, 2020, compared to \$ 3,199,925 (profit) for the previous year, representing a decrease of 155.9%.

Income

Energy				
Energy CT ADC ⁽¹⁾	7,566,871	11,234,800	(3,667,929)	-32.6%
Energy Eolic	381,797	209,554	172,243	82.2%
Façon Service of electric energy	24,704	17,367	7,337	42.2%
Gas	290,359	-	290,359	100.0%
Stimulus gas program	1,386,679	1,128,367	258,312	22.9%
Oil	7,281,122	6,395,763	885,359	13.8%
Propane	352,855	538,933	(186,078)	-34.5%
Butane	193,446	321,129	(127,683)	-39.8%
Oxygen	6,995	7,839	(844)	-10.8%
Services	95,976	105,571	(9,595)	-9.1%
Total	17,580,804	19,959,323	(2,378,519)	-11.9%

(1) As of April 30, 2020 and 2019, it includes the income generated by the gas produced by the ADC, Loma Negra and La Yesera areas, consumed in the CT ADC and paid by CAMMESA under the concept of Fuel Recognition. Likewise, as of November 2018, the third party gas and consumed in the CT ADC is included in this item.

Income for the year ended on April 30, 2020 decreased by 11.9% compared with the previous year. The evolution of each product was as follows:

a) Energy:

The income generated by CT ADC operations measured in pesos decreased by \$ 3,667,929, representing an decrease of 32.6%, from \$ 11,234,800 as of April 30, 2019 to \$ 7,566,871 as of April 30, 2020 This revenue is associated with the remuneration for the generation of energy and the remuneration recognized by CAMMESA for the gas consumed.

The revenue associated with the remuneration for energy generation decreased by 33.6%. This variation stems mainly from: i) a 25% decrease in energy generation, mainly due to the following reasons: more maintenance tasks carried out on both open cycle and combined cycle turbines, as scheduled, in September and November 2019, respectively, and the impossibility to operate in a combined cycle, due to a failure of the transformer of the TV7 at the end of January 2020; and ii) an 11.2% decline in the average sale price of GW sold, from an average \$/Gwh 1,123.6 during the fiscal year ended April 30, 2018 to an average \$/Gwh 997.3 in the fiscal year ended April 30, 2019, as a result of the increment in the price of the remunerated power, based on 2020 data.

In January 2020, the transformer of Steam Turbine 7 at the ADC Power Plant had a failure in the output terminal of a high voltage phase. The repair began in April 2020, after obtaining authorizations for the entry of personnel and cargo movement equipment to the site due to the mandatory isolation in force at that time. Since January 2020, the ADC Power Plant has been operating in open cycle mode, with the related decrease in power generation. Repairs are estimated to be completed in early August 2020 and operation in a combined cycle is expected thereafter.

Resolution SRRME 1/2019, in force between March 2019 and January 2020, established lower energy and power values in doll\$ than those in force until February 2019. The greater evolution of the price of the US dollar with respect to the evolution of inflation did not manage to offset this effect. In addition, Res SE 31/2020, effective since February 2020, pesified energy and power tariffs, establishing an inflationary adjustment mechanism that has been suspended to date.

Income associated to the remuneration recognized by CAMMESA to Capex for the gas consumed at the CT ADC and produced by the ADC, Loma Negra, La Yesera areas and the third-party gas decreased by 31.7%. due to the drop in value of gas recognized to Capex per million btu from US\$ 3.72 as of April 30, 2019 to an annual average of US\$ 2.15 as of April 30, 2020, as a result of the application of established maximum prices, the auctions carried out by CAMMESA for the purchase of natural gas for electricity generation and the declarations of gas costs made by Capex. The higher price of the US dollar with respect to the evolution of inflation and the

highest remunerated volume of gas (4.8%) as a result of the volume acquired from third parties as from November 2018, were not able to offset the effect on the price.

Income from the remuneration of gas is included within the Oil and Gas segment (Note 6 to the Consolidated Financial Statements). The own production gas consumed by the CT ADC slightly decreased by 12.1% due to the lower extraction and the fact that part of it was destined for sale for market reasons.

Income of energy from the DEEF measured in pesos increased by \$ 172,243, representing an increment of 82.2%, from \$ 209,554 for the year ended April 30, 2019 to \$ 381,797 for the year ended April 30, 2020. This increase was due to the opening of the DEEF II wind farm, owned by E G WIND, which was commercially enabled in September 2019. Sales of the PED I and DEEF II measured in GWh were 80.3 and 27.9 as of April 30, 2020 and 2019 respectively. The average price of sales was \$ 4,755.0 and \$ 7,510.9 as of April 30, 2020 and 2019, respectively; this is because the prices per MWh agreed for the DEEF and DEEF II are US\$ 115,896 and US \$ 40.27, respectively.

As a consequence of the fire that occurred in March 2020 at the Diadema Transformer Station that connects DEEF I and DEEF II with SADI, both farms were disconnected. After the repair work carried out, on May 22, 2020, both farms resumed their connection to SADI and started to dispatch electricity to the grid normally.

b) Façon Service of electric energy:

Façon services for the generation of electricity with natural gas and hydrogen measured in pesos increased by \$ 7,337, representing a rise of 42.2%, from \$ 17,367 as of April 30, 2019 to \$ 24,704 as of April 30, 2020. This increment is produced by the increase of 38.7% in the volume sold, during the fiscal year ended on April 30, 2020, due to the fact that in the previous fiscal year, maintenance work was carried out in the plant, in the months of July, August and September 2018.

c) Gas:

Gas production decreased by 2.1%, going from 581,587 thousand m3 as of April 30, 2019 to 569,284 thousands m3 as of April 30, 2020. Capex has been keeping the level of gas production by means of the investments made, mainly encouraged by the stimulus programs. The production of gas from its participation in the Consortia with concessions in Loma Negra and La Yesera areas, in the province of Río Negro, increased by 76.9% going from an average of 147 thousand m3 / day as of April 30, 2019 to an average of 261 thousand m3 / day as of April 30, 2020.

At April 30, 2020, Capex has used 97% of the production of gas originating from the Agua del Cajón area, for the generation of electricity in CT ADC and the operation of the LPG plant, allocating the rest for sale. Under the framework of the Incentive Program for the Investments in Developments of Natural Gas Production from Unconventional Reservoirs, the Company has submitted the affidavits of the Agua del Cajón Area corresponding to the periods January 2018 – March 2020 and the bond insurance policies in order to request the payment of the program. The Ministry of Energy authorized all final economic compensations requested for the period January 2018 – September 2019 for approximately \$ 1,637.1 million. The Company has recorded under Income the total incentive which complies with the conditions set forth in Resolution No. 419 E/2017, by \$ 1,386,679 and \$ 1,128,367 as of April 30, 2020 and 2019, respectively.

In the fiscal year ended April 30, 2020, Capex, sold \$ 290,359 corresponding to the delivery of 49,251 thousand m3 originating from the Agua del Cajón and Loma Negra areas at an average of US \$ / m3 0.10912 (or US \$ 3.0 million BTU).

d) Oil:

Income of oil increased by \$ 885,359, representing an increase of 13.8%. Revenues in pesos in the external market increased by 29.1%, while local revenues in pesos decreased 12.9%.

The increment in revenues in the foreign market of \$ 1.184.945 comes from crude oil exports, from the production of the Pampa del Castillo - La Guitarra area in the Province of Chubut, (as of August 2018), with an increase of 28.3% in the exported volume, going from 155,731 m3 (979,516 bbl) as of April 30, 2019 to 199,773 m3

(1,256,533 bbl) as of April 30, 2020. With respect to international prices, there was no significant variation in the annual dollar averages of both years.

Local sales decreased by 12.9%, from \$ 2,326,112 as of April 30, 2019 to \$ 2,026,526 as of April 30, 2020 due to a 13.2% decrease in the average price in pesos, as a result of the decrease in the average dollar price agreed between the parties and the application of Necessity and Urgency Decree No. 566/19 dated August 15, 2019, which set the reference price of BRENT crude oil at US\$/bbl 59. The decree also established a reference exchange rate that affected the average price in pesos and it was valid for 90 days from August 16, 2019. The units sold in the local market remained constant at approximately 95 thousand m3.

Oil production increased by 48.8%, from 223,685 m3 as of April 30, 2019 to 332,937 m3 as of April 30, 2020, due to the results obtained from the stimulation of some wells and the 36.9% increment in production coming from: i) concessions in Loma Negra and La Yesera areas in the Province of Río Negro and to a greater extent, to the increase of 61.6% of oil production from the concession of Pampa del Castillo - La Guitarra area in the Province of Chubut, with an approximate average of 695 m3 per day in the fiscal year ended April 30, 2020. The Pampa del Castillo area started operations on August 1, 2018. As from February 1, 2020, the production of Bella Vista Oeste in the Province of Chubut has been added, with 113 m3/day.

e) Propane, butane and gasoline:

- Sales of propane decreased by \$ 186,078 or 34.5%, from \$ 538,933 as of April 30, 2019 to 352,855 as of April 30, 2020, including the income from the "Propane Sur Program".

The reduction in sales is the result of a decrease in the average sale price and the reduction in the volume sold. The sale price decreased in real terms by 30.2% going from average \$ / tn 26,142.8 as of April 30, 2019 to average \$ / tn 18,235.7 as of April 30, 2020, as a consequence of the lower international prices, offset by the higher evolution of the US dollar vis-à-vis the evolution of inflation. The volume sold decreased by 1,265 tn that is, 6.1%.

- The sales of butane decreased by \$ 127,683 or 39.8%, from \$ 321,129 at April 30, 2019 to \$ 193,446 at April 30, 2020. This decrease was due to a reduction in the average sale price in pesos of 35.9%, from \$/tn 23,539.7 on average at April 30, 2019 to \$/tn 15,093.2 on average at April 30, 2020, due to the lower international prices, which are partially offset by the greater evolution of the price of the US dollar as against the evolution of inflation. The volume sold decreased by 825 tn, which accounts for 6%.
- No sales of gasoline were recorded at April 30, 2020 and 2019 since production of 24,849 m3 and 27,333 m3, respectively, were blended and sold with oil for market reasons.

f) Oxygen:

Hychico sold 107,211 m3 and 126,175 m3 of oxygen for a total of \$ 6,995 and \$ 7,839 in the years ended April 30, 2020 and 2019, respectively. This decrease in sales is mainly due to a drop in the volume sold of 15.0% as a result of repairs carried out at the Hydrogen and Oxygen Plant in the months of August and September 2019.

g) Services:

It corresponds to the participation of 37.5% over the income in the services provided for the treatment of crude oil and gas readiness by the Loma Negra consortia.

M.

Cost of Income

Thousand \$

Fees and other compensations	(64,555)	(94,606)	30,051	-31.8%
Salaries and social security contributions	(1,286,648)	(1,089,190)	(197,458)	18.1%
Materials, spare parts and others	(611,809)	(470,547)	(141,262)	30.0%
Operation, maintenance and repairs	(1,593,587)	(1,276,072)	(317,515)	24.9%
Fuel, lubricants and fluids	(683,652)	(516,939)	(166,713)	32.3%
Transportation, freight and studies	(141,568)	(114,197)	(27,371)	24.0%
Depreciation of Property, Plant and Equipment	(3,776,802)	(2,902,642)	(874,160)	30.1%
Depreciation rights of use	(14,688)	-	(14,688)	100.0%
Office, travel and representation expenses	(45,712)	(25,129)	(20,583)	81.9%
Taxes, rates, contributions, rents and insurance	(229,908)	(141,762)	(88,146)	62.2%
Acquisition of electricity from CAMMESA	(569)	(170)	(399)	234.7%
Acquisition of gas to third parties	(74,831)	(74,415)	(416)	0.6%
Acquisition of third party gas	(1,515,672)	(1,801,277)	285,605	-15.9%
Acquisition of oil	(231,119)	(228,394)	(2,725)	1.2%
Stock production cost	874,667	87,298	787,369	901.9%
Cost of Income	(9,396,453)	(8,648,042)	(748,411)	8.7%

The cost of Income as of April 30, 2020 amounted to \$ 9,396,453 (53.4 % of income), while as of April 30, 2019 it amounted to \$ 8,648,042 (43.3% of income).

The 8.7% increase in the cost of income was mainly explained by:

- an increase of \$ 197,458 in labor costs, mainly as a result of the hiring of personnel to carry out the operation of the Pampa del Castillo - La Guitarra area as of August 1, 2018 and Bella Vista Oeste from February 1, 2020.
- an increase in costs of materials, spare parts and others of \$ 141,262 and of the costs of operation, maintenance and repairs for \$ 317,515, as a result of the increment in the activity generated by the incorporation of the areas of Bella Vista Oeste, and Pampa del Castillo - and the increase of the components of the rates of services in foreign currency over the year, regarding the evolution of inflation,
- a rise in the costs of fuels, lubricants and fluids for \$ 166,713, as a consequence of more activity in the oil field, the increase in prices and the increment in the price of fiduciary funds for residential consumption associated with the production of LPG gas, higher than the evolution of inflation,
- an increase in Depreciation charge of \$ 874,160 of items of Property, plant and equipment, due to the new investments made in the areas and to the effect of the investments made in the Pampa del Castillo - La Guitarra and in Bella Vista Oeste areas since their incorporation in August 2018 and February 2020, respectively, and,
- an increase of \$88,146 in taxes, rates, contributions, rental and insurance resulting from the increase in the insurance coverage costs, the higher costs relating to the Pampa del Castillo - La Guitarra area and the costs associated with the incorporation of Bella Vista Oeste area.

This was partially offset by a decline of \$285,605 in the purchase of gas, due to a lower amount of additional gas from third parties acquired for energy generation, owing to a decrease in CT ADC generation. The Company stopped making these purchases beginning January 2020.

Stock production costs are associated with the production costs allocable to the final stock not realized during the fiscal year. The Company recognized an impairment of the stock of oil for \$484,343, since at April 30, 2020 the realizable value was lower than the production cost; therefore, such impairment was recognized under Other operating expenses, net, in accordance with note 1.2 to the consolidated financial statements.

Preoperative expenses

Preoperative expenses correspond to the professional fees, expenses, commissions and banking taxes, among others, related to the construction of Diadema Eolic Energy Farm II.

Selling expenses

Thousand \$

Royalties	(1,540,127)	(1,689,709)	149,582	-8.9%
Cost of transport and energy deliveries	(183,700)	(148,573)	(35,127)	23.6%
Export duties	(421,766)	(451,944)	30,178	-6.7%
Turnover tax	(434,242)	(459,877)	25,635	-5.6%
Commissions and other	(6,000)	(14,255)	8,255	-57.9%
Selling expenses	(2,585,835)	(2,764,358)	178,523	-6.5%

Selling expenses amounted to \$ 2,585,835 as of April 30, 2020, representing 14.7% of income, while as of April 30, 2019 they amounted to \$ 2,764,358 thousand, representing 13.8% of income.

The 6.5% drop was mainly due to the decrease of:

- the royalties associated with gas due to: i) the decreased in production and ii) the decrease in prices, offset by the greater evolution of the US dollar quotation compared to the evolution of inflation;
- turnover tax, as a result of the lower billing offset by the payment of a tax rate difference for 2018, and
- the lower export duties paid as a result of the different regulations applicable during the financial year.

This decline was offset by higher oil-related royalties arising from the increase in production due to the incorporation of Pampa del Castillo - La Guitarra area from August 1, 2018, and Bella Vista Oeste area from February 1, 2020.

Administrative expenses:

Fees and other compensations	(82,157)	(49,151)	(33,006)	67.2%
Salaries and social security contributions	(364,441)	(341,603)	(22,838)	6.7%
Materials, spare parts and others	(132)	(52)	(80)	153.8%
Operation, maintenance and repairs	(71,559)	(75,091)	3,532	-4.7%
Transportations, freight and studies	(5,012)	(6,259)	1,247	-19.9%
Depreciation of property, plant and equipment	(21,397)	(16,483)	(4,914)	29.8%
Depreciation of right of use asset	(46,172)	-	(46,172)	100.0%
Office, mobility and representation expenses	(26,676)	(29,510)	2,834	-9.6%
Taxes, fees, contributions, rents and insurance	(49,474)	(71,829)	22,355	-31.1%
Bank charges	(234,910)	(201,927)	(32,983)	16.3%
Administrative expenses	(901,930)	(791,905)	(110,025)	13.9%

Administrative expenses were \$ 901,930 as of April 30, 2020, or 5.1% of income, while as of April 30, 2019 they were \$ 791,905, or 4.0%. The increase was \$ 110,025, or 13.9%. This increment is mainly due to: i) bank charges as a result of the higher tax on bank debits and credits due to the higher disbursements made under the heading property, plant and equipment; ii) an increase in the depreciation of right-of-use asset related to leases in accordance with IFRS 16, and iii) the provision of directors' fees, offset by a decrease in the rents contained in the tax, rates, contributions, rental and insurance line. Directors' fees of \$14,500 are subject to the approval of the Shareholders' Meeting that approves these financial statements.

M.

Other operating expenses, net

Impairment of property, plant and equipment	(1,813,300)	-	(1,813,300)	100.0%
Impairment of Inventories	(484,343)	-	(484,343)	100.0%
Revenue from indirect administrative charges - Consortia and UTE	37,962	33,689	4,273	12.7%
Exclusivity rights	-	(32,133)	32,133	-100.0%
Non-computable assessments	-	(2,745)	2,745	-100.0%
Sundry	9,908	(5,160)	15,068	292.0%
Other operating (expenses), net	(2,249,773)	(6,349)	(2,243,424)	35335.1%

Other operating expense, net as of April 30, 2020 were \$ 2,249,733, while at April 30, 2019 they amounted to \$ 6,349.

The impairment of Property, plant and equipment at April 30, 2020 for \$ 1,813,300 relates to the recognition of a lower value of exploitation assets in the oil and gas segment of the Agua del Cajón area. See Notes 3.6 and 5 to the consolidated financial statements.

The impairment of inventories for \$484,343 at April 30, 2020 is evidenced by the fact that the net realizable value of the stock of oil at April 2020 was lower than the production cost. See Notes 3.6 and 5 to the consolidated financial statements.

Financial results

Financial Income	5,973,054	8,398,766	(2,425,712)	-28.9%
Financial Costs	(11,281,850)	(16,516,202)	5,234,352	-31.7%
Other financial results	21,770	543	21,227	3,909.1%
Other financial results - RECPAM	2,793,670	2,888,191	(94,521)	-3.3%
Financial Results	(2,493,356)	(5,228,702)	(2,735,346)	-52.3%

a) Financial income

Exchange difference	5,231,804	7,784,521	(2,552,717)	-32.8%
Interest and others	753,759	612,337	141,422	23.1%
Interest accrued on receivables	(12,509)	1,908	(14,417)	-755.6%
Financial Income	5,973,054	8,398,766	(2,425,712)	-28.9%

The financial income as of April 30, 2020 reflected a balance of \$ 5,973,054, while as of April 30, 2019 they were \$ 8,398,766, representing a decrease of 28.9%. The main causes of the reduction of \$ 2,425,712 were:

- The lowest earnings for the exchange difference due to the variation, at nominal values, of the price of the US dollar with respect to the peso, which rose by 51% between May 2019 and April 2020 and 115% between May 2018 and April 2019, in spite of the greater evolution of the price of the US dollar compared with the evolution of inflation. The Group has 76.7% of its financial assets denominated in US dollars.
- The variation in the accrual of interest on loans is mainly due to the discount of EG WIND tax credits, offset by the result generated by the adjusted value of the long-term loans of Hychico.
- All of this was partially offset by the variation of interest and other accrued results which correspond mainly to the result generated by investments in mutual funds and the holding of securities. Likewise, interest due to late payments by CAMMESA is included.

b) Financial costs

Exchange difference	(9,601,837)	(14,794,468)	5,192,631	-35.1%
Interest and others	(1,661,209)	(1,678,505)	17,296	-1.0%
Interest accrued from accounts receivables and payable	(18,804)	(43,229)	24,425	-56.5%
Financial Results	(11,281,850)	(16,516,202)	5,234,352	-31.7%

Financial costs at April 30, 2020 showed a negative balance of \$ 11,281,850, while at April 30, 2019 they were negative by \$ 16,516,202, representing a decrease of 31.7%. The main cause of the variation of \$ 5,234,352 is:

- The lower foreign exchange losses as a consequence of the variation, at nominal values, of the price of the US dollar with respect to the peso, which between May 2019 and April 2020 had an increase of 51% while, between May 2018 and April 2019 the increase was 115%, despite the higher evolution of the US dollar price in relation to the evolution of inflation. The Group holds 96.7% of its financial liabilities in US doll\$, so the variation in the exchange rate of that currency has had a significant impact on the economic results and on equity.
- The financial debts referred to above are as follows:
 - Class II Corporate Bonds for US \$ 300 million maturing in May 2024 at a fixed rate of 6.875%, payable semiannually.
 - Secured loan for US\$ 14 million with IIC, destined for Hychico Diadema Eolic Energy Farm, accruing interest at a variable rate equivalent to LIBO plus a nominal annual rate of 4.5% (as from April 2018) payable semi-annually. As of April 30, 2020, the capital owed amounts to US \$ 1.6 million.
 - Financial loan for US \$ 9 million with BBVA, maturing on June 1, 2020 at a TNA of 4.8%.
- The variation of interest and others accrued results correspond, mainly, to the accrual of interest for the Corporate Bonds, for the loan with the IIC and for the financing for the maintenance of the CT ADC. The increase in the price of the US dollar generated a greater accrual of interest in pesos.
- A decrease in the accrual of interest on credits and debts generated by the updating of the value of the provision for abandonment of wells and of the commercial debt that E G WIND has with the supplier ENERCON.

Other financial results RECPAM

Other financial results RECPAM	2,793,670	2,888,191	(94,521)	-3.3%
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This item shows the result by exposure to changes in the purchasing power of the currency.

Income Tax

Income Tax	989,693	(474,882)	1,464,575	-308.4%
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The income tax result at April 30, 2019 decreased by \$1,464,575, going from a negative balance of \$474.882 to a positive balance of \$989,693, as a result of tax loss for this fiscal year compared with the tax income for the prior year, the computation of the higher amortizations as a consequence of the Tax Revaluation option carried out by Capex and Hychico in May 2019, offset by the special tax due to Tax Revaluation and the tax resulting from the tax inflation adjustment (Section 95), and the adjustment of the prior year tax return.

M.

Other comprehensive income

With future allocation to results	84,422	-	84,422	100.0%
No future allocation to results	(2,812,516)	1,170,763	(3,983,279)	-340.2%
Other comprehensive results	(2,728,094)	1,170,763	(3,898,857)	-333.0%

Other comprehensive income with future recognition through profit or loss at April 30, 2020 showed an increase of \$804,300. This arises from the fact that Capex's business model on investments in government securities is aimed at obtaining contractual cash flows as well as selling such financial assets; this is why the Company set up a reserve for the difference between the amortized cost and the fair value of such investments, net of income tax.

Other comprehensive income without future recognition in income arises as a result of the Group applying the revaluation model for certain property, plant and equipment. At April 30, 2020, a negative result of \$ 3,983,279 was generated due to the determination of the reserve for assets revaluation at actual values.

10. Board Proposal

In compliance with prevailing legal standards and the Company by-laws, the Board of Directors of the Company submits for the consideration of the Shareholders this Annual Report, the Inventory, the Independent Auditors' Report, the Report from the Syndics' Committee, the Report from the Audit Committee and the separate and consolidated Financial Statements for the thirty-second fiscal year commenced May 1, 2019 and ended April 30, 2020.

The comprehensive result for the year showed a loss of \$ 1,795,421,854, consisting of i) the net gain of \$ 993,984,812 and ii) other comprehensive loss net for \$ 2,729,406,666 from the revaluation of property, plant and equipment and the recognition of the result of investments valued at fair value. In accordance with the applicable standards, Other comprehensive income is part of the Reserve due to Revaluation of Assets and the Reserve for investments at fair value.

At the end of the year, the unallocated results amounted to a gain of \$ 1,228,212,363 composed of: i) Net profit for \$ 933,984,812, ii) the reversal of the Reserve for the Revaluation of Assets for \$ 294,227,551.

The Board of Directors proposes that the unallocated profit results amounting to \$ 1,228,212,363 are charged as follows: i) \$ 61,410,618 to the Legal Reserve, and ii) \$ 1,166,801,745 to the Optional Reserve for distribution of dividends and / or investments and / or cancellation of debt and / or loss absorption.

In addition, at the Shareholders' Meeting, the Board of Directors proposed to set the amount of \$14,500,000 as their remuneration for the fiscal year ended April 30, 2020, and to distribute such amount, which is included in profits/losses for the year, among the cheers directors.

The achievements are the result of a great effort. That is why, to all involved: customers, banks, suppliers, shareholders and our staff, a special thanks.

Autonomous City of Buenos Aires, 29 July 2020.

THE BOARD OF DIRECTORS



ANNEX IV to Chapter I of Title IV - Periodic information system for standards (N.T.2013 and mod.)

CODE OF CORPORATE GOVERNANCE

A. THE ROLE OF THE BOARD OF DIRECTORS

Principles

- I. The Company must be led by a professional and trained Board of Directors who will be in charge of laying the necessary foundations to ensure the sustainable success of the Company. The Board of Directors is the guardian of the Company and of the rights of all its Shareholders.
- II. The Board of Directors must be in charge of determining and promoting corporate culture and values. In its performance, the Board of Directors must guarantee the observance of the highest standards of ethics and integrity based on the best interest of the Company.
- III. The Board of Directors should be in charge of ensuring a strategy inspired by the vision and mission of the Company, which is aligned with its values and culture. The Board of Directors must engage constructively with management to ensure the correct development, execution, monitoring and modification of the Company's strategy.
- IV. The Board of Directors will exercise permanent control and supervision of the management of the Company, ensuring that management takes actions aimed at the implementation of the strategy and the business plan approved by the Board.
- V. The Board of Directors must have the necessary mechanisms and policies to exercise its function and that of each of its members efficiently and effectively.

1. The Board of Directors generates an ethical work culture and establishes the vision, mission and values of the Company.

The Company has carried out its activities in an ethical and transparent manner throughout its history, which has been reflected in the actions of the Board of Directors, management and employees of the Company.

The Board of Directors has approved and implemented the Company's Code of Conduct in the performance of all the Company's activities, which mainly include the exploration and production of hydrocarbons, the generation of electricity in its thermal power plant, the production of LPG and the generation of renewable energy through its subsidiaries HYCHICO SA and EG WIND SA.

In this context, the Board of Directors has also begun the implementation of the new guidelines of the Corporate Governance Code required by General Resolution 797, as well as an Integrity Program as provided for in Law 27,401.

2. The Board of Directors sets the general strategy of the Company and approves the strategic plan developed by management. In doing so, the Board takes into consideration environmental, social and corporate governance factors. The Board of Directors monitors its implementation through the use of key performance indicators and by considering the best interests of the Company and all its shareholders.

The Board of Directors, when approving the Annual Report, includes the action plan for the following year. Management previously prepares the project to agree with the Board of Directors. When defining the action plan, the Board of Directors and the Management take into account environmental, social and corporate governance factors.

Likewise, the Company has the Management Control sector that controls and monitors economic and financial budgets, holding quarterly meetings with the General Management and the Company's Managers, in which the degree of compliance and budgeting deviations are evaluated. The information analyzed has as sources the accounting and market data.

3. The Board of Directors supervises management and ensures that it develops, implements and maintains an adequate internal control system with clear reporting lines.

The Board of Directors meets periodically with the Executive Director and the managers, who keep the Board updated on the evolution of the Company's activities. The Board of Directors approved an organization chart of the Company, in which it establishes the different levels of reporting to the Executive Director, outlining the reporting lines of the different managements. In turn, the Executive Director maintains constant dialogue with the Board.

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4. The Board of Directors designs corporate governance structures and practices, appoints the person responsible for their implementation, monitors their effectiveness, and suggests changes if necessary.

The Board of Directors is in charge of reviewing and approving the regulations and documents that lead to an adequate structure and practice of Corporate Governance. Likewise, the Board of Directors has appointed the Legal Department as the Corporate Secretary, who will implement and control the effectiveness of corporate governance practices.

5. The members of the Board of Directors have sufficient time to perform their duties in a professional and efficient manner. The Board of Directors and its committees have clear and formalized rules for their operation and organization, which are disclosed through the Company's website.

The members of the Board of Directors are businessmen who possess the knowledge, experience and adequate integrity to belong to the Company's Board of Directors. Directors are committed to maintaining near perfect attendance at meetings and on participating committees.

The Board of Directors has clear and formalized rules for its operation and organization, which are provided for in the Company's Bylaws and in the Board's Regulations. In turn, the Board Committees have their own regulations that clearly establish the rules for their operation.

The Regulations are published on the Company's website.

B) THE CHAIRMANSHIP OF THE BOARD OF DIRECTORS AND THE CORPORATE SECRETARIAT

Principles

- VI. The Chairman of the Board of Directors is in charge of ensuring the effective fulfillment of the Board's functions and of leading its members. He should generate a positive work dynamic and promote the constructive participation of its members, as well as ensure that members have the elements and information necessary for decision-making. This also applies to the Presidents of each committee of the Board of Directors in terms of their work.
- VII. The Chairman of the Board of Directors must lead processes and establish structures seeking the commitment, objectivity and competence of the members of the Board, as well as the best functioning of the body as a whole and its evolution according to the needs of the Company.
- VIII. The Chairman of the Board of Directors must ensure that the Board as a whole is involved and is responsible for the succession of the general manager.

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6. The Chairman of the Board of Directors is responsible for the proper organization of the Board meetings, prepares the agenda ensuring the collaboration of the other members and ensures that they receive the necessary materials with enough time to participate in an efficient and informed manner in the meetings. Committee Chairmen have the same responsibilities for their meetings.

The Chairman of the Board of Directors coordinates the periodic schedule of its meetings with the rest of its members as established in the Regulations of the Board of Directors and sends them the necessary materials for the meetings. Likewise, with the nomination of the Legal Management as Corporate Secretary, he will begin to delegate to it the calling of meetings and the distribution of additional material when necessary.

7. The Chairman of the Board of Directors ensures the proper internal functioning of the Board by implementing formal annual evaluation processes.

The Chairman of the Board oversees the periodic evaluation of the Board. The Board of Directors annually in its Report sets out the results of its management and describes its actions in order to allow the performance evaluation by the Shareholders' Meeting in accordance with the provisions of the General Companies Law.

8. The Chairman creates a positive and constructive work space for all members of the Board of Directors and ensures that they receive continuous training to keep up-to-date and be able to correctly fulfill their functions.

The Chairman is the one who leads the Board of Directors and ensures that it is an orderly environment, destined for dialogue and constructive criticism, where all members are sufficiently informed to express their opinions and be able to seek exchange among them. In order to ensure that the directors are trained, the Board of Directors will prepare an annual training program, according to the needs that arise in the Company, which may be entrusted to external advisers or internally to the Company's personnel.

9. The Corporate Secretariat supports the Chairman of the Board in the effective administration of the Board and collaborates in communication between shareholders, Board of Directors and management.

The Corporate Secretariat will be carried out by Capex Legal Management. The Corporate Secretariat will be in charge of: (i) conducting the calls; (ii) prepare the documentation, the information package for the shareholders, (iii) prepare the minutes of the meetings, (iv) organize the shareholders' meetings; and (v) ensure the registration of shareholders.

10. The Chairman of the Board ensures the participation of all its members in the development and approval of a succession plan for the general manager of the Company.

The Human Resources Management establishes a succession policy for the Executive Management which must be approved by the Board of Directors.

C) COMPOSITION, NOMINATION AND SUCCESSION OF THE BOARD

Principles

- IX. The Board of Directors must have adequate levels of independence and diversity that allow it to make decisions in the best interest of the Company, avoiding group thinking and decision-making by individuals or dominant groups within the Board.
- X. The Board of Directors must ensure that the Company has formal procedures for the proposal and nomination of candidates to occupy positions in the Board within the framework of a succession plan.

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11. The Board of Directors has at least two members who are independent in accordance with the current criteria established by the National Securities Commission.

The Board of Directors will be made up of the number of members established by the meeting between a minimum of three (3) and a maximum of six (6) members with a mandate for one (1) year. A percentage of its members must be independent, in accordance with the Capital Market Law and CNV Regulations. The independent directors for the year ended April 30, 2020 are Lidia Argentina Guinzburg and Marilina Manteiga.

12. The Company has a Nominating Committee that is composed of at least three (3) members and is chaired by an independent director. If he chairs the Nominating Committee, the Chairman of the Board will abstain from participating in the treatment of the appointment of his own successor.

The Company has created a Nominations and Remuneration Committee which will be composed of three members and chaired by an independent Director. The regulations of this Committee are published on the Capex website.

13. The Board, through the Nominating Committee, develops a succession plan for its members that guides the process of pre-screening candidates for vacancies and takes into consideration the non-binding recommendations made by its members, the Chief Executive Officer and the Shareholders.

The Nominations and Remuneration Committee will assist the Board of Directors and / or the Assembly in the: (i) appointment of members of the Board of Directors; (ii) preparation, implementation and monitoring of policies and / or plans for the nomination of Board members, guaranteeing an effective succession plan; (iii) orientation to new directors.

14. The Board of Directors implements an orientation program for its newly elected members.

The Board of Directors, through the Corporate Secretariat, implements an orientation program for its new members, introducing them and providing them with all the necessary or required information.

D) REMUNERATION

Principles

- XI. The Board of Directors should generate incentives through remuneration to align the management - led by the general manager - and the Board itself with the long-term interests of the Company in such a way that all directors comply with their obligations regarding all their shareholders on an equitable basis.

15. The Company has a Remuneration Committee that is made up of at least three (3) members. The members are wholly independent or non-executive.

The Committee is made up of three (3) regular members appointed by the Capex Board of Directors from among its members, being totally independent or non-executive.

16. The Board of Directors, through the Remuneration Committee, establishes a compensation policy for the general manager and members of the Board.

The Remuneration Committee establishes a remuneration policy for the members of the Board of Directors. The Human Resources Management establishes the remuneration policy for the Executive Director, which must be approved by the Board of Directors. The Human Resources Management has a remuneration or compensation analysis process that is carried out in accordance with market practices in the matter.

The Committee is in charge of assisting the Board of Directors and / or the Assembly regarding: (i) Board remuneration; and (ii) preparation and monitoring of policies and / or compensation and / or benefit plans for the Board of Directors and the Executive Director of Capex.

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E) CONTROL ENVIRONMENT

Principles

- XII. The Board of Directors must ensure the existence of a control environment, composed of internal controls developed by management, internal audit, risk management, regulatory compliance and external audit, which establishes the lines of defense necessary to ensure integrity in the Company's operations and its financial reports.
- XIII. The Board of Directors must ensure the existence of a comprehensive risk management system that allows management and the Board of Directors to efficiently direct the Company towards its strategic objectives.
- XIV. The Board of Directors must ensure the existence of a person or department (depending on the size and complexity of the business, the nature of its operations and the risks it faces) in charge of the internal audit of the Company. This audit, to evaluate and audit the internal controls, corporate governance processes and risk management of the Company, must be independent and objective and have clearly established reporting lines.
- XV. The Audit Committee of the Board of Directors shall be composed of qualified and experienced members, and shall carry out its functions in a transparent and independent manner.
- XVI. The Board of Directors must establish adequate procedures to ensure the independent and effective performance of the External Auditors.

17. The Board of Directors determines the risk appetite of the Company and also supervises and guarantees the existence of a comprehensive risk management system that identifies, evaluates, decides the course of action and monitors the risks faced by the Company, including -among others- environmental and social risks and those inherent to the business in the short and long term.

Through the follow-up of business and the management functions of the Executive Direction, it assesses the risks that arise and together with the managers involved takes the necessary measures to mitigate them. The Executive Direction keeps the Board of Directors permanently informed, who defines the risk to be taken by the Company. Likewise, and given the group's activity, there is a risk matrix for environmental and safety management and risk management procedures.

In order to be a useful working instrument to identify the main risks that affect the Company, a comprehensive risk management methodology was implemented. For this purpose, a comprehensive risk assessment matrix has been developed; Among the main risk factors inherent to the business that are taken into account by Capex for its analysis are:

- Strategic, economic and political risks;
- Risks related to competitors and joint ventures;
- Risks linked to natural disasters;
- Risks linked to social problems;
- Corporate governance risks;
- Compliance risks;
- Process risks, among which are those related to human resources, fraud, information technology, operations, among others; and
- Financial and reporting risks.

This risk matrix has been prepared through the evaluation of all the Company's Managements and the Executive Direction, using methodologies to determine business risks, with the assistance of the Audit Manager, who is responsible to coordinate and supervise its application and manage the periodic update of said evaluation.

In addition, the Audit Committee, in compliance with its functions, in accordance with the provisions of current regulations and the Audit Committee Regulations and following its annual action plan, supervises the application of the information policies on financial risk management of the Company, reporting it in its Annual Report. Likewise, with respect to financial risks, the annual financial statements include a description of them and their effects on results.

Taking into account the importance of environmental risk in the framework of the activities carried out by the Company, Capex maintains the certification of the Agua del Cajón field, the generation plant and the LPG plant under the ISO 14001 standard and also has a policy of safety and environmental management aligned with said standard that is applied to the rest of its fields.

18. The Board of Directors monitors and reviews the effectiveness of the independent internal audit and guarantees the resources for the implementation of an annual risk-based audit plan and a direct reporting line to the Audit Committee.

The Internal Audit Management reports directly to the Board of Directors and has adequate human and budgetary resources in relation to the size of the Company and the complexity of its businesses. The Audit Committee approves the Annual Audit Plan that includes these activities. At the end of the year, the Audit Committee reviews and approves the Internal and External Audit management and includes it in its annual report.

19. The internal auditor or members of the internal audit department are independent and highly trained.

The Company's Internal Audit Management is made up of members who have adequate knowledge in financial, business and accounting matters, with the necessary authority to carry out their tasks effectively, comprehensively and independently.

20. The Board of Directors has an Audit Committee that acts based on regulations. The committee is made up mostly and chaired by independent directors and does not include the CEO. Most of its members have professional experience in financial and accounting areas.

The regulations of the Company's Audit Committee were approved by the Board of Directors in 2003 and duly submitted to the CNV. In accordance with the applicable regulations, the Committee is made up of three or more members of the Board of Directors elected by majority vote, who must be mostly independent and have training in accordance with the requirements of the applicable regulations.

21. The Board of Directors, with the opinion of the Audit Committee, approves a policy for the selection and monitoring of external auditors in which the indicators that should be considered when making the recommendation to the Shareholders' meeting on the retention or replacement of the external auditor are determined.

The Company applies the CNV Rules on the rotation of External Auditors.

In its annual report, the Audit Committee describes the tasks carried out during the year, among which are the holding of periodic meetings with the external auditor in which the Committee receives the corresponding quarterly reports.

Likewise, the Audit Committee evaluates the suitability, independence and performance of the External Auditors that were appointed by the Shareholders' Meeting. Each year it issues a report in response to the following procedures and tasks performed: analysis of the proposals for services and fees of the External Auditors; maintenance of the conditions of independence, consulting with Company officials about the existence of events that may affect the independence of the auditor; analysis of work plans, their development and results; planning and focus of work, etc. An opinion is issued based on the terms of the applicable regulations and the Committee's Regulations.

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F) ETHICS, INTEGRITY AND COMPLIANCE

Principles

- XVII. The Board of Directors must design and establish appropriate structures and practices to promote a culture of ethics, integrity, and compliance with standards that prevents, detects, and addresses serious corporate or personal misconduct.
- XVIII. The Board of Directors will ensure the establishment of formal mechanisms to prevent and, failing that, deal with conflicts of interest that may arise in the administration and direction of the Company. It must have formal procedures that seek to ensure that transactions between related parties are carried out in the best interest of the Company and the equitable treatment of all its shareholders.

22. The Board of Directors approves a Code of Ethics and Conduct that reflects the values and ethical and integrity principles, as well as the culture of the Company. The Code of Ethics and Conduct is communicated and applicable to all directors, managers and employees of the Company.

The Company has a Code of Conduct, which is known by Capex's trustees, directors, managers and employees, who apply it to all their work activities related to the Company.

The Code of Conduct establishes the principles and values that should inspire and define the conduct guidelines for all employees, managers and directors of the Company. It is Capex culture that all its members apply principles of integrity and transparent conduct and good practices on a daily basis in the development of the Company's activities and businesses.

23. The Board of Directors establishes and periodically reviews, based on risks, size and financial capacity, an Ethics and Integrity Program. The plan is visibly and unequivocally supported by management who designates an internal person in charge to develop, coordinate, supervise and periodically evaluate the program in terms of its effectiveness. The program provides: (i) periodic training for directors, administrators, and employees on ethics, integrity, and compliance issues; (ii) internal channels for reporting irregularities, open to third parties and adequately disseminated; (iii) a policy to protect whistleblowers against retaliation; and an internal investigation system that respects the rights of those investigated and imposes effective sanctions for violations of the Code of Ethics and Conduct; (iv) integrity policies in bidding procedures; (v) mechanisms for periodic risk analysis, monitoring, and evaluation of the program; and (vi) procedures that verify the integrity and trajectory of third parties or business partners (including due diligence for the verification of irregularities, illicit acts or the existence of vulnerabilities during the corporate transformation and acquisitions processes), including suppliers, distributors, service providers, agents and intermediaries.

The Company has begun to implement an Integrity Program in accordance with the guidelines established by Law No. 27,401 and by the CNV, having designated the Internal Audit Management as responsible for its development, coordination and supervision.

24. The Board of Directors ensures the existence of formal mechanisms to prevent and deal with conflicts of interest. In the case of transactions between related parties, the Board of Directors approves a policy that establishes the role of each corporate body and defines how those transactions detrimental to the Company or only to certain investors are identified, managed and disclosed.

The Company has a Code of Conduct that establishes that its directors, managers and employees must avoid any potential or present conflict of interest (their own with those of the Company). To the extent that any director, manager or employee of the Company is faced with a situation that may generate a conflict of interest, this must be automatically reported to his superior who will notify his Manager and Internal Audit.

The Board of Directors approves a policy that defines and regulates operations with related parties pursuant to articles 72 and 73 of Law No. 26,831. It establishes that all operations of a relevant amount (as defined in the articles already cited) with one or more related parties must undergo a specific procedure.

G) PARTICIPATION OF SHAREHOLDERS AND INTERESTED PARTIES

Principles

- XIX. The Company must treat all Shareholders fairly. It must guarantee equal access to non-confidential and relevant information for the decision-making of the Company.
- XX. The Company must promote the active participation and with adequate information of all the Shareholders, especially in the formation of the Board of Directors.
- XXI. The Company must have a transparent Dividend Distribution Policy that is aligned with the strategy.
- XXII. The Company must take into account the interests of its shareholders.

25. The Company's website discloses financial and non-financial information, providing timely and equal access to all investors. The website has a specialized area for the attention of inquiries by investors.

The Company's website has a section called "Investors" where financial and non-financial information such as the composition of the Board of Directors and its regulations, the regulations of the Nomination and Remuneration Committee, and the Audit Committee Regulations are available for public consultation, and the Financial Statements of the Company.

26. The Board of Directors must ensure that there is a procedure for identifying and classifying its shareholders and a communication channel for them.

The Company has communication channels that allow it to receive, analyze and respond to inquiries from interested parties, investors, suppliers and third parties in general. The website allows inquiries from the general public to be collected and they are answered through the person in charge of relations with the market and / or the person trained for this purpose according to the type of consultation. Likewise, relevant information about the Company is available on the Company's website.

27. The Board of Directors sends to Shareholders, prior to the Annual General Meeting, a "provisional information package" that allows Shareholders -through a formal communication channel- to make non-binding comments and share opinions that differ from the recommendations, carried out by the Board of Directors, the latter having that, when sending the final information package, expressly issue the comments received that it deems necessary.

The Company's Board of Directors complies with the periodic reporting regimes defined by the General Companies Law and the CNV Regulations.

The Company complies with the publications required by current regulations, by virtue of which the calls to General Meetings are published by the legal means provided.

The information is always available at the corporate headquarters or at the commercial offices.

28. The bylaws of the Company consider that Shareholders can receive the information packages for the Shareholders' Meeting through virtual means and participate in the same through the use of electronic means of communication that allow the simultaneous transmission of sound, images and words, ensuring the principle of equal treatment of participants.

The Company does not yet have statutory provisions to carry out remote Shareholders' Meetings, which have not yet been regulated by the CNV for normal circumstances but only temporarily as a consequence of the mandatory social isolation generated by the COVID 19 pandemic.

For their part, shareholders have the communication tools detailed in this Report (Practices 25 and 27) to establish contact and raise concerns, without prejudice to the formal channels provided by applicable regulations.

29. The Dividend Distribution Policy is aligned with the strategy and clearly establishes the criteria, frequency and conditions under which the dividend distribution will be made.

The Company's Dividend Distribution Policy is approved by its Board of Directors. It does not constitute the obligation of Capex to distribute dividends, but establishes the guidelines and criteria to be taken into account for the distribution of dividends, in compliance with the General Law of Companies and all other applicable regulations.


Alejandro Götze
Chairman

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NOMENCLATURE

Currency

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

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
FACPCE	Argentine Federation of Professional Councils in Economic Sciences
GWh	Gigawatts per hour
IASB	International Accounting Standards Board
Km	Kilometer
km ²	Square kilometer
KW	Kilowatt
LVFVD	Sales settlement with maturity to be defined
m ³	Cubic meter
MMBTU	Million British thermal unit
WEM	Wholesale Electricity Market
Mm ³	Thousand cubic meters
MMm ³	Million cubic meters
MMMm ³	Billion cubic meters
MW	Megawatt
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Nm ³	Standard cubic meter
DEEF	Diadema Eolic Energy Farm
RECPAM	Result from exposure to the change in the purchasing power of the currency
tn	Ton
V/N	Nominal value
WTI	West Texas Intermediate

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BOARD OF DIRECTORS AND SYNDICS' COMMITTEE

Chairman

Mr. Alejandro Götz

Vice-chairman

Mr. Pablo Alfredo Götz

Directors

Mr. Rafael Andrés Götz

Mrs. Lidia Argentina Guinzburg

Mrs. Mariina Manteiga

Alternate directors

Mr. Ernesto Grandolini

Mr. René Balestra

Mr. Miguel Fernando Götz

Statutory Syndics

Mr. Norberto Luis Feoli

Mr. Edgardo Giudicessi

Mr. Mario Árraga Penido

Alternate Syndics

Mrs. Claudia Marina Valongo

Mrs. Andrea Mariana Casas

Mrs. Claudia Angélica Briones

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CAPEX S.A.

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended April 30, 2020 compared with the year 2019

Fiscal year No. 32 commenced on May 1, 2019

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

Company main activity: Generation of electricity

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

Date of by-laws: December 26, 1988

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

- Latest amendment: September 30, 2005

Duration of Company: December 26, 2087

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

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

Main activity: Exploitation of hydrocarbons

Participation of parent company in capital stock and votes: 75.4%

CAPITAL STOCK (Note 18)

Type of shares	Subscribed, paid-in and registered with the Public Registry of Commerce In thousands of \$
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

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Consolidated Statements of Financial Position
At April 30, 2020 and 2019
Stated in thousands of pesos

	Note/ Exhibit	04.30.2020	04.30.2019
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7 / A	31,066,645	34,122,031
Spare parts and materials	12	1,079,539	1,011,635
Deferred tax assets	8	134,413	18,265
Right of use assets	11	251,344	-
Financial instruments at fair value with changes in other comprehensive results	16	9,103,455	-
Other accounts receivable	14	63,345	7,399
Total Non-Current Assets		41,698,741	35,159,330
CURRENT ASSETS			
Spare parts and materials	12	311,008	295,212
Inventories	13	326,027	14,580
Other accounts receivable	14	2,279,056	1,313,832
Trade accounts receivable	15	1,587,286	2,602,943
Cash and cash equivalents	17	3,619,291	12,718,341
Total Current Assets		8,122,668	16,944,908
Total Assets		49,821,409	52,104,238

The accompanying Notes 1 to 40 and Exhibits A and C to H form an integral part of these consolidated financial statements.


 Alejandro Bötz
 Chairman

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

Consolidated Statements of Financial Position
At April 30, 2020 and 2019
Stated in thousands of pesos

	Note / Exhibit	04.30.2020	04.30.2019
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Capital stock	18	179,802	179,802
Capital adjustment	18	4,009,739	4,009,739
Additional paid-in capital	18	79,686	79,686
Adjustment additional paid-in capital	18	1,777,068	1,777,068
Legal reserve	19	349,738	96,655
Free reserve	19	7,785,836	2,977,261
Reserve for instruments at fair value	19	84,422	-
Reserve for assets revaluation	19	2,854,626	1,932,997
Unappropriated retained earnings	20	1,228,211	9,091,342
Total shareholders' equity attributable to shareholders		18,349,128	20,144,550
Non-controlling interest		131,707	125,458
Total shareholders' equity		18,480,835	20,270,008
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade accounts payable	21	2,473,541	1,786,590
Financial liabilities	22	20,562,024	19,282,104
Deferred income tax	8	1,323,784	3,906,846
Taxes payables	24	1,393,582	677,194
Provisions and other charges	26 / E	2,480	3,610
Total non-current liabilities		25,755,411	25,656,344
CURRENT LIABILITIES			
Trade accounts payable	21	3,416,002	3,927,902
Financial liabilities	22	1,557,453	734,019
Salaries and social security contributions	23	351,837	303,526
Taxes payables	24	259,871	960,737
Other liabilities	25	-	251,702
Total current liabilities		5,585,163	6,177,886
Total liabilities		31,340,574	31,834,230
Total shareholders' equity and liabilities		49,821,409	52,104,238

The accompanying Notes 1 to 40 and Exhibits A and C to H form an integral part of these consolidated financial statements.


 Alejandro Götze
 Chairman

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

Consolidated Statements of Comprehensive Income
Corresponding to the years beginning on May 1, 2019 and 2018 and ended on April 30, 2020 and 2019
Stated in thousands of pesos

	Note/ Exhibit	04.30.2020	04.30.2019
Income	27	17,580,804	19,959,323
Cost of income	F	(9,396,453)	(8,648,042)
Gross profit		8,184,351	11,311,281
Preoperative expenses	H	(4,229)	(15,923)
Selling expenses	H	(2,585,835)	(2,764,358)
Administrative expenses	H	(901,930)	(791,905)
Other operating expenses, net	28	(2,249,773)	(6,349)
Operating income		2,442,584	7,732,746
Financial income	29	5,973,054	8,398,766
Financial costs	29	(11,281,850)	(16,516,202)
Other financial income		21,770	543
Other financial results - RECPAM		2,793,670	2,888,191
Result before income tax		(50,772)	2,504,044
Income tax	30	989,693	(474,882)
Net result for the year		938,921	2,029,162
Concepts that will subsequently be reclassified to results			
Other comprehensive results		84,422	-
Concepts that will not be reclassified later to results			
Other comprehensive results	19	(2,812,516)	1,170,763
Comprehensive result for the year		(1,789,173)	3,199,925
Net result for the year attributable to:			
Company shareholders		933,985	2,015,403
Non-controlling interest		4,936	13,759
Net result for the year		938,921	2,029,162
Net comprehensive result for the year attributable to:			
Company shareholders		(1,795,422)	3,165,317
Non-controlling interest		6,249	34,608
Comprehensive result for the year		(1,789,173)	3,199,925
Basic and diluted net result per share attributable to:			
- Company shareholders	31	5.1945	11.2090
Basic and diluted comprehensive result per share attributable to:			
- Company shareholders	31	(9.9856)	17.6045

The accompanying Notes 1 to 40 and Exhibits A and C to H form an integral part of these consolidated financial statements.


 Alejandro Götz
 Chairman

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Consolidated Statement of Changes In Shareholders' Equity
Corresponding to the years beginning on May 1, 2019 and 2018 and ended on April 30, 2020 and 2019
Stated in thousands of pesos

Attributable to the Company shareholders

Outstanding shares	Capital Stock		Retained Earnings				Other accumulated comprehensive income			Subtotal	Non-controlling interest	Total Shareholders' equity
	Capital adjustment	Additional paid-in capital	Retained earnings		Reserve for assets revaluation	Reserve for instruments at fair value	Unappropriated retained earnings	Reserve for instruments at fair value	Unappropriated retained earnings			
			Legal reserve	Free reserve (1)								
Balances at April 30, 2018	179,802	4,009,739	79,686	1,777,068	96,655	1,248,253	818,437	-	8,769,593	16,979,233	90,850	17,070,083
Ordinary Shareholders' Meeting of August 28, 2018	-	-	-	-	-	1,729,008	-	-	(1,729,008)	-	-	-
Comprehensive result for the year	-	-	-	-	-	-	1,149,914	-	2,015,403	3,165,317	34,608	3,199,925
Reversal of reserve for assets revaluation (2)	-	-	-	-	-	-	(35,354)	-	35,354	-	-	-
Balances at April 30, 2019	179,802	4,009,739	79,686	1,777,068	96,655	2,977,261	1,932,997	-	9,091,342	20,144,550	125,458	20,270,008
Ordinary Shareholders' Meeting of August 21, 2019 (3)	-	-	-	-	253,083	4,808,575	4,029,684	-	(9,091,342)	-	-	-
Comprehensive result for the year	-	-	-	-	-	-	(2,813,829)	84,422	933,985	(1,795,422)	6,249	(1,789,173)
Reversal of reserve for assets revaluation (2)	-	-	-	-	-	-	(294,226)	-	294,226	-	-	-
Balances at April 30, 2020	179,802	4,009,739	79,686	1,777,068	349,738	7,785,836	2,654,826	84,422	1,228,211	18,349,128	131,707	18,480,835

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

(2) Generated by the revaluation of assets (see Note 19).

(3) See Note 20.

The accompanying Notes 1 to 40 and Exhibit A and C to H form an integral part of these Consolidated Financial Statements.


Alejandro Götz
Chaufman

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Consolidated Statements of Cash Flows
Corresponding to the years beginning on May 1, 2019 and 2018 and ended on April 30, 2020 and 2019
Stated in in thousands of pesos

	Note / Exhibit	04.30.2020	04.30.2019
Cash flows from operating activities:			
Comprehensive result for the year		(1,789,173)	3,199,925
Adjustments to arrive at net cash flows provided by operating activities:			
Financial results generated by cash and cash equivalents		(3,954,582)	(6,209,940)
Income tax	30	(989,693)	474,882
Interest accrued on financial liabilities and others	22	1,651,676	1,742,592
Exchange difference generated by financial liabilities and others	22	8,548,081	13,793,501
Financial results generated in financial investments at depreciated cost not considered as cash or cash equivalents		(1,205,303)	(1,144,433)
Exchange difference from assignment of rights		(29,058)	(31,514)
RECPAM		(3,980,621)	(5,346,060)
Accrual of interest on credits and debts	29	31,313	41,321
Depreciation of property, plant and equipment	7 / A	3,798,198	2,919,125
Depreciation of right of use assets	H	60,860	-
Provision of property, plant and equipment	7 / A	(21,274)	543
Impairment of property, plant and equipment	7 / A	1,813,300	8,662
Other comprehensive income that will subsequently be reclassified to income		(84,422)	-
Other comprehensive income that will not be subsequently reclassified to income	19	2,812,516	(1,170,763)
Impairment of inventories		484,343	-
Changes in net operating assets and liabilities:			
Decrease / (Increase) in trade accounts receivable		1,015,657	(730,123)
Increase in other accounts receivable		(1,004,620)	(820,056)
Increase in inventories		(795,790)	(4,758)
Increase in spare parts and materials		(83,700)	(351,655)
(Decrease) / Increase in trade accounts payable		(1,372,141)	1,444,989
Increase in salaries and social security contributions		48,311	82,950
Decrease in taxes		(391,196)	(883,568)
(Decrease) / Increase in other liabilities		(251,702)	106,487
Income tax paid		(367,973)	(174,657)
Net cash flows provided by operating activities		3,943,007	6,947,450
Cash flows from investment activities			
Payments made for the acquisition of property, plant and equipment	7 / A	(4,316,795)	(5,437,259)
Changes in financial investments not considered as cash or cash equivalents		(7,813,729)	2,578,711
Payments for acquisition of new areas		(669,857)	(1,894,739)
Net cash flows used in investment activities		(12,800,381)	(4,753,287)
Cash flows from financing activities			
Interest paid	22	(1,418,451)	(1,289,589)
IFRS 16 payment		(79,346)	-
Financial liabilities settled	22	(1,347,472)	(233,081)
Financial liabilities obtained	22	2,630,006	-
Net cash flows used in financing activities		(215,263)	(1,522,670)
(Decrease) / net increase in cash, cash equivalents and overdrafts		(9,072,637)	671,493
RECPAM generated by cash and cash equivalents		(3,980,995)	(3,256,713)
Financial results generated by cash and cash equivalents		3,954,582	6,209,940
Cash, cash equivalents and overdrafts at the beginning of the year	17	12,718,341	9,093,621
Cash, cash equivalents and overdrafts at the end of the year	17	3,619,291	12,718,341


 Alejandro Götz
 Chairman

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Operations not generating changes in cash

Complementary Information	Note / Exhibit	04.30.2020	04.30.2019
Accrual for well capping		(412,399)	(380,720)
Deferred purchase price Pampa del Castillo Area		-	(211,558)
Acquisitions in property, plant and equipment not paid	7 / A	(755,304)	(1,777,900)
Contingent consideration Bella Vista Oeste		(154,997)	-
Capitalized financial results		26,397	-

The accompanying Notes 1 to 40 and Exhibits A and C to H form an integral part of these consolidated financial statements.


Alejandro Götz
Chairman

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Notes to the Consolidated Financial Statements
For the years ended April 30, 2020 and 2019
Stated in in thousands of pesos

NOTE 1 – GENERAL INFORMATION

1.1 – General Information of the Company

Capex S.A. ("the Company") was created in 1988 and together with its subsidiaries Servicios Buproneu S.A. (SEB) and Hychico S.A. (Hychico) and EG WIND S.A. (E G WIND) (jointly, "the Group") have as main activity the generation of electric power from conventional and renewable sources, the exploitation and production of hydrocarbons and the provision of services related to the processing.

The Company started operations in the hydrocarbon exploration and production segment in the Province of Neuquén operating the Agua del Cajón field and then expanded its operations to include electric power generation. The construction and development of a 672-MW combined cycle thermal power plant and an LPG plant, located at the Agua del Cajón field, allowed the Company to vertically integrate operations. As part of this vertical integration, the gas produced by the hydrocarbons segment in the Agua del Cajón field is processed in the LPG plant to separate liquid fluids from dry gas and use the latter as fuel in the Thermal Power Plant for electric power production. Subsequently, through its subsidiaries Hychico and EG Wind, the Company started developing renewable energy projects, including wind power generation and hydrogen and oxygen production. In 2017, the Company started to expand the exploration and production operations of hydrocarbons by means of acquisitions in different hydrocarbon areas, including: Loma Negra and La Yesera, located in the Province of Río Negro; Parva Negra Oeste, located in the Province of Neuquén; and Pampa del Castillo and Bella Vista Oeste, located in the Province of Chubut.

Hydrocarbon segment

Neuquén province

Agua del Cajón: the Company operates the Agua del Cajón area through a concession granted by the Province of Neuquén in 1991 and which was extended several times. The latest extension, currently in force, was granted in 2017 through Decree No. 556/17. The Executive Power of the Province of Neuquén granted the concession for the non-conventional exploitation over the entire area for a term of 35 years, will terminate in 2052. As condition for its granting, the Company undertook to carry out an investment program for US\$ 126 million, to be carried out during a period of five years as from January 1, 2017. The Company has exceeded the investment commitment earlier than stipulated.

Parva Negra Oeste: in November 2019, the Company and Gas y Petróleo del Neuquén S.A. ("GyP") entered into a contract for the exploration, development and production of the Parva Negra Oeste area for a four-year term (renewable for four years), ending in 2027. Parva Negra Oeste is in a good location for the possible development of Vaca Muerta formation. Upon compliance with certain conditions and if commercially exploitable hydrocarbons are found, GyP will apply for a Concession for Exploitation of Non-Conventional Hydrocarbons for 35 years, in the framework of the above-mentioned contract (see Note 39).

Province of Río Negro

Loma Negra and La Yesera: In October 2017 the Company acquired from Chevron Argentina S.R.L. i) 37.5% of the "Loma Negra" hydrocarbons exploitation concession, and (ii) 18.75% of the "La Yesera" hydrocarbons concession, two oil and gas exploitation areas in the province of Río Negro. The duration of the concession agreement of Loma Negra matures on December 24, 2024, and on June 3, 2027 in the case of La Yesera. The operations of both concessions are carried out through consortia with other companies, the Company being the operator of the same from the moment of acquisition of the participation from of Chevron Argentina S.R.L.

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NOTE 1 – GENERAL INFORMATION (CONT'D.)

1.1 – General information of the Company

Chubut Province

Pampa del Castillo – La Guitarra: In August 2018, the Company acquired 95% of the concession of hydrocarbon exploitation Pampa del Castillo - La Guitarra from Enap Sipetrol and Petrominera del Chubut S.E. ("PMC"), an oil exploitation area located near the city of Comodoro Rivadavia. The term of validity of the concessions expires in October 2026. The operations are carried out through a temporary union between the Company and PMC, in which the Company is the operator (see Note 39).

Bella Vista Oeste: In October 2019, the Company was awarded the exclusive rights for the operation, transport and commercialization of hydrocarbons within the area of the Bella Vista Oeste Block I, located near the city of Comodoro Rivadavia. According to the concession contract, Capex may request 10-year term extensions, provided it meets its obligations as a concessionaire, produces hydrocarbons in the area and submits an investment plan (see Note 39).

Energy Segments

Thermal energy generation: The electricity generation business of thermal source has a total nominal generation capacity of 672 MW (ISO), and includes an open cycle with a total nominal installed capacity of 371 MW and a combined cycle with supplementary firing with a total nominal installed capacity of 301 MW.

To connect the Power Station Agua del Cajón ("CT ADC") 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.

Energy generation from renewable sources: Through its subsidiaries Hychico and EG Wind, the Company developed and built two wind farms: i) Wind Farm Diadema I, with an installed capacity of 6.3 MW, operated by Hychico since 2009, and ii) Wind Farm Diadema II, with an installed capacity of 27.6 MW, operated by EG WIND since 2019 and awarded within the framework of the renewable energies program Renovar 2. Both wind farms are located near the city of Comodoro Rivadavia, in the Province of Chubut. The energy generated in the wind farms is sold to CAMMESA under long-term contracts.

Energy generation from hydrogen: Through its subsidiary Hychico, the Company developed and built a Hydrogen Plant near the city of Comodoro Rivadavia, in the Province of Chubut. As part of the energy production process, water is injected in the plant to separate hydrogen from oxygen. The hydrogen and oxygen plant has two electrolyzers of 325 KW each, with a hydrogen production capacity of 60 Nm³/h (normal cubic meter per hour) and an oxygen production capacity of 30 Nm³/h; an oxygen compressor; an electric power motor generator of 1.4 MW; hydrogen and oxygen storage systems and ancillary systems. Hydrogen is used for generating electric power by an air gas combination and oxygen is used for the industrial gas market in the region.

Processing and Separation of liquid gases derived from gas segment

Through its subsidiary Servicios Buproneu S.A., the Company operates an LPG plant located in the Agua del Cajón field. The gas produced in the aforementioned field, rich in liquefiable components, is processed in the LPG plant to obtain propane, butane and stabilized gasoline. The Company sells propane and butane separately, and stripped gasoline is traded jointly with its crude oil, while the remaining dry gas is used as fuel for energy generation through the Agua del Cajón Power Plant.

The Company continues evaluating: i) possible acquisitions of hydrocarbon assets that allow to increase production levels and reserves; ii) the incorporation of energy generation businesses working as from renewable sources.

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

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NOTE 1 – GENERAL INFORMATION (CONT'D.)

Nota 1.2. Impact of the Coronavirus on the operations of the Company and its subsidiaries

The World Health Organization (WHO) declared COVID-19 a pandemic on March 11, 2020. The COVID-19 outbreak is causing an adverse impact on global economy and, in particular, on oil price, which has recorded a decline of over 50%. The drop in economic activity due to the isolation measures adopted by different governments to mitigate the virus spread caused a strong downturn in the demand for oil, which was worsened by the lack of agreement between OPEC members and Russia regarding production volumes and consequent supply adjustment. Today, some countries have loosened confinement and isolation measures, but, in some cases, new virus outbreaks have been reported, which would entail going back to more strict measures. The scope and duration of those containment measures and their impact on the world economy are still uncertain.

In line with WHO recommendations for all countries affected by the COVID-19 pandemic, the National Government issued Emergency Decree (DNU) No. 297/20, whereby the social, preventive and mandatory isolation was implemented as from March 20, 2020, and a series of measures aimed at decreasing the circulation of the population were imposed, being exempted from isolation only those individuals engaged in essential activities. The isolation term has been extended several times and may be extended for as long as necessary in light of the epidemiological situation.

The DNU establishes as essential activities, workers on duty to ensure the operation and maintenance of: oil and gas fields, oil and gas treatment and/or refining plants, transport and distribution of electric power, liquid fuels, oil and gas, fuel supply stations and electric power generators.

The situations mentioned have significantly affected the hydrocarbons industry in the country, as detailed below:

- Even though the demand for hydrocarbons and, in particular, the demand for oil, has plunged, at the date of presentation of these Financial Statements, the volumes of demand show an upward trend.
- The storage capacity of crude oil was severely affected as a result of refineries' decrease in consumption.
- Local oil prices, which use international values as reference, have recorded a strong fall, but projections show recoverability (see "criollo barrel").
- The demand for gas was mainly affected by the fact that CAMMESA reduced the electric power dispatch and, therefore, there is less gas consumption for thermal generation.

The suspension of all non-essential industrial activities and consumption seasonality have contributed to the decline in demand. As a consequence, prices obtained by the Company in recent auctions by CAMMESA have experienced a steady downward trend compared with pre-isolation prices. Additionally, the National Government issued Decree No. 488/20, effective as from May 19, 2020, by means of which it provides that crude oil deliveries conducted in the domestic market between that date and December 31, 2020, have to be invoiced by producing companies and paid by refineries and retailers taking a reference value of USD 45/bbl for Medanito crude oil.

Regarding gas price, the National Government is considering the implementation of a Gas Plan with a price support mechanism for the industry.

In connection with electric power rates, on April 8, 2020, the Energy Secretariat empowered CAMMESA to postpone until further decision the application of the adjustment factor set forth in Resolution No. 31/20. According to this resolution, electric power generation rates will be pesified and later updated by an adjustment factor tied to inflation.

The main objectives of the Company are to preserve its employees' health and safety and keep its fields operating by selling its production in the domestic and international markets. To date, the Company has achieved these objectives. Additionally, the Company has been able to dispatch electric power generated in Agua del Cajón Thermal Power Plant using the gas produced in its field, in spite of the decline in the demand for electric power as a consequence of the COVID-19 pandemic mentioned above and of the breakdown of one of the Thermal Power Plant transformers in January 2020, whose repair is currently in progress and its start-up expected for August 2020.

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NOTE 1 – GENERAL INFORMATION (CONT'D.)

The Company has reduced the activities in its operations preserving the health and safety of its employees and what continued in operation was executed with strict and precise protocols that to date have given very good results, preventing the contagion and spread of the disease in the minimum endowments that continued to operate. As regards administrative and management staff, work continued to be carried out from home. These well-coordinated activities enabled the Company to maintain its income and expense flows, which were strongly affected by the previous market situation and then imposed by the pandemic. Even with a very retracted market and low energy demand, the Company has managed to sell its production on the local and international markets and the thermal power plant has continued to operate so that to date we have not been forced to stop production.

Company Management is controlling this situation and adopting measures to ensure employee integrity, maintain operations and preserve its financial position. These actions entailed the development of an action plan including the implementation of the following measures: i) teleworking for all positions, where possible; ii) prevention protocols for operations that require the presence of staff to guarantee due and timely performance of maintenance work; iii) review of investments program; and iv) maintenance of an appropriate liquidity position, considering the situation and current market conditions, among others.

Given the measures adopted pursuant to the explanations above, the Company continues operating all its fields and the rest of its activities, adapting its operations to the current context.

In connection with the Financial Statements at April 30, 2020, the main consequences of the circumstances described are summarized below:

- Assessment of the recoverable value of Property, Plant and Equipment: the current and foreseen drop in hydrocarbons prices and macroeconomic variables, which are the main assumptions for the estimate of the recoverable value of assets, recorded an impairment recognition in the oil and gas segment attributable to Agua del Cajón field amounting to \$ 1,813,300 (see Notes 3.6., 5, 7 and 28).
- Impairment of oil inventories: the fall in oil price has led the Company to record an impairment of crude oil inventories amounting to \$ 484,343. This impairment is a consequence of the fact that the net realizable value at April 30, 2020, was lower than the production cost (see Notes 3.8, 14 and 28).

The extent of the COVID-19 outbreak and its final impact on the Argentine economy is unknown and may not be reasonably predicted to date. However, although there have been some significant short-term effects, they are not expected to affect business continuity. It is expected that the Company will be able to continue to meet its financial and commercial commitments within the next twelve months due to its current financial soundness.

In addition, the Government is currently renegotiating the external debt with foreign creditors. The Board of Directors is closely monitoring the situation and taking all necessary measures to preserve human life and the Company's business.

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR

a) Oil sector

Federal Hydrocarbons Law 17319 and 27007

Ownership of fields

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

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

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

With the enforcement of this law, the term of the concessions for conventional exploitation is maintained at 25 years; however, successive renewals of 10 years are authorized for both conventional and non-conventional exploitation concessions.

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 for increasing it up to 3 points (resulting 15%). A ceiling of 18% is set for successive extensions.

Furthermore, Law 27007 created an Investment Promotion System for the Exploitation of Hydrocarbons for investment projects exceeding US\$ 250 million and established that in certain exceptional 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 available to the exporter.

Federal Law 26741

Public Interest Statement

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

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

11.

NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

Domestic market prices

In the domestic market, oil sales are made at prices negotiated between oil producers and refineries to which crude oil is sold. Those prices are set taking into consideration the current quotation of Brent crude oil, retail (pump) prices for fuels and byproducts, the future price scenarios, and the regulations and requirements established by the government.

Through Decree of Necessity and Urgency No. 566/19 dated August 15, 2019 and effective since the day of publication in the Official Gazette on August 16, 2019, the National Executive Branch (PEN) established that.

- 1) Deliveries of crude oil in the local market during the ninety calendar days following the entry into force of the measure must be invoiced and paid at the price agreed by producing and refining companies at August 9, 2019, applying a reference exchange rate of \$ 45.19/US\$ and a BRENT reference price of US\$ 59/bbl.
- 2) The maximum price of gasoline and gas oil (all qualities), marketed by refining companies and/or wholesalers and/or retailers, in all sale channels, during the ninety calendar days following the entry into force of the measure, shall not be higher than the current price at August 9, 2019.
- 3) During the period covered by this measure, refining companies and/or wholesalers and/or retailers must meet, at the prices established in said decree, the total national demand for liquid fuels, in accordance with the volumes required under usual market practices, supplying on a regular and continuous basis to each and every area that makes up the territory of the Argentine Republic.
- 4) Hydrocarbon producing companies must meet the total demand for crude oil required by local refining companies, supplying regularly and continuously to all refineries located in the territory of the Argentine Republic to satisfy domestic demand.
- 5) Fuels shall be marketed according to the qualities, types and other requirements established by current regulations.

Through Decree of Necessity and Urgency No. 601/19 dated August 30, 2019 and effective since the day of its publication in the Official Gazette on September 2, 2019, the PEN superseded sections 1 and 2 of Presidential Decree 566/19 and established a reference exchange rate of \$ 46.69/US\$ until November 13, 2019. In addition, the ceiling price of gasoline and diesel in all its qualities, marketed by refining companies and / or wholesale and / or retail vendors, whose final destination is the supply of fuels per pump peak at outlets (service stations) could not be higher than the price in force on August 9, 2019.

To this end, the following resolutions were issued: ES Resolution No. 577/19 (effective September 19, 2019), raising the reference exchange rate to \$ 49.30/US\$ and ES Resolution No. 688/19 (effective November 1, 2019), raising the reference exchange rate to \$ 51.77/US\$.

On September 13, 2019, Resolution No. 552/19 of the Ministry of Finance was published, establishing a transfer of \$ 116.10 per barrel of oil delivered to the local market during September 2019, to be paid 88% to the requesting producing company and 12% to the province in which the oil was produced. The above-mentioned request for transfer must be accompanied by a waiver by the oil producing company and the grantor of the concession (the province) of any right or administrative, judicial, out-of-court action or claim or arbitration proceedings, in Argentina or abroad, and at international level, in relation to the application of Decrees Nos. 566 and 601/19. The Company has not made any request in this regard.

Given the economic context the country is going through as mentioned in Note 1, on May 18, 2020, Decree No. 488/2020 was issued, published in the Official Gazette on May 19, 2020, by means of which the National Executive Branch provides that crude oil deliveries conducted in the domestic market between that date and December 31, 2020, have to be invoiced by producing companies and paid by refineries and retailers taking a reference value of USD 45/bbl for Medanito crude oil. This regulation, which is inconsistent with the provisions of Law No. 17319 regarding the fact that the price basis for calculation for the payment of royalties has to be the price actually collected, will no longer be in force if the Brent quotation exceeds such value for ten consecutive days. The Energy Secretariat was authorized to modify the reference price on a quarterly basis and to periodically review the scope of the measure adopted based on production volume parameters and the levels of activity and investment. Additionally, the decree established, during its effective term, the following provisions for producing companies:

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

- 1) Maintain the levels of activity and/or production recorded during 2019, keeping the agreements with regional services companies and its employees at December 31, 2019, for which companies should consider the current contraction of domestic and international demand for hydrocarbons and byproducts as a consequence of the COVID-19 pandemic within the appropriate and economic operation parameters set forth by Sect. 31 of Law No. 17319;
- 2) Fulfill the annual investment plan;
- 3) Do not accede to the exchange market for the purchase of external assets or securities in pesos to be later sold in foreign currency or transfer of custody abroad; and
- 4) Apply the price established in every case for the calculation of hydrocarbon royalties.

Export Duties

Under Decree No. 793/2018 dated September 3, 2018, the National Executive Branch determines export duties until December 31, 2020, equivalent to 12% of the exports for consumption of all goods within the tariff positions from the Common MERCOSUR Nomenclature (NCM, for its acronym in Spanish), among which are the hydrocarbons sold by the Company. The duty established may not exceed \$4/US\$ of the tax value or the FOB official price.

By means of Decree No. 37/99 issued by the National Executive Branch and published in the Official Gazette on December 14, 2019, the cap of \$ 4/USD of the tax value or FOB price as export duties under Decree No. 793/18 was eliminated. Therefore, the rate for export duties applicable to hydrocarbons will be 12%, subject to no cap.

Besides, Law No. 27541 published in the Official Gazette on December 23, 2019, stated that rates for export duties applicable to hydrocarbons and mining cannot be higher than 8% of the tax value or FOB price. However, to the date of these financial statements, Customs settles export duties for hydrocarbons at a 12% rate. The Company has filed the corresponding objections and has requested the reimbursement for the export duties paid in excess

Finally, National Executive Branch Decree No. 488/2020, published on May 18, 2020, provides a schedule to determine the rate for export duties, revoking any regulation contrary to it, and outlines the following definitions:

- a. Base value (VB): U\$S 45/bbl
- b. Reference value (VR): U\$S 60/bbl
- c. International Price: the last business day of each month, the Energy Secretariat will publish the quote of "ICE Brent First Line" barrel price, for which it will consider the average of the last five quotes published by the "Platts Crude Marketwire" under the heading "Futures Settlements." If there were a difference of over 15%, a new quote will be determined, to be applied as from the following business day.

Based on these definitions, the Decree sets forth the following provisions regarding export duties:

- A 0% rate if the international price is equal or lower than the base value.
- An 8% rate if the international price is equal or higher than the reference value.
- If the international price is between the base value and the reference value, the rate is determined using the following formula:

$$\text{Aliquot} = \frac{\text{PI} - \text{VB}}{\text{VR} - \text{VB}} \times 8\%$$

The Company made foreign oil sales for \$ 5,255 and \$ 4,070 million as of April 30, 2020 and 2019, respectively.

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

b) Electricity sector

b.1) Remuneration schedule as from February 2020

b.1.1) Res 31/2020 of the Ministry of Energy

On February 26, 2020, the Secretariat of Energy of the Ministry of Productive Development published Resolution No. 31/2020, whereby values remunerated through Resolution Res 1/2019 issued by the former Secretariat of Renewable Resources and Electricity Market (SRRyME) were pesified as from February 1, 2020.

This resolution further establishes that values stated in pesos will be adjusted on a monthly basis according to the amount resulting from the sum of 60% of Consumer Price Index (CPI) variation and 40% of Wholesale Price Index (WPI) variation from the previous month. This update would be applicable as from the transaction carried out on the second month following the resolution validity. Through Administrative Note NO-2020-24910606-APN-SE # MDP, dated April 8, 2020, the Ministry of Energy empowered CAMMESA to postpone the application of the update factor until a further decisión. By virtue of this, as of the date of presentation of these financial statements, CAMMESA has not applied the update factor provided in Resolution SE No. 31/2020. The Company's Management estimates that the update factor will be applied in the short term.

The new values set for remunerations for technologies with characteristics similar to CT ADC (> 150MW) are the following:

- i) Remuneration for monthly available power, which will be allocated depending on the use factor of the generation equipment.
 - a) Minimum price associated with the Real Availability of Power ("DRP", for its acronym in Spanish).

Technology/Scale	[U\$/MW-month]
Large CC P > 150 MW	100,650

This remuneration will be the base value for the availability of power to be applied for those generators that do not declare DIGO.

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

b) Base Price for Guaranteed Availability Offered (DIGO)

Period	[US\$/MW - month]
Dec - Jan - Feb - Jun - Jul - Ago	360,000
Mar - Apr - May - Sep - Oct - Nov	270,000

Monthly power remuneration of a Thermal Authorized Generator ("GHT", for its acronym in Spanish) will be proportional to monthly availability, use factor of the generation unit and seasonal prices. The applicable physical value is the monthly average power, less the hours of scheduled and agreed-upon maintenance. Power unavailability considered when calculating available average power will be the generating agent's sole responsibility.

The DIGO unavailability of a generating unit arising from any own flaw or due to the failure to consume fuel allocated in the economic dispatch is GHT's responsibility and will be considered forced unavailability.

ii) Remuneration for energy generated and operated

a) Generated Energy: non-fuel variable prices, by type of fuel consumed by the generating unit, is as follows:

Technology/Scale	Natural Gas [US\$/MWh]
CC - Large P > 150 MW	240

For the hours the generating unit is dispatched out of power for operating reasons not attributable to forced generation due to transport, voltage or safety control requirements, it will be recognized as remuneration for generated energy considering it equal to 60% of net installed power, notwithstanding the energy actually dispatched by the generating unit.

b) Operated Energy: generators will receive a monthly remuneration for this concept represented by the integration of the hourly powers in the period, valued at 84 \$/MWh for any type of fuel.

When the generating unit does not dispatch power as optimal dispatched power for operating reasons not attributable to forced generation due to transport, voltage or safety control requirements, it will be recognized as remuneration for operated energy when it is equal to 60% of net installed power, notwithstanding the energy actually dispatched by the generating unit, plus rotating power calculated as the difference between the available net installed power and generated energy.

iii) Power availability remuneration in hours of high demand

Resolution Res 31/2020 introduces the concept of Period for the assessment of the generating park operation in Maximum Thermal Requirement Hours ("HMRT", per its acronym in Spanish) in the 50 hours in which the highest dispatch of net thermal generation is recorded in each month of the calendar year.

These hours will be assessed, as shown in the following chart, analyzing the hours of each month ordered from the maximum to the minimum thermal requirement, as indicated below:

HMRT	Period			
	Summer	Autumn	Winter	Spring
HMRT-1	First 25 hours of highest heat requirement of each month in each period			
HMRT-2	Second 25 hours of highest heat requirement of each month in each period			

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

GHT will receive 37,500 \$/MW for the average generated power in the 50 hours of the maximum thermal requirement of the month, by differentiating between the first 25 hours from the second 25 hours and the seasonal periods of the year (summer, winter, autumn and spring).

- o Summer / Winter:
 - First 25 hs of the month: 37.500 \$/MW x 1,2
 - Second 25 hs of the month: 37.500 \$/MW x 0,6
- o Autumn / Spring:
 - First 25 hs of the month: 37.500 \$/MW x 0,2
 - Second 25 hs of the month: 37.500 \$/MW x 0,0

Lastly, the Undersecretariat of Energy of the Ministry of Productive Development is empowered to issue any such complementary or explanatory rules and regulations as are required for the implementation of this resolution.

b.1.2) Flexibility of charges and interest for late payment of the economic transaction

By means of SRRYME Resolution No. 29/2019, the application of default interest and charges was relaxed in the event of delays in the payment of economic transactions in the WEM.

- i. Reduction of surcharges: The 50% reduction of surcharges for agents with overdue and unpaid debts is extended until April 30, 2020.
- ii. Compensatory and default interest: Compensatory interest will only apply, at a rate equivalent to that set by Banco de la Nación Argentina for its 30-day discount operations, to agents that have failed to make the last payment, but made the last three immediately preceding payments in due time, provided that such payment is made within 15 days of the invoice expiration date. A 1% default interest will additionally apply for each day of delay, calculated on the overdue and unpaid debt amount, with a cap equivalent to the surcharges provided for in CAMMESA's procedures when the payment is made after such term. It must be noted that the previous scheme established increasing default interest based on the time elapsed.
- iii. Compensations: In the case of delays not exceeding 5 days in any given month, compensations without the application of compensatory interest are allowed by advancing the payment of the following invoice by 2 days per each day of delay.

b.2) Remuneration schedule to January 2020

b.2.1) Res 1/2019 of the Ministry of Renewable Resources and Electricity Market (SRRyME)

On March 1, 2019, the Secretariat of Renewable Resources and Electricity Market published Resolution 1/2019 repealing Resolution 19/2017 of the former Electric Power Secretariat since March 1, 2019. In line with the repealed regulation, the new one established:

- Establish that all Generating Agents, Cogenerators and Self-generators of the MEM shall be Authorized Generators (AG), with the exception of the Generation from the Binational Hydroelectric Power Plants and the Nuclear Generation, and the exception of Generators, Cogenerators and Self-generators of the MEM with generating units with power committed in the framework of Centralized Contracts for the Supply of the MEM demand (MEM Supply Contracts), the electric power of which will fulfill their obligations under the aforementioned contracts.
- Establish a guaranteed power availability system, in accordance with the methodology defined in Annex I "Guaranteed Availability of Power".
- Establish a remuneration system for the Thermal Authorized Generation (TAG) in accordance with the methodology and remuneration defined in Annex II "Remuneration for the Thermal Authorized Generation".
- Establish a remuneration system for the Hydraulic Authorized Generation (HAG) and generation through other sources of energy (RAG) in accordance with the methodology and remuneration defined in Annex III "Remuneration for the Hydroelectric Authorized Generation and Generation Through Other Sources of Energy".
- Establish a remuneration methodology for the Yacretá and Salto Grande Hydraulic Power Plants, as stated in Annex IV "Remuneration of Binational Hydraulic Power Plant".

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

The modifications included in Annexes I and II applicable to the CT ADC are detailed below:

Guaranteed Availability of Power ("DIGO", for its acronym in Spanish).

It is the available power that a Thermal Authorized Generator (TAG) commits for each generation unit and for each DIGO Remuneration Period. The availability contemplates typical temperature conditions of the site and with its base fuel for dispatch. In no case shall the power and energy committed under any other type of contract executed in the MEM be committed in DIGO.

The DIGO requirement periods include:

- a) Summer period: December, January, February
- b) Winter period: June, July, August
- c) Rest of the year:
 - * March, April, May
 - * September, October, November

CAMMESA will inform the declaration dates, which must be at least 30 days before the beginning of each quarter.

The values set for technologies with characteristics similar to CT ADC (> 150MW) are the following:

- i) Remuneration for monthly available power: it will be allocated depending on the use factor of the generation equipment
 - a) Minimum price associated with the Actual Availability of Power ("DRP" for its acronym in Spanish)

Technology / Scale	[US\$/MW-month]
CC big P > 150 MW	3,050

This remuneration was the base value for the availability of power to be applied for those generators that do not declare DIGO.

- b) Base Price for Guaranteed Availability Offered (DIGO)

Period	[US\$/MW - month]
Dec - Jan - Feb - Jun - Jul - Aug	7,000
Mar - Apr - May - Sep - Oct - Nov	5,500

Generating units that have declared that they manage fuel for generation purposes on their own, but do not have the fuel they were called for dispatch, will be considered they have 50% availability of the actual availability.

- ii) Remuneration for generated and operated energy

- a) Generated Energy: variable non-combustible prices, by type of fuel consumed by the generating unit, is as follows:

Technology / Scale	Natural gas [US\$/MWh]
CC - Big P > 150 MW	4.0

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

Generating units that have declared that they manage fuel for generation purposes on their own, but do not have the fuel they were called for dispatch, will lose their order for dispatch until, if necessary, the Agency Responsible for Dispatch ("OED") allocates fuel for their operation. In the last case, only 50% of the related non-combustible variable costs would be remunerated for the Generated Energy.

- b) Operated Energy: generators would receive a monthly remuneration for this concept represented by the integration of the hourly powers in the period, valued at 1.4 US\$/MWh for any type of fuel.

Generating units that have declared that they manage fuel for generation purposes on their own, but do not have the fuel they were called for dispatch, would lose their order for dispatch until, if necessary, the OED allocates fuel for their operation. In the last case, only the Generated Energy by the generation unit will be recognized as Operated Energy and 50% of the price of the Operated Energy will be applied.

Remuneration of other Generation Technologies:

The resolution also covered remunerations for other generation technologies which are not applicable to the Group.

The remuneration for generator's energy is defined in its node.

The generators that choose to manage their own fuel had to make a declaration of the commitment assumed for the aforementioned management. Such declaration was made following the current procedure for fortnightly declarations of VPC (Variable Production Cost).

Likewise, it established that for the recovery of the amounts associated with the financing granted for the execution of non-recurrent, major and/or extraordinary maintenance, CAMMESA had to deduct from the settlement of the generator's credits an amount equivalent to the maximum between 1 US\$/MWh generated and 700 US\$/MW-month.

In relation to the concepts that the respective Annexes determined in US Dollars, the Resolution provided that the OED would convert the values denominated in US Dollars to Argentine Pesos, at the exchange rate published by the Central Bank of Argentina in "Reference Exchange Rate - Communication A 3500 (Wholesale)" of the day prior to the due date of the economic transactions.

Lastly, the Undersecretary of Electricity Market was empowered to issue complementary or explanatory rules and regulations that are required for the implementation of this resolution.

b.2.2) ES Res 19 E/17 from the Ministry of Energy and Mining

On January 27, 2017, the Ministry of Energy and Mining adopted Resolution No. 19 - E/2017 (ES Res 19 E/17), which established a remunerative mechanism which values positively the greater accuracy in the statement of guaranteed availability of generation of conventional source electricity. The aim is to adopt remuneration criteria with economically reasonable, foreseeable and efficient conditions by means of mid-term commitments, with the possibility of transferring them to the demand. It came into force as from February 1, 2017.

This rule was repealed on March 1, 2019 by the Secretariat of Renewable Resources and the Electricity Market through Resolution 1/2019.

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

ES Resolution 19 - E/2017 set out that a WEM generating, co-generating and self-generating agent, owner of a conventional power generation plant, could declare Offers of Guaranteed Availability in order to subscribe to Commitments of Guaranteed Availability (CoDiG, for its acronym in Spanish) in terms of the power and energy of the installed generation units, along with the seasonal statements in the summer. The statements of Offered Guaranteed Availability (DIGO, for its acronym in Spanish) would cover periods of 3 years, differentiating the values in different seasonal periods of six months. For 2017, the DIGOs was enabled for the winter season. State-owned WEM Generation Agents were excluded from these offers (including the Argentine share of binational entities), as well as Generation Agents which have committed to supply energy and/or power by means of specific agreements.

The remuneration schedule was US dollar denominated.

Likewise, for those generators with balances for the financing of the Maintenance Program for Electricity Generation Units, after paying the credits already accrued, the Resolution foresaw their payback or reimbursement, deducting up to 1 US\$/MWh per generated MW from the monthly settlement, until the financing was fully repaid.

Finally, it also set forth a specific remuneration schedule for those plants generating hydroelectric energy and renewables, as well as incentives for those thermals that had an increase in energy efficiency and higher usage expenses due to irregular dispatch.

The remuneration to enabled thermal generators was composed of:

i) A remuneration for monthly available power, subdivided in:

- a) a minimum price associated to Real Available Power,
- b) a base price pursuant to the fulfillment of a DIGO and
- c) a maximum additional price related to the fulfillment of an Assigned Power, the latter receiving an additional amount to the unit price to cope with more demanding situations.

ii) A remuneration for generated and operated energy, which was the sum of Generated Energy and Operated Energy, which might be increased in accordance with the fulfillment of thermal efficiency objectives.

The values set by Resolution ES 19 - E/2017 for technologies with similar characteristics to CT ADC (>150 MW) were the following:

iii) Remuneration for monthly available power

a) Power minimum price

Technology / Scale	[US\$/MW-month]
CC big P > 150 MW	3,050

b) Base Price to remunerate the Offered Guaranteed Availability (DIGO, for its acronym in Spanish)

Period	[US\$/MW-month]
may 17 – oct 17	6,000
nov 17 onwards	7,000

c) Additional price:

Period	[US\$/MW-month]
may 17 – oct 17	1,000
nov 17 onwards	2,000

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

iv) Remuneration for generated and operated energy

- a) Generated Energy: non-fuel variable prices, per type of fuel consumed by the generating unit, were established in the following chart:

Technology / Scale	Natural gas [US\$/MWh]
CC - Big	5.0

- b) Operated Energy: the generators would receive a monthly remuneration on this concept, represented by the integration of time powers in the period, valued at 2.0 US\$/MWh for any type of fuel.

Remuneration of other Generation Technologies:

The resolution also covered remunerations for other generation technologies which are not applicable to the Group.

Through Note No. 2017-15482939-APN-SECEE#MEM, ES Resolution 19E/2017 was amended; these amendments became effective as from November 2017:

- Offered Guaranteed Availability (DIGO, for its acronym in Spanish) declaration could be made in each Seasonal Schedule;
- The method to control the DIGO might be chosen, which might be monthly (with a 7.5% tolerance) or half-yearly;
- The exchange rate to be considered by CAMMESA for the payment of settlements would be that of the day prior to the due date of the commercial document.

b.2.3) Maintenance program for the energy generating units

In June 2011, the Company managed 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.

On April 12, 2013, the Energy Secretariat approved the works proposed for a total of US\$ 30,891,000. In November 2015 it was increased by US \$ 20,000,000, from which the total amount of the Program amounted to the sum of US \$ 50,891,000.

The cancellation of said financing was made by applying the different concepts established by Res 95/13, Res 529/14, Res SE 19 E / 2017 and Res 1/2019 SRRyME.

b.2.4) Law 27,541

Through Law 27,541, published on December 23, 2019, the National Executive Power defined that the electricity and gas rates under federal jurisdiction be maintained for a period of 180 days without modifications, also proposing a comprehensive rate renegotiation or initiating an extraordinary review in the terms of Laws 24.065, 24.076 and other concordant regulations.

b.3) Renewable energies

b.3.1) Energy Secretariat Resolution 108/2011

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

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

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

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 CAMESA.
- 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 the 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 submitted.

It was 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 (See Note 37).

Although Resolution No. 108/11 was repealed by Resolution No. 202 - E/2016, the latter provided that the contracts entered into under Resolution No. 108 will remain valid as originally established.

b.3.2) Law XVII No. 95 – Tax benefits for renewable energies

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

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

b.3.3) Law 27191 – Changes to the regime for the promotion of renewable energies

On September 25, 2016, the National Congress enacted Law 27191 which was published in the Official Gazette on October 21, 2015. The Law introduced amendments to the National Program for the Promotion of the Use of Renewable Energy Sources created by Law 26190. To that end, to reach an 8% renewable energy contribution to the national consumption matrix at December 31, 2017 and 20% at December 31, 2025, the law added the following: (i) it extended the definition of renewable energies; (ii) it eliminated the 10 year limitation for the tax benefit system; (iii) it set out non-excluding tax incentives such as: early refund of VAT, accelerated depreciation of income tax, exclusion from the tax on assets base of assets used in promoted activities, exemption from import duties, offsetting of tax losses against income (going from 5 to 10 years), tax exemption for dividend distribution when the beneficiary is an individual (only in the case of reinvestment), and tax certificates for 20% of the value of the national components; (iv) it created the Trust Fund for the Development of Renewable Energies that, among other things, will grant loans and guarantees for investment projects, and (v) it ordered that all power users would have to contribute by complying with the renewable energy consumption objectives set forth by the law, for which a gradual schedule was established and special obligations for Large Users of over 300kW. Finally, the law ratified that wind power generation should receive the same treatment as run-of-the-river power generation; therefore, this will be dispatched according to the actual wind availability.

In addition, in May 2016 the Ministry of Energy and Mining issued Resolutions 71/2016 and 72/2016 through which it set in motion the first round of the Open Bid Process for contracting in the WEM electricity from renewable generation sources ("Programa RenovAr") to comply with Laws 26190 and 27191. On September 5, 2016, Hychico together with Plenium Energy S.A. (a related company) submitted a bid under that program but it was not awarded.

b.3.4) Decree No. 531/2016 – Regulatory of Laws No. 26190 and 27191

On March 31, 2016 Decree No. 531/2016 was published in the Official Gazette; it approves the regulatory provisions to Law No. 26190, amended by Chapter I of Law No. 27191 and Chapter II of Law No. 27191 related to the Second Stage of the National Regime for Promotion of Renewable Sources of Energy Intended for the Production of Electric Power. It also approves the regulation to the Chapters of Law No. 27191 related to the Trust Fund for Renewable Energy (Chapter III), contribution by electrical energy users to comply with the objectives established by the Promotion Regime (Chapter IV), tax increases (Chapter V), regime on exports (Chapter VI), access to and use of renewable energy sources (Chapter VII), electric power from intermittent renewable resources (Chapter VIII) and supplementary clauses (Chapter IX) stating that the Enforcement Authority must widely publish offers for generation of electric power from renewable energy sources and invite the City of Buenos Aires and the Provinces to adhere to the law and issue their own local rules aimed at promoting the production of electrical energy from renewable sources.

b.3.5) Resolution E-275/2017 of the Ministry of Energy and Mining

On August 17, 2017, Resolution No. E-275/2017 from the Ministry of Energy and Mining was published in the Official Gazette which called for interested parties to offer in the National and International Open Bid Process for contracting in the WEM electricity from renewable sources - Program RENOVAR (2nd Round), with the aim of entering into contracts in the forward market (called supply contracts of renewable electricity) with CAMMESA in representation of Distributors and Large Users of the Wholesale Electric Market - until their reallocation to distribution agents and/or Large Users of WEM in accordance with the Program Bidding Terms and Conditions. Hychico participated in the call with the Diadema Eolic Energy Farm II project (see Note 38).

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

b.3.6) Resolution No. E-281/2017 - Ministry of Energy and Mining

On August 22, 2017 Resolution No. 281/2017 was published, which established the Forward Market System for Electricity from Renewable Sources within the framework of Law No. 27191 and its Regulatory Decree No. 531/2016. This system has the purpose of establishing conditions in accordance with Section 9 of the Law 27191 to be complied with by Large Users in the Wholesale Electricity Market and Large Demands from Customers of the Distribution Agents of the WEM or Utility Distribution Providers as long as their power demands are equal to or greater than three hundred kilowatts (300 KW) on average, through the individual contracting in the Forward Market of Electricity from Renewable Sources or by self-generation from renewable sources, in accordance with Section 9 of Law. 27191 and Section 9 of Exhibit II of Decree No. 531. Specifically, the entities falling within the mentioned Section of the Law could comply with their obligation in any of the following ways: a) individual contracting of electricity from renewable energies, b) self-generation or co-generation from renewable sources, or c) participation in the procedure of joint purchases developed by CAMMESA. Section 9, subsection 2, paragraph (i) of Exhibit II of the regulatory Decree establishes that supply contracts for electricity from renewable sources entered into within the framework of Law 27191 by entities falling within Section 9 will be freely agreed upon by the parties, considering the characteristics of investment projects and compliance with obligations established by the law and regulatory decree, information duties and management requirements established by the CAMMESA Procedures and in the supplementary regulations issued by the Enforcement Authority.

b.3.7) Resolution 488/2017 - Renewable Electric Power Supply Contracts

On December 19, 2017, through Resolution 488/2017 of the Ministry of Energy and Mining, the Renewable Electric Power Supply Contracts were awarded in accordance with Resolutions No. 275 dated August 16, 2017 and No. 473 dated November 30, 2017, both from the above Ministry, indicating the Awarded Price per megawatt hour for each technology in each Renewable Electric Power Supply Contract to be signed and the allocation of the remaining quota.

b.3.8) Resolution 230/2019 - Ministry of Finance - Secretary of the Government of Energy

On April 30, 2019, Resolution 230/19 of the Energy Secretariat was issued, modifying Annex I of Resolution 281/17 and establishing as relevant issues the new conditions for maintaining the dispatch priority granted, the ways to demonstrate the progress of the project and the term during which the bond insurance taken out for the power for which priority was given to the project should be maintained.

c) Gas natural sector

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

See section a) Oil sector

- **Gas Plus Program**

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

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

On April 7, 2016, the Ministry of Energy and Mining issued Resolution 41/16, setting the new prices of natural gas at the entering point to the transportation system for each basin of origin, to be used in the generation of electric power that will be sold in the WEM, applicable as from April 1, 2016.

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

- **Resolution 46-E / 2017 - Incentive Program for Investments in Developments of Natural Gas Production derived from Unconventional Reservoirs**

On March 2, 2017, the Ministry of Energy and Mining issued Resolution 46-E/2017, by means of which the Incentive Program for Investments in Developments of Natural Gas Production derived from Unconventional Reservoirs (the "Program") was created with the aim of stimulating the investments in natural gas production derived from unconventional reservoirs in the Neuquén Basin.

The Program will be in force from its publication in the Official Gazette to December 31, 2021.

Companies that could have the right to produce unconventional gas derived from concessions located in the Neuquina Basin may request adherence to this Program. They should be registered with the National Registry of Oil Companies. Further, to be included in this Program, these companies should have a specific investment plan approved by the competent provincial authority, in conformity with the Secretariat of Hydrocarbon Resources.

The compensation is calculated based on the production of unconventional gas to be sold, that is to say, the natural gas prepared for commercialization, excluding internal consumption in the fields and taking into account the difference between the effective price (average weighted price of each company's sales of natural gas to the internal market) and the minimum price.

The minimum price will be:

- 7.50 US\$/MMbtu for calendar year 2018,
- 7.00 US\$/MMbtu for calendar year 2019,
- 6.50 US\$/MMbtu for calendar year 2020, and
- 6.00 US\$/MMbtu for calendar year 2021.

The payment of the first compensation under the program will be made in the month after the request is submitted or in January 2018, whichever occurs later. Nevertheless, those companies taking part in the "Incentive Program for Natural Gas Injection for Companies with Reduced Injection", created by Resolution 60/2013 of the former Commission for the Strategic Planning and Coordination of the National Hydrocarbon Investment Plan, which adhere to the current program, may receive compensation, if applicable, as from the month following submission of request for adherence to the Program.

- **Resolution 419-E/2017 - Incentive Program for the Investments in Developments of Natural Gas Production from Unconventional Reservoirs**

On November 1, 2017, Resolution 419-E/2017 (which amends Resolution 46-E/2017) was issued, setting a new Appendix I modifying the terms and conditions of the Program.

Definitions:

1. **Unconventional Gas:** gas from natural gas reservoirs, characterized by the presence of very compact sandstones or clays with low permeability and porosity (Tight Gas or Shale Gas).
2. **Included Concessions:** Concessions which produce Unconventional Gas, located in the Neuquina Basin.
3. **Initial Production:** Average monthly Unconventional Gas Production for the period July 2016/June 2017.
4. **Included Production:**
 - a. All the monthly production of Unconventional Gas for those concessions whose Initial Production is lower than 500,000 m3/d.
 - b. All the monthly production of Unconventional Gas minus the Initial Production for those concessions whose Initial Production is equal to or higher than 500,000 m3/d.
5. **Minimum Price:**
 - o 2018: 7.50 US\$/MMbtu.
 - o 2019: 7.00 US\$/MMbtu.
 - o 2020: 6.50 US\$/MMbtu.
 - o 2021: 6.00 US\$/MMbtu.
6. **Effective Price:** Average weighted monthly price for the total volume of natural gas sales in Argentina (to be published by the ES).

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

7. Unit Compensation: The result of the Effective Price subtracted from the Minimum Price (when such difference is greater than zero).
8. Interim payments: payment of 85% of the compensation (estimated on the projections of companies) for the previous month.

Concessions which do not reach an average annual production (12 consecutive months) of 500,000 m³/day in their investment plan before December 31, 2019 will not be considered. If they do not reach the 500,000 m³/day, they must reimburse the compensation amounts received, adjusted with an interest rate (average lending rate of Banco Nación for trade discounts operations). The Secretariat of Hydrocarbon Resources can request a fidelity bond insurance policy to guarantee the reimbursement of the compensation.

- An independent measurement and production schedule must be submitted.
- The payment of the first compensation will correspond to the month after the request is submitted or in January 2018, whichever occurs later.
- Early start of Gas II Plan:
 - The companies participating in Gas II Plan (Resolution 60/13) will be able to receive compensations as from the month after the submission is completed.
 - For 2017, the minimum price to be used will be that of 2018.
- The effective price for 2017 will be the corresponding price of the excess injection.
- Payments:
 - 88% will be paid to the Company and 12% to the corresponding province.
 - Payment order in pesos, with the exchange rate of the last business day of the month to which the volumes correspond.
- Initial interim Payment:
 - The Secretariat of Hydrocarbon Resources will issue a payment order before the last business day of the month following that of the inclusion of the Company.
 - Within 20 days of the month after which the payment order is issued, a sworn statement of the Included Production, certified by independent auditors, must be submitted.
- Control of Production volumes:
 - Volumes corresponding to the entering points to the Transportation System of Natural Gas: the Secretariat of Hydrocarbon Resources will send the volumes of included production submitted by the companies to ENARGAS, which will verify the injection volumes.
 - Points located before the entering points to the Transportation System of Natural Gas: the Secretariat of Hydrocarbon Resources will verify the results of the measurement of volumes from each Gas Measure Point installed, pursuant to Resolution 318/2010.

On January 31, 2018, the Company submitted an application to the Exploration and Production Undersecretariat of the Ministry of Energy and Mining, requesting adherence to the mentioned Program for the Agua del Cajón concession. This presentation included the approval by the Provincial Enforcement Authority (Ministry of Energy and Natural Resources for the Province of Neuquén – Resolution No. 012 dated January 29, 2018) of an investment plan for US\$ 101.5 million, until 2021, which would make the development of natural gas production from unconventional reservoirs possible. On June 6, 2018, the ES notified Capex that the Agua del Cajón concession was included in the Program. As of April 30, 2020, the investment plan has been completed with a total investment of US \$ 127.5 million.

Likewise, on that date Capex requested before the Ministry of Energy and Mining adherence to the same Program for the Loma Negra concession, located in the province of Río Negro; the Company holds an interest of 37.5% in the concession and operates it. The presentation also included the approval by the Provincial Enforcement Authority (Energy Secretariat for the Province of Río Negro – Resolution No. 13 dated January 30, 2018) of an investment plan for US\$ 74.5 million, corresponding to the "Loma Negra" concession area in its entirety. This request was not approved by the Ministry of Energy and Mining of the Nation.

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

The Company has submitted the affidavits for the production of natural gas coming from unconventional reservoirs from the Agua del Cajón Area corresponding to the periods January 2018 – March 2020 and the bond insurance policies to request the payment of the incentive program. The Ministry of Energy authorized the interim payment equivalent to 85% of the economic remuneration requested for the period January 2018 – September 2019 for approximately \$ 1,637.1 million. The Company has recorded under Income the total incentive complying with the conditions set forth in Resolution No. 419 E/2017, amounting to \$ 1,386.7 million, for the monthly production from April 2019 to March 2020 (See Notes 3.17 and 27).

Additionally, the Energy Secretariat applied in December 2018, with retroactive effect to January 2018, a new criterion regarding the volume to be recognized for the payment of compensation derived from the Stimulus Plan, the same being the minimum between the nonconventional actual volume produced and the original curve timely presented (see Note 26.c).

Resolution 46/2018 – Reference price for electricity generating

On July 31, 2018, the Ministry of Energy issued Resolution 46/2018, by means of which it established the new maximum prices at the entering point to the transportation system for natural gas, for each basin of origin, that will be applied for the valuation of natural gas volumes for electricity generation that will be sold in the WEM or, in general, for the provision of the utility service of distribution of electricity. These maximum prices are valid from August 1, 2018. For the Neuquén Basin the established maximum price amounts to US\$/MMBTU 4.42.

NO-2018-40206154-APN-SSEE#MEN – Acquisition of natural gas to be used in the generation of electricity. Undersecretariat of Electric Power of the Ministry of Energy

As part of the regularization process of the sector and where mechanisms will be gradually implemented for Generators to acquire by themselves the fuel volumes necessary for the production of electricity and their selling under competitive terms, on August 17, 2018, the Under Secretariat of Electric Power through Note NO-2018-40206154-APN-SSEE#MEN ordered CAMMESA to implement competitive mechanisms, on a temporary basis, until reaching this goal, taking into consideration the following guidelines to call for a bidding:

- CAMMESA must acquire natural gas under firm and interruptible quantities through the Gas Electronic Market (MEG, for its acronym in Spanish), based on the system needs and considering the Maximum Daily Quantities of the contracts in force for the period.
- Acquisitions must be open to producers and sellers of natural gas, for each of the productive basins and up to the required quantities.
- The term of the agreements to be signed is that corresponding to deliveries between 09/01/2018 and 12/31/2018.
- The maximum value to accept should be up to the price established in Resolution MEN No. 46/2018.
- Volumes to be acquired in each basin will be those required to cover supply needs.
- The bidding must be competitive and transparent, the outcome of which must be published.

The daily dispatch of natural gas volumes hired must be made in ascendant order of generation cost, considering the transportation capacity and the availability of electricity generation.

Resolution No. 70/2018 ES - Acquisition of Gas

Through ES Resolution No. 70/2018, on November 6 2018, the Generating, Co-generating and Self-generating WEM Agents are empowered to supply their own fuel for the generation of electricity. This power will not affect the commitments taken on by the Generators under the framework of WEM supply contracts with CAMMESA. The generation costs with own fuel will be valued in accordance with the mechanism to recognize Variable Production Costs accepted by CAMMESA.

The Agency in charge of Dispatch (OED) will continue to commercially manage and dispatch fuel for those Generating Agents that do not or may not use the power granted in this Resolution.

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

Note from the Energy Secretariat NO-2018-66680075-APN-SGE # MHA - Maximum prices (PIST) to be considered for each basin in US\$/MMBTu.

On December 19, 2018, the Energy Secretariat issued the note NO-2018-66680075-APN-SGE # MHA, which instructs CAMMESA to apply, for the period January to December 2019, the new natural gas reference prices for the generation of electricity. For the Neuquén basin, the maximum price established is 3.70 US\$/MMbtu for the months of jan-feb-mar-apr-may-sep-oct-nov-dec and of 4.95 US\$/MMbtu for the months of jun-jul-aug.

Note from the Energy Secretariat NO-2019-07973690-APN-SGE # MHA -Valuation of Generation Costs with Own Fuel. RESOL-2018-70-APN-SGE#MHA.

On February 8, 2019, the Energy Secretariat issued Note NO-2019-07973690-APN-SGE # MHA, which instructs CAMMESA to apply, for the definition of the Maximum Production Variable Costs to be recognized in each fortnight, the weighted average price of natural gas per basin that would have resulted if all the natural gas produced in Argentina needed for the estimated supply in the electricity sector had been acquired through the contracts arising from the last bidding made by CAMMESA in the MEG.

Resolution 12/2019 SEN

On December 27, 2019, the Ministry of Productive Development issued Resolution No. 12/19 repealing SGE Resolution No. 70/18 effective as from December 30, 2019, whereby CAMMESA's centralization scheme for the supply of fuel for generation purposes was restored.

The Secretariat of Energy issued Note NO-2020-05333189-APN-SE#MDP which sets forth Mechanisms for the provision of natural gas to be used in the Wholesale Electric Market in auctions.

On January 24, 2020, the Secretariat of Energy through Note NO-2020-05333189-APN-SE#MDP ordered CAMMESA to include in the General and Specific Bidding Terms and Conditions clauses stating the obligation to provide the volumes awarded and nominated by CAMMESA.

It also established new maximum reference prices for the purchase of natural gas by CAMMESA as from February 1, 2020. For the Neuquén Basin, the maximum price established was USD/MMbtu 4.02 for June, July and August and USD/MMbtu 2.67 for the rest of the year.

Note from the Ministry of Energy NO-2020-33627304-APN-SE # MDP - Maximum Reference Gas Prices

On May 21, 2020, the Secretariat of Energy issued Note NO-2020-33627304-APN-SE#MDP, whereby new maximum reference prices were established for the purchase of natural gas by CAMMESA as from June 1, 2020. For the Neuquén Basin, the maximum price established was USD/MMbtu 2.67 for the year.

The National Government is considering the implementation of a Gas Plan with a price support mechanism for the industry.

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

d) LPG sector

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

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

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

As regards the production own regulation, we have to mention that section 11 of Law 26020 has established freedom in the production activity, i.e. the LPG production under any form or technical alternative is free: the opening of new plants or the enlargement of existing ones can be made with no further requirement other than compliance with Law 26020, its regulations and pertinent technical standards.

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

Resolution 168/05 of the ES establishes that the export operations have to be recorded with the LPG Direction, reporting to the 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 regulations to that end.

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

By Resolutions 1070/08 and 1071/08, the Energy Secretariat ratified (i) an agreement supplementary to the Agreement with Gas Producers entered into with certain gas producers; and (ii) an Agreement for LPG Price Stability entered into with certain LPG producers, bottlers and other market players, none of which was entered into by the Company (see Note 26.2 a.1). Subsequently, addenda to those agreements were signed, and ratified by resolutions of the Energy Secretariat.

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

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

The Company considers that this charge is unconstitutional since it involves a tax and has not been created under a Law passed by the National Congress. In view of this, the Company has filed legal action and has been awarded a precautionary measure, as explained in Note 26.2 a.2).

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

• **ES Resolution 77/12**

Energy Secretariat Resolution 77/12 (the "Resolution") was published in March 2012. This resolution extends the LPG (butane) price stability agreement, establishes that the producing companies that are not a party to the agreement must meet the supply parameters determined by the Energy Secretariat and sell LPG (butane) to the Bottling Companies at prices and with remunerations equal to the ones set for the producing Companies that are a party to the Agreement, and that the companies not complying with those parameters and provisions shall (i) not be authorized to export; (ii) not be allowed to purchase and sell LPG in the domestic market to any of the persons operating in the industry; and (iii) shall be rendered liable to fines for failure to deliver the product under the terms established by the Competent Authority or for sales in excess of the prices set in the Agreement or in the Resolution. The Company has filed administrative and legal actions against the Resolution (see Note 26.2 a.3)) and, as a result, it has been awarded a precautionary measure with staying effects on this standard 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 extensions to the agreement for the stability of prices of LPG, and, in general, repeating the provisions of ES Resolution 77/12. The Company, not being a party to the LPG price agreement, will eventually file administrative and legal actions against those regulations, if necessary.

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

In March 2015, Decree 470/2015 and ES Resolution 49/2015 were published, which replaced the "Garrafas para Todos" (Gas Bottles for Everyone) Program in force since 2009 with the "Hogares con Garrafas" (Homes with Gas Bottles) (HOGAR) Program. This Program modifies the scheme of volume contributions of propane and butane, the system of subsidies and maximum prices in force. The Company has challenged the application in those programs.

The maximum reference prices to be billed by producers under the "Homes with Gas Cylinders" ("Hogares con Garrafas" or "HOGAR") are updated regularly. The new maximum reference prices by Provision 104/2019, of the Undersecretariat of Hydrocarbons and Fuels, and in force as of 04/30/20 were set at \$ / tn 9,895 for butane and \$ / tn 9,656 for propane.

• **Undiluted Propane Gas Supply Agreement**

Since 2002, "Undiluted Propane Gas Supply Agreements" for Networks have been entered into with propane gas producers; the purpose of these agreements is to ensure stability in the supply conditions of propane gas for the distribution networks currently operating in Argentina.

The agreements, until December 2015, included the direct collection of \$ 300/tn from the party receiving the volume of gas comprised in the agreement (stated at historical cost). The difference between this amount and the price known as "Export Parity Local" published by the ES is collected by means of a tax credit certificate and/or in cash from the enforcement authority.

Deliveries between May 1, 2015 and December 31, 2015 were not collected through a tax certificate, instead they were collected through the issuance of public debt instruments (BONAR 2020 US\$). The Company had to join as a Beneficiary Company of that program, created by means of Decree 704/2016, published in the Official Gazette on May 20, 2016.

The prices collected by these companies were index-adjusted in October 2016 (Res 212/2016), March 2017 (Res 74-E/2017) and in November 2017 (474/ E/2017); determining for that date prices for residential users of \$/tn 1,941 (stated at historical cost).

As set forth in the Sixteenth Agreement to Extend the Propane Gas Supply Agreement for Undiluted Propane Gas Distribution Networks expiring on December 31, 2019, a new semi-annual price adjustment mechanism was established effective March 2018, with an Adjustment Percentage of 35% between April and September 2018; 49% between October 2018 and March 2019, and 70% between April and December 2019. Those percentages will be applied to the price of LPG - Export Parity for the month prior to the commencement of each period of price adjustment. Notwithstanding this, the Company made propane deliveries in accordance with the conditions of the sixteenth extension of the Propane for Networks Agreement, also indicating that this agency is engaged in tasks aimed at extending the term of the Agreement at least until June 30, 2020.

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NOTE 2 - REGULATORY FRAMEWORK OF THE OIL, ELECTRIC, GAS AND LPG SECTOR (CONT'D.)

• External market

On September 3, 2018, the National Executive Branch issued Decree No. 793/18 which, between September 4, 2018 and December 31, 2020, sets an export duty of 12% on the amount exported of propane, butane and natural gasoline. This withholding is limited to \$4 for each dollar of taxable base or the FOB official price. Besides, Law No. 27541 published in the Official Gazette on December 23, 2019, stated that rates for export duties applicable to hydrocarbons and mining cannot be higher than 8% of the tax value or FOB price. However, to the date of these financial statements, Customs settles export duties for hydrocarbons at a 12% rate. The Company has filed the corresponding objections and has requested the reimbursement for the export duties paid in excess.

e) Measures in the financial and exchange market dictated by the National Government

On September 1, 2019, the PEN issued Presidential Decree 609/19, and accordingly the Central Bank of Argentina ("BCRA") issued Communication "A" 6770, establishing measures for access to the exchange market, among others:

- Maximum deadlines to bring in and trade export transactions in the exchange market.
- BCRA's prior approval for: i) transfer of profits and dividends abroad; ii) payment of financial debts abroad with more than 3 business days prior to the due date for payment of principal and interest thereon, except in the case that the pre-cancellation is carried out simultaneously with liquidated funds of new debts whose average life is greater than that of the debt being prepaid, among other requirements; iii) prepayment of debts for imports of goods and services; iv) access to the exchange market for the formation of external assets for entities and individuals (in the case of the latter, when they exceed US\$ 200 per month).
- Bringing in and trading in the exchange market the proceeds of the new financial debts abroad and providing evidence of compliance with this requirement for access to the exchange market for the repayment of principal and interest thereon.
- In case of access to the local exchange market for the repayment of financial or commercial debts abroad, it must be demonstrated, if applicable, that the transaction at issue was reported in the last Survey on Assets and Liabilities filed with the BCRA.
- Prohibition to access the exchange market: i) to settle debts between residents, the related agreement being executed following September 1, 2019; ii) for amounts over US\$ 1,000 per month in the case of non-residents

Furthermore, on May 28, 2020, the Central Bank of Argentina issued Communication "A" 7030, subsequently modified by Communication "A" 7042, whereby legal entities must issue a sworn statement to access the Free Foreign Exchange Market (MLC) indicating that all US dollar holdings in Argentina are deposited in accounts in financial institutions and that the holdings of liquid external assets do not exceed USD 100,000. Liquid external assets comprise, among others, foreign currency holdings, investments which allow for immediate available foreign-currency denominated funds (government securities, funds in investment accounts, etc.).

In addition, to have access to the market for the payment of imports of goods, legal entities must prove that the total amount of payments for imports of goods made through the foreign exchange market during 2020, including the payment for which they are requesting access, does not exceed the amount for which the importer would have access to the market by registering the imports of goods under its name with the Import Payment Monitoring System (SEPAIMPO) and that were validated between January 1, 2020 and the day prior to having access to the foreign exchange market.

NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION

3.1 - Basis for presentation

These consolidated statements have been prepared in conformity to International Financial Reporting Standards (IFRS) adopted as Argentine professional accounting standards by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) and incorporated by the National Securities Commission (CNV) to its regulations, as approved by the International Accounting Standards Board (IASB). All IFRS effective as of the date of preparation of these financial statements have been applied.

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NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

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

The presentation in the statement of financial position segregates current and non-current assets and liabilities. Current assets and liabilities are those which are expected to be recovered or settled within the twelve months after the closing of the reporting year. In addition, the Group reports on the cash flows from operating activities using the indirect method. The fiscal year commences on May 1 and ends April 30 of each year. Economic and financial results are presented on the basis of the fiscal year.

These financial statements are stated in thousands of Argentine pesos without cents, except otherwise expressly stated. They have been prepared in homogeneous currency at the end of the year, modified by the measurement of certain financial and no financial assets and liabilities at fair value.

The information included in the financial statements is stated in the functional and presentation currency of the Company, i.e. the currency of the primary economic environment in which the entity operates. The functional currency is the Argentine peso, which coincides with the presentation currency of the financial statements.

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 5.

These financial statements were approved for issuance by the Company's Board of Directors on July 29, 2020. The Board of Directors held a remote meeting during the sanitary emergency according to the General Resolution No. 830/2020 issued by the CNV.

The Company has also used the extended deadline for the presentation of financial statements with the CNV as set forth by General Resolution No. 842/2020. Based on the coronavirus impact on the Company's operations, at this date, these financial statements are still pending transcription to the Inventory and Balances Book.

Restatement of financial statements

The financial statements have been restated in terms of the measuring unit current at April 30, 2020 as established in IAS 29 Financial reporting in hyper inflationary economies.

Comparative information

Balances at April 30, 2019 shown in these individual financial statements for comparative purposes arise from the financial statements at that date expressed in terms of the current unit of measurement as of April 30, 2020, established in IAS 29 "Financial reporting in hyper inflationary economies". Certain immaterial 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.

3.2 - Accounting standards

3.2.1 - New and amended standards adopted by the Company

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.

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NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

NIIF 9 – Financial assets at fair value with changes in other comprehensive income

Financial assets at fair value with changes in other comprehensive income are initially recognized at fair value, plus transaction costs directly attributable to the acquisition. After initial recognition, financial assets classified under this category are measured at fair value, and profits or losses are recognized in other comprehensive income, except for interest revenue or losses, exchange rate and expected credit losses. Amounts recognized in other comprehensive income are recognized in profit or loss when financial assets are written off. However, interest calculated using the effective interest rate method is recognized in profit or loss.

Financial assets are measured at fair value with changes in other comprehensive income when: i) the objective of the business model is achieved by both collecting contractual cash flows as well as selling financial assets; and ii) under the contractual terms of the financial asset, cash flows that are solely payments of principal and interest will be received on specified dates. The financial results of these investments are recognized in profit or loss for the period.

NIIF 16 - Leases

Since the fiscal year commenced May 1, 2019, the Company applies IFRS 16 in a simplified manner, in relation to lease agreements identified as such under IAS 17, including the effect of incorporating this new standard under the line "Right of use assets" and Trade accounts payable under "Debt for Lease" (Note 12).

The terms of the lease contracts are negotiated on an individual basis and contain various terms and conditions. Leases are recognized as a right-of-use asset and lease liability at the date on which the leased asset is available. The right-of-use asset is depreciated by the straight-line method.

The amount of the right of use asset includes the initial measurement of the lease liability, and is depreciated under the straight-line method based on each contract lease term, except when the useful life of such underlying asset is shorter.

The lease liability was measured at the present value of outstanding lease payments, discounted at the incremental borrowing rate at May 1, 2019. Subsequently, the Company increases the lease liability to reflect interest accrued (and recognized in the statement of comprehensive income), deducts installments paid and recalculates the new carrying amount by applying the discount rate.

Management has reviewed the lease agreements in force and identified commitments relating to agreements ending within 12 months from the date of adoption of IFRS 16 or relating to short-term leases or leases of underlying low-value assets that the Company continues recognizing in P&L for the period.

- IFRIC 23 - Uncertain income tax positions

IFRIC 23 was issued in June 2017. It clarifies how the recognition and measurement requirements of IAS 12 are applied where there is uncertainty over income tax treatments. According to this interpretation, an entity should measure the impact of the uncertainty using the method that best predicts the resolution of the uncertainty, either the most likely amount method or the expected value method. The entity is required to assume that a tax authority with the right to examine and challenge tax treatments will examine those treatments and have full knowledge of all related information. The application of the same did not impact on the results of operations or the financial position of the Group.

- IAS 28 - Investments in associates and joint ventures

It was amended in October 2017. This standard clarifies that IFRS 9 applies to other financial instruments in an associate or joint venture to which the equity method is not applied. It applies to annual reporting periods beginning on or after January 1, 2019 and its early adoption is permitted. The application of the same did not impact on the results of operations or the financial position of the Group.

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NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

3.2.2 - New published standards, amendments and interpretations which have not yet come into force for fiscal years beginning on May 1, 2019 and have not been adopted early

At the date of issue of these Financial Statements, the following standards that have been issued have not been adopted since their application is not required at the end of the fiscal year beginning on May 1, 2019:

- IFRS 17 - Insurance contracts

Issued in May 2017. It replaces IFRS 4, introduced as a provisional standard in 2004 to account for insurance contracts using the national accounting standards that resulted in multiple approaches in application. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and is effective for annual reporting periods beginning on or after January 1, 2021. Earlier application is permitted if both IFRS 15 and IFRS 9 have also been applied. The Company is analyzing the impact of the application of IFRS 17; however, it considers that its application will not have a significant impact on the results of operations or the financial position of the Company.

- IFRS 3 - Business Combinations

It was amended in October 2018. IFRS 3 clarifies the definition of a business and sets forth guidance to determine whether a transaction should be accounted for as a business combination or as an acquisition of assets. The amendments are effective for acquisitions on or after January 1, 2020. Earlier application is permitted.

- IAS 1 - Presentation of financial statements and IAS 8 - Accounting policies, changes in accounting estimates and errors

It was amended in October 2018. IFRS 3 clarifies the definition of a business and sets forth guidance to determine whether a transaction should be accounted for as a business combination or as an acquisition of assets. The amendments are effective for fiscal years initiated as from January 1, 2020. Earlier application is permitted.

- Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Information to be Disclosed":

It incorporates temporary exemptions in case of hedging relationships affected by the reform of the reference interest rate, in accordance with the recommendations published by the Financial Stability Board (FSB) in July 2014. The modifications are applicable to the annual fiscal years beginning as of the January 1, 2020, allowing early adoption.

3.3. – Recognition of the effects of inflation

The International Accounting Standards N° 29 "Financial reporting in hyper inflationary economies" ("IAS 29") requires that the financial statements of an entity whose functional currency is that of a hyperinflationary economy shall be stated in terms of the measuring unit current at the end of the reporting year or period, regardless of whether they are based on the historical cost method or the current cost method. For this, in general terms, inflation produced from the date of acquisition or from the revaluation date, as applicable, must be computed in the non-monetary items. These requirements also include the comparative information of the financial statements.

To conclude on the existence of a hyperinflationary economy, the standard establishes a series of factors to be considered; among them, a cumulative inflation rate over three years that approaches, or exceeds, 100%. For this reason, in accordance with IAS 29, the Argentine economy should be considered as hyperinflationary as from July 1, 2018.

NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

In turn, Law No. 27468 (Official Gazette December 4, 2018) modified Section 10 of Law No. 23928 and amendments, and provided that the repeal of all the regulations that establish or authorize index-adjustment, monetary restatement, cost variation or any other way of restatement of debts, taxes, prices or tariffs of goods, works or services/utilities, does not apply to the financial statements, to which the provisions of Section 62 in fine of General Companies Law No. 19550 (restated text 1984), as amended, will continue to apply. That law also repealed Decree No. 1269/2002 dated July 16, 2002, as amended, and delegated to the National Executive Branch, through its control authorities, the power to set the effective date of the rules governing financial statements to be filed. Therefore, under General Resolution 777/2018 (Official Gazette December 28, 2018), the National Securities Commission (CNV) established that the issuing entities under its control shall apply to financial statements for annual, interim and special periods ending on or after December 31, 2018 the method of restatement to constant currency, pursuant to IAS 29.

According to IAS 29, the financial statements of entities reporting in the currency of a hyperinflationary economy shall be stated in terms of the measuring unit current at the date of the financial statements. Statement of financial position amounts not already expressed in terms of the measuring unit current at the date of the financial statements shall be restated by applying a general price index. All items in the statement of income shall be expressed in terms of the measuring unit current at the date of the financial statements by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the financial statements.

The adjustment for inflation applied to opening balances was calculated based on the indexes established by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) and the price indexes published by the National Institute of Statistics and Census (INDEC).

Below are the main procedures to be applied for the adjustment for inflation mentioned above:

- Monetary assets and liabilities recorded at the monetary unit current at year end are not restated as they are already expressed in terms of the monetary unit current at the date of the financial statements.
- Non-monetary assets and liabilities that are recorded at the balance sheet date and equity items are restated by applying the corresponding index adjustments.
- Income and expenses (including interest and exchange differences) from the Statement of Income are restated as from the date of their accounting recognition, except for the items that show or include the consumption of assets measured under purchasing power currency prior to the registration of the consumption, restated based on the date of origin of the asset to which that item is related (for example, depreciation and other, consumption of assets stated at historical cost.)
- The effect of inflation on the Society net monetary position is included in the Statement of Income within Other financial results - RECPAM
- Comparative amounts have been inflation-adjusted following the same procedure explained above.

In the first period of application of this standard, the equity accounts were restated as follows:

- The capital and additional paid in capital was restated from the date of subscription or the date of the last accounting adjustment for inflation, whatever happened later. The resulting amount was incorporated to the "Capital adjustment and additional paid-in capital" account.
- Other comprehensive income items were restated as from each date of accounting allocation.
- The revaluation reserves are expressed in real terms.
- Other reserves were not restated in the initial application of the standard.

The adjustment for inflation was calculated based on the indexes established by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) and the price indexes published by the National Institute of Statistics and Census (INDEC). At April 30, 2020, As of April 30, 2020, the price index amounted to 310.1243, with annual inflation of 45.6%.

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NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

3.4 - Principles of consolidation and accounting of participation in companies and joint agreements

3.4 - 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 their activities and has the power to affect 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 in the aggregate.

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, 2020 and 2019 are those detailed below. Their Capital stock consist of ordinary shares.

Name of the entity	Country	% direct and indirect of share holding and voting rights	% of non-controlling interest	Main activity
Servicios Buproneu S.A. (SEB)	Argentina	95%	5%	Provision of services related to the processing and separation of gases.
Hychico S.A. (Hychico)	Argentina	85.2046%	14.7954 %	Production of electrical energy from renewable sources, hydrogen and oxygen
E G WIND S.A.	Argentina	99.25%	0.75%	Generation of electrical energy from renewable sources

a) SEB

SEB is a direct subsidiary in which the Company holds a 95% participation in capital stock and votes at April 30, 2020 and 2019. SEB's main asset is a gas separation plant, located at Plottier, province of Neuquén. From that plant SEB provides gas processing services to the Company, under a contract signed by those companies in November 1999, which was amended on several times.

b) Hychico

Hychico S.A. (Hychico) is a direct subsidiary in which the Company holds an interest percentage of 48.6770 and 48.5496% in the capital at April 30, 2020 and 2019, respectively and an indirect participation of 38.4501 and 36.4320% at April 30, 2020 and 2019, 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) the Diadema Eolic Energy Farm with a Total Installed Power of approximately 6,300 KW, and (ii) a hydrogen and oxygen production plant through the electrolysis process, using hydrogen as a fuel for power generation.

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NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

c) E G Wind

E G WIND is a direct subsidiary in which the Company holds 95% of capital and votes at April 30, 2020 and 2019, and indirectly holds 4.25% at that date. E G WIND engages in the generation of electric power from renewable sources and has been operating since September 2019 Diadema II Wind Farm (see Notes 38).

3.4.2 Business combinations

Business acquisitions are accounted for by means of the application of the acquisition method. The acquisition consideration is measured at its fair value, estimating at the acquisition date the sum of the fair value of transferred assets, the liabilities incurred or assumed and the equity instruments issued by the Company and delivered in exchange for the control of the acquired business. The costs related to the acquisition are charged to income/loss as incurred. The identifiable assets acquired and the liabilities assumed in the business combination are recognized at their fair value at the acquisition date (see Note 39).

If, as a result of the assessment, the amount of the acquisition consideration exceeds the net amount of the identifiable assets acquired and the liabilities assumed at the acquisition date, plus the amount of the non-controlling interest in the acquired business and plus the fair value of the equity interest of the acquired company the Company had in its possession (if any), a goodwill will be recorded.

If, on the contrary, as a result of the assessment, the net amount of the identifiable assets acquired and the liabilities assumed exceeds the amount of the acquisition consideration, plus the amount of the non-controlling interest in the acquired business and plus the fair value of the equity interest of the acquired company the Company had in its possession (if any), such excess will be immediately recorded under income/loss as a profit from the business acquisition. The non-controlling interest in the acquired company is valued at its fair value at the acquisition date or valued in accordance with the equity method on the net assets acquired.

The Company has up to 12 months from the acquisition date to complete the accounting of the business combinations. In case the accounting of the business combinations is not complete at year end, the Company will disclose this event and report the interim amounts.

3.4.3 Participation in joint arrangements

A joint arrangement is that whereby two or more parties have joint control: this involves the contractually agreed sharing of control, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Under IFRS 11, investments in joint arrangements are either joint operations or joint ventures, depending on the contractual rights and obligations of the parties. The Company has analyzed the nature of joint arrangements and determined that they fall within the scope of joint operations. In this way, the Company's financial statements recognize the assets, liabilities, revenue from ordinary activities and expenses relating to its participation in joint operations of various consortia for hydrocarbon exploration and production.

Investments in joint operations are initially accounted for at cost, and subsequently valued in accordance with the equity method. The Company's share of assets, liabilities and income/loss relating to its participation in the consortia in which it takes part are consolidated applying the proportional consolidation method, since the Company has joint control on the activities of these joint operations.

Note 40 shows the summarized financial position of the Consortia.

Recoverability of interests in joint operations

The valuation of interests in joint operations each of which is considered as a cash generating unit (CGU) is analyzed if at each date there is objective evidence that it will not be recovered. If this were the case, the Company determines the amount of impairment as the difference between the book value of the investment and the estimated present value of projected cash flows. At April 30, 2020 and 2019, the book value of the interest in joint arrangements does not exceed the present value of the projected cash flows.

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NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

3.5 – Foreign currency translation

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 comprehensive 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" (if generated by asset captions) and "Financial costs" (if generated by liability captions) of the statement of comprehensive income.

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

3.6 Property, plant and equipment

1. 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&E").

Based on this and in accordance with IFRS 6, the Group capitalizes the expenses of E&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 stated in constant currency, 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, non-successful results from drillings, 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 costs to sell.

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NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

II. *Oil and gas exploitation activities:*

Exploitation costs, stated at historical cost, 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 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 depreciated. The costs related to the production of oil and gas are charged to income/loss.

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

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

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

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

III. *Other tangible assets:*

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

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 sale 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.

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

As of July 31, 2014, the Company has changed its accounting policy to value the Property, plant and equipment caption for the assets CT ADC, Buildings and land, LPG Plant (owned by SEB) and Diadema Eolic Energy Farm (owned by Hychico) which has been applied to all elements that belong to the same category of assets 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 depreciation and accumulated impairment, if any.

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

For the application of such model, the Company has used the services of independent experts. Their participation has been approved by the Board of Directors based on skills such as the knowledge of the market, reputation and independence. Furthermore, the Board of Directors decides, after discussing with experts, the valuation methods and, where applicable, the entry data to be used in each case. At April 30, 2020, the Company has updated the fair value of revalued assets.

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NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

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

To determine the fair value of Buildings and land, as they are assets for which there is an active market in similar conditions, the market 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 CT ADC, LPG Plant and PED, the expert independent appraiser has used the depreciated replacement cost method, determining the components that form the plants and obtaining the new values from suppliers recognized in the industry and from specialized publications, adding costs of freight, insurance, assembly and other general expenses, and computing the state factor and functional obsolescence.

At April 30, 2020, the Company with independent experts have restated at fair value the Buildings and Land, CT ADC, LPG Plant and PED I. The differences that have arisen compared with the revaluation at April 30, 2019 were recorded in these financial statements. PED II construction was completed in September 2019. The Company considers there are no indications that the carrying amount differs from the depreciated replacement cost.

In the case of the CT ADC, to the values determined based on the depreciated replacement cost method, it was necessary to apply a coefficient of depreciation due to economic obsolescence of 33.846% and 11.9% as of April 30, 2020 y 2019, respectively, based on the existence of external factors, such as the increase in direct and indirect costs and a decrease in sale prices, which caused a loss in value of the assets.

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

The main factors that could affect the values of the revalued assets in future periods are as follows: i) the estimated useful life, ii) the impairment due to functional obsolescence and iii) a fluctuation in the costs of the components. Capex estimates that any sensitivity analysis that considers relevant modifications to those factors could lead to significant changes.

The Board of Directors determines the policies and procedures to be followed for the recurring measurements of the fair value of revalued assets. Further, at each reporting year 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, 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, at least once a year, to ensure that the fair value of the revalued asset does not significantly differ from its book value

The Board of Directors approved the revaluations made to the different types of assets. The last revaluation, approved by the Directors, was effected on April 30, 2020.

As of April 30, 2020, the Company has made a comparison between the fair values of revalued assets with their carrying values, measured based on the revaluation model, and concluded that the latter do not exceed their fair value (see Note 5).

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 19.b). See in Note 20.c) the concepts established by CNV for the reserve for revaluation of assets.

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

There were no transfers between Levels 1, 2 and 3 during the years ended at April 30, 2020 and 2019.

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NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

As of April 30, 2020 technicians from the Company and independent experts performed a review of the useful life assigned to the revalued assets without finding significant variations to those determined as of April 30, 2019.

Based on future cash flow estimates made by Hychico, in accordance with judgmental elements available, the assets related to the Hydrogen and Oxygen plant have been fully impaired for \$ 213,107 and \$ 234,381 at April 30, 2020 and 2019, respectively.

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 statements of comprehensive income under "Other operating (expenses) / income, net".

Indebtedness cost either generic or attributable to the acquisition, construction or production of assets that necessarily require substantial time to be available for use or sale are added to the cost of those assets until they are ready to be used or sold. As of April 30, 2020 and 2019, financial results related to PED II have been activated for \$ 23,123 and \$ 50,790, respectively.

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 depreciated when they are added to tangible assets in accordance with their useful lives.

V. Depreciation

The depreciation methods during the estimated useful life of the assets are:

- (i) The acquired areas and other operating studies are depreciated based on accumulated production and total reserves, expressed in equivalent units of cubic meters of oil, with the limit of the expiration of the concession from the date of granting (see Note 1). Changes in reserve estimates are taken into account in the calculation of depreciation on a retroactive basis to the beginning of the year.
- (ii) The wells and goods destined for the extraction of oil and gas are depreciated based on the accumulated production and proven developed reserves related to them, expressed in equivalent units of cubic meters of oil, with the limit of the expiration of the concession from the date of granting it (see Note 1). Changes in reserve estimates are taken into account in the calculation of depreciation on a retroactive basis to the beginning of the year.
- (iii) The gas pipeline is depreciated by applying linear aliquots according to its estimated useful life in 20 years.
- (iv) The ADC CT is depreciated based on the GW generated and the remaining GW to be produced based on the estimated useful life of each generation unit.
- (v) For goods whose service capacity is not directly related to production, estimated linear aliquots are applied according to the characteristics of each asset.

Depreciation 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

Administration assets: 5 years

- Assets for the production of oil and gas

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

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NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

- CT ADC

CT ADC Open cycle: GWh remaining production as from May 1, 2019.

CT ADC Combined cycle: GWh remaining production as from May 1, 2019.

Gas pipeline: 20 years

General: GWh remaining production as from May 1, 2019.

- LPG Plant: 9.3 years as from May 1, 2019.
- Hydrogen and Oxygen Plant: 20 years
- Diadema Eolic Energy Farm I: 12.9 years as from May 1, 2019.
- Diadema Wind Farm II: 20 years from May 1, 2019 (year of registration).

On an annual basis, depreciation 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, 2020 and 2019, the net book value of Property, Plant and equipment does not exceed the present value of the projected future cash flows.

VI) Impairment of property, plant and equipment

As of April 30, 2020, and 2019, the residual book value of Property, plant and equipment does not exceed the present value of the projected future cash flow. It should be noted that as of April 30, 2020, the Company has recorded an impairment of \$ 1,813,300 in the Agua del Cajón CGU, in Note 5 iv) the methodology for determining the recoverable value is described. Additionally, based on the estimates of future cash flows made by Hychico, based on the available evidence, the assets related to the hydrogen and oxygen plant have been devalued by \$ 213,107 and \$ 234,381, as of April 30, 2020 and 2019, respectively. Recoveries have been made from the aforementioned impairment as a consequence of the beginning of the amortization, as of May 2010, of the assets related to the hydrogen and oxygen plant.

3.7 - Financial Instruments

Regular purchases and sales of financial assets are recognized on the transaction date, i.e., when the Company commits to purchase or sell the asset. Financial assets are deleted from the financial statements whenever the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has substantially transferred all risks and rewards derived from the ownership.

The Group classifies financial instruments in the following categories:

- Financial assets at depreciated cost,
- Financial assets at fair value with changes in results,
- Financial assets at fair value with changes in other comprehensive income,
- Financial liabilities at fair value with changes in results,
- Financial liabilities at depreciated cost.

This classification of financial assets depends on the business model of the Group to manage its financial assets and the contractual characteristics of the instruments' cash flows.

Financial assets and financial liabilities are offset when the Group has a legally enforceable right to set-off.

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

- i) they are kept within the business model for the purpose of 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.

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NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

Gains or losses from financial assets measured at amortized cost and that are not part of a hedging relationship are recognized in income when the financial asset is written off or is impaired through the amortization process, using the method of the effective interest rate.

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

Financial assets valued at fair value with changes in profit or loss are initially recognized at fair value, and transaction costs are charged to income. Gains or losses from changes in the fair value of assets valued at fair value, and that are not part of a hedging relationship, are recognized in profit or loss, under Financial Results, in the year in which they originate.

Financial assets are measured at fair value with changes in other comprehensive income when:

- i) The business model aims both to obtain the contractual cash flows, as well as the sale of said financial assets, and
- ii) According to the conditions of the contract, cash flows will be received on specific dates that exclusively constitute principal payments plus interest.

Financial assets valued at fair value with changes in other comprehensive income are initially recognized at fair value plus transaction costs directly attributable to the purchase. After initial recognition, financial assets classified in this category are valued at fair value, recognizing the gain or loss in other comprehensive income, with the exception of gains and losses due to interest, exchange rate and expected credit losses that are recognized in results. The amounts recognized in other comprehensive income are recognized in income when the financial assets are written down.

Regarding financial liabilities, the Company has determined that all financial liabilities be measured at depreciated cost using the effective interest method; the changes in the valuation are recognized in the statement of comprehensive income.

3.7.1 - Impairment of financial assets

The Group assesses the expected credit loss associated with its financial instruments recorded at amortized cost and financial instruments at fair value with changes in Other Comprehensive Income, if applicable. This analysis is based on evaluating the existence of evidence that a financial asset or group of financial assets is impaired. The loss for impairment of financial assets is recognized when 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.

The Group applies the simplified approach allowed under IFRS 9 to measure expected credit losses for trade receivables and other receivables with similar risk characteristics. To determine these losses, the Group uses prospective information and historical data. On a periodical basis, the Group assesses changes in credit risk considering debtors' financial distress, the probability of debtors' bankruptcy or reorganization proceedings and nonpayment or late payment, as well as significant changes in foreign market indicators and in the economic and regulatory environment. To calculate expected credit losses, the Group groups trade receivables based on common credit risk indicators and assigns them an expected default rate based on a historical default rate adjusted to forward-looking economic conditions.

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 comprehensive statement of income. If in a subsequent period, the amount impaired decreases and this may be related to an event occurred after the measurement, the impairment is reversed.

Financial instrument compensation

Financial assets and financial liabilities are offset and the net value is reported in the statement of financial position when there is a legally enforceable right to offset the recognized values and there is an intention to pay net, or to realize the asset and cancel the liability simultaneously.



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NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

3.8 - 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 measured in historical cost less the provision for obsolescence. Cost is determined applying the weighted average price method.

The breakdown of spare parts and materials is divided in three: current, non-current (which are not depreciated) and have a turnover greater than a year and critical, which are depreciated and are recorded with the CT ADC plant and LPG Plant under the caption Property, plant and equipment (Note 3.6.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 manufacturing cost or net realizable cost. Cost is determined applying the weighted average price method. Net realizable value is the sale price estimated in the normal course of business, less variable sale 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 are 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. The fall in oil price has led the Company to record an impairment of crude oil inventories amounting to \$ 484,343. This impairment is a consequence of the fact that the net realizable value at April 30, 2020 was lower than the production cost (see Note 29).

3.9 - Trade and other accounts receivable

Trade account receivables and other accounts receivables are initially recognized at fair value and subsequently at depreciated 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 asset and the current value of future estimated cash flows, discounted at the effective interest rate. The asset's 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 shorter than or equal to one year.

3.10 - Cash and cash equivalents

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

3.11 - Equity accounts

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



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NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

Capital stock

- Outstanding shares

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

- Additional paid-in capital

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

- Capital adjustment and additional paid-in capital

The difference between the share capital and additional paid-in capital stated in constant currency and their historical nominal value has been disclosed in the Capital adjustment and additional paid-in capital adjustment account, respectively in the Shareholders' Equity.

Retained earnings

- Legal Reserve

In accordance with Law 19550 on commercial companies, 5% of the profits for the year arising from the statement of comprehensive income plus (less) prior years' adjustments, transfers of other comprehensive income to unappropriated 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.

- Reserve for investments at fair value

The Reserve for investments at fair value arises from the application of IFRS 9.

- Reserve for assets revaluation

The reserve for assets revaluation comes from the difference between the reexpressed amortized cost value of certain assets of Property, plant and equipment and the fair value of these assets (see Note 19).

- Unappropriated retained earnings/losses

Unappropriated 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 addition, at April 30, 2019 it includes the Reserve for revaluation of assets as per CNV Resolution No. 777/18 (see Note 20.c).

In case there are unappropriated 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:

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NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

1. Retained earnings
 - a. Free reserve
 - b. Legal reserve
2. Adjustment additional paid-in capital
3. Additional paid-in capital
4. Capital adjustment
5. 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 20).

- Non-controlling interest

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

3.12 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. Salaries and social security contributions represent the obligations related to the Company's personnel. The other liabilities represent obligations for royalties and irrevocable contributions to pay.

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

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

3.13 - Financial liabilities

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

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

3.14 - Income tax

3.14.1 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 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 accruals based on the amounts expected to be paid to tax authorities (see Note 5.iii).

Deferred tax is recognized, in accordance with the liability method, for the temporary differences arising between the 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.

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NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

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.

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.

3.15 - Provisions and other charges

Provisions are recognized 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 abandonment, the Group 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.

3.16 - Leases

In leases in which the Company is a lessee (Note 11), a right-of-use asset and a lease liability are recognized on the date the leased asset is available for use by the Company.

The inception lease liability corresponds to the present value of the remaining payments under the lease contracts classified as operating leases under the previous standard (IAS 17) and that have not been made on that date, including, if applicable:

- Fixed payments, less any lease incentives receivable.
- Variable lease payments based on an index or rate.
- Amounts that the Company expects to pay as residual value guarantees.
- Exercise price of a purchase option (if the Company is reasonably sure to exercise that option).
- Payments for penalties deriving from the termination of the lease.

Lease payments are discounted using the Company's incremental borrowing rate. The dollar rate used was 6.9% annually.

The lease liability is included in the line "Lease liabilities" under "Trade payables". Each lease payment is apportioned between principal and finance cost. The financial cost is charged to income/loss during the lease term to generate a constant periodic interest rate on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising:

- Amount of the initial measurement of the lease liability.
- Any lease payment made before or after the start date, less any lease incentives received.
- Any initial direct cost, and
- An estimate of the costs to be incurred to dismantle or restore the underlying asset, in accordance with the terms and conditions of the lease.

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NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

Right-of-use assets are depreciated by the straight-line method over the useful life of the asset or, if shorter, over the lease term.

The Company recognizes as expenses lease payments associated with short-term leases (for up to 12 months) and leases for which the underlying asset is of low value (computer equipment and office supplies), following the straight-line method, throughout the lease term.

Practical solutions applied

Upon first-time adoption of IFRS 16, the Company has applied the following practical solutions allowed by this standard.

- Application of a single discount rate for a portfolio of leases with similar characteristics.
- Accounting for operating leases with a remaining term shorter than 12 months at May 1, 2019 as short-term leases.
- Exclusion of initial direct costs from the measurement of the right of use assets at initial application date.
- Use of all the information available at the date of assessment to determine the lease term when the contract has extension or termination options.

No change was made to the registration of assets recorded by operating leases as a consequence of the adoption of IFRS 16 in connection with the leases where the Company acts as lessor.

3.17 - Revenue recognition

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

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

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

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

Revenue from the provision of services is recognized once the service has been performed

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 transactions 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.

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NOTE 3 – BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

- IAS 20 – Accounting of the Government subsidies and information to be disclosed on Government aids

The incentives for the natural gas production from unconventional reservoirs, stated by the Ministry of Energy and Mining through Resolution No. 419E/2017 (see Notes 1.2 c and 25), fall within the scope of IAS 20 - Accounting of the Government subsidies and information to be disclosed on Government aid, as they consist of economic remunerations related to income for companies that are committed to make investments in natural gas production from unconventional reservoirs. This incentive has been included under Sales in the Statement of Comprehensive Income.

This incentive is recognized in the income for the period on a systematic basis throughout the period during which the necessary conditions for its recognition are materialized. The recognition of this income is made at its fair value when there is a reasonable assurance that the incentive will be received and the conditions will be met.

Revenues from the provision of services are recognized once the service is effectively provided.

3.18 - Segment reporting

The Board has determined operating segments based on the reports reviewed and used for strategic decision making (see Note 6).

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.

3.19 - 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 33).

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

NOTE 4 - ADMINISTRATION OF FINANCIAL RISKS

4.1 Market risk

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

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

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

4.1.a. Foreign exchange risk

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

The Group's results and equity are exposed to the variations in the foreign exchange rates in the currencies with which it operates.

The Group owns approximately 96.7% of its financial liabilities and 76.7% of its financial assets denominated in US dollars; which means that the currency generating the greatest exposure is the US dollar.



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NOTE 4 - ADMINISTRATION OF FINANCIAL RISKS (CONTD.)

The expiration of 93.7% of the principal of the debt in US dollars is May 2024; therefore, even when the economic results are exposed to the foreign exchange variation, including the principal of the debt, from the financial point of view the foreign exchange variation risk in the short term is limited to the amount of interest payable, which is partially mitigated by financial assets exposed in the same currency.

As of April 30, 2020, and 2019, the Group does not hedge the risk of changes in the exchange rate through derivative financial instruments. However, it is important to consider that the price of the hydrocarbons (oil and gas) produced by the Group is denominated in US dollars, representing approximately 79% and 72% of the Company's income during the fiscal years ended on April 30, 2020 and 2019, respectively. In the case of the electrical energy generated by the CT AD with the sanction of Res. 19 E / 2017 (modified by Res 19/1), effective from February 1, 2017 to January 31, 2020, the remuneration was fixed in dollars and its revenues represented approximately 20% and 27%, respectively, of the total sales of the Company as of April 30, 2020 and 2019. As of February 2020, and with the sanction of Res 31/2020, energy prices are set in pesos, updated monthly by a factor associated with inflation, an update that has been postponed for the moment. In the case of the prices of propane and butane, their values are stated in pesos but they are related to an export parity price in US dollars, and the income from these products represented approximately 1%, respectively, of the Company's total sales at 30 April 2020 and 2019. Likewise, the prices of electricity generated by the wind farms operated by the Company's subsidiaries are also denominated in US dollars.

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 04/30/2020 \$	At 04/30/2019 \$
Net Asset /(liability) position in US\$	(188,851)	(140,058)
US Dollar - exchange rate	66.64 (buyer) and 66.84 (seller)	43.95 (buyer) and 44.15 (seller)
Total in Pesos	(12,657,329)	(9,065,645)

The sensitivity of the comprehensive income and equity at April 30, 2020 and 2019, as a result of a 10% appreciation of the exchange rate on financial assets and liabilities stated in US dollars, would have been a decrease or increase in the comprehensive income and equity of \$ 886,013 and \$679,119, respectively.

4.1.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 Group to interest rate risk on its cash flows due to their volatility. Indebtedness at fixed rates exposes the Group to interest rate risk on the fair value of its liabilities, since depending on the volatility of interest rates at a given moment, there may be an increase in the rate of depreciation that would cause the fixed rates to be higher than the variable rates at that moment. This risk is mitigated, since the Company owns 91.1% of its financial liabilities at a fixed nominal annual rate of 6.875%.

4.1.c. Price risk

International crude oil and gas prices have historically depended on a variety of factors, including international supply and demand, political and economic developments in oil and gas producing regions, competition from other energy sources, government regulations, war conflicts.

On the other hand, throughout the years in our country the different regulatory, economic and governmental policies determined that local prices should achieve the expansion of the exploitation activity and expansion of the hydrocarbon reserves. In this framework, the price of local oil is set in negotiations between refineries and producers in accordance with the mechanics of the domestic and export markets, its framework being the transfer of these values to the final price of liquid fuels. Likewise, sale prices in the local market are affected by significant variations in the international prices of hydrocarbons and the price paid by the consumer in the domestic market.

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NOTE 4 - ADMINISTRATION OF FINANCIAL RISKS (CONT'D.)

Considering the national and international current situation as result of the COVID-19 pandemic and the oil price crisis, over the last months the Company has sold its production in the domestic and foreign market aimed at keeping its fields in operation at prices lower than those in effect before the pandemic. As this is a temporary situation, international prices are to be adjusted following global economy recovery.

As regards the price of gas, it also follows a government policy, setting different maximum values for each of the market segments prioritizing the development of the industry and the payment possibilities of each segment, also generating various plans to stimulate production.

Besides, the price of LPG is based on a monthly publication issued by the ES, that sets the prices in pesos according to the export parity. However, although they try to be eliminated gradually, there are programs of subsidies to consumption that could affect some producers.

Regarding the generation of electric power, the remuneration received by the generating companies is not in relation to its demand. The remuneration is set by the Enforcement Authority, which is dependent on the National Government, which has been set, since February 2020, in pesos updated monthly by a factor associated with inflation, an update that has been suspended for the moment. For more information on prices, see Notes 1.2 and 2.

At April 30, 2020 and 2019, the Group does not own derivative products or hedges on hydrocarbon prices.

At April 30, 2020 and 2019, a 10% increase or decrease in the prices of electricity and hydrocarbons would have implied an increase or decrease in the comprehensive income and in equity of \$ 935,413 and \$ 1,104,605 respectively.

4.2 Credit risk

Credit risk is defined as the potential that a third party fails 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 trade receivables due to sale transactions of electricity, oil, gas and LPG; nonetheless, the Group has not had to set up provisions for uncollectibility in the past years.

In particular, credits related to the sale of energy, in recent years CAMMESA paid its settlements within the expected payment period, without registering any significant delays. However, in recent months, it has been late in making payments, leading from 45 days to 75 days. The generators that sell electricity in the spot market have little management capacity to ensure collection of their receivables.

Although there were some delays in the collection of credits arising from the Incentive Program for Investments in Production Development of Natural Gas extracted from Unconventional Reservoirs, Resolution No. 419/E/2017, over the last months, the National Government has sought to speed them up.

The current economic situation has been taken into consideration in the review and update of provisions.

4.3 Liquidity risk

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

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



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NOTE 4 - ADMINISTRATION OF FINANCIAL RISKS (CONT'D.)

Within the framework of this strategy, in the past, the Company has 90.7% structured financial liabilities on the base of Negotiable Obligations Class I in May 2017, for a term of 7 years with maturity of its capital in a quota in May 2024. The covenants governing this debt continue to be of incurrence rather than of maintenance. This means that creditors cannot request advance payment if the Company does not meet any of the financial covenants; instead, the Company must comply with certain pre-established financial restrictions (see Note 22).

On the other hand, the Company has structured its investment portfolio based on the maturities of these liabilities and the financial needs to meet the investments required by the incorporation of the new hydrocarbon areas (Loma Negra, La Yesera, Pampa del Castillo, Bella Vista Oeste Block I and Parva Negra Oeste), the development of PED II and the needs of working capital, investing in turn the surplus cash in accounts that generate results, choosing instruments with low risk and adequate credit quality.

In the current context, the Company has reviewed its financial flows adapting them to the current situation and market conditions, maintaining an adequate liquidity position.

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, 2020 and 2019.

At April 30, 2020	No term	Less than 3 months	Between 3 months and one year	Between 1 and 2 years	More than 2 and 5 years	More than 5 years
Financial liabilities	-	1,295,119	1,127,012	1,989,709	23,498,438	-
Trade accounts payable	313,389	3,067,703	8,509	1,292,286	45,382	16,290

At April 30, 2019	No term	Less than 3 months	Between 3 months and one year	Between 1 and 2 years	More than 2 and 5 years	More than 5 years
Financial liabilities	-	686,812	786,362	1,376,900	4,027,873	19,942,554
Trade accounts payable	186,395	3,692,843	44,564	7,680	1,203,341	-

4.4. Capital risk

The Group's goals when administering capital are to safeguard its ability to continue with the management of operation.

The Group monitors its capital structure based on the net financial debt to EBITDA ratio generated by the Group 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, 2020: 0.881 and
- b) At April 30, 2019: 0.514.

4.5 Fair value estimation

The Group classifies the measurement at fair value of financial instruments, 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 from 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).

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NOTE 4 - ADMINISTRATION OF FINANCIAL RISKS (CONT'D.)

The tables below shows the financial assets and liabilities of the Group measured at fair value at April 30, 2020 and 2019.

	04.30.2020		04.30.2019	
	Level 1	Total	Level 1	Total
Assets				
Financial Assets at fair value through profit and loss				
Mutual funds	1,358,178	1,358,178	3,018,824	3,018,824
Financial assets at fair value with changes in other comprehensive income	-	-	-	-
Private titles	9,103,455	9,103,455	-	-

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

There were no transfers between Levels 1, 2 and 3, for financial instruments valued at fair value during these years.

NOTE 5 - 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 contingencies,
- (iii) Income tax and deferred tax,
- (iv) Impairment test of assets
- (v) Fair value of revalued assets.
- (vi) The fair value of business acquisitions.

(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 depreciation charges, applying production unit ratios, as well as in the assessment of the recoverability of the investment in Exploration and Exploitation assets (see Notes 3.6).

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NOTE 5 - ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D.)

The estimates of reserves were prepared by Group technical personnel and are based on technological and economic conditions in force at December 31, 2019, considering the economic assessment and having as their horizon the expiry of the concessions, in order 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 on geology and engineering available at that date, as well as on its interpretation.

See details on reserves in Note 36.

(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, based on the advice of our internal and external legal counsel, the Management of the Company determines 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 26).

(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 comprehensive statement of income for the period that includes the date in which such modification of the tax rate has been made (see note 8).

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

(iv) Impairment test of property, plant and equipment

The Group regularly assesses the recoverability of Property, plant and equipment, including assets being explored and exploitation, as mentioned in Note 3.6, 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 Group 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).

The Group has identified the following CGUs:

- Exploration and exploitation assets:
 - Agua el Cajón
 - Loma Negra y La Yesera
 - Pampa del Castillo
 - Bella Vista Oeste
 - Parva Negra Oeste

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NOTE 5 - ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D.)

- Other intangible assets:
 - CT ADC
 - Planta LPG
 - PED I
 - PED II
 - Hydrogen and Oxygen Plant

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 hydrocarbons, energy rates, 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 Company operates and the listing of the Company shares in the Buenos Aires Stock Exchange (which, currently, due to the low liquidity of these securities does not constitute a representative parameter for this evaluation).

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 had 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 Company regards several scenarios of weighted probability of occurrence.

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

Methodology for the estimation of the recoverable value:

General criterion of the Group: the methodology used for the estimation of the recoverable value of Property, plant and equipment consists, mainly, in 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 accordance to accounting standards.

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

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

The cash flows of the different businesses 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.

To estimate future income from the oil and gas business at April 30, 2020, the Company was based on a flow of income considering two alternative scenarios weighted based on probabilities of occurrence of different expectations.

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NOTE 5 - ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D.)

For the first scenario, a trend case was taken as the basis for projection purposes, where compliance with historical average rates is estimated with a short-term adjustment, due to global distortions arising from the drop in demand and economic activity, largely due to the different isolation measures taken by the governments that brought about a significant paralysis of most economic activities. Oil prices are expected to recover trend values in 3 to 4 while, as regards gas, it is assumed that in the long-term prices will reflect the value of obtaining sufficient internal supply.

For the second scenario, the assumptions used were based on a variation of the first scenario, where recovery occurs later on. Oil prices show a late upward trend (5-6 years), while gas prices in the medium-term assume that the short-term trend will be maintained, with a slight adjustment that results in the indifference price in the long-term (more than 10 years).

In both scenarios, a nominal annual rate in US dollars was used that varies for each year of the projection. The rates used range from 15.72% to 13.41% during the evaluation period.

Based on the weighting average of 70% for the first scenario and 30% for the second scenario at April 30, 2020, the Company recognized an impairment loss of \$ 1,813,300 in relation to operating assets for the Agua del Cajón CGU. The impairment loss is included in Other operating income and expenses in the Statement of Comprehensive Income (Note 28).

Based on the estimate of future cash flows made by Hychico and available judgment elements, at April 30, 2020 and 2019 assets related to the Hydrogen and Oxygen Plant have been written down for \$ 213,107 and \$ 234,381, respectively. Recoveries have been made from the aforementioned write-down as the assets relating to the hydrogen and oxygen plant have begun to be depreciated from May 2010.

(v) Fair value of revalued assets

For the group of assets of the caption Property, plant and equipment whose valuation policy is the revaluation model (CT ADC, LPG Facility - owned by SEB, DEEF - owned by Hychico - and PED II - owned by EG WIND-), the Company makes estimates of the fair value of those assets.

To estimate future income from the electric energy segment at April 30, 2020, the Company was based on a flow of income considering two alternative scenarios weighted based on probabilities of occurrence of different expectations.

For the first scenario, the remuneration scheme for electric power established by regulations is considered in force complying with short-term patterns, while in the second scenario patterns have an impact, in general a 10% decline, on the generation of electric power. Therefore, the remuneration is affected over time compared with the first scenario due to a longer tariff freeze.

Considering a weighted average of 80% for the first scenario and 20% for the second scenario at April 30, 2020, a coefficient of depreciation due to economic obsolescence was applied to the CT ADC at values measured under the depreciated replacement cost method for their adjustment to future discounted cash flows at a nominal annual rate in US dollars that varies for each year of the projection. The rates used range from 12.2% to 12.12% during the evaluation period. See Note 3.6.III.

With respect to the estimation of the future income of the renewable energy segment from PED I and PED II at April 30, 2020, the Company relied on the sale prices arising from the supply contracts signed with CAMMESA, an average of the wind factor of recent years, and an estimate of maintenance costs for the calculation of cash flows. Said future cash flows were discounted at a nominal annual rate in US dollars that varies for each year of the projection. The rates used range from 10.63% to 8.54% during the evaluation period. Future cash flows do not exceed the fair value calculated following the depreciated replacement cost method.

With respect to the estimation of the future income of the business of liquid gas processing and separation from the LPG Plant at April 30, 2020, the Company relied on the gas price scenarios for the calculation of cash flows, as described in the oil and gas segment, to model the margin used vis-à-vis the plant's byproducts, considering a weighted average of 70% and 30% for each one. Said future cash flows were discounted at a nominal annual rate in US dollars that varies for each year of the projection. The rates used range from 14.29% to 11.65% during the evaluation period. Future cash flows do not exceed the fair value calculated following the depreciated replacement cost method.

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NOTE 5 - ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D.)

(vi) Fair value of business acquisitions

The application of the acquisition method involves the measurement of the fair value of the identifiable assets acquired and the liabilities assumed in the business combinations at the acquisition date.

For the determination of fair values, the guidelines mentioned in (i) Oil and gas reserves and (iv) Property, plant and equipment impairment test are used.

NOTE 6 - SEGMENT REPORTING

The Board has determined operating segments 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 thermal power ("Electricity ADC"),
- 3) The process and separation gases 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").

As of April 30, 2020, income received from CAMMESA, broken down by segment which arises to \$ 7,566.8 million, is allocated to:

- 1) Gas revenue for \$ 4,105.1 million: payments received from CAMMESA as Own Fuel Recognition, the remuneration of which is fixed in US dollars and associated with the price of gas for generation plants, and
- 2) Thermal power revenue for \$ 3,461.7 million: specific remuneration for the generation of power.

It should be noted that as of April 30, 2020, the operating result of the Oil and Gas segment is affected by and impairment of the assets of the Agua del Cajón CGU for \$ 1,813,300 (see Note 5 (iv) an impairment of Inventories (oil) for \$ 484,343 (see Note 3.8).

In January 2020, the transformer of Steam Turbine 7 at the ADC Power Plant had a failure in the output terminal of a high voltage phase. This failure started a fire in the transformer that was extinguished by its own protection system and the assistance of third parties, affecting its internal windings and forcing a major repair on the site. The repair began in April 2020, after obtaining authorizations for the entry of personnel and cargo movement equipment to the site due to the mandatory isolation in force at that time. Since January 2020, the ADC Power Plant has been operating in open cycle mode, with the related decrease in power generation. Repairs are estimated to be completed in early August 2020 and operation in a combined cycle is expected thereafter. The above has affected the operating income of the ADC Energy segment.

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NOTE 6 – SEGMENT REPORTING (CONT'D.)

Segments reporting information at April 30, 2020 and 2019 is disclosed below:

04.30.2020							
	Oil and Gas	Electricity ADC	LPG	Energy DEEF	Hydrogen Energy	Oxygen	Total
Income	9,054,138	7,566,871	546,301	381,797	24,704	6,995	17,580,804
Reclassification between segments	4,465,555	(4,105,118)	(380,437)	-	-	-	-
Income per segment	13,519,691	3,461,753	185,864	381,797	24,704	6,995	17,580,804
Participation per segment on Income	76.90%	19.69%	1.06%	2.17%	0.14%	0.04%	100.00%
Cost of Income	(7,610,971)	(1,447,708)	(124,829)	(161,213)	(40,994)	(10,738)	(9,396,453)
Gross Profit	5,908,720	2,014,045	61,035	220,584	(16,290)	(3,743)	8,184,351
Participation per segment on Gross Income	72.20%	24.61%	0.74%	2.70%	(0.20)%	(0.05)%	100.00%
Prooperative expenses	-	-	-	(4,229)	-	-	(4,229)
Selling Expenses	(2,181,870)	(380,708)	(15,712)	(4,773)	(2,196)	(576)	(2,585,835)
Administrative Expenses	(581,577)	(283,796)	(27,907)	(12,542)	(4,840)	(1,268)	(901,930)
Other operating (expenses) / income, net	(2,254,238)	4,231	194	78	(30)	(8)	(2,249,773)
Operating result	881,835	1,373,772	17,610	199,118	(23,356)	(5,895)	2,442,584
Financial income	-	-	-	-	-	-	5,973,054
Financial Costs	-	-	-	-	-	-	(11,281,850)
Other Financial Income	-	-	-	-	-	-	21,770
Other financial results RECPAM	-	-	-	-	-	-	2,793,670
Result Before Income Tax	-	-	-	-	-	-	(50,772)
Income Tax	-	-	-	-	-	-	989,693
Result for the year	-	-	-	-	-	-	938,921
Other comprehensive results	-	-	-	-	-	-	(2,728,094)
Comprehensive result for the year	-	-	-	-	-	-	(1,789,173)
Depreciation	-	-	-	-	-	-	-
In Cost of Income	(2,736,981)	(860,014)	(83,171)	(111,311)	(15,851)	(4,152)	(3,791,490)
In Administrative Expenses	(35,576)	(29,840)	(2,153)	-	-	-	(67,569)
Impairments	-	-	-	-	-	-	-
In Property, plant and equipment	(1,813,300)	-	-	-	-	-	(1,813,300)
In inventories	(484,343)	-	-	-	-	-	(484,343)
Total	(5,070,210)	(889,854)	(85,325)	(111,311)	(15,851)	(4,152)	(6,166,703)

04.30.2019							
	Oil and Gas	Electricity ADC	LPG	Energy DEEF	Hydrogen Energy	Oxygen	Total
Income	7,829,701	11,234,801	860,061	209,554	17,367	7,839	19,959,323
Reclassification between segments	6,582,378	(6,007,667)	(574,711)	-	-	-	-
Income per segment	14,212,079	5,227,134	285,350	209,554	17,367	7,839	19,959,323
Participation per segment on Income	71.21%	26.19%	1.43%	1.05%	0.09%	0.03%	100.00%
Cost of Income	(6,731,379)	(1,629,440)	(185,919)	(48,377)	(50,874)	(22,053)	(8,648,042)
Gross Profit	7,480,700	3,597,694	119,431	161,177	(33,507)	(14,214)	11,311,281
Participation per segment on Gross Income	66.13%	31.81%	1.08%	1.42%	-0.30%	-0.12%	100.00%
Prooperative expenses	-	-	-	(15,923)	-	-	(15,923)
Selling Expenses	(2,320,653)	(408,273)	(29,264)	(1,670)	(2,697)	(1,801)	(2,764,358)
Administrative Expenses	(493,371)	(233,359)	(55,269)	(2,681)	(4,334)	(2,891)	(791,905)
Other operating (expenses) / income, net	(2,675)	(3,892)	(317)	(38)	400	173	(6,349)
Operating result	4,664,001	2,962,170	34,581	140,865	(40,138)	(18,733)	7,722,746
Financial income	-	-	-	-	-	-	8,398,766
Financial Costs	-	-	-	-	-	-	(16,516,202)
Other Financial Income	-	-	-	-	-	-	543
Other financial results RECPAM	-	-	-	-	-	-	2,888,191
Result Before Income Tax	-	-	-	-	-	-	(2,504,044)
Income Tax	-	-	-	-	-	-	(474,882)
Result for the year	-	-	-	-	-	-	2,029,182
Other comprehensive results	-	-	-	-	-	-	1,170,763
Net comprehensive result for the year	-	-	-	-	-	-	3,199,925
Depreciation	-	-	-	-	-	-	-
In Cost of Income	(1,712,295)	(1,096,236)	(42,087)	(34,331)	(16,770)	(923)	(2,902,642)
In Administrative Expenses	(8,377)	(9,387)	(719)	-	-	-	(16,483)
Total	(1,718,672)	(1,105,623)	(42,806)	(34,331)	(16,770)	(923)	(2,919,125)

The Group does not own assets that are not financial instruments outside the country as of April 30, 2020 and 2019.

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NOTE 7 – PROPERTY, PLANT AND EQUIPMENT

	04.30.2020	04.30.2019
Residual value at beginning of year	34,122,031	25,823,072
Additions	6,282,181	9,642,033
Revaluation	(3,747,343)	1,585,256
Impairment (see Note 28)	(1,813,300)	-
Provisions and retirements	21,274	(9,205)
Depreciation	(3,798,198)	(2,919,125)
Residual value at the end of the year	<u>31,066,645</u>	<u>34,122,031</u>

The depreciation cost of the years ended at April 30, 2020 and 2019 for \$ 3,776,802 and \$ 2,902,642, respectively, was charged to the Cost of Sales, and \$ 21,396 and \$ 16,483, respectively, to Administrative Expenses.

Below is the revaluation by group of assets:

	Residual value at cost value at 04.30.2019	Additions/ Retirements for the year – net	Impairment	Depreciation for the year at cost value	Residual value at cost value at 04.30.2020
CT ADC	5,295,090	340,559	-	(476,390)	5,159,259
Building and land in Neuquén	390,937	-	-	(2,124)	388,813
LPG Plant	356,696	-	-	(38,001)	318,695
DEEF	367,428	2,371	-	(28,142)	341,657
Remaining assets	19,317,125	5,960,525	(1,813,300)	(2,829,736)	20,634,614
Total	<u>25,727,276</u>	<u>6,303,455</u>	<u>(1,813,300)</u>	<u>(3,374,393)</u>	<u>26,843,038</u>

	Residual value of revaluation at 04.30.2019	Additions/ Retirements for the year- Revaluation	Depreciation of the year Revaluation	Residual value of revaluation at 04.30.2019	Net result at 04.30.2020
CT ADC	7,291,717	(3,631,002)	(383,624)	3,277,091	8,436,350
Building and land in Neuquén	688,874	(112,241)	-	576,633	965,446
LPG Plant	226,519	(26,428)	(25,169)	174,922	493,617
DEEF	187,645	22,328	(15,012)	194,961	536,618
Remaining assets	-	-	-	-	20,634,614
Total	<u>8,394,755</u>	<u>(3,747,343)</u>	<u>(423,805)</u>	<u>4,223,607</u>	<u>31,066,645</u>

NOTE 8 – DEFERRED TAX ASSETS AND LIABILITIES

The deferred tax net position is as follows:

	04.30.2020	04.30.2019
Deferred tax assets		
Deferred tax assets to be recovered after 12 months	794,369	65,054
Deferred tax assets to be recovered within 12 months	172,737	2,808
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after 12 months	(1,191,695)	(2,735,213)
Deferred tax liabilities to be recovered within 12 months	(964,782)	(1,221,230)
Net deferred tax liabilities ⁽¹⁾	<u>(1,189,371)</u>	<u>(3,888,581)</u>

⁽¹⁾ This amount is shown in the consolidated financial statements as follows: \$ 134,413 and \$ 18,265 under net deferred tax assets at April 30, 2020 and 2019, respectively, and \$ 1,323,784 and \$ 3,906,846 under net deferred tax liabilities at April 30, 2020 and 2019, respectively.

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NOTE 8 – DEFERRED TAX ASSETS AND LIABILITIES (CONT'D.)

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

- Deferred assets:

	Tax Losses	Asset for adjustment for tax inflation	Trade accounts payable	Spare parts and materials, provisions and others	Total
Balance at April 30, 2019	50,237	8,150	25,132	(12,298)	71,221
Charge to results	843,983	4,284	34,068	13,550	895,885
Balance at April 30, 2020	894,220	12,434	59,200	1,252	967,106

- Deferred liabilities:

	Financial investments	Property, plant and equipment	Other accounts receivables	Financial liabilities	Total
Balance at April 30, 2019	(92,805)	(3,720,746)	(115,263)	(30,987)	(3,959,801)
Charge to results	117,769	964,780	(186,470)	3,636	899,715
Charge to Other Comprehensive Results	(31,218)	934,827	-	-	903,609
Balance at April 30, 2020	(6,254)	(1,821,139)	(301,733)	(27,351)	(2,156,477)

Capex's tax loss for \$ 724,688 will be used for the payment of the liability generated by the adjustment for tax inflation Art 95 exposed in Non-current Taxes payable. Its breakdown is as follows:

Generation year	Amount	Rate	Amount computable	Year of Prescription
Specific tax loss generated as of April 30, 2019	55,684	30%	16,705	2024
Specific tax loss generated as of April 30, 2020	58,587	30%	17,576	2025
Tax loss generated as of April 30, 2020	2,301,355	30%	690,407	2025
Total tax loss as of April 30, 2020	2,415,626		724,688	

E G WIND's tax losses at April 30, 2020 for \$ 169,532 may be allocated to future taxable income arising within ten years as from the date they are generated; they will prescribe from the fiscal year ending on April 30, 2028.

Tax reform in Argentina

On December 29, 2017, the National Executive Branch Enacted Law 27430 on Income Tax. This law introduced several changes in the treatment of income tax, among which are:

Income tax rate: The income tax rate for Argentine companies will be reduced gradually from 35% to 30% for fiscal years beginning on or after January 1, 2018 until December 31, 2019 and to 25% for fiscal years beginning on or after January 1, 2020.

However, through Law No. 27,541, promulgated on December 23, 2019, the reduction of the expected rate is suspended until the fiscal years that start from January 1, 2021 inclusive, establishing that for the period after the suspension, the tax rate will remain at 30%.

Tax inflation adjustment: To determine the net taxable income, an adjustment for inflation computed according to Sections 95 to 98 of Income Tax Law must be deducted from or added to the tax result of the fiscal period being calculated. This will be applicable in the fiscal year in which the variation percentage of the General Consumer Price Index (CPI) accumulated over the 36 months prior to the year end is higher than 100%. These provisions are applicable for fiscal years commencing on or after January 1, 2018. For the first, second and third fiscal years following its effective date, it will be applicable when the index variation, calculated from the beginning to the end of each year, exceeds 55%, 30% and 15% in the first, second and third year of application, respectively. The inflation adjustment for the fiscal year under calculation will have effect either as a negative or positive adjustment; one third of it will be allocated in the relevant fiscal period and the remaining two thirds in two equal parts, in the two immediately following fiscal years (applicable as of April 30, 2019).

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NOTE 8 – DEFERRED TAX ASSETS AND LIABILITIES (CONT'D.)

Law No. 27,541 provides that the adjustment for positive or negative inflation that is determined as a consequence of the application of the adjustment provided in Title VI of the Income Tax Law, corresponding to the first and second fiscal years beginning as of 1 January 2019, one sixth (1/6) must be imputed in that fiscal period and the remaining five sixths (5/6), in equal parts, in the five immediately following fiscal periods. What is established in said provision does not prevent the computation of the remaining thirds corresponding to previous periods, calculated in accordance with the previous version of article 194 of the Income Tax Law.

The variation in the CPI for the years ended on April 30, 2020 and 2019 was 45.6% and 55.8%, respectively, for which the Company, to determine the taxable income corresponding to those years, included such adjustments.

Tax on dividends: A tax is levied on dividends or profits distributed, among others, by Argentine companies or permanent establishments to: individuals, undivided estates or foreign beneficiaries, according to the following rates: (i) dividends deriving from profits generated during fiscal years beginning on or after January 1, 2018 until December 31, 2019 are subject to tax at a rate of 7%, and; (ii) dividends deriving from profits obtained during fiscal years beginning on or after January 1, 2020 will be subject to tax at a rate of 13%.

By virtue of the suspension of the Income Tax rate provided for in Law No. 27,541, the withholding of 7% is maintained until the fiscal years that begin until January 1, 2021 inclusive.

Dividends on profits obtained until the fiscal year prior to the fiscal year beginning on or after January 1, 2018 will be subject to withholdings, for all beneficiaries, at a rate of 35% of the amount exceeding retained earnings to be distributed free of tax (transition period of equalization tax).

Optional tax revaluation: The law prescribes in Title X, Chapter 1 that companies may choose to have their Argentine-based assets that generate taxable income revalued for tax purposes at December 31, 2017, applying a revaluation factor on the acquisition or construction costs, according to the effective date of each investment, to continue with the depreciation of the revalued assets based on the percentage variations of CPI calculated by the National Institute of Statistics and Census following the tables prepared by the AFIP for that purpose. If opting for the tax revaluation, a special tax must be paid, resulting from applying the rates corresponding to each type of asset to the revalued amount (8% for real property other than inventories, 15% for real property-inventories, and 10% for movable property and other items of property). Tax revaluation must be applied to all the assets in the same category. The gain generated by the revaluation is exempt from income tax and will not be computed for the purpose of the withholding described in the unnumbered section added after Section 69 of the Income Tax Law (equalization tax), and the special tax on the revalued amount will not be deductible from income tax. Furthermore, the net amount of the revaluation of accumulated depreciation will not be included in the taxable base of assets for calculation of tax on assets.

On May 31, 2019 the Company exercised the option of performing a tax revaluation of its assets, with the special tax calculated amounting to \$ 276,847 (stated in historical currency), which is disclosed under the Income tax line in the Statement of Income as of April 30, 2019. The Company opted for paying the special tax through a payment on account of 20% and the remainder by means of a payment plan, in four monthly installments with a monthly interest rate of 1.5%.

Adjustment of acquisitions and investments made in fiscal years commencing on or after January 1, 2018: The acquisitions and investments made in fiscal years commencing on or after January 1, 2018 will be subject to the following adjustments, based on the percentage variation of CPI published by the National Institute of Statistics and Census following the tables prepared by the AFIP for that purpose:

- 1) In the case of disposal of depreciable personal property, real property other than inventories, intangible assets, shares, units or equity interests (including units held in mutual funds), the cost to be computed in the determination of gross income will be adjusted according to the aforementioned index, from the date of acquisition or investment until the date of disposal; if applicable, it will be reduced by the allowable depreciation, calculated on the adjusted value.
- 2) Deductible depreciation of buildings and other constructions on real property connected to business activities and investments, inventories, and those corresponding to other assets connected to the production of taxed income, will be calculated applying the adjustment index to the ordinary depreciation installments, referred to the acquisition or construction date indicated in the table prepared by the AFIP.

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NOTE 8 – DEFERRED TAX ASSETS AND LIABILITIES (CONT'D.)

Decree No. 1170/18, published in the Official Gazette on December 27, 2018, includes adaptations to the regulation approved by Decree No. 1344/98, regulation of the Income Tax Law, and amendments, as well as amending its text to the changes introduced by the Argentine Civil and Commercial Code and other legal standards, such as Laws No. 27260, 27346 and 27430.

NOTE 9 – FINANCIAL ASSETS AND LIABILITIES PER CATEGORY

	04.30.2020	04.30.2019
ASSETS		
Financial assets at depreciated cost		
Trade accounts receivable and other accounts receivable	2,683,528	3,759,407
Financial investments at depreciated cost	5,911	9,430,972
Cash and cash equivalents	2,255,191	268,546
Total	<u>4,944,630</u>	<u>13,458,925</u>
Financial assets at fair value with changes in comprehensive income		
Financial instruments at fair value with changes in comprehensive income	1,358,189	3,018,824
Total	<u>1,358,189</u>	<u>3,018,824</u>
Financial assets at fair value with changes in other comprehensive income		
Financial instruments at fair value with changes in other comprehensive income	9,103,455	-
Total	<u>9,103,455</u>	<u>-</u>
LIABILITIES		
Financial liabilities at depreciated cost	27,163,019	25,730,615
Total	<u>27,163,019</u>	<u>25,730,615</u>

NOTE 10 - 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 risk rating agencies for cash and cash equivalents and financial investment. 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:

	04.30.2020	04.30.2019
Credit rating minimum "A"	3,619,291	12,718,341
Investments at fair value with changes in other comprehensive income	9,103,455	-
Credit quality "Investment Grade"		
Total	<u>12,722,746</u>	<u>12,718,341</u>

The credit rating of trade accounts receivable is as follows:

	04.30.2020	04.30.2019
Past due		
From 0 to 3 months	668,404	65,915
To be due		
From 0 to 3 months	918,882	2,537,028
Total	<u>1,587,286</u>	<u>2,602,943</u>

See Note 4.2 as regards receivables from CAMMESA.

NOTE 11 - RIGHT OF USE ASSETS AND DEBTS FOR LEASE

The Company has adopted IFRS 16 "Leases" retrospectively since May 1, 2019, but it has not changed previous-year balances included for comparative purposes, as allowed by IFRS 16 temporary provisions. Reclassifications and adjustments arising from the new lease standard are recognized in shareholders' equity at May 1, 2019.

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NOTE 11 - RIGHT OF USE ASSETS AND DEBTS FOR LEASE (CONT'D.)

(i) Measurement of lease liabilities

As of April 30, 2020, the Company has recorded the lease debt in the caption "Trade Accounts Payable (Note 21), for a total of \$ 238,412, exposed in current and non-current liabilities for \$ 100,522 and \$ 137,890, respectively. These liabilities are discounted and their evolution is as follows:

	04.30.2020
Balance at the beginning by application of IFRS 16	312,205
Payments made	(79,346)
Financial update	(37,206)
Exchange and conversion differences, net	42,759
Balance at closing	238,412

(ii) Measurement of lease assets

The right-of-use asset was measured in an amount equal to the lease liability.

The evolution of the Company's right-of-use assets for the year ended April 30, 2020 is as follows:

	Buildings	Machinery and Equipment	Total
Original value	265,746	46,459	312,205
Accumulated depreciation	(46,172)	(14,689)	(60,861)
Balance as of April 30, 2020	219,574	31,770	251,344

The accumulated depreciation of Buildings for \$ 46,172 is included in Administration Expenses and that of Machinery and equipment for \$ 14,689 within Production Cost.

(iii) Adjustments recognized in the statement of financial position as of May 1, 2019.

The change in accounting policy affected the following items in the statement of financial position as of May 1, 2019:

- Right of use assets - increase of \$ 312,205.
- Trade Accounts Payable - Lease debts - increase of \$ 312,205.

The change in the accounting policy had no impact on retained earnings as of May 1, 2019.

NOTE 12 - SPARE PARTS AND MATERIALS

	04.30.2020	04.30.2019
Non-Current		
In local currency		
Spare parts and consumption materials	1,039,446	979,486
In foreign currency (Exhibit G)		
Sundry advances	40,093	32,149
Total	1,079,539	1,011,635
Current		
In local currency		
Spare parts and consumption materials	300,985	287,174
In foreign currency (Exhibit G)		
Sundry advances	10,023	8,038
Total	311,008	295,212

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NOTE 13 - INVENTORIES

	04.30.2020	04.30.2019
Oil ⁽¹⁾	323,056	11,250
Propane and butane	2,971	3,330
Total	326,027	14,580

⁽¹⁾ As of April 30, 2020 it includes an impairment of 484,343 (see Notes 1.2 and 28).

NOTE 14 - OTHER ACCOUNTS RECEIVABLE

	04.30.2020	04.30.2019
Non-Current		
In local currency		
Turnover tax	1,581	-
Tax on assets	-	7,399
Value Added Tax	27,549	-
In foreign currency (Exhibit G)		
Assignment of CAMMESA rights	34,215	-
Total	63,345	7,399
Current		
In local currency		
Sundry advances	20,303	34,776
Turnover tax	32,509	35,043
Value added tax	322,843	401,997
Income tax and tax on assets	334,140	6,002
Other tax credits	113,396	129,724
Prepaid insurance	85,576	66,534
Prepaid expenses	3,832	3,477
Assignment of CAMMESA rights	1,520	4,937
Intercompany receivables Section 33 – Law 19550 (Note 33.b)	5,255	3,246
Agreement for gas propane supply for networks to collect	37,039	91,936
Gas trust fund to be recovered	20,973	32,945
Non-conventional gas stimulus program	1,059,203	406,493
Sundry	3,838	12,106
In foreign currency (Exhibit G)		
Sundry advances	45,609	39,589
Assignment of CAMMESA rights	5,054	45,027
Recoveries	176,372	-
Sundry	11,594	-
Total	2,279,056	1,313,832

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:

	04.30.2020	04.30.2019
Without due date (shown as current assets)		
Past due	1,129,065	507,476
From 0 to 3 months	572	-
To be due		
From 0 to 3 months	1,030,078	759,112
From 3 to 6 months	43,295	15,748
From 6 to 9 months	43,161	15,748
From 9 to 12 months	32,885	15,748
From 1 to 2 years	60,935	-
More than 2 years	2,410	7,399
Total	2,342,401	1,321,231

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NOTE 15 - TRADE ACCOUNTS RECEIVABLE

	04.30.2020	04.30.2019
Non-Current		
In local currency		
Doubtful accounts	2,627	3,824
Less: Provision for expected losses (Exhibit E)	(2,627)	(3,824)
Total	-	-
Current		
In local currency		
For sale of oil and others	126,475	-
From sale of energy and others	1,128,911	78,180
Intercompany receivables Sect. 33 – Law 19550 (Note 33.b)	37,715	29,663
In foreign currency (Exhibit G)		
From sale of oil and others	284,789	1,286,025
From sale of energy	87	1,200,640
Intercompany receivables Sect. 33 – Law 19550 (Note 33.b)	9,309	8,435
Total	<u>1,587,286</u>	<u>2,602,943</u>

At April 30, 2020 and 2019, trade accounts receivable for \$ 1,587,286 and \$ 2,602,943, respectively, fully complied with their contractual terms, and their fair value did not significantly differ from the carrying value.

The aging analysis of these accounts receivable is as follows:

	04.30.2020	04.30.2019
Past due		
From 0 to 3 months	668,404	65,915
To be due		
From 0 to 3 months	918,882	2,537,028
Total	<u>1,587,286</u>	<u>2,602,943</u>

At April 30, 2020 and 2019, the provision for the trade accounts receivable amounts to \$ 2,627 and \$ 3,824, respectively.

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

	04.30.2020	04.30.2019
Balance at beginning of year	(3,824)	(3,824)
RECPAM	1,197	-
Balance at year end	<u>(2,627)</u>	<u>(3,824)</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 16 - FINANCIAL INSTRUMENTS AT FAIR VALUE WITH CHANGES IN OTHER COMPREHENSIVE INCOME

	04.30.2020	04.30.2019
Not current		
In foreign currency (Exhibit G)		
Financial instruments at fair value with changes in other comprehensive results (Exhibit D)	9,103,455	-
Total	<u>9,103,455</u>	<u>-</u>

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

	04.30.2020	04.30.2019
To be due		
More than 1 year	9,103,455	-
Total	<u>9,103,455</u>	<u>-</u>

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NOTE 17 - CASH AND CASH EQUIVALENTS

	04.30.2020	04.30.2019
Current		
In local currency		
Cash		
Banks	109	116
Financial instruments at fair value (Exhibit D)	305,025	56,190
In foreign currency (Exhibit G)	900,478	1,070,605
Cash		
Banks	568	472
Financial investments at depreciated cost (Exhibit D)	1,949,489	211,768
Financial instruments at fair value (Exhibit D)	5,911	9,430,971
Total	3,619,291	12,718,341

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

	04.30.2020	04.30.2019
Cash and banks		
Financial instruments at fair value	2,255,191	268,546
Financial investments at depreciated cost	1,358,189	3,018,824
Total	3,619,291	9,430,971

The accounting value of financial investments at depreciated cost approximates its fair value.

NOTE 18 - CAPITAL STOCK AND ADDITIONAL PAID-IN CAPITAL

	Number of shares	Face value per share	Capital subscribed	Capital adjustment	Additional paid-in capital	Adjustment additional paid-in capital
		\$	\$	\$	\$	\$
Balances at April 30, 2019	179,802,282	1	179,802	4,009,739	79,686	1,777,068
Balances at April 30, 2020	179,802,282	1	179,802	4,009,739	79,686	1,777,068

The capital stock of \$ 179,802 (stated at historical cost) is represented by 179,802,282 ordinary, book-entry Class "A" shares of \$ 1 nominal value and one vote each, authorized to be placed for public offering.

Capital adjustment and additional paid-in capital adjustment not distributable in cash or in kind; however, it can be capitalized through the issuance of paid-up shares. In addition, this item may be applied to cover accumulated losses, according to the order of absorption established in Note 3.11.

All the shares issued have been subscribed and paid in.

Capital stock at April 30, 2020 and 2019 is as follows:

Capital	Fair value (whole figures)	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		

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NOTE 19 – RESERVES

a) Change in Reserves

	Legal reserve	Free reserve ⁽¹⁾	Reserve for assets revaluation (see point b)	Reserve for instruments a fair value
Balances at April 30, 2018	96,655	1,248,253	818,437	-
Ordinary Shareholders' Meeting dated August 28, 2018	-	1,729,008	-	-
Comprehensive result of the year	-	-	1,149,914	-
Reversal of reserve for assets revaluation (point b)	-	-	(35,354)	-
Balances at April 30, 2019	96,655	2,977,261	1,932,997	-
Ordinary Shareholders' Meeting dated August 21, 2019	253,083	4,808,575	4,029,684	-
Comprehensive result of the year	-	-	(2,813,829)	84,422
Reversal of reserve for assets revaluation (point b)	-	-	(294,226)	-
Balances at April 30, 2020	349,738	7,785,836	2,854,626	84,422

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

b) Changes and breakdown of the 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 - Neuquén	Total	Attributable to the Company	Attributable to Minority Interest
Balance at April 30, 2018	670,992	-	62,658	94,196	827,848	818,437	9,411
Increase due to revaluation	1,044,190	224,677	110,286	202,782	1,581,935	1,554,141	27,794
Deferred tax	(313,257)	(64,033)	(28,118)	(60,837)	(466,245)	(313,257)	(64,033)
Result by change of the income tax rate	46,660	11,234	5,515	-	63,409	62,018	1,391
Total other comprehensive results	777,593	168,508	82,717	141,945	1,170,763	1,148,914	20,849
Reversal due to depreciation for the year ⁽¹⁾	(57,746)	-	(6,188)	8,267	(55,667)	(54,738)	(929)
Reversal of deferred tax ⁽¹⁾	17,324	-	1,544	745	19,613	19,384	229
Subtotal for reversal of reserve for revaluation of assets ⁽¹⁾	(40,422)	-	(4,644)	9,012	(36,054)	(35,354)	(700)
Balance at April 30, 2019	1,408,163	168,508	140,731	246,155	1,962,557	1,932,997	29,560
Distribution of the Ordinary Shareholders' Meeting of August 21, 2019	3,643,312	1,311	-	395,061	4,029,684	3,643,312	1,311
(Decrease) / increase due to revaluation	(3,631,002)	(26,428)	22,328	(112,241)	(3,747,343)	(3,749,323)	1,980
Deferred tax	907,751	5,349	(6,336)	28,063	934,827	935,494	(667)
Total other comprehensive results	(2,723,251)	(21,079)	15,992	(84,178)	(2,812,516)	(2,813,829)	1,313
Reversal due to depreciation for the year ⁽¹⁾	(383,624)	(25,169)	(15,012)	-	(423,805)	(420,323)	(3,482)
Reversal of deferred tax ⁽¹⁾	115,087	7,551	4,506	-	127,144	126,097	1,047
Subtotal for reversal of reserve for revaluation of assets ⁽¹⁾	(268,537)	(17,618)	(10,506)	-	(296,661)	(294,226)	(2,435)
Balance at April 30, 2020	2,058,687	131,191	146,217	546,038	2,883,133	2,854,626	28,507

(1) Charged to "Unappropriated Retained Earnings"

NOTE 20 – UNAPPROPRIATED RETAINED EARNINGS

	04.30.2020	04.30.2019
Balances at April 30, 2018		8,769,593
Ordinary Shareholders' Meeting dated August 28, 2018 (constitution of legal and free reserves)		(1,729,008)
Comprehensive result for the year		2,015,403
Reversal of reserve for revaluation of assets (Note 19)		35,354
Balances at April 30, 2019	9,091,342	9,091,342
Ordinary Shareholders' Meeting dated August 21, 2019	(9,091,342)	
Comprehensive result of year	933,985	
Reversal of reserve for revaluation of assets (Note 19)	294,226	
Balances at April 30, 2020	1,228,211	

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NOTE 20 – UNAPPROPRIATED RETAINED EARNINGS (CONT'D.)

Restrictions on the distribution of profits

- a) In accordance with the Commercial Companies Law, by-laws and CNV Resolution No. 368/01, 5% of net income, once accumulated losses have been absorbed, plus (less) prior years' adjustments and the reversal of assets revaluation reserve, must be appropriated to the Legal Reserve until it reaches 20% of capital and capital adjustment, previously reconstituting, as appropriate, the legal reserve of prior years.
- b) In line with the Global Program for the Issue of Class II Corporate Bonds (Note 21 a)), the Company and its subsidiaries SEB and E G WIND may declare or pay:
 - Stock dividends or distributions with voting rights;
 - Dividends or distributions collected by the Company and/or its Restricted subsidiaries (SEB and E G WIND);
 - Dividends paid pro rata to the Company and its restricted subsidiaries (SEB and E G WIND), on one hand, and to the minority bondholders of one Restricted Subsidiary, on the other hand.

The above will apply provided that at the time of payment and immediately after giving effect to it: (a) no default or event of default (such as nonpayment of principal or interest at maturity, failure by the Company to fulfill a commitment or agreement included in the program, or in case the Company is declared insolvent or bankrupt in an insolvency or bankruptcy proceeding) shall have occurred and still persists; and (b) the Company may incur additional financial debt for at least US\$ 1 if, when incurred, the Consolidated Interest Coverage Ratio is not less than 2.0:1.0 and the Interest Coverage Ratio Net and Financial Debt to adjusted EBITDA Ratio is not higher than 3.5:1.0.

- c) At the closing of the year, the positive balance of the Reserve for the revaluation of assets and "Reserve for Investments at Fair Value" 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.

In accordance with the provisions of Resolution CNV 777/18 when, by virtue of the application of the inflation adjustment established in the accounting standards, the revaluation balance would have been reclassified to unappropriated retained earnings/accumulated losses at the transition date, and in the event that the latter were positive, the entities must set up a special reserve for an amount equivalent to the revaluation balance determined in real terms at that date, that is, resulting from comparing the residual value adjusted for inflation with the revalued residual value. The special reserve may be reversed following the mechanism established in the applicable accounting standards for companies that use the revaluation model as a measurement criterion.

Based on the foregoing, and in accordance with IAS 29, the Company charged to retained earnings the revaluation surplus mentioned above for \$ 4,156,160 at the transition date. As of April 30, 2019, following the guidelines established in Resolution 777/18, there is a restriction on the distribution of unappropriated retained earnings equivalent to the amount of the special reserve, reversed in accordance with the guidelines of the aforementioned rules, for \$ 4,029,684, ad referendum of the Shareholders' Meeting that considers the financial statements as of April 30, 2019.

The Ordinary and Extraordinary General Shareholders' Meeting of August 21, 2019 decided to allocate to balance of \$4,029,684 to the Reserve for Revaluation of Assets.

NOTE 21 - TRADE ACCOUNTS PAYABLE

	04.30.2020	04.30.2019
Non-Current		
In local currency		
Sundry accruals		
In foreign currency (Exhibit G)		
Suppliers	831,499	573,603
Lease debts	392,166	377,063
Sundry accruals	137,890	-
	1,111,986	835,924
Total	2,473,541	1,786,590

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NOTE 21 - TRADE ACCOUNTS PAYABLE (CONT'D.)

Current

In local currency		
Suppliers	1,461,020	1,722,420
Intercompany suppliers (Note 33.b)	6	3,678
Sundry accruals	201,781	183,552
In foreign currency (Exhibit G)		
Suppliers	1,586,028	1,400,361
Lease debts	100,522	-
Sundry accruals	66,645	617,891
Total	3,416,002	3,927,902

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

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

	04.30.2020	04.30.2019
Past due		
From 0 to 3 months	42,470	182,009
From 3 to 6 months	45,001	-
From 6 to 9 months	597	180
From 9 to 12 months	1,747	140
From 1 to 2 years	120	5,860
Without due date (shown as current liabilities)	298,889	186,396
To be due		
From 0 to 3 months	2,998,933	3,508,752
From 3 to 6 months	9,415	14,855
From 6 to 9 months	9,415	14,855
From 9 to 12 months	9,415	14,855
From 1 to 2 years	37,659	7,499
More than 2 years	2,435,882	1,779,091
	5,889,543	5,714,492

NOTE 22 - FINANCIAL LIABILITIES

Non-Current

	04.30.2020	04.30.2019
In local currency		
Commissions and expenses to be accrued	(75,944)	(100,532)
Bank loans	533,362	-
In foreign currency (Exhibit G)		
Bank loans	52,606	102,826
Corporate bonds	20,052,000	19,279,810
Total	20,562,024	19,282,104

Current

	04.30.2020	04.30.2019
In local currency		
Advance funding for maintenance of the CT ADC (Note 2.b.2.2)	-	96,275
Commissions and expenses to be accrued	(22,665)	(25,359)
Bank loans	288,353	-
In foreign currency (Exhibit G)		
Bank loans	656,089	51,906
Corporate bonds	635,676	611,197
Total	1,557,453	734,019

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NOTE 22 - FINANCIAL LIABILITIES (CONT'D.)

Changes in loans are as follows:

	<u>30.04.2020</u>	<u>30.04.2019</u>
Balances at the beginning	20,016,123	14,676,148
RECPAM	(7,960,486)	(8,673,449)
Loans obtained	2,630,006	-
Accruals:		
Accrued interest	1,631,989	1,720,208
Accrued commissions and expenses	19,687	22,384
Exchange difference generated by foreign currency debts	8,548,081	13,793,502
Payments:		
Interest	(1,418,451)	(1,289,589)
Capital	(1,347,472)	(233,081)
Balances at the end	<u>22,119,477</u>	<u>20,016,123</u>

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

	<u>04.30.2020</u>	<u>04.30.2019</u>
6 months or less	1,542,104	672,351
6-12 months	15,349	61,668
1-2 years	52,476	49,411
More than 2 years	20,509,548	19,232,693
Total	<u>22,119,477</u>	<u>20,016,123</u>

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

	<u>04.30.2020</u>	<u>04.30.2019</u>
US Dollar	21,396,371	20,045,739
Pesos	723,106	(29,616)
Total	<u>22,119,477</u>	<u>20,016,123</u>

Debts in US dollars accrue annual interest averaging approximately 6.815% and 6.875% at April 30, 2020 and 2019, respectively.

The fair value of corporate bonds at April 30, 2020 and 2019 amounts to \$ 13,356 million and \$ 15,312 million, respectively, measured at fair value level 1 (see Note 4.5).

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

a) Corporate bonds – Senior Notes Class II

On March 15, 2017 the Ordinary General Meeting and on March 20, 2017 the Board of Directors of the Company approved the terms and conditions of the Global Negotiable Obligations Program, the request for authorization of public offer and quotation for up to a nominal value in circulation at any time that may not exceed US\$ 600,000,000 or its equivalent.

On May 10, 2017 Capex issued Class II Corporate Bonds for an amount of US\$ 300 million under that program.

Class II of the Negotiable Obligations, at the time of issuance, has been qualified internationally by the risk rating agencies Fitch in "B+/RR3" and Standard & Poor's in "B", and locally by Fitch in "A" and Standard & Poor's in "raA+". At the date of issuance of these financial statements, they have an international qualification of "CCC" and "CCC+", respectively, by Fitch and Standard & Poor's, and a local qualification of "CCC+/RR3" and "raBBB-", respectively, by Fitch and Standard & Poor's.

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NOTE 22 - FINANCIAL LIABILITIES (CONT'D.)

The international underwriters were Deutsche Bank Securities Inc, J.P. Morgan Securities LLC, BBVA Securities Inc. and Itaú BBA USA Securities, Inc, and the Argentine underwriters were BACS Banco de Crédito y Securitización S.A., Banco Hipotecario S.A. and Banco CMF S.A.

Main characteristics:

Issued Amount: US\$ 300,000,000

Issue Date: May 15, 2017

Maturity date: May 15, 2024

Issue Price: 100%

Interest rate: 6.875% nominal annual rate

Applicable return: 6.875% nominal annual rate

Interest Payment Dates: compensatory interest accrued and payable for periods of six months, from the signing date to the full repayment date. The payment dates will be May 15 and November 15 of each year to maturity, commencing on November 15, 2017.

Amortization: Principal will be amortized in only one installment on May 15, 2024,

Amount of principal awarded to the International Underwriters:

Deutsche Bank Securities Inc...	US\$ 138,889,000
J.P, Morgan Securities LLC	US\$ 138,889,000
BBVA Securities Inc.....	US\$ 11,111,000
Itaú BBA USA Securities, Inc...	US\$ 11,111,000

Optional Redemption with no Premium: at any time as from May 15, 2021, the Company may redeem the Corporate Bonds, according to the following schedule and as set forth in the Pricing Supplement:

	Redemption price
2021	103.438%
2022	101.719%
2023	100.000%

Redemption price in case of repurchase of shares: 106.875% of principal on the Corporate Bonds, in conformity with and under the terms of the Pricing Supplement regarding the Optional Redemption with the Proceeds from the Shares Offered.

Application of the funds: The funds shall be applied to the settlement of short and long-term liabilities, to making investments in fixed assets in Argentina, payment of capital contributions in controlled or related companies and working capital.

Guarantees: No guarantees.

Main commitments of Capex and its restricted subsidiaries:

As of the date of issuance of the financial statements as of April 30, 2020 SEB and E G WIND qualify as restricted subsidiaries for the fulfillment of certain commitments. Hychico does not.

- Change of control: In the event of a change of control, the holders may request Capex to buy all or some of its corporate bonds.
- Limitation on incurring additional financial indebtedness: Capex and its restricted subsidiaries may incur additional financial indebtedness if, at the time of, and immediately after, giving pro-forma effect to incur the new Indebtedness, (i) they have not incurred any Default or Event of Default, and (ii) the Consolidated Interest Coverage Ratio is not less than 2.0:1.0 and the Consolidated Net Financial Indebtedness to Consolidated EBITDA Ratio is not higher than 3.5:1.0. Once the minimum and maximum values have been reached in the case of the Consolidated Interest Coverage Ratio and the Consolidated Net Financial Debt on Adjusted EBITDA, respectively, the Company and its restricted subsidiaries, taken together, may incur additional financial debt for an amount that is the greater between US \$ 60 million and 10% of the value of the Consolidated Assets (*).
- Limitation on dividend payments: The Company and its restricted subsidiaries may pay dividends if no event of default shall have occurred and Capex may incur additional financial indebtedness for at least US\$1, if when it incurs such indebtedness the Consolidated Interest Coverage Ratio is not less than 2.0:1.0 and the Consolidated Net Financial Indebtedness to adjusted Consolidated EBITDA Ratio is not higher than 3.5:1.0 (*).

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NOTE 22 - FINANCIAL LIABILITIES (CONT'D.)

- Limitation on sales of assets: The Company and its subsidiaries shall apply the proceeds from the sales of their assets (other than in the ordinary 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); (3) making a capital contribution in any of the Restricted Subsidiaries, provided that such Restricted Subsidiary uses the funds from that contribution as stated in points (1) or (2). All amounts not applied to one or some of these items within 365 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 business
- Keeping its corporate existence in full force and effect
- Maintenance of property and insurance
- Keeping its bond ratings: Capex will make all commercial efforts to keep the rating of the Corporate Bonds with at least two credit rating agencies.

If on any date subsequent to the issuance, the Corporate Bonds have at least two Investment Grade Ratings granted by Rating Agencies, and no Event of Default has occurred or subsisted under the Trust Contract, Capex and its Restricted Subsidiaries shall not be subject to the commitments indicated with (*).

For further information, see the Offering Circular and Pricing Supplement for Capex's Global Class II Corporate Bond Issue Program for US\$ 600,000,000.

The balance as of April 30, 2020 amounts to \$ 20,687,676, of which \$ 635,676 are current. Additionally, commissions and expenses paid in relation to the negotiable obligations have been deducted from the liability, which will be accrued in the term of the debt. The balance of these commissions as of April 30, 2020 amounts to \$ 98,403, of which \$ 22,588 are current.

At the date of issue of the financial statements at April 30, 2020, the Company and its Restricted Subsidiaries are in compliance with all commitments taken on.

b) Loan agreement with BBVA Francés

On April 8, 2020, the Company entered into a loan with BBVA Francés for the pre-financing of exports with the following characteristics:

Issued Amount: US\$ 9.000.000.

Maturity date: June 1, 2020.

Amortization: One installment at maturity.

Interest rate: 4.80% annual nominal.

The balance as of April 30, 2020 amounts to \$ 603,380, all of which is current. Upon expiration it has been canceled.

c) Loan agreement with Banco Macro S.A

On April 3, 2020, the Company signed a loan agreement with Banco Macro to finance working capital subject to the following terms and conditions:

Issued Amount: \$ 800.000.000.

Maturity date: October 4, 2021.

Amortization: three quarterly installments as from April 2, 2021.

Interest rate: Corrected BADLAR rate plus 9.25% nominal annual, payable quarterly, with the first installment due on July 3, 2020.

The balance as of April 30, 2020 amounts to \$ 821,715, of which \$ 288,353 are current.

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NOTE 22 - FINANCIAL LIABILITIES (CONT'D.)

d) 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 taken in October 2010). 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 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: refinancing of the 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 payer of all obligations assumed by Hychico under the loan agreement, the promissory notes and other main documents (1);
- 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 capital stock 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;

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;

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NOTE 22 – FINANCIAL LIABILITIES (CONT'D)

- Declare, approve and/or distribute dividends or any type of remuneration to the shareholders, temporary and definitive, directly or indirectly, except each of the following conditions are met:
 - That the net result for the year be positive and it be declared against the income of the year;
 - That the Financial Debt Service Coverage ratio be greater than 1.1, measured after payment of dividends; and
 - That Hychico complies with its obligations under this Agreement and the Main Documents.
- Invest in assets outside the normal course of business;
- Guarantee and become surety of third party debts;
- Constitute and/or allow that a lien is levied on any of the assets belonging to Hychico, except for those mentioned in the Loan Agreement;
- Sell or lease more than ten per cent (10%) of DEEF assets or carry out a merger, division, consolidation and transfer of more than ten per cent (10%) of DEEF assets, spin-off, transformation, change of the corporate name or any other significant change to its legal structure, unless the proceeds be applied to the acquisition of replacement assets;
- Reduce its capital stock⁽¹⁾;
- Allow or take any action that allows the Loan to be lower in priority (including the Guarantee) with respect to the other preferred debts incurred.

⁽¹⁾ In September, 2013, the CII removed permanently the restriction imposed on Hychico relating to the reduction of its capital stock provided that it is mandatory under the Law of Commercial Companies N°19950.

These covenants have been met, there being no events of default at April 30, 2020.

On April 16, 2018, Hychico prepaid all of the amounts due under Tranche B of the loan for US\$ 2,400,000, and all the management fees for said tranche were eliminated. At the same time, an amendment to the loan agreement dated March 29, 2012 was agreed, which will accrue interest at LIBO plus 4.5% as from April 15, 2018.

At the balance sheet date of Capex, Hychico has repaid, in historical cost, according to the due dates provided, principal for \$ 222,821 and interest for a cumulative total of \$ 85,722.

At April 30, 2020 and 2019 the balance amounts to \$ 105,315 and \$ 154,732 of which \$ 52,709 and \$ 51,906 are current, respectively. The commissions and guarantees paid have been deducted from the loan, which will accrue during the life of the debt. The balance of these commissions and guarantees at April 30, 2020 and 2019 amounts to \$ 204 and \$ 3,012, of which \$ 77 and \$ 1,009 are current, respectively.

e) Summary at April 30, 2020

Loan	Current	Non-Current	Total
Corporate Bonds - Senior Notes (point a)	635,676	20,052,000	20,687,676
Unearned commissions and expenses corporate bonds (point a)	(22,588)	(75,815)	(98,403)
BBVA pre-financing (point b)	603,380	-	603,380
Macro S.A. Bank (point c)	288,353	533,362	821,715
Corporación Interamericana de Inversiones (point d)	52,709	52,606	105,315
Commissions and guarantees Corporación Interamericana de Inversiones (point c)	(77)	(127)	(204)
Total	1,557,453	20,562,024	22,119,477

NOTE 23 – SALARIES AND SOCIAL SECURITY CONTRIBUTIONS

	04.30.2020	04.30.2019
In local currency		
Salaries and social security contributions	89,724	80,716
Sundry accruals	262,113	222,810
Total	351,837	303,526

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NOTE 24 – TAXES PAYABLES

	04.30.2020	04.30.2019
Non – current		
In local currency		
Income tax payable (net) adjustment for tax inflation	1,393,582	677,194
Total	1,393,582	677,194
Current		
In local currency		
Income tax payable adjustment for tax inflation	43,412	-
Income tax payable (net) – (Note 30)	22,499	363,450
Special tax (Tax revaluation) (Note 30)	-	420,633
Tax withholdings and collections	71,434	23,229
Provision for Gross Income Tax	8,685	-
Gross Income Tax	529	-
Other	113,312	153,425
Total	259,871	960,737

NOTE 25 – OTHER LIABILITIES

	04.30.2020	04.30.2019
Current		
In local currency		
Oil and gas royalties	-	251,702
Total	-	251,702

NOTE 26 - PROVISIONS AND OTHER CHARGES

1. Provisions

	04.30.2020	04.30.2019
In local currency		
Provisions for lawsuits and fines (Exhibit E)	2,480	3,610
Total	2,480	3,610

The provision for lawsuits was set up based on the analysis of possible indemnities that the Group estimates to pay according to the opinion of its legal counsel. The changes are as follows:

Balances as of April 30, 2018	5,624
RECPAM	(2,014)
Balances as of April 30, 2019	3,610
RECPAM	(1,130)
Balances as of April 30, 2020	2,480

2. Contingencies

a) Precautionary measures and administrative appeals

a.1) Energy Secretariat Resolution 821/10

On October 24, 2010, Resolution 821/10 (the "Resolution") issued by the Energy Secretariat 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 Secretariat and some LPG retailers and producers, among which the Company was not included.

The penalties imposed were:

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NOTE 26 - PROVISIONS AND OTHER CHARGES (CONT'D.)

- A fine of \$ 3,117 (stated at historical cost),
- The forced delivery of LPG 2,351 tn to other producers and/ or retailers for a market value of approximately \$ 3,853 (stated at historical cost) and
- Prohibition to export for the time the resolution was not complied with.

The Company requested the stay of the resolution and filed a motion for reconsideration with the administrative court that was resolved negatively and motivated the submission of a hierarchical appeal. Additionally, the Company filed an autonomous precautionary measure with a federal court to prevent the application of the resolution until the administrative appeal lodged filed was resolved. The precautionary measure was granted and notice was served on the Energy Secretariat on November 25, 2010, and is in force since the hierarchical appeal has not been resolved to date.

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, 2010 do not include any related charge. Legal advisors of the Company consider that Law 26854 on precautionary measures ("LPM") in lawsuits to which the Government is a party or intervenes as a third party claimant would not have a significant impact on the precautionary measure granted.

a.2) ENARGAS Resolutions 1982, 1988 and 1991/2011

The Company considers that the charge envisaged by Resolutions 1982, 1988 and 1991, as mentioned in Note 1.2.d) is unconstitutional for it is clearly a tax and has not been created by a Law passed by National Congress. The charge has a tax nature for the following reasons: (i) it is not aimed at expanding or improving the public utility service for gas distribution or transport; instead, it is destined for a trust fund created and administered by the national state to meet natural gas imports; (ii) the gas treatment plants without regulated measurement, as is the case of the Company, do not use public utility services for gas distribution or transport but receive the fluid directly from producers; (iii) the charge has been excluded from other tax bases (except for VAT); (iv) without prejudice to its name, the charge is a requirement imposed by the State in the exercise of its powers so that private parties may deliver to it sums of money to defray expenses to serve its purposes, the importation of gas for supply to the domestic market in this case.

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 \$ 3,499 plus VAT (stated at historical cost).

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 (stated at historical cost) as security for costs. The Company notified the Energy Secretariat 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 26784 was published in the Official Gazette on November 5, 2012. This law, among other issues, modified Law 26095 on Energy Infrastructure Works by establishing that gas imports are a priority for the National Government, and that the charge and the trust fund created by Decree 2067/08 and the proceedings performed as a consequence will be governed by the provisions of that Law.

NOTE 26 - PROVISIONS AND OTHER CHARGES (CONT'D.)

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 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, clearly exceeding its regulatory powers. As a result, since it becomes apparent that Decree 2067/08 is not a decree of necessity and urgency, a law passed by the Congress confirming the decree is not sufficient to cure the unconstitutionality.

As regards Law 26784 and after the decision of the Court of Appeals allowing the Company to file its claim and maintain the provisional remedy, on October 29, 2013 the Company filed an amended complaint with the Federal Court of Neuquén requesting that section 54 of the law was also declared unconstitutional. The court hearing the case accepted the amended complaint and ordered that the summons and amended complaint be served upon the National Government and Enargas.

On May 22, 2014, the Company filed a voluntary petition, asking for the rejection of a request by ENARGAS based on Law 26854 of Precautionary Measures against the National Government and on Law 26784; the Company argued, among other reasons, that: (a) the precautionary measure obtained by the Company was granted prior to enactment of Law 26854, and this cannot be applied retroactively (b) the provisions included in the Law of Precautionary Measures against the National Government are unconstitutional, as has been ruled in numerous preceding cases and (c) the Annual Budget Law for 2013 does not ratify Decree 2067/08 or the regulations of ENARGAS derived from it, neither does it amend the unconstitutionality of these regulations due to the fact that it does not meet the requirements demanded by the principle of legality of taxation rooted in the Constitution.

On November 5, 2014, the Company was notified of the decision rendered by the Federal Court of Neuquén removing the provisional remedy, as requested by ENARGAS, on the grounds that the likelihood of the claim originally considered when granting the precautionary measure should have disappeared upon the passing of Law 26784. On the same date, the Company filed an appeal against the decision of the court, which was granted with a stay of execution on November 6, 2014.

On September 16, 2015, the Federal Court of Appeals of General Roca admitted the appeal filed by the Company and rejected the petition for release of the precautionary measure filed by ENARGAS. The entity filed an extraordinary appeal against such decision, which was rejected on February 10, 2016.

In addition to the maintenance of the precautionary measure, on October 27, 2015, the National Supreme Court of Justice issued a ruling in "Compañía Mega S.A v. EN" establishing, in a case similar to that of the Company in which the gas consumed by plaintiff does not enter the transport system and cannot be confused with imported gas, that the charge created by Decree 2067/08 is unconstitutional. The legal advisors of the Company consider that this ruling sets an important precedent to support the Company's position.

Moreover, Resolution 28/16 of 3/28/16 of the Ministry canceled the acts of the former Ministry of Federal Planning, Public Investment and Services linked to the determination of the tariff charges under Decree 2067/08.

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.

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NOTE 26 - PROVISIONS AND OTHER CHARGES (CONT'D.)

a.3) Energy Secretariat Resolution 77/12

The Company considers, among other issues that Energy Secretariat Resolution 77/12 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 was required to supply certain bottlers with 12,418 tons of butane at the prices set in that resolution; these prices were significantly lower than the prices at which CAPEX sells its production, and that they met 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 Energy Secretariat; subsequently, it applied for an autonomous precautionary measure with staying effects on both of them before the Neuquén Federal Court.

In April 2012, the Company received ES Note 2247/12 whereby the Energy Secretariat 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 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 no crime or punishment without prior law, 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.

Internal and external Legal advisors of the Company consider that Law 26854 on precautionary measures in lawsuits to which the Government is a party or intervenes as a third party claimant would not have a significant impact on the precautionary measure granted.

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, 2020 do not include any related charge.

b) Differences in the liquidation of the employer contributions

In August 2010, the AFIP served notice to the Company of a debt assessment for \$ 6,334 for differences in the computation of employer contributions to the social security system. This amount is made up of principal for \$2,863 (stated at historical cost) plus interest accrued for \$ 3,470 (stated at historical cost) 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 15336 and 24065) and other regulations and case law which define the generation activity as an industrial activity.

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NOTE 26 - PROVISIONS AND OTHER CHARGES (CONT'D.)

In June 2011, the Company received notice of AFIP Resolution N°69/11 rejecting the challenge filed and suspending the application of penalties for certain periods until a final and conclusive judgement 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 (stated at historical cost).

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 (stated at historical cost, principal of \$1,002 plus interest of \$ 715), and (ii) the application of fines totaling \$ 491 (stated at historical cost), on grounds of an alleged false statement invoking an employer contribution abatement benefit for the periods 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.

On March 17, 2015, Panel I of the Court of Appeals with jurisdiction over Social Security Matters in and for the City of Buenos Aires rendered AFIP's resolution ineffective. The resolution had ordered the Company to pay the differences in employers' contributions. The court considered the resolution arbitrary on the grounds that AFIP had dismissed the evidence presented by the Company thus breaching the right to defense and ordered that a new resolution be issued after Capex has produced the evidence it had offered. In February 2018 the AFIP stated that the files of the first debt assessment and of the fine should be called for trial. The National Energy Secretariat stated in written form in 2014 that the electricity generation activity must be considered an industrial activity, something recently ratified by the Administrative Coordination Undersecretariat of the Ministry of Energy and Mining in the text of a note addressed to the General Department of Social Security Resources of the AFIP, in response to the request for opinion by the AFIP in relation to the presentation filed before the Tax Authorities by the Asociación de Generadores de Energía Eléctrica de la República Argentina (AGEERA); the Secretariat also gave reasons why the generation of electricity is considered an industrial activity for the purpose of its classification within Section 2 of Decree No. 814/01. Further, in December 2017 Panel II of the Federal Court of Appeals with jurisdiction over Social Security Matters, in the case "Endesa Costanera S.A. c/ Administración Federal de Ingresos Públicos s/impugnación de deuda" (Endesa Costanera S.A. v. Tax Authorities on challenging of tax debt), defined that the electricity generation activity has the status of "industrial" activity, and therefore it is entitled to the [lesser] rate of 17% for Social Security contributions, as provided in Section 2, subsect. b) of Decree No. 814/2001.

On September 19, 2018, the Company was notified of Administrative Resolutions No. 323/18 DV TJGE (DI RSGE) and No. 324/18 DV TJGE (DI RSGE) whereby the challenges timely filed by the Company were rejected as regards the two periods claimed and the fines. These Resolutions were challenged at an administrative stage by the Company.

On March 12, 2019, the Company received a note from the AFIP to (i) amend the tax returns for employees' withholdings and employer's contributions from 05/2009 to 04/2018 for incorrect classification of social security contributions under section 2 subsection B of Decree 814/01, or (ii) present evidence for the periods involved, On March 29, 2019 the Company filed a response to the requirement, rejecting it on the same grounds already presented to the AFIP.

The Company's Management, in line with the opinion of its internal and external legal counsel, understands that it has solid grounds to reverse the position of AFIP; therefore, the financial statements at April 30, 2020 do not include any related charge.

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NOTE 26 - PROVISIONS AND OTHER CHARGES (CONT'D.)

c) Administrative Appeal - Change of criterion on the application of Resolution 46/17 of the former Ministry of Energy and Mining - "Incentive Program for Investments in Production Development of Natural Gas extracted from Unconventional Reservoirs"

On January 14, 2019, the Company filed a motion for reconsideration and, in the alternative, an Appeal before a Higher Administrative Authority, against the Resolutions Nos. 346, 349 and 351 issued by the Energy Secretariat (the "Notes"), all of them dated December 27, 2018, whereby the Secretariat modified its interpretation criterion on the volume of unconventional gas production subject to the compensation provided by the system established in Resolution No. 46/17, as amended by Resolution No. 419/2017, both from the former Ministry of Energy and Mining, which create the "Program for the Investments in Developments of Natural Gas Production from Unconventional Reservoirs" (hereinafter, the "Program"). CAPEX's incorporation to the Program for the Agua del Cajón area was approved by Rule No. 116 of June 4, 2018, issued by the Former Under-Secretary of Hydrocarbon Resources.

The change of criterion resulting from the Notes means that the compensation for the company's unconventional gas production under the Program would not reach the total amount produced of said gas under the Program, but only, at a maximum, the monthly projection of Production Included reported by the Company in its request for joining the Program, known as "Original Curve" by the Secretary of Energy.

If it prosper in favor of the Company prospered, this resource would imply the recognition of additional income of \$ 96 million (expressed in homogeneous currency as of April 30, 2020 \$ 170 million). The Secretariat has not issued a decision on the challenge and the Company has extended it to Resolutions No. 179, 185, 186, 246, 249 and 260.

NOTE 27 - INCOME

	04.30.2020	04.30.2019
Oil	2,026,526	2,326,112
Oil exports	5,254,596	4,069,651
Gas stimulation program (Note 2.c)	1,386,679	1,128,367
Gas	290,359	-
Electricity ADC ⁽¹⁾	7,566,871	11,234,801
LPG	432,957	827,444
LPG exports	113,344	-
DEEF Energy	381,797	209,554
Energy generated with hydrogen	24,704	17,367
Oxygen	6,995	7,839
Services	95,976	105,571
Others ⁽²⁾	-	32,617
Total	17,580,804	19,959,323

⁽¹⁾ It includes income generated by the gas produced at field and consumed in CT ADC and paid by CAMMESA as acknowledgement of fuel for \$ 4,105.1 million and \$ 6,007.6 million at April 30, 2020 and 2019, respectively. (See note 6)

⁽²⁾ Revenues from the "Propano Sur Program" and "Hogar Program" for \$31.2 million and \$1.4 million, at April 30, 2020 and 2019, respectively (see Note 2.d).

NOTE 28 - OTHER OPERATING EXPENSES, NET

	04.30.2020	04.30.2019
Impairment of Property, plant and equipment (see Note 5)	(1,813,300)	-
Impairment of inventories	(484,343)	-
Result on sales of vehicles	-	3,031
Not computable assessments	-	(2,745)
Exclusivity rights	-	(32,133)
Income from indirect administrative services Consortia / UTE (net)	37,962	33,689
Sundry	9,908	(8,191)
Total	(2,249,773)	(6,349)

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NOTE 29 - FINANCIAL RESULTS

	04.30.2020	04.30.2019
Financial income		
Interest and other	753,759	612,337
Exchange difference	5,231,804	7,784,521
Interest accrued from accounts receivable	(12,509)	1,908
	<u>5,973,054</u>	<u>8,398,766</u>
Financial costs		
Interest and other	(1,661,209)	(1,678,505)
Exchange difference	(9,601,837)	(14,794,468)
Interest accrued from accounts receivable and payable	(18,804)	(43,229)
	<u>(11,281,850)</u>	<u>(16,516,202)</u>

NOTE 30 - INCOME TAX

Below is reconciliation between income tax charged to earnings and that resulting from applying the income tax rate applicable in each jurisdiction to the accounting profit before taxes:

	04.30.2020	04.30.2019
Income/Loss before income tax of the Group's shareholders	(50,772)	2,504,044
Current tax rate	30%	30%
Income/loss for the year at tax rate	<u>15,232</u>	<u>(751,213)</u>
- Interest accrued from accounts receivable and payable	(9,394)	(12,396)
- RECPAM	805,086	760,927
- Exchange difference foreign securities	931,250	-
- Property, Plant and Equipment tax value restatement	-	1,051,583
- Sundry	(8,003)	(2,475)
- Change in the income tax rate ⁽²⁾	-	(8,262)
- - Adjustment for Art 95 tax inflation and of prior year income tax return	(744,478)	(1,092,412)
- Special Tax for Tax Revaluation	-	(420,634)
Total income tax charge	<u>989,693</u>	<u>(474,882)</u>
Tax determined for the year ⁽¹⁾	(61,429)	(861,216)
Special Tax for Tax Revaluation	-	(420,634)
Adjustment for Art 95 tax inflation and of prior year income tax return	(744,478)	(675,234)
Generated loss	-	33,980
Deferred tax charge ⁽³⁾	1,795,600	1,448,222
Total tax charged to income	<u>989,693</u>	<u>(474,882)</u>

(1) As of April 30, 2020, the income tax determined has been offset with withholdings, leaving a tax payable of \$ 22,499 as of April 30, 2020 and \$ 363,450 as of April 30, 2019 (see Note 24).

(2) See note 3.14.1

(3) Net of the charge in of the Reserve for financial investments for \$ 31,221 (loss) as of April 30, 2020 and of the Technical Revaluation Reserve for \$ 934,830 and \$ 411,173 as of April 30, 2020 and 2019, respectively.

NOTE 31 - EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net income attributable to the Company shareholders by the weighted average number of ordinary shares outstanding during the year, excluding own shares acquired by the Company.

The Company does not have ordinary shares to be potentially diluted, so basic earnings per share are equal to diluted earnings per share.

	04.30.2020	04.30.2019
Net result attributable to the Company's shareholders	933,985	2,015,403
Weighted average number of ordinary outstanding shares	179,802	179,802
Basic and diluted earnings/losses per share	<u>5.1945</u>	<u>11.2090</u>

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NOTE 31 - EARNINGS PER SHARE (CONT'D.)

	<u>04.30.2020</u>	<u>04.30.2019</u>
Comprehensive result attributable to the Company's shareholders	(1,795,422)	3,165,317
Weighted average number of ordinary outstanding shares	179,802	179,802
Basic and diluted earnings/losses per share	(9.9856)	17.6045

NOTE 32 – COMMITMENTS

- In Note 2.b.2.1 the commitment to CAMMESA is mentioned as a result of Res SRRyME 1/19.
- Note 39 a) contains detailed information on the investment commitment by Capex with the Province of Chubut on the hydrocarbon concession Bella Vista Oeste.
- Note 39 b) details Capex's investment commitment with the province of Neuquén in relation to the Parva Negra Oeste Hydrocarbon Concession.
- Note 39 c) contains detailed information on the investment commitment by Capex with the Province of Chubut on the hydrocarbon concession Pampa del Castillo - La Guitarra.
- The Company has entered into an agreement with Halliburton Argentina S.A. and San Antonio International 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.
- In connection with the LPG supply, the Company has made commitments for the fiscal year 2020/2021. In relation to commercial butane for almost all of the production in the local market. Regarding commercial propane gas, its local commitments amount to approximately 22% of its production. As it has been doing, it is expected to produce propane exports during the entire period depending on the granting of the corresponding export permits.
- In Note 22 a) there is a description of the main commitments arising from the ON Senior Notes class II.
- In relation to the sale of wind energy from Hychico, in accordance with the contract signed with CAMMESA, the latter undertakes to acquire up to a maximum of 361,755 MWh, during the term of the contract (15 years from the first day of month following signature - March / 12) (see Note 37).
- In relation to the contract entered into between EG WIND S.A. and CAMMESA, the latter undertook to acquire the energy generated to a maximum potency of 27.6 MW over the life of the contract of 20 years with effect from the date of commercial qualification and EG WIND agreed to the construction and operation of Diadema II Wind Farm (see Note 38).
- There are no capital disbursements committed but not incurred at the closing date of the financial statements at April 30, 2020.

NOTE 33 - 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 75.4% 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

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NOTE 33 - RELATED PARTIES AND KEY PERSONNEL FROM COMPANY MANAGEMENT (CONT'D.)

Transactions with the parent company C.A.P.S.A. were:

	04.30.2020	04.30.2019
Sale of electricity	24,704	17,367
Expenses corresponding to Hychico	-	(351)
Expenses corresponding to C.A.P.S.A.	17,919	21,901
Expenses corresponding to Capex S.A.	(758)	(5,610)
Expenses corresponding to E G WIND	-	(3)

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

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

	04.30.2020	04.30.2019
Office and garage rental	(7,329)	(9,048)
Services provided	3,327	5,422
Irrevocable contributions	-	1,875
Expenses corresponding to Capex S.A.	(5)	-
Expenses corresponding to Interenergy	531	-

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

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

	04.30.2020	04.30.2019
Expenses corresponding to Plenium Energy S.A.	3	4

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

	04.30.2020	04.30.2019
Expenses corresponding to Wild	3	13

a.iv.) With the companies controlled by the controlling companies of the parent company:

The following transactions with Interflow S.A. were:

	04.30.2020	04.30.2019
Expenses corresponding to Interflow	1,222	-

a.v.) With related companies

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

	04.30.2020	04.30.2019
Office and garage rental	68,214	(45,883)

a.vi.) With consortia

The transactions with Área Rio Negro Norte were:

	04.30.2020	04.30.2019
Management and operation services	163,049	128,614
Prorateable expenses	28,833	30,855
Charges for indirect administrative services	28,149	33,453
Expenses refund	21,503	10,741
Cash Call	882,772	(889,231)
Distributions to partners	(138,267)	176,120

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NOTE 33 - RELATED PARTIES AND KEY PERSONNEL FROM COMPANY MANAGEMENT (CONT'D)

The transactions with Lote IV La Yesera were:

	04.30.2020	04.30.2019
Management and operation services	48,401	28,762
Prorateable expenses	7,418	3,578
Charges for services	20,310	6,023
Expenses refund	243	285
Cash Call	147,893	(39,050)
Distributions to partners	(38,683)	9,152

a.vii) With UTE

The transactions with Pampa del Castillo were:

	04.30.2020	04.30.2019
Management and operation services	386,467	207,121
Charges for indirect administrative services	162,351	145,895
Expenses refund	5,622	49,293
Cash Call	(6,202,265)	(3,122,682)
Distributions to partners	1,124,748	676,282

b) Balances at year end with the related companies

	04.30.2020			04.30.2019		
	Other current account receivables	Current trade receivables	Current accounts payable	Other current account receivables	Current trade receivables	Current accounts payable
In local currency						
With the parent company:						
- Compañías Asociadas Petroleras S.A.	4,028	3,317	1	1,639	2,493	3,678
With the companies directly or indirectly controlled by the parent company:						
- Interenergy Argentina S.A.	5	444	5	182	428	-
With consortia:						
- Río Negro Norte area	-	22,172	-	881	20,440	-
- Lote IV La Yesera	-	7,866	-	3	4,967	-
- Pampa del Castillo	-	3,916	-	541	1,335	-
With the companies controlled by the controlling companies of the parent company:						
- Interflow S.A.	1,222	-	-	-	-	-
Total in local currency	5,255	37,715	6	3,246	29,663	3,678
In foreign currency (Exhibit G)						
With the parent company:						
- Compañías Asociadas Petroleras S.A.	-	1,875	-	-	2,555	-
With consortia:						
- Río Negro Norte area	-	4,419	-	-	1,583	-
- Lote IV La Yesera	-	915	-	-	754	-
- Pampa del Castillo	-	2,100	-	-	3,543	-
With the companies controlled by the controlling companies of the parent company:						
- Interflow S.A.	-	-	-	-	-	-
Total in foreign currency	-	9,309	-	-	8,435	-

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 years ended April 30, 2020 and 2019, amounts to \$ 192,887 and \$ 190,479, respectively.

Additionally, as of April 30, 2020, \$ 14,500 was accrued as fees to the chief directors.

NOTE 34 - GUARANTEES GRANTED AND RESTRICTED ASSETS

• On March 29, 2012 Hychico signed a new loan agreement with Corporación Interamericana de Inversiones for up to 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.

• On June 29, 2018, the Company provided certain corporate guarantees for a total of US\$ 18,620,694 in favor of Enercon GmbH and Enercon Argentina S.R.L., in relation to the payment obligations assumed by its subsidiary E G WIND S.A. with those companies, for the supply and installation of equipment, and for the commissioning of Diadema Eolic Energy Farm II (see Note 37).

NOTE 35 – DOCUMENTATION GUARD

On August 14, 2014, the CNV issued General Resolution No. 629, which changes its rules on preservation of corporate books, accounting records and business documents. The Company and its subsidiaries keep their working papers and non-sensitive information for non-statute barred periods, as well as their corporate books (as reported to the CNV by note on September 3, 2019), at the administrative office located at Carlos F. Melo 630, Vicente López, province of Buenos Aires.

Likewise, the breakdown of the documentation and corporate books kept by the Company is available at the legal address.

NOTE 36 - OIL AND GAS RESERVES (NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

- Agua del Cajón

Below is the estimate of hydrocarbon reserves and resources in the Agua del Cajón area made by the Company at December 31, 2019, and audited by the independent auditor, Lic. Ana María Nardone, in compliance with the requirements of ES Resolution 324/06 and Res. MINEM 69E/2016. The expiration horizon is January 2052, with the following values:

Products		Proven			Probable	Possible	Resources
		Developed	Non-developed	Total			
Gas	Mm3 ⁽¹⁾	3,687	1,558	5,245	660	748	16,181
Oil	Mbbl	1,535	1,535	3,070	4,906	7,126	25,857
	Mm3	244	244	488	780	1,133	4,111

⁽¹⁾ Determined at 9,300 K/Cal per m³

- Bella Vista Oeste

The estimate of hydrocarbon reserves and resources in the Bella Vista Oeste area, at December 31, 2019, was audited by the independent auditor, Lic. Ana María Nardone, in compliance with the requirements of ES Resolution 324/06 and MINEM 69E/2016. The expiration horizon is February 2045, with the following values:

Products		Reserves					Resources
		Proven			Probable	Possible	
		Developed	Non-developed	Total			
Oil	Mbbl	1,415	3,661	5,076	182	-	-
	Mm3	225	582	807	29	-	-

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NOTE 36 - OIL AND GAS RESERVES (NOT COVERED BY INDEPENDENT AUDITOR'S REPORT) (CONT'D)

- Loma Negra

The estimate of hydrocarbon reserves and resources in the Loma Negra area, at December 31, 2019, was audited by the independent auditor, Lic. Ana María Nardone, in compliance with the requirements of ES Resolution 324/06 and Res. 69E/2016 del MINEM. The expiration horizon in December 2024, with the following values:

Products		Proven			Probable	Possible	Resources
		Developed	Non-developed	Total			
Gas	MMm3 ⁽¹⁾	705	-	705	-	-	1,400
Oil	Mbbl	1,277	-	1,277	-	-	969
	Mm3	203	-	203	-	-	154

The Company owns 37.50% of said reserves.

- La Yesera

The estimate of hydrocarbon reserves and resources in the La Yesera area, at December 31, 2019, was audited by the independent auditor, Lic. Ana María Nardone, in compliance with the requirements of ES Resolution 324/06 and Res. MINEM 69E/2016 and having as expiration horizon the month of June 2027, with the following values:

Products		Proven			Probable	Possible	Resources
		Developed	Non-developed	Total			
Gas	MMm3 ⁽¹⁾	139	27	166	-	-	364
Oil	Mbbl	1,044	352	1,396	-	-	4,692
	Mm3	166	56	222	-	-	746

⁽¹⁾ Determined at 9,300 K/Cal per m³

The Company owns 18.75% of said reserves.

- Pampa del Castillo

The estimate of hydrocarbon reserves and resources in the Pampa del Castillo – La Guitarra area, at December 31, 2019, was audited by the independent auditor, Lic. Héctor A. López, in compliance with the requirements of ES Resolution 324/06 and Res. 69E/2016 del MINEM. The expiration horizon is October 2026, with the following values:

Products		Reserves					Resources
		Proven			Probable	Possible	
		Developed	Non-developed	Total			
Gas	MMm ³ ⁽¹⁾	30	20	50	1	1	-
Oil	Mbbl	7,806	5,585	13,391	176	208	-
	Mm ³	1,241	888	2,129	28	33	-

⁽¹⁾ Determined at 9,300 K/Cal per m³

The company owns 95 % of said reserves.

Proven developed reserves at April 30, 2020, calculated on the basis of the audited reserves at December 31, 2019 until the end of the concession, and adjusted according to production for the period from January to April 2020 and taking into account the participation of the Company in each of the areas, are as follows:

		Agua del Cajón	Bella Vista Oeste	Loma Negra (37,5%)	La Yesera (18,75%)	Pampa del Castillo (95%)	Total
Gas	MMm ³ ⁽¹⁾	3,540	-	235	24	29	3,828
Oil	Mbbl	1,466	1,334	425	183	6,870	10,278
	Mm ³	233	212	68	29	1,092	1,634

⁽¹⁾ Determined at 9,300 K/Cal per m³

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NOTE 37 - 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.

Diadema Eolic Energy Farm

This project was started in the Argentine Patagonia due to the abundance of the eolic resource in particular and other resources, such as a large area available with a low demographic density, qualified workforce and road infrastructure, which will enable in the medium term the commencement of large scale projects, involving the generation of energy free from greenhouse gas emissions.

Hychico started in December 2006 the wind measurement using three towers located approximately 20 km from the city of Comodoro Rivadavia, Province of Chubut, and one tower located in the municipality of Colonia Presidente Luis Sáenz Peña, Province of Santa Cruz. The measurement towers are 50 meters high, with masts manufactured in Argentina and approved by the National Committee of Communications. Their installation has been approved by international auditors, and they all have calibration certificates issued by internationally renowned laboratories.

The Diadema Eolic Energy Farm (DEEF) 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 a length of 5.7 km. Total investments amounted approximately to US\$ 17 million.

Work performed have 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 and Maintenance (note 16), 6- electrical studies to connect the wind farm to the Argentine Interconnection System, 7- assembly of the wind energy converters, 8- construction of medium voltage lines and electromechanical works and 9- testing and start-up of the wind generators and electromechanical installations.

In its economic and financial analysis, Hychico has considered the return on the eolic energy farm and the obtainment of greenhouse gas emissions reduction certificates (CERs) within the framework of the clean development mechanism (CDM). To that end, Hychico has prepared and submitted the PDD (Project Design Document) which has been approved by the United Nations Executive Board with retroactive effects to July 2012.

Likewise, it must be taken into account that the CDM methodology is currently being replaced by "Verified Carbon Standards" (VCS) and that the markets for the purchase and sale of carbon credits are not active, so the sales expectations are low and at prices well below prices at the beginning. This is mainly due to the few agreements reached in the last Conferences of the Parties (COPs), and therefore to the little commitment to mitigation and swap of bonds for correction time, showing little interest from the industry.

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.

In March, 2012, in compliance with Note ES No. 1205/12, the Supply Contract to the WEM from renewable energy sources for a term of 15 years was signed, within the framework of ES Resolution No. 108/11.

Hydrogen and Oxygen Plant

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.

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NOTE 37 - HYCHICO BUSINESS – FINANCING – MAIN CONTRACTS (CONT'D.)

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 of up to 42% hydrogen mixture are above the usual international ranges for these high horsepower engines, achieving good performances in terms of yields and reducing emissions of greenhouse gases.

The oxygen produced, also high purity (99.998%), is sold at 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 depreciation of property, plant and equipment related to the project started.

On November 17, 2017, Hychico signed a contract with the National Agency of Scientific and Technological Promotion, whereby it obtained a non-refundable subsidy as a "Direct payment to Supplier" for up to \$2.3 million, to be applied to the execution of the project for technological upgrade and innovation in electrolyzers for hydrogen production from wind power. In March 2018, the World Bank approved the audit conducted. The work is scheduled for completion within six months following the first payment to the supplier. Subsequently, the guarantees referred to above were submitted to the supplier and to the beneficiary. Equipment has been acquired and paid by Hychico (because of the lack of budget items for the subsidy) and is at the Hydrogen plant. Hychico is working on the execution of the project and has received the aforementioned refund after having submitted all the documentation required by the Argentine Technological Fund (FONTAR).

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, 2020 and 2019, fixed assets 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 "Sales" in the Statement of Income (see note 27).

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, 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 37 - HYCHICO BUSINESS – FINANCING – MAIN CONTRACTS (CONT'D.)

c) Oxygen supply Contract

In November 2008, Hychico 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.

On May 31, 2018, the extension of the commercial agreement with ALASA was carried out for a period of 3 years.

d) Contract to supply the Wholesale Electric Market with renewable sources

The energy generated by the Diadema Eolic Energy Farm (DEEF) from its startup in December 2011 to March 2012 has been sold to the WEM at spot prices in accordance with current regulations.

In March 2012, by means of Note 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 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 extended 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.

The term is eighteen (18) years from the date of commencement of supply. Operational activity began in May 2009 (see point a).

Until April 30, 2011 the price of the energy generation service was US\$/MWh 30. As from May 1, 2011 it amounts to US\$/MWh 34.

As from December 2014 a new price was agreed upon, US\$/MWh 40, and a procedure was set for monthly adjustment; it can be renegotiated at the end of each calendar year.

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NOTE 37 - HYCHICO BUSINESS – FINANCING – MAIN CONTRACTS (CONT'D.)

f) Capital status

By Extraordinary Shareholders' Meeting Minutes dated July 16, 2018, Hychico resolved to make a capital contribution for \$1,900 through the issuance of 1,900,000 registered non-endorsable shares of par value each and carrying one vote per share, and the acceptance of the contributions made by Interenergy Argentina S.A. for \$249, by Servicios Buproneu S.A. for \$729 and by Capex S.A. for \$922. Leaving in this way the share capital at \$ 108,951 (the amounts are stated at historical cost).

At an Extraordinary Shareholders' Meeting on October 8, 2018, Hychico resolved to make a capital contribution for \$ 4,000 through the issuance of 4,000,000 registered non-endorsable shares of \$1 par value each and carrying one vote per share, and the acceptance of the contributions made by Interenergy Argentina S.A. for \$ 524, by Servicios Buproneu S.A. for \$ 1,534 and by Capex S.A. for \$ 1,942. Hychico's capital is now \$ 112,951 (the amounts are stated at historical cost).

As of the date of these financial statements, the mentioned capitalizations are pending registration with the Superintendence of Commercial Companies.

g) PED I and PED II- Diadema Transformer Station Fire

As a consequence of the fire that occurred in March 2020 at the Diadema Transformer Station that connects PED I and PED II with SADI, both farms were disconnected. After the repair work carried out, on May 22, 2020, both farms resumed their connection to SADI and started to dispatch electricity to the grid normally. At the date of these financial statements, the procedures towards the collection of the insured amounts are in progress.

NOTE 38 – DIADEMA EOLIC ENERGY FARM II

On August 17, 2017, Resolution No. E-275/2017 from the Ministry of Energy and Mining was published in the Official Gazette which called for interested parties to offer in the National and International Open Bid Process for contracting in the WEM electricity from renewable sources - Program RENOVAR (2nd Round), with the aim of entering into contracts in the forward market (called supply contracts of renewable electricity) with CAMMESA in representation of Distributors and Large Users of the Wholesale Electric Market - until their reallocation to distribution agents and/or Large Users of WEM in accordance with the Program Bidding Terms and Conditions. The Company participated in the call with the Diadema Eolic Energy Farm II project.

On October 19, 2017 the Company submitted the Diadema Eolic Energy Farm II project in the Program RenovAr Ronda 2.0; it would be implemented by E G WIND S.A. as a specific-purpose company. Although the offer was technically approved through Resolution E-450/2017, on December 1, 2017, the Ministry of Energy reported, through Resolution E-473/2017, that the project had not been awarded and called the Company to offer again under certain predetermined conditions:

- The price per megawatt/hour for the contracts to be entered into by those who accept the invitation would be US\$ 40.27MWh (the Project Diadema Eolic Energy Farm II had been offered with a price of US\$ 42 MWh);
- In the cases of projects with a restriction in the electric transportation system, the offeror must accept, at its sole expense, the execution of the necessary works to solve the restriction reported by CAMMESA. Diadema II Wind Farm does not need an additional expansion of capacity to the expansion that will be performed by the National Government;
- The DEEF II was first in the order of pre-award made by CAMMESA in accordance with current regulations.

The Company took part in the new bidding and the Project was awarded on December 19, 2017 through Resolution No. 488/2017 of the Ministry of Energy and Mining. On June 4, 2018 EG WIND entered into an agreement with CAMMESA for the construction, start-up and supply of renewable energy for a maximum power of 27.6 MW at a price of US\$ 40.27 MWh, for a 20-year period as from the date of authorization of commercial commissioning, including EG WIND's obligation to build the Diadema II Wind Farm. As a result of this award, EG WIND obtained the following national tax benefits included in the RenovAr Program - Round 2, within the framework of Laws No. 26190 and 27191: a) the period for offsetting income tax losses is extended to 10 years, b) early refund of value added tax, which can be requested after a tax period has elapsed from the investments made in the relevant project to its conclusion, and c) accelerated depreciation for income tax purposes, which can be requested from the tax period of the commercial commissioning of the asset, and provincial tax benefits in the province of Chubut within the framework of the Regime for Promotion of Renewable Sources of Energy, Law XVII - No. 951.

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NOTE 38 – DIADEMA EOLIC ENERGY FARM II (CONT'D.)

and Decree No. 1114/11, i.e: a) stamp tax: exemption from payment in the stages of investigation and development and construction; b) turnover tax: exemption of 100% generated by the development of the activities during the first five years from the start of commercial operation and of 50% from the sixth year through to the tenth year.

The Diadema Eolic Energy Farm II is located in the city of Comodoro Rivadavia, province of Chubut, and will comprise 9 wind energy converters model ENERCON E-82 E4 with a nominal power of 3.07 MW (megawatt) each, adding up to a total installed power of 27.6 MW. The total investment it was of approximately US \$ 35.7 million (without taxes).

The Farm received the authorization to operate from CAMMESA on September 18, 2019, complying with the terms stipulated in the bid. Due to the limitations in the electrical transportation of the Patagonian corridor and the 132 kV Comodoro Rivadavia - Pico Truncado line in particular, the farm must operate with power restrictions, which are administered by CAMMESA. Until the enlargement works are not performed by the National Government, these restrictions will be more severe as new wind farms are constructed in the area. As a compensation mechanism for said restrictions, section 10.3 of the agreement establishes the "Take-or-Pay Obligation" that will come into effect on June 19, 2020, i.e. 30 months following the award.

See Note 37.g).

NOTE 39 – BUSINESS ACQUISITION AND CONCESSIONS

a) Acquisition of Bella Vista Oeste

In May 2019, Petrominera Chubut S.E. (PMC) called for National and International Public Bid No. 2/19 with the aim of awarding exclusive rights for the operation, transport and commercialization of hydrocarbons within the area of the Bella Vista Oeste Block I, in the Province of Chubut. The Company submitted a bid, which was accepted on September 2, 2019.

In October 2019, the Company entered into a concession contract for 25 years with PMC, subject to the approval of the Executive Branch and the Legislature of the Province of Chubut. According to the concession contract, Capex may request 10-year term extensions, provided always it meets its obligations as a concessionaire, produces hydrocarbons in the area and submits an investment plan.

The related contract was approved by the Executive Branch of the Province of Chubut through Decree No. 14/20, dated January 6, 2020, and subsequently, by the Legislative Branch of the Province of Chubut through Law IX No. 148, dated January 13, 2020. In January 2020, the Company made an initial payment of USD 4.5 million to PMC (equivalent to \$ 296,910 stated in historical currency). Furthermore, during the concession term, it will pay a contingent compensation on a quarterly basis, as provided for in the contract (these payments were taken into account when recording the price of the area).

The concession is effective as from February 1, 2020, and the investments committed amount to USD 50.1 million.

The value conformation of the transaction is detailed below:

	Amount in thousands of US \$	Amounts in \$ equivalent to the date of the transaction
Paid price	4,500	296,910
Contingent consideration	2,400	144,854
Total consideration	6,900	441,764

The following table summarizes the consideration, the fair values of the identifiable assets acquired at the acquisition date (expressed in historical currency), which were incorporated into Capex's financial statements as of the taking of control:

	Total \$
Property, plant and equipment	441,764
Total identifiable net assets	441,764
Total purchase price	441,764

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NOTE 39 – BUSINESS ACQUISITION AND CONCESSIONS (CONT'D.)

The costs related to the transaction, which mainly included professional fees and stamp tax, amounted to \$ 38,322 (expressed in historical currency) and were disclosed under Administrative expenses.

The fair value of the assets of the acquired business arise from estimates made by the Management. In accordance with the acquisition method, the purchase price was allocated to the acquired assets based on the fair values at the acquisition date. The fair values were mainly determined considering the replacement values and the remaining useful life of the assets at the acquisition date. For Mining Property, the fair value was estimated according to the present values at the acquisition date of the cash flows expected based on the reserves of the acquired areas.

As a consequence of the valuation of the participation of the businesses acquired by the Company at fair values on the acquisition date, no differences arose with the total consideration paid.

b) Parva Negra Oeste

Within the framework of the Neuquén Exploration Plan, Gas y Petróleo del Neuquén S.A. (GyP) launched the 7th call for bids for the exploration, development and possible exploitation of a series of hydrocarbon areas. On July 25, 2019, the Company made a bid for the Parva Negra Oeste area, which was awarded. The area is in a good location for the possible development of Vaca Muerta formation. On November 5, 2019, the Company and GyP entered into a contract for the exploration, development and production of the area, including investments in exploration works, for approximately USD 19 million, to take place within the First Exploration Period. The conditions of the bid include a payment of USD 5.5 million to the Province of Neuquén for the right of access to the area. Upon compliance with certain conditions and if commercially exploitable hydrocarbons are found, GyP will apply for a Concession for Exploitation of Non-Conventional Hydrocarbons for 35 years, in the framework of the above-mentioned contract. On November 22, 2019 the Province of Neuquén published in the Official Gazette Decree No. 2499/19 that approves the aforementioned contract. Being at an exploratory stage, the area does not have reserves or generate cash flows, which is why the operation was considered an asset acquisition.

c) Purchase Agreement for the acquisition of interest of ENAP SIPETROL ARGENTINA S.A. in the Hydrocarbon Concession "Pampa del Castillo - La Guitarra"

On October 3, 2017, the Company agreed with ENAP SIPETROL ARGENTINA S.A ("ENAP SIPETROL") the terms and conditions for the acquisition of 100% of the participation (equivalent to 88%) of the Concession of Exploitation "Pampa del Castillo - La Guitarra" ("Pampa del Castillo") located in the province of Chubut, for an amount of US\$ 33 million.

In addition, on 13 April 2018 Capex agreed with Petrominera Chubut S.E. ("Petrominera") the terms and conditions for the acquisition of the 7% of the participation in the concession mentioned, from which Petrominera had 12%, until the due date of the extension passed by Law IX No.135 of the Province of Chubut.

Likewise, it was agreed to transfer to Capex, after the due date of the extension mentioned, 25% of the interest of the rights and obligations in the concession contract corresponding to Petrominera for the subsequent period and that was also passed by Law IX No. 135.

Subsequently, through provincial Decrees No. 318/18 and 512/18 published in the Official Gazette of the Province of Chubut dated May 24 and July 19, 2018, respectively, the Province of Chubut authorized the assignment of rights of Enap Sipetrol over the concession in favor of Capex.

On July 26, 2018, Law IX No. 143 was published, by means of which the Province of Chubut approved the Assignment Agreement dated April 13, 2018 between Capex and Petrominera, whose approval was ratified by the Executive Branch of the Province of Chubut through Decree No. 570/18 dated July 30, 2018.

On August 1, 2018, the Company was assigned all the rights and obligations that Enap Sipetrol had on the concession of hydrocarbon exploitation Pampa del Castillo, with Capex taking over the operation of the area.

The total amount established for the participation mentioned in the previous paragraph amounted to US \$ 33 million, which was paid in advance on July 31, 2018 for US \$ 28 million (equal to \$ 772,405 expressed at historical values), retaining US \$ 5 million in concept of contingent environmental liabilities.

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NOTE 39 – BUSINESS ACQUISITION AND CONCESSIONS (CONT'D.)

Additionally, on August 2, 2018, Capex paid Petrominera US\$ 6,3 million for the acquisition of 7% of the interest in the concession previously mentioned. Consequently, the Company currently has 95% of interest in the concession Pampa del Castillo, while the remaining 5% belongs to Petrominera.

Concession Pampa de Castillo	
Partners	Participation
Capex S.A.	95 %
Petrominera Chubut SE	5 %

The area covers an approximate surface of 121 km2. and it counts with an approximate production of 550 m3/day of oil (at the date of presentation of these financial statements, production reached 730 m3/day); the duration of the concession of the area falls due in 2026, with the option to extend it for 20 years if the additional investments are complied with.

On August 15, 2018, the Temporary Union of Enterprises (UTE) contract between the Company and Petrominera was registered with the Superintendence of Commercial Companies (IGJ), which sets forth the guidelines for the management and operation of the exploitation of the concession.

Capex and Petrominera committed to make investments in the area until 2021 for US\$ 108.4 million, in proportion to their interest and Capex, at its own risk, must make investments in exploration for an amount of US\$ 10.6 million during the same period. Additionally, Capex and Petrominera must make additional investments for US\$ 70 million until 2026 to make use of the option to continue the area exploitation until the subsequent period (year 2046).

The following is the disclosure of the value of the transaction:

	Amount in thousands of US\$	Amounts in \$ equivalent at the date of the transaction
Price paid to Petrominera	6,270	175,560
Price paid to Enap Sipetrol	27,784	772,404
Deferred purchase price to Enap Sipetrol	5,228	145,339
Total purchase price	39,282	1,093,303

The following table summarizes the consideration, the fair values of the identifiable assets acquired at the acquisition date, which were incorporated into Capex's financial statements as of the takeover:

	Total \$
Property, plant and equipment (includes mining property)	1,065,381
Spare parts and materials	27,579
Total identifiable assets net	1,092,960
Tax	343
Total purchase price	1,093,303

The costs related to the transaction, which included mainly professional fees and stamp taxes, amounted to \$ 9,089 (expressed at historical values) and were disclosed in the Administrative expenses item.

The fair values of the assets and liabilities of the acquired business arise from preliminary assessments conducted by the Board. In accordance with the acquisition method, the purchase price was allocated to the acquired assets based on the fair values at the acquisition date. The fair values were mainly determined considering the replacement values and the remaining useful life of the assets at the acquisition date. For Mining Property, the fair value was estimated according to the present values at the acquisition date of the cash flows expected based on the reserves of the acquired areas.

As a consequence of the interest valuation of the business acquired by the Company at fair values at the acquisition date, no differences with the total consideration paid arose.

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NOTE 39 – BUSINESS ACQUISITION AND CONCESSIONS (CONT'D.)

d) National and International Public Tender N ° 1/19 - pre-award of exclusive rights for the exploration of hydrocarbons and eventual concession of exploitation, transportation and commercialization of hydrocarbons over the Puesto Zúñiga area

In November 2019, the Secretariat of Energy of the Government of Rio Negro called for the National and International Public Tender No. 1/19 for the award of exclusive rights for hydrocarbon exploration and potential exploitation concession, transportation and commercialization over the Puesto Zúñiga area, in the Province of Rio Negro. The Company participated in the Tender by submitting an offer on November 28, 2019, which consisted of an investment commitment of US\$ 7.1 million to be developed within the first exploration period. On February 6, 2020, the Energy Secretariat of Rio Negro approved Capex's rating and pre-awarded the area. To date, the Pre-award Commission is preparing an opinion for the provincial government containing an assessment of the offer and advising whether the exploration permit should be awarded

NOTE 40 - PARTICIPATION IN JOINT OPERATIONS - SUMMARY OF THE FINANCIAL SITUATION

The assets and liabilities and the main results, before the percentage of participation, as of April 30, 2020 and 2019 of the joint operations in which the Company participates are detailed below:

Consortia Participation	Loma Negra 37.50%		La Yesera 18.75%		Pampa del Castillo 95%	
	04.30.2020	04.30.2019	04.30.2020	04.30.2019	04.30.2020	04.30.2019
Non-current assets ⁽¹⁾	12,140,151	11,185,368	923,983	276,830	4,331,803	1,435,485
Current assets	429,191	336,524	199,309	21,851	562,839	302,185
Total assets	12,569,342	11,521,892	1,123,292	298,681	4,894,642	1,737,670
Current liabilities	318,504	543,949	202,759	82,928	1,477,565	1,236,081
Total liabilities	318,504	543,949	202,759	82,928	1,477,565	1,236,081
	04.30.2020	04.30.2019	04.30.2020	04.30.2019	04.30.2020	04.30.2019
Cost of production ⁽¹⁾	(629,696)	(183,684)	(231,294)	(134,948)	(2,870,280)	(2,122,477)

(1) They do not include charges for deterioration of property, plant and equipment since the same, if any, are estimated and recorded by the participating partners of the UTE and the Consortia.

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EXHIBIT A

At April 30, 2020 and 2019

This exhibit is part of these consolidated financial statements

Property, plant and equipment

Items	Original value					At the end of the year
	At the beginning of the year	Additions	Completed works in progress	Retirements / Provisions	Revaluation	
Activities for the exploration of oil and gas:						
- Areas acquired and other studies						
Agua del Cajón	1,690,354	-	-	-	-	1,690,354
Loma Negra	547,043	-	-	-	-	547,043
La Yesera	163,957	-	-	-	-	163,957
Pampa del Castillo	505,563	-	-	-	-	505,563
Parva Negra Oeste ⁽¹⁾	-	378,466	-	-	-	378,466
- Other studies						
Agua del Cajón - Exploración	87,202	-	-	-	-	87,202
Agua del Cajón - Siémica	130,951	-	-	-	-	130,951
Parva Negra Oeste	-	539	-	-	-	539
- Assets for the extraction of oil Agua del Cajón						
Oil and gas wells	20,354,305	69,983	3,085,720	-	-	23,500,008
Work in progress	1,476,513	1,980,672	(3,106,751)	-	-	350,434
Production assets	1,567,714	-	21,031	-	-	1,588,745
Vehicles	95,389	9,275	-	-	-	104,664
Gas pipeline	509,751	-	-	-	-	509,751
- Assets for the production of oil and gas Loma Negra and La Yesera Río Negro (1)						
Oil and gas wells	508,120	1,340	464,715	-	-	974,175
Work in progress	412,286	333,468	(625,485)	-	-	120,259
Production assets	69,801	-	160,780	-	-	230,581
- Assets for the production of oil and gas in Pampa del Castillo Chubut						
Oil and gas wells	1,701,464	39,197	2,367,911	-	-	4,108,572
Production assets	513,731	-	60,533	-	-	574,264
Work in progress	657,049	2,273,941	(2,428,444)	-	-	502,546
- Assets for oil and gas production in Bella Vista Oeste (1)						
Oil and gas wells	-	311,879	324,158	-	-	636,037
Work in progress	-	430,573	(324,158)	-	-	106,415
- Other intangible assets:						
Central administration and plant administration						
Neuquén land and buildings	1,131,120	-	-	-	(112,241)	1,018,879
Administration assets	162,555	34,758	-	-	-	197,313
Power station Agua del Cajón						
CT ADC	27,521,832	-	367,175	-	(3,631,002)	24,258,005
Work in progress	159,416	340,560	(367,175)	-	-	132,801
- Eolic energy						
Work in progress	445	52,485	-	-	-	52,930
GLP Plant – Agua del Cajón						
GLP Plant (3)	2,666,624	-	-	-	(26,428)	2,660,196
Diadema Eolic Energy Farm (DEEF)						
DEEF (3)	927,844	2,371	-	-	22,328	952,543
Diadema Eolic Energy Farm (DEEF II)						
DEEF II	2,148,663	33,945	-	-	-	2,182,608
Hydrogen and oxygen plant						
Hydrogen and oxygen plant	391,925	(1,271)	-	-	-	390,654
Provision of hydrogen and oxygen plant	(234,381)	-	-	21,274	-	(213,107)
Total at April 30, 2020	65,887,236	6,282,181	-	21,274	(3,747,343)	68,443,348
Total at April 30, 2019	53,843,164	9,642,093	-	(9,205)	2,411,244	65,887,236

(1) See Note 39

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EXHIBIT A

At April 30, 2020 and 2019

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Property, plant and equipment (Cont'd)

Concepto	Depreciation				Desvalorizaciones (2)	Net book value at 04.30.20	Net book value at 04.30.19
	Accumulated at the beginning of year	For the year	Revaluation	Accumulated at year-end			
Activities for the exploration of oil and gas:							
- Areas scouted and other studies							
Agua del Cajón	960,497	39,198	-	999,695	-	690,659	729,858
Loma Negra	77,892	129,985	-	207,877	-	339,166	469,151
La Yesera	22,069	21,903	-	43,972	-	119,985	141,889
Pampa del Castillo	29,045	52,822	-	81,867	-	423,696	476,519
Parva Negra Oeste (1)	-	-	-	-	-	378,466	-
- Other studies							
Agua del Cajón - Exploración	70,469	899	-	71,368	-	15,834	16,733
Agua del Cajón - Sísmica	96,743	1,837	-	98,580	-	32,371	34,208
Parva Negra Oeste	-	-	-	-	-	539	-
- Assets for the extraction of oil Agua del Cajón							
Oil and gas wells	10,763,543	1,379,235	-	12,142,778	(1,739,623)	9,617,607	9,590,762
Work in progress	-	-	-	-	-	350,434	1,478,513
Production assets	998,820	70,482	-	1,069,302	(73,677)	445,766	568,893
Vehicles	31,819	16,337	-	48,156	-	56,508	63,572
Gas pipeline	455,388	7,768	-	463,156	-	48,595	54,382
- Assets for the production of oil and gas Loma Negra and La Yesera Río Negro (1)							
Oil and gas wells	90,992	202,806	-	293,798	-	680,377	417,127
Work in progress	-	-	-	-	-	120,259	412,287
Production assets	14,062	58,545	-	72,607	-	157,974	55,739
- Assets for the production of oil and gas In Pampa del Castillo Chubut							
Oil and gas Wells	173,417	622,164	-	795,581	-	3,312,991	1,528,047
Production assets	67,005	93,945	-	160,950	-	413,314	446,727
Work in progress	-	-	-	-	-	502,546	657,049
- Assets for oil and gas production in Bella Vista Oeste (1)							
Oil and gas Wells	-	24,377	-	24,377	-	611,660	-
Work in progress	-	-	-	-	-	106,415	-
- Other Intangible assets:							
Central administration and plant administration							
Neuquén land and buildings	51,309	2,124	-	53,433	-	965,446	1,079,811
Administration assets	133,969	19,273	-	153,242	-	44,071	28,586
Power station Agua del Cajón							
CT ADC	15,094,442	860,014	-	15,954,456	-	8,303,549	12,427,390
Work in progress	-	-	-	-	-	132,801	159,418
- Eolic energy							
Work in progress	-	-	-	-	-	52,930	445
GLP Plant - Agua del Cajón	-	-	-	-	-	-	-
GLP Plant (3)	2,103,409	63,170	-	2,166,579	-	493,617	583,215
Diadema Eolic Energy Farm (DEEF)							
DEEF (3)	372,771	43,154	-	415,925	-	536,618	555,071
Diadema Eolic Energy Farm (DEEF II)							
DEEF II	-	68,157	-	68,157	-	2,114,451	2,148,661
Hydrogen and oxygen plant							
Hydrogen and oxigen plant	157,544	20,003	-	177,547	-	213,107	234,381
Provision of hydrogen and oxygen plant	-	-	-	-	-	(213,107)	(234,381)
Total at April 30, 2020	31,765,205	3,798,198	-	35,563,403	(1,813,300)	31,066,645	34,122,031
Total at April 30, 2019	28,020,095	2,919,125	825,988	31,765,205	-	-	-

(1) See Note 39

(2) See Note 28

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EXHIBIT D

At April 30, 2020 and 2019

This exhibit is part of these consolidated financial statements

OTHER INVESTMENTS

Principal account and characteristics	Book Value at 04.30.2020	Book Value at 04.30.2019
	\$	\$
Other non-current investments In foreign currency (Exhibit G) Financial investments at fair value with changes in other comprehensive income Private titles	9,103,455	-
Total other non-current investments	9,103,455	-
Other current investments Cash and cash equivalents In local currency Financial instruments at fair value with changes in comprehensive income Mutual funds	900,478	1,070,605
In foreign currency (Exhibit G) Financial investments at depreciated cost with changes in comprehensive income Paid account	5,911	221,912
Time deposits	-	9,209,059
Financial instruments at fair value with changes in comprehensive income Mutual funds	457,711	1,948,219
Total other investments current	1,364,100	12,449,795

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EXHIBIT E

For the years beginning on May 1, 2019 and 2018 and ending on April 30, 2020 and 2019
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PROVISIONS

Items	Balance at the beginning of year	(Recoveries) / Increases	Balance at the end of the year
	\$	\$	\$
DEDUCTED FROM ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment In local currency			
Impairment of property, plant and equipment	(234,381)	21,274	(213,107)
Trade accounts receivable In local currency			
Provision for expected losses	3,824	(1,197)	2,627
Total deducted from assets	(230,557)	20,077	(210,480)
INCLUDED IN LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions			
In local currency			
For lawsuits and fines	3,610	(1,130)	2,480
Total included in liabilities	3,610	(1,130)	2,480
Total provisions	(226,947)	18,947	(208,000)

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EXHIBIT F

For the years beginning on May 1, 2019 and 2018 and ending on April 30, 2020 and 2019
This exhibit is part of these consolidated financial statements

COST OF INCOME

	04.30.2020	04.30.2019
	\$	
Inventories and spare parts and materials at the beginning of year ⁽¹⁾	1,281,240	880,353
Plus:		
- Addition to warehouses	872,403	1,360,172
- Acquisition crude of resale	231,119	228,394
- Production cost (Exhibit H)	10,040,001	8,506,946
- Inventories due to third parties	-	12,262
Less:		
- Consumption	(877,509)	(1,058,845)
Inventory impairment	(484,343)	-
Inventories and spare parts and materials at year end ⁽¹⁾	(1,666,458)	(1,281,240)
Cost of sales	9,396,453	8,648,042

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

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EXHIBIT G

At April 30, 2020 and 2019

This exhibit is part of these consolidated financial statements

FOREIGN CURRENCY ASSETS AND LIABILITIES

Items	04.30.2020				04.30.2019				
	Class	Amount	Exchange rate	Amount in \$	Class	Amount	Exchange rate	Amount in \$	Amount in \$ reexpressed
ASSETS									
NON-CURRENT ASSETS									
Financial investments at fair value with changes in other comprehensive income	US\$	136,606	66.64	9,103,455	US\$	-	43.95	-	-
Spare parts and materials									
Sundry advances	US\$	602	66.64	40,093	US\$	503	43.95	22,086	32,149
Other accounts receivable									
Assignment of rights CAMMESA	US\$	513	66.64	34,215	US\$	-	-	-	-
Total Non-Current Assets				9,177,763				22,086	32,149
CURRENT ASSETS									
Spare parts and materials									
Sundry advances	US\$	150	66.64	10,023	US\$	126	43.95	5,522	8,038
Other accounts receivable									
Sundry advances	US\$	684	66.64	45,609	US\$	619	43.95	27,197	39,599
Assignment of rights CAMMESA	US\$	76	66.64	5,054	US\$	704	43.95	30,933	45,027
Credits to be recovered	US\$	2,647	66.64	176,372	US\$	-	43.95	-	-
Sundry	US\$	174	66.64	11,594	US\$	-	43.95	-	-
Trade accounts receivable									
Intercompany receivables	US\$	140	66.64	9,309	US\$	132	43.95	5,795	8,435
For sale of energy	US\$	1	66.64	87	US\$	18,767	43.95	824,825	1,200,640
For sale of oil and others	US\$	4,274	66.64	284,789	US\$	20,102	43.95	883,484	1,286,025
Cash and cash equivalents									
Cash	US\$	5	66.64	308	US\$	4	43.95	197	287
Cash	€	4	72.88	260	€	3	49.26	127	185
Banks	US\$	29,254	66.64	1,949,489	US\$	3,310	43.95	145,482	211,768
Financial instruments at fair value	US\$	6,868	66.64	457,711	US\$	30,453	43.95	1,338,403	1,948,219
Financial Investment at depreciated cost	US\$	89	66.64	5,911	US\$	147,417	43.95	6,478,965	9,430,971
Total Current Assets				2,956,516				9,740,930	14,179,184
Total assets				12,134,279				9,763,016	14,211,333
LIABILITIES									
NON-CURRENT LIABILITIES									
Trade accounts payable									
Suppliers	US\$	5,867	66.84	392,166	US\$	5,867	44.15	259,038	377,063
Sundry accruals	US\$	16,637	66.84	1,111,986	US\$	13,007	44.15	574,270	835,924
Lease debts	US\$	2,063	66.84	137,890	US\$	-	-	-	-
Financial debts									
Bank	US\$	787	66.84	52,606	US\$	1,600	44.15	70,640	102,826
Corporate bonds	US\$	300,000	66.84	20,052,000	US\$	300,000	44.15	13,245,000	19,279,810
Total Non-Current Liabilities				21,748,648				14,148,948	20,595,623
CURRENT LIABILITIES									
Trade accounts payable									
Suppliers	US\$	23,729	66.84	1,586,028	US\$	21,790	44.15	962,031	1,400,361
Sundry accruals	US\$	997	66.84	66,645	US\$	9,615	44.15	424,484	617,891
Lease debts	US\$	1,504	66.84	100,522	US\$	-	44.15	-	-
Financial debts									
Bank loans	US\$	9,816	66.84	656,089	US\$	808	44.15	35,659	51,906
Corporate bonds	US\$	9,510	66.84	635,676	US\$	9,510	44.15	419,885	611,197
Total Current Liabilities				3,044,860				1,842,059	2,681,355
Total Liabilities				24,791,608				15,991,007	23,276,978

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SUMMARY OF ACTIVITY
REFERRED TO THE CONSOLIDATED FINANCIAL STATEMENTS OF
CAPEX S.A. AS OF APRIL 30, 2020

(figures expressed in thousands of pesos)

a) **Comments on the comprehensive results and consolidated financial position at April 30, 2020** (Not covered by the auditors report on the consolidated financial statements).

Consolidated Statement of Comprehensive Results

	04/30/2020	04/30/2019	Variation	
Income	17,580,804	19,959,323	(2,378,519)	-11.9%
Cost of Income	(9,396,453)	(8,648,042)	(748,411)	8.7%
Gross Profit	8,184,351	11,311,281	(3,126,930)	-27.6%
Preoperative expenses	(4,229)	(15,923)	11,694	-73.4%
Selling Expenses	(2,585,835)	(2,764,358)	178,523	-6.5%
Administrative Expenses	(901,930)	(791,905)	(110,025)	13.9%
Other operating (expenses), net	(2,249,773)	(6,349)	(2,243,424)	35335.1%
Operating result	2,442,584	7,732,746	(5,290,162)	-68.4%
Financial Income	5,973,054	8,398,766	(2,425,712)	-28.9%
Financial Costs	(11,281,850)	(16,516,202)	5,234,352	-31.7%
Other Financial Income	21,770	543	21,227	3909.2%
Other financial results - RECPAM	2,793,670	2,888,191	(94,521)	-3.3%
Result before income tax	(50,772)	2,504,044	(2,554,816)	-102.0%
Income tax	989,693	(474,882)	1,464,575	-308.4%
Net result	938,921	2,029,162	(1,090,241)	-53.7%
Other Comprehensive Income				
With future allocation to results	84,422	-	84,422	100.0%
No future allocation to results	(2,812,516)	1,170,763	(3,983,279)	-340.2%
Comprehensive Result for the Year	(1,789,173)	3,199,925	(4,989,098)	-155.9%

To analyze the changes, it should be taken into account that the balances as of April 30, 2019 disclosed below arise from the restatement of the balances at that date in terms of unit of measurement at April 30, 2020, following the guidelines detailed in Note 3 of the consolidated financial statements as of April 30, 2020.

The comparative evolution of the results as of April 30, 2020 with respect to April 30, 2019 was as follows:

- The gross profit for the year ended April 30, 2020 was \$ 8,184,351 (profit), or 46.6% of sales, while in the same period of the previous year it amounted to \$ 11,311,281 (profit) or 56.7% of sales at April 30, 2019. The gross profit decreased by 27.6%.
- Operating result for the year ended April 30, 2020 was of \$ 2,442,584 (profit), compared to \$ 7,732,746 (profit) for the same period of the previous year, representing a decrease of 68.4%. The electricity segment showed a decrease in generation, due to i) scheduled maintenance during the fiscal year and the subsequent failure of a transformer of Steam Turbine 7, which made the Company operate in open cycle mode as from January 2020 and led to a decrease in energy generation; and ii) a decrease in the remuneration of generated energy and power as a result of the adoption of SRRME Resolution 01/19 between May 2019 and January 2020, which led to a drop in the rates in dollars, and the adoption of Resolution 31/20 from February 2020, whereby energy rates were pesified. Operating result was also hit by the decline in gas prices, as a result of the application of maximum prices established, the auctions by CAMMESA for the purchase of natural gas for electricity generation and gas cost declarations made by Capex. In the case of oil, prices in the local market were affected by the different decrees establishing prices and exchange rates since August 2019. Additionally, the Company recorded impairments of Property, plant and equipment for the year relating to the oil and gas segment and the stock of oil, as the net realizable value was lower than the production cost at April 30, 2020.
- The net result amounted to \$ 938,921 (profit), in the year ended April 30, 2020, compared to \$ 2,029,162 (profit) for the previous year.

- Other comprehensive income without future recognition through profit or loss, which affects the reserve for the revaluation of assets stated at real values, amounted to a loss of \$ 2,812,516, due to the effect of the application of the inflation adjustment, net of the tax effect of those items of property, plant and equipment and measured at fair value, partially offset by the revaluation of these assets at April 30, 2020. At April 30, 2019, a profit of \$1,170,763 was recorded, as a result of the revaluation of certain items of property, plant and equipment recorded in the fiscal year ended on that date. In turn, at April 30, 2020, the Company recorded a profit of \$84,422 under other comprehensive income with future recognition through profit or loss, which affects the reserve for investments at fair value.
- The comprehensive result for the year was of \$ 1,789,173 (loss) in the year ended April 30, 2020, compared to \$ 3,199,925 (profit) for the previous year, representing a decrease of 155.9%.

Income

Thousand \$ Product	04/30/2020	04/30/2019	Variation	
Energy				
Energy CT ADC ⁽¹⁾	7,566,871	11,234,800	(3,667,929)	-32.6%
Energy DEEF	381,797	209,554	172,243	82.2%
Façon Service of electric energy	24,704	17,367	7,337	42.2%
Gas	290,359	-	290,359	100.0%
Gas stimulus Program	1,386,679	1,128,367	258,312	22.9%
Oil	7,281,122	6,395,763	885,359	13.8%
Propane	352,855	538,933	(186,078)	-34.5%
Butane	193,446	321,129	(127,683)	-39.8%
Oxygen	6,995	7,839	(844)	-10.8%
Services	95,976	105,571	(9,595)	-9.1%
Total	17,580,804	19,959,323	(2,378,519)	-11.9%

(1) As of April 30, 2020 and 2019, it includes the income generated by the gas produced by the ADC, Loma Negra and La Yesera areas, consumed in the CT ADC, and paid by CAMMESA under the concept of Fuel Recognition. Likewise, as of November 2018, the third party gas and consumed in the CT ADC is included in this item.

Income for the year ended on April 30, 2020 decreased by 11.9% compared with the previous year. The evolution of each product was as follows:

a) Energy:

The income generated by CT ADC operations measured in pesos decreased by \$ 3,667,929, representing a drop of 32.6%, from \$ 11,234,800 as of April 30, 2019 to \$ 7,566,871 as of April 30, 2020. This revenue is associated with remuneration from the generation of energy and the remuneration recognized by CAMMESA for gas consumed.

The revenue associated with the remuneration for energy generation decreased by 33.6%. This variation is mainly to: i) a 25.0% decrease in energy generation, mainly due to the following reasons: more maintenance tasks carried out on both open cycle and combined cycle turbines, as scheduled, in September and November 2019, respectively, and the impossibility to operate in a combined cycle, due to a failure of the transformer of the TV7 at the end of January 2020; and ii) an 11.2% decline in the average sale price of GW sold, from an average \$/Gwh 1,123.6 during the fiscal year ended April 30, 2019 to an average \$/Gwh 997.3 in the fiscal year ended April 30, 2020.

In January 2020, the transformer of Steam Turbine 7 at the ADC Power Plant had a failure in the output terminal of a high voltage phase. This failure started a fire in the transformer that was extinguished by its own protection system and the assistance of third parties, affecting its internal windings and forcing a major repair on the site. The repair began in April 2020, after obtaining authorizations for the entry of personnel and cargo movement equipment to the site due to the mandatory isolation in force at that time. Since January 2020, the ADC Power Plant has been operating in open cycle mode, with the related decrease in power generation. Repairs are estimated to be completed in early August 2020.

Resolution SRRME 1/2019, in force between March 2019 and January 2020, established lower energy and power values in dollars than those in force until February 2019. The greater evolution of the price of the US dollar with respect to the evolution of inflation could not manage to offset this effect. In addition, Res SE 31/2020, effective since February 2020, pesified energy and power tariffs, establishing an inflationary adjustment mechanism that has been suspended to date.

Income associated to the remuneration recognized by CAMMESA to Capex for the gas consumed at the CT ADC and produced by the ADC, Loma Negra, La Yesera areas and the third-party gas decreased by 31.7%. due to the drop in value of gas recognized to Capex per million btu from US\$ 3.72 as of April 30, 2019 to an annual average of US\$ 2.15 as of April 30, 2020, as a result of the application of established maximum prices, the auctions carried out by CAMMESA for the purchase of natural gas for electricity generation and the declarations of gas costs made by Capex. The higher price of the US dollar with respect to the evolution of inflation and the highest remunerated volume of gas (4.8%) as a result of the volume acquired from third parties as from November 2018, were not able to offset the effect on the price.

Income from the remuneration of gas is included within the Oil and Gas segment (Note 6 to the Consolidated Financial Statements). The own production gas consumed by the CT ADC slightly decreased by 12.1% due to the lower extraction and the fact that part of it was destined for sale for market reasons.

Income of energy from the DEEF measured in pesos increased by \$ 172,243, representing an increment of 82.2%, from \$ 209,554 for the year ended April 30, 2019 to \$ 381,797 for the year ended April 30, 2020. This increase was due to the opening of the DEEF II wind farm, owned by E G WIND, which was commercially enabled in September 2019. Sales of the PED I and DEEF II measured in GWh were 80.3 and 27.9 as of April 30, 2020 and 2019 respectively. The average price of sales was \$ 4,755.0 and \$ 7,510.9 as of April 30, 2020 and 2019, respectively; this is because the prices per MWh agreed for the DEEF and DEEF II are US\$ 115,896 and US \$ 40.27, respectively.

As a consequence of the fire that occurred in March 2020 at the Diadema Transformer Station that connects DEEF I and DEEF II with SADI, both farms were disconnected. After the repair work carried out, on May 22, 2020, both farms resumed their connection to SADI and started to dispatch electricity to the grid normally.

b) Façon Service of electric energy

Façon services for the generation of electricity with natural gas and hydrogen measured in pesos increased by \$ 7,337, representing a rise of 42.2%, from \$ 17,367 as of April 30, 2019 to \$ 24,704 as of April 30, 2020. This increment is produced by the increase of 38.7% in the volume sold, during the fiscal year ended on April 30, 2020, due to the fact that in the previous fiscal year, maintenance work was carried out in the plant, in the months of July, August and September 2018.

c) Gas

Gas production decreased by 2.1%, going from 581,587 thousand m3 as of April 30, 2019 to 569,284 thousands m3 as of April 30, 2020. Capex has been keeping the level of gas production by means of the investments made, mainly encouraged by the stimulus programs. The production of gas from its participation in the Consortia with concessions in Loma Negra and La Yesera areas, in the province of Río Negro, increased by 76.9% going from an average of 147 thousand m3 / day as of April 30, 2019 to an average of 261thousand m3 / day as of April 30, 2020.

At April 30, 2020, Capex has used 97% of the production of gas originating from the Agua del Cajón area, for the generation of electricity in CT ADC and the operation of the LPG plant, allocating the rest for sale. Under the framework of the Incentive Program for the Investments in Developments of Natural Gas Production from Unconventional Reservoirs, the Company has submitted the affidavits of the Agua del Cajón Area corresponding to the periods January 2018 – March 2020 and the bond insurance policies in order to request the payment of the program. The Ministry of Energy authorized all final economic compensations requested for the period January 2018 – September 2019 for approximately \$ 1,637.1 million. The Company has recorded under income the total incentive which complies with the conditions set forth in Resolution No. 419 E/2017, by \$ 1,386,679 and \$ 1,128,367 as of April 30, 2020 and 2019, respectively.

In the fiscal year ended April 30, 2020, Capex, sold \$ 290,359 corresponding to the delivery of 49,251 thousand m3 originating from the Agua del Cajón and Loma Negra areas at an average of US \$ / m3 0.10912 (or US \$ 3.0 million BTU).

d) Oil:

Income of oil increased by \$ 885,359, representing an increase of 13.8%. Revenues in pesos in the external market increased by 29.1%, while local revenues in pesos decreased 12.9%.

The increment in revenues in the foreign market of \$ 1,184,945 comes from crude oil exports, from the production of the Pampa del Castillo - La Guitarra area in the Province of Chubut, (as of August 2018), with an increase of 28.3% in the exported volume, going from 155,731 m3 (979,516 bbl) as of April 30, 2019 to 199,773 m3 (1,256,533 bbl) as of April 30, 2020. With respect to international prices, there was no significant variation in the annual dollar averages of both years.

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Local sales decreased by 12.9%, from \$ 2,326,112 as of April 30, 2019 to \$ 2,026,526 as of April 30, 2020 due to a 13.2% decrease in the average price in pesos, as a result of the decrease in the average dollar price agreed between the parties and the application of Necessity and Urgency Decree No. 566/19 dated August 15, 2019, which set the reference price of BRENT crude oil at US\$/bbl 59. The decree also established a reference exchange rate that affected the average price in pesos and it was valid for 90 days from August 16, 2019. The units sold in the local market remained constant at approximately 95 thousand m3.

Oil production increased by 48.8%, from 223,685 m3 as of April 30, 2019 to 332,937 m3 as of April 30, 2020, due to the results obtained from the stimulation of some wells and the 36.9% increment in production coming from; i) concessions in Loma Negra and La Yesera areas in the Province of Río Negro and to a greater extent, to the increase of 61.6% of oil production from the concession of Pampa del Castillo - La Guitarra area in the Province of Chubut, with an approximate average of 695 m3 per day in the fiscal year ended April 30, 2020. The Pampa del Castillo area started operations on August 1, 2018. As from February 1, 2020, the production of Bella Vista Oeste in the Province of Chubut has been added, with 113 m3/day.

e) Propane, butane and gasoline:

- Sales of propane decreased by \$ 186,078 or 34.5%, from \$ 538,933 as of April 30, 2019 to 352,855 as of April 30, 2020, including the income from the "Propane Sur Program".

The reduction in sales is the result of a decrease in the average sale price and the reduction in the volume sold. The sale price decreased in real terms by 30.2% going from average \$ / tn 26,142.8 as of April 30, 2019 to average \$ / tn 18,235.7 as of April 30, 2020, as a consequence of the lower international prices, offset by the higher evolution of the US dollar vis-à-vis the evolution of inflation. The volume sold decreased by 1,265 tn that is, 6.1%.

- The sales of butane decreased by \$ 127,683 or 39.8%, from \$ 321,129 at April 30, 2019 to \$ 193,446 at April 30, 2020. This decrease was due to a reduction in the average sale price in pesos of 35.9%, from \$/tn 23,539.7 on average at April 30, 2019 to \$/tn 15,093.2 on average at April 30, 2020, due to the lower international prices, which are partially offset by the greater evolution of the price of the US dollar as against the evolution of inflation. The volume sold decreased by 825 tn, which accounts for 6%.
- No sales of gasoline were recorded at April 30, 2020 and 2019 since production of 24,849 m3 and 27,333 m3, respectively, were blended and sold with oil for market reasons.

f) Oxygen:

Hychico sold 107,211 m3 and 126,175 m3 of oxygen for a total of \$ 6,995 and \$ 7,839 in the years ended April 30, 2020 and 2019, respectively. This decrease in sales is mainly due to a drop in the volume sold of 15.0% as a result of repairs carried out at the Hydrogen and Oxygen Plant in the months of August and September 2019.

g) Services:

It corresponds to the participation of 37.5% over the income in the services provided for the treatment of crude oil and gas readiness by the Loma Negra consortia.

Cost of income

	04/30/2020	04/30/2019	Variation	
Fees and other compensations	(64,555)	(94,606)	30,051	-31.8%
Salaries and social security contributions	(1,286,648)	(1,089,190)	(197,458)	18.1%
Materials, spare parts and others	(611,809)	(470,547)	(141,262)	30.0%
Operation, maintenance and repairs	(1,593,587)	(1,276,072)	(317,515)	24.9%
Fuel, lubricants and fluids	(683,652)	(516,939)	(166,713)	32.3%
Transportation, freight and studies	(141,568)	(114,197)	(27,371)	24.0%
Depreciation of property, plant and equipment	(3,776,802)	(2,902,642)	(874,160)	30.1%
Depreciation of rights of use asset	(14,688)	-	(14,688)	100.0%
Office, travel and representation expenses	(45,712)	(25,129)	(20,583)	81.9%
Taxes, rates, contributions, insurance and rental	(229,908)	(141,762)	(88,146)	62.2%
Acquisition of electricity from CAMMESA	(569)	(170)	(399)	234.7%
Gas transportation costs	(74,831)	(74,415)	(416)	0.6%
Acquisition of third-party gas	(1,515,672)	(1,801,277)	285,605	-15.9%
Oil acquisition	(231,119)	(228,394)	(2,725)	1.2%
Cost of production of inventories	874,667	87,298	787,369	901.9%
Cost of Income	(9,396,453)	(8,648,042)	(748,411)	8.7%

The cost of income as of April 30, 2020 amounted to \$ 9,396,453 (53.4 % of income), while as of April 30, 2019 it amounted to \$ 8,648,042 (43.3% of income).

The 8.7% increase in the cost of income was mainly explained by:

- an increase of \$ 197,458 in labor costs, mainly as a result of the hiring of personnel to carry out the operation of the Pampa del Castillo - La Guitarra area as of August 1, 2018 and Bella Vista Oeste from February 1, 2020.
- an increase in costs of materials, spare parts and others of \$ 141,262 and of the costs of operation, maintenance and repairs for \$ 317,515, as a result of the increment in the activity generated by the incorporation of the areas of Bella Vista Oeste, and Pampa del Castillo - and the increase of the components of the rates of services in foreign currency over the year, regarding the evolution of inflation,
- a rise in the costs of fuels, lubricants and fluids for \$ 166,713, as a consequence of more activity in the oil field, the increase in prices and the increment in the price of fiduciary funds for residential consumption associated with the production of LPG gas, higher than the evolution of inflation,
- an increase in Depreciation charge of \$ 874.160 of items of Property, plant and equipment, due to the new investments made in the areas and to the effect of the investments made in the Pampa del Castillo - La Guitarra and in Bella Vista Oeste areas since their incorporation in August 2018 and February 2020, respectively, and,
- an increase of \$88,146 in taxes, rates, contributions, rental and insurance resulting from the increase in the insurance coverage costs, the higher costs relating to the Pampa del Castillo - La Guitarra area and the costs associated with the incorporation of Bella Vista Oeste area.

This was partially offset by a decline of \$285,605 in the purchase of gas, due to a lower amount of additional gas from third parties acquired for energy generation, owing to a decrease in CT ADC generation. The Company stopped making these purchases beginning January 2020.

Stock production costs are associated with the production costs allocable to the final stock not realized during the fiscal year. The Company recognized an impairment of the stock of oil for \$484,343, since at April 30, 2020 the realizable value was lower than the production cost; therefore, such impairment was recognized under Other operating expenses, net, in accordance with note 1.2 to the consolidated financial statements.

Preoperative expenses

Preoperative expenses correspond to the professional fees, expenses, commissions and banking taxes, among others, related to the construction of Diadema Eolic Energy Farm II.

Selling expenses

	04/30/2020	04/30/2019	Variation	
Royalties	(1,540,127)	(1,689,709)	149,582	-8.9%
Cost of transport and energy deliveries	(183,700)	(148,573)	(35,127)	23.6%
Export duties	(421,766)	(451,944)	30,178	-6.7%
Turnover tax	(434,242)	(459,877)	25,635	-5.6%
Commissions and other	(6,000)	(14,255)	8,255	-57.9%
Selling expenses	(2,585,835)	(2,764,358)	178,523	-6.5%

Selling expenses amounted to \$ 2,585,835 as of April 30, 2020, representing 14.7% of income, while as of April 30, 2019 they amounted to \$ 2,764,358, or 13.8% of income.

The 6.5% drop was mainly due to the decrease of:

- a) the royalties associated with gas due to: i) the decrease in production and ii) the decrease in prices, offset by the greater evolution of the US dollar quotation compared to the evolution of inflation;
- b) turnover tax, as a result of the lower billing offset by the payment of a tax rate difference for 2018, and
- c) the lower export duties paid as a result of the different regulations applicable during the financial year.

This decline was offset by higher oil-related royalties arising from the increase in production due to the incorporation of Pampa del Castillo - La Guitarra area from August 1, 2018, and Bella Vista Oeste area from February 1, 2020.

Administrative expenses

	04/30/2020	04/30/2019	Variation	
Fees and other compensations	(82,157)	(49,151)	(33,006)	67.2%
Salaries and social security contributions	(364,441)	(341,603)	(22,838)	6.7%
Materials, spare parts and others	(132)	(52)	(80)	153.8%
Operation, maintenance and repairs	(71,559)	(75,091)	3,532	-4.7%
Transportation, freight and studies	(5,012)	(6,259)	1,247	-19.9%
Depreciation of property, plant and equipment	(21,397)	(16,483)	(4,914)	29.8%
Depreciation of right of use asset	(46,172)	-	(46,172)	100.0%
Office, travel and representation expenses	(26,676)	(29,510)	2,834	-9.6%
Taxes, rates, contributions, insurance and rental	(49,474)	(71,829)	22,355	-31.1%
Bank charges	(234,910)	(201,927)	(32,983)	16.3%
Administrative expenses	(901,930)	(791,905)	(110,025)	13.9%

Administrative expenses were \$ 901,930 as of April 30, 2020, or 5.1% of income, while as of April 30, 2019 they were \$ 791,905, or 4.0%. The increase was \$ 110,025, or 13.9%. This increment is mainly due to: i) bank charges as a result of the higher tax on bank debits and credits due to the higher disbursements made under the heading property, plant and equipment; ii) the increase in labor costs as a result of the incorporation of personnel; iii) an increase in the depreciation of right-of-use asset related to leases in accordance with IFRS 16; and iv) the provision of directors' fees, offset by a decrease in the rents contained in the tax, rates, contributions, rental and insurance line. Directors' fees of \$14,500 are subject to the approval of the Shareholders' Meeting that approves these financial statements.

Other operating expense, net

	04/30/2020	04/30/2019	Variation	
Impairment of property, plant and equipment	(1,813,300)	-	(1,813,300)	100.0%
Impairment of inventories	(484,343)	-	(484,343)	100.0%
Revenue from indirect administrative charges - Consortia and UTE	37,962	33,689	4,273	12.7%
Exclusive rights	-	(32,133)	32,133	-100.0%
Non-computable assessments	-	(2,745)	2,745	-100.0%
Sundry	9,908	(5,160)	15,068	292.0%
Other operating expense, net	(2,249,773)	(6,349)	(2,243,424)	35,335.1%

Other operating expense, net as of April 30, 2020 were \$ 2,249,733, while at April 30, 2019 they amounted to \$ 6,349.

The impairment of Property, plant and equipment at April 30, 2020 for \$ 1,813,300 relates to the recognition of a lower value of exploitation assets in the oil and gas segment of the Agua del Cajón area. See Notes 3.6 and 5 to the consolidated financial statements.

The impairment of inventories for \$484,343 at April 30, 2020 is evidenced by the fact that the net realizable value of the stock of oil at April 2020 was lower than the production cost. See Notes 3.6 and 5 to the consolidated financial statements.

Financial results

	04/30/2020	04/30/2019	Variation	
Financial income	5,973,054	8,398,766	(2,425,712)	-28.9%
Financial costs	(11,281,850)	(16,516,202)	5,234,352	-31.7%
Other financial results	21,770	543	21,227	3,909.1%
Other financial results - RECPAM	2,793,670	2,888,191	(94,521)	-3.3%
Financial results	(2,493,356)	(5,226,702)	(2,735,346)	-52.3%

a) Financial income

	04/30/2020	04/30/2019	Variation	
Exchange difference	5,231,804	7,784,521	(2,552,717)	-32.8%
Interest and others	753,759	612,337	141,422	23.1%
Interest accrued on receivables	(12,509)	1,908	(14,417)	-755.6%
Financial income	5,973,054	8,398,766	(2,425,712)	-28.9%

	04/30/2020	04/30/2019	Variation	
Total Assets				
Total shareholders' equity attributable to shareholders	18,349,128	20,144,550	(1,795,422)	-8.9%
Non-controlling interest	131,707	125,458	6,249	5.0%
Total shareholders' equity	18,480,835	20,270,008	-1,789,173	-8.8%
Trade accounts payable	5,889,543	5,714,492	175,051	3.1%
Financial liabilities	22,119,477	20,016,123	2,103,354	10.5%
Net deferred tax liabilities	1,323,784	3,906,846	(2,583,062)	-66.1%
Taxes payable	1,653,453	1,637,931	15,522	0.9%
Provisions and other charges	2,480	3,610	(1,130)	-31.3%
Salaries and social security contributions	351,837	303,526	48,311	15.9%
Other liabilities	-	251,702	(251,702)	-100.0%
Total Liabilities	31,340,574	31,834,230	(493,656)	-1.6%
Total Shareholders' equity and liabilities	49,821,409	52,104,238	(2,282,829)	-4.4%

Total assets as of April 30, 2020 decreased by \$ 2,282,829 thousand, which represents a variation of 4.4% compared to April 30, 2019.

Other comprehensive income

	04/30/2020	04/30/2019	Variation	
With future allocation to results	84,422	-	84,422	100.0%
No future allocation to results	(2,812,516)	1,170,763	(3,983,279)	-340.2%
Other comprehensive income	(2,728,094)	1,170,763	(3,898,857)	-333.0%

Other comprehensive income with future recognition through profit or loss at April 30, 2020 showed an increase of \$804,300. This arises from the fact that Capex's business model on investments in government securities is aimed at obtaining contractual cash flows as well as selling such financial assets; this is why the Company set up a reserve for the difference between the amortized cost and the fair value of such investments, net of income tax.

Other comprehensive income without future recognition in income arises as a result of the Group applying the revaluation model for certain property, plant and equipment. At April 30, 2020, a negative result of \$ 3,983,279 was generated due to the determination of the reserve for assets revaluation at actual values.

Consolidated Financial Statements

	04/30/2020	04/30/2019	Variation	
Property, plant and equipment	31,066,645	34,122,031	(3,055,386)	-9.0%
Financial instruments at fair value with changes in other comprehensive income	9,103,455	-	9,103,455	100.0%
Spare parts and materials	1,390,547	1,306,847	83,700	6.4%
Net deferred tax assets	134,413	18,265	116,148	635.9%
Right of use as	251,344	-	251,344	100.0%
Other receivables	2,342,401	1,321,231	1,021,170	77.3%
Trade receivables	1,587,286	2,602,943	(1,015,657)	-39.0%
Inventories	326,027	14,580	311,447	2,136.1%
Cash and cash equivalents	3,619,291	12,718,341	(9,099,050)	-71.5%
Total Assets	49,821,408	52,104,238	(2,282,829)	-4.4%
Total shareholders' equity attributable to shareholders	18,349,128	20,144,550	(1,795,422)	-8.9%
Non-controlling interest	131,707	125,458	6,249	5.0%
Total shareholders' equity	18,480,835	20,270,008	-1,789,173	-8.8%
Trade accounts payable	5,889,543	5,714,492	175,051	3.1%
Financial liabilities	22,119,477	20,016,123	2,103,354	10.5%
Net deferred tax liabilities	1,323,784	3,906,846	(2,583,062)	-66.1%
Taxes payable	1,653,453	1,637,931	15,522	0.9%
Provisions and other charges	2,480	3,610	(1,130)	-31.3%
Salaries and social security contributions	351,837	303,526	48,311	15.9%
Other liabilities	-	251,702	(251,702)	-100.0%
Total Liabilities	31,340,574	31,834,230	(493,656)	-1.6%
Total Shareholders' equity and liabilities	49,821,408	52,104,238	(2,282,829)	-4.4%

Total assets as of April 30, 2020 decreased by \$ 2,282,829 thousand, which represents a variation of 4.4% compared to April 30, 2019.

The main reasons for this variation are listed below:

- (i) **Property, plant and equipment:** decrease of \$ 3,055,386, mainly due to the recognition of a lower value of the operating assets of the Agua del Cajón area and the depreciation for the year. Also, the fair values of the CT ADC, the LPG Plant and the Land and Buildings in Neuquén evolved below inflation, which implied a decrease in the technical revaluation carried out. This decrease was partially offset by the investments made in the areas, the construction of DEEF II, the acquisition of Bella Vista Oeste and the increase in the fair value of DEEF I.
- (ii) **Spare parts and materials:** increase of \$ 83,700, due to the net movement of income and consumption of the stocks due to the major maintenance of the CT ADC.
- (iii) **Net deferred tax assets:** increase by \$ 116,148, due to for the generation of tax losses in EG WIND.
- (iv) **Right of use asset:** \$ 251,344 increase generated by the application of IFRS 16 for leases.
- (v) **Other accounts receivable:** increase of \$1,021,170, mainly due to the rise in the outstanding balance receivable of the unconventional gas stimulus Program, and the increase in the receivables to be recovered for the operation of the Pampa del Castillo area.
- (vi) **Trade accounts receivable:** decrease of \$1,015,657, due to i) the drop in the remuneration of energy generation, ii) the lower price of gas remunerated by CAMMESA, and iii) the decrease in the price of crude oil due to market behavior. At April 30, 2020, the Company has outstanding balances with CAMMESA.
- (vii) **Cash and cash equivalents and Financial instruments at fair value with changes in comprehensive income:** The Group has structured its investment portfolio according to the maturities of its liabilities and the financial needs to meet the investments required.

Total liabilities as of April 30, 2020 decreased by \$ 493,656, which represents a variation of 1.6% in comparison with April 30, 2019.

The main reasons for this variation are listed below:

- (i) **Financial debts:** increase of \$ 2,103,354, generated by: i) the increase in the quotation of the US dollar, with respect to the evolution of inflation, causing a higher valuation in pesos of the liabilities in foreign currency and ii) the increase in financial debt due to the taking of the loan of US\$ 9 million with BBVA and \$ 800 million with Banco Macro. This increase was offset by Hychico's principal payments on the loan with the IIC and the cancellation of the financing for maintenance of the CT ADC.
- (ii) **Net deferred tax liability:** a decrease of \$ 2,583,062, as a consequence of the tax loss from Capex, impairment of certain fixed assets and inventory and the evolution of the reserve for technical revaluation.
- (iii) **Trade accounts payable:** increase of \$175,051, mainly due to i) the recognition of a contingent compensation and liabilities for the abandonment of wells in the Bella Vista Oeste area acquired, and ii) the recognition of lease liabilities, as a result of the application of IFRS 16.
- (iv) **Salaries and social security contributions:** an increase of \$ 48,311, as a result of the rise in the payroll of Capex due to the incorporation of new businesses.

Oil and gas reserves and resources (Information not covered by the review report on condensed consolidated financial statements)

- Agua del Cajón

Below is the estimate of hydrocarbon reserves and resources in the Agua del Cajón area made by the Company at December 31, 2019, and audited by the independent auditor, Lic. Ana María Nardone, according to the requirements established in Res. SEN 324/06 and Res. MINEM 69E/2016 and having as concession expiration horizon January 2052:

Gas	MMm ³ ⁽¹⁾	3,687	1,558	5,245	660	746	16,181
Oil	Mbbl	1,535	1,535	3,070	4,906	7,126	25,857
	Mm ³	244	244	488	780	1,133	4,111

⁽¹⁾ Expressed in 9,300 kcal/m³

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Bella Vista Oeste

Below is the estimate of hydrocarbon reserves and resources in the Agua del Cajón area made by the Company at December 31, 2019, and audited by the independent auditor, Lic. Ana María Nardone, according to the requirements established in Res. SEN 324/06 and Res. MINEM 69E/2016. The concession term will expire in February 2045.

Oil	Mbbl	1,415	3,661	5,076	182	-	-
	Mm³	225	582	807	29	-	-

⁽¹⁾ Expressed in 9,300 kcal/m³

Loma Negra

The estimate of hydrocarbon reserves and resources in the Loma Negra area, at December 31, 2019, was audited by the independent auditor, Lic. Ana María Nardone, in compliance with the requirements of ES Resolution 324/06 and Res. MINEM 69E/2016 and having as expiration horizon the month of December 2024, with the following values:

Gas	MMm³ ⁽¹⁾	705	-	705	-	-	1,400
Oil	Mbbl	1,277	-	1,277	-	-	969
	Mm³	203	-	203	-	-	154

⁽¹⁾ Expressed in 9,300 kcal/m³

Capex owns 37.5% of said reserves.

La Yesera

The estimate of hydrocarbon reserves and resources in the La Yesera area, at December 31, 2019, was audited by the independent auditor, Lic. Ana María Nardone, in compliance with the requirements of ES Resolution 324/06 and Res. MINEM 69E/2016 and having as expiration horizon the month of June 2027, with the following values:

Gas	MMm³ ⁽¹⁾	139	27	166	-	-	364
Oil	Mbbl	1,044	352	1,396	-	-	4,692
	Mm³	166	56	222	-	-	746

⁽¹⁾ Expressed in 9,300 Kcal por m³

Capex owns 18.75% of said reserves.

- Pampa del Castillo – La Guitarra

The estimate of hydrocarbon reserves for the Pampa del Castillo-La Guitarra area at December 31, 2019 was audited by the independent auditor, Lic. Hector Alberto Lopez, in compliance with the requirements of ES Resolution 324/06 and Res. MINEM 69E/2016 and having as expiration horizon in the month of October 2026, with the following values:

Gas	MMm ³ (1)	30	20	50	1	1	-
Oil	Mbbbl	7,806	5,585	13,391	176	208	-
	Mm ³	1,241	888	2,129	28	33	-

(1) Expressed in 9.300 Kcal por m³

Capex owns 95% of said reserves

b) Asset structure

	04/30/2020	04/30/2019	30/04/2018
	(a)		
Current Assets	8,122,668	16,944,908	12,866,497
Non-Current Assets	41,698,741	35,159,330	26,591,307
Total Assets	49,821,409	52,104,238	39,457,804
Current Liabilities	5,585,163	6,177,886	3,067,354
Non-Current Liabilities	25,755,411	25,656,344	19,320,367
Total Liabilities	31,340,574	31,834,230	22,387,721
Shareholders' equity attributable to shareholders	18,349,128	20,144,550	16,979,233
Non-Controlling interest	131,707	125,458	90,850
Total Shareholders' Equity	18,480,835	20,270,008	17,070,083
Total Shareholders' Equity and Liabilities	49,821,409	52,104,238	39,457,804

(a) Information consolidated with SEB, Hychico and E G WIND, according to financial information as of April 30, 2020 and 2019.

c) Results Structure

	04/30/2020	04/30/2019	30/04/2018
	(a)		
Operating result	2,442,584	7,732,746	4,501,829
Financial income	5,973,054	8,398,766	3,186,099
Financial costs	(11,281,850)	(16,516,202)	(5,589,675)
Other financial income	21,770	543	14,000
Other financial results - RECPAM	2,793,670	2,888,191	942,829
Result before Income Tax	(50,772)	2,504,044	3,055,082
Income tax	989,693	(474,882)	(128,408)
Net result	938,921	2,029,162	2,926,674
Other comprehensive income			
With future allocation to results	84,422	-	-
No future allocation to results	(2,812,516)	1,170,763	827,844
Comprehensive result for the year	(1,789,173)	3,199,925	3,754,518

(a) Information consolidated with SEB, Hychico and E G WIND, according to financial information as of April 30, 2020, 2019 and 2018

d) **Cash flow Structure**

	04/30/2020	04/30/2019	04/30/2018
	(a)		
Net cash flows provided by operating activities	3,976,953	6,947,450	4,946,617
Net cash flows used in investment activities	(12,834,327)	(4,753,287)	(3,271,783)
Net cash flow (used) / generated by financing activities	(215,263)	(1,522,670)	3,607,738
(Decrease) / net increase in cash, cash equivalents and bank overdrafts	(9,072,637)	671,493	5,282,572

(a) Information consolidated with SEB, Hychico and E G WIND, according to financial information as of April 30, 2020, 2019 and 2018

e) **Statistical Data** (information not covered by the auditors report on the financial statements consolidated)

OIL					
	04/30/2020	04/30/2019	04/30/2018	04/30/2017	04/30/2016
Consolidated information					
Production in bbl	2,094,112	1,406,936	385,528	296,093	262,554
Production in m3 (4)	332,937	223,685	61,294	47,393	41,743
Sales in the domestic market bbl	600,849	598,325	616,420	477,218	467,932
Sales in the foreign market bbl	1,256,533	979,516	-	-	-
Sales in the domestic market m3 (1)	95,527	95,126	98,003	75,872	74,395
Sales in the foreign market m3	199,773	155,731	-	-	-

GAS (thousands of m ³)					
	04/30/2020	04/30/2019	04/30/2018	04/30/2017	04/30/2016
Consolidated information					
Production	569,284	581,587	557,353	566,840	558,002
Acquisition and redirection by CAMMESA -- ES Resolution 95/13	472,149	659,148	574,893	527,689	455,302
Sales in the domestic market	49,251	-	32,814	4,186	61,632

ENERGY AGUA DEL CAJON (thousands of MWh)					
	04/30/2020	04/30/2019	04/30/2018	04/30/2017	04/30/2016
Consolidated information					
Production	3,589	4,784	4,326	4,344	3,672
Sales	3,477	4,652	4,192	4,164	3,381

RENEWABLE ENERGY (thousands of MWh)					
	04/30/2020	04/30/2019	04/30/2018	04/30/2017	04/30/2016
Consolidated information					
Production	80.3	27.9	31.8	23.0	25.6
Sales	80.3	27.9	31.8	23.0	25.6

ENERGY DIADEMA PLANT (thousands of MWh)					
	04/30/2020	04/30/2019	04/30/2018	04/30/2017	04/30/2016
Consolidated information					
Production	11.4	8.5	9.6	9.9	9.3
Sales	10.4	7.5	8.4	7.3	8.3

PROPANE (tn)					
	04/30/2020	04/30/2019	04/30/2018	04/30/2017	04/30/2016
Consolidated information					
Production	19,352	20,536	21,460	21,174	18,873
Sales domestic market	12,859	20,615	21,396	21,092	16,533
Sales in the foreign market	6,491	-	-	-	2,378

BUTANE (tn)					
	04/30/2020	04/30/2019	04/30/2018	04/30/2017	04/30/2016
Consolidated information					
Production	12,766	13,616	14,190	14,042	13,882
Sales domestic market	12,817	13,642	14,135	14,061	13,757

GASOLINE (m ³)					
	04/30/2020	04/30/2019	04/30/2018	04/30/2017	04/30/2016
Consolidated information					
Production ⁽²⁾	24,849	27,333	28,102	27,830	28,022

OXYGEN (Nm ³)					
	04/30/2020	04/30/2019	04/30/2018	04/30/2017	04/30/2016
Consolidated information					
Production	21,597	29,421	49,894	41,418	46,079
Sales domestic market ⁽³⁾	107,211	126,175	127,113	112,379	114,037

⁽¹⁾ Includes 24,882 m³, 27,336 m³, 28,092 m³, 27,855 m³, 28,010 m³, of gasoline at April 30, 2020, 2019, 2018, 2017, and 2016, respectively, sold as oil.

⁽²⁾ The gasoline at April 30, 2020, 2019, 2018, 2017 and 2016, was sold as oil.

⁽³⁾ The sales of oxygen at April 30, 2020, 2019, 2018, 2017 and 2016 include take or pay clause.

⁽⁴⁾ As of April 30, 2020 and 2019 it includes 37,516 m³ and 43,686 m³ from the Agua del Cajón area, 30,938 m³ and 22,605 m³ from the Loma Negra and La Yesera areas, 254,327 m³ and 157,394 m³ from the Pampa del Castillo - La Guitarra area, respectively and 10,156 m³ of the Bella Vista Oeste area acquired as from February 1, 2020. At April 30, 2018, it covers 53,627 m³ from the Agua del Cajón area, and 7,667 m³ from the Loma Negra and La Yesera areas. The previous productions all correspond to the Agua del Cajón area.

f) Ratios

	04/30/2020	04/30/2019	04/30/2018
		(a)	
Liquidity (1)	1.45	2.74	4.19
Solvency (2)	0.59	0.64	0.76
Capital Immobilization (3)	0.84	0.67	0.67
Return on Equity (4)	-0.09	0.17	0.25

(a) Information consolidated with SEB, Hychico and E G WIND, according to financial information as of April 30, 2020, 2019 and 2018.

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(1)	<hr/> Current Assets <hr/> Current Liabilities
(2)	<hr/> Shareholders' Equity <hr/> Total Liabilities
(3)	<hr/> Non-Current Assets <hr/> Total Assets
(4)	<hr/> Net Profit <hr/> Average Shareholders' Equity

g) Perspectives (information not covered by the audit report on the consolidated financial statements)

Hydrocarbons

In the short term, the Company has established as its main objectives to preserve the health and safety of its personnel and to maintain its operational sites. Once the COVID 19 pandemic has been overcome, it is the Company's intention to continue with its investment plan based on the following guidelines:

- in the **Agua del Cajón area**, continue with the development plan called "conventional" that includes an advanced well drilling and development plan for conventional gas and "tight gas sand" and a plan for repairs and optimizations of oil and gas wells.

The Company will continue focusing its resources on the development of new conventional and unconventional reserves. The replacement of reserves in the short term will be based on the exploration and development of conventional reserves and tight gas sand projects. With regard to the development of shale resources (schist of slate rock), the Company will continue working on its technical-economic viability before embarking on any development project.

- In the **Loma Negra area**, continue with the development of the oil and gas prospects of this block.

- In the **La Yesera area**, drill 1 development well (Side-Track to well LY-1). The Consortium will focus on the development of oil reserves in deep targets.

- in the **Pampa del Castillo area - La Guitarra area**, continue with drill advanced/exploration wells and primary/secondary development producing wells, a repair program for oil producing wells and the adaptation of secondary recovery facilities in batteries and plants.

Additionally, a pilot project for tertiary recovery through the injection of polymers in the most mature and marginal areas is expected to be implemented, producing today under secondary recovery.

- In the **Bella Vista Oeste area - Block I**, will continue with the adaptation of the facilities and the drilling of advanced and primary/secondary development wells, as well as carry out a campaign to repair oil producing wells.

- In the **Parva Negra Oeste area**, reprocess the seismic information and start drilling wells to investigate the productivity of this unconventional prospect located in a central zone of Vaca Muerta.

In November 2019, the Secretariat of Energy of the Government of Rio Negro called for the National and International Public Tender No. 1/19 for the award of exclusive rights for hydrocarbon exploration and potential exploitation concession, transportation and commercialization over the **Puesto Zúñiga area**, in the Province of Rio Negro. The Company participated in the Tender by submitting an offer on November 28, 2019, which consisted of an investment commitment of US\$ 7.1 million to be developed within the first exploration period. On February 6, 2020, the Energy Secretariat of Rio Negro approved Capex's rating and pre-awarded the **Puesto Zúñiga area**. At the date of issuance of these financial statements, the Secretariat of Energy of the Government of Rio Negro is analyzing the technical and economic aspects of the bid and advising whether the exploration permit should be awarded.

As part of the growth strategy, the Company will continue evaluating potential acquisitions of hydrocarbon assets that will allow the increase of production levels and reserves.

Electrical Energy

Resolution 31/2020 of the Secretariat of Energy provided for the pesification of electric power rate values as from February 1, 2020, and although it established that values stated in pesos should be adjusted for inflation on a monthly basis, such adjustment is currently suspended. The Company estimates that the adjustment will be applied in the short-term.

The Company will evaluate the policies defined by the National Government as well as compliance with the regulations in force to develop its medium- and long-term growth and diversification strategy in the energy area. It will also evaluate growth opportunities in the region.

Renewables

E G WIND will continue operating its Diadema II Wind Farm, while Hychico will operate its Diadema Wind Farm jointly with its Hydrogen and Oxygen Plant. At the international level, numerous countries have announced a "Road Map", with the incorporation of renewable energy and "green" hydrogen in their energy matrices. Such is the case of Japan, the Netherlands, Germany, Denmark, Norway, and, at the regional level, Chile, among the most outstanding. In this context, Hychico intends to achieve a higher share of regional and international projects. To this end, it has been a member of the Hydrogen Committee of the International Energy Agency (IEA) since 2018. At present, it is conducting a study in collaboration with the well-known research organization TNO in the Netherlands. This study evaluates the future renewable hydrogen market in the Netherlands and Europe, and includes an analysis of the potential competitiveness of producing "green" hydrogen through wind energy in Argentina. Based on the results projected for mid-2020, and if estimates are favorable for Argentina, a second phase would be initiated in which a list of projects and leading companies will be selected to form strategic technology and business partnerships.

Financial

The Group bases its financial strategy on maintaining its financial liabilities in medium and long-term structures in order to maintain a maturity profile according with the cash generation of its businesses. In line with this strategy, Capex has structured its investment portfolio in accordance with the maturity dates of its liabilities and the financial needs to meet the investment requirements resulting from the incorporation of the new hydrocarbon areas (Loma Negra, La Yesera, Pampa del Castillo, Bella Vista Oeste Block I, Parva Negra Oeste), the development of PED II and working capital needs.

Capex owns the majority of its structured financial debt under the issuance of Corporate Bonds Class II for US\$ 300 million completed in May 2017 and whose maturity is fully effective in May 2024, at a nominal annual rate of 6.875%. The funds received from this issuance were used to refinance Corporate Bonds Class I of US\$ 200 million due in March 2018 at an annual nominal rate of 10% and to increase the liquidity of Capex in order to complete its plan of investments and acquisition of new businesses.





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

CONSOLIDATED REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders, 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, 2020, 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 notes and exhibits.

The balances and other information corresponding to the fiscal year 2019 are an integral part of the audited financial statements mentioned above; therefore, they must be considered in connection with these financial statements.

Board of Directors responsibility

The Board of Directors of the Company is responsible for the preparation and reasonable presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), which were adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and incorporated into the regulations of the National Securities Commission (CNV), as approved by the International Accounting Standards Board (IASB). Also the Board is responsible of internal control that it deems necessary to enable the preparation of these consolidated financial statements free of significant inaccuracies due to errors or irregularities.

Auditor’s Responsibility

Our responsibility is to express an opinion on the attached consolidated financial statements, based on our audit. We performed our audit in accordance with International Standards on Auditing (ISAs). These standards were adopted as review standards in Argentina through Technical Pronouncement No. 32 of the FACPCE (Argentine Federation of Professional Councils in Economic Sciences) and their respective Circulars of Adoption. These standards require that we comply with ethical requirements as well as to plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

A handwritten signature in black ink, appearing to be 'F. 9v', is located to the left of the contact information.

Price Waterhouse & Co. S.R.L., Bouchard 557, piso 8°, C1106ABG - Ciudad de Buenos Aires
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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, the reasonableness of significant estimates made by the Company's management, and the presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements mentioned in the first paragraph of this report present fairly, in all material respects, the consolidated statement of financial position of the Company as of April 30, 2020, 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) as mentioned in note 3.1, except for its lack of transcription to the "Inventory and Balance Sheet" book, the consolidated financial statements of the Company, as regards those matters that are within our competence, they are in compliance with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;
- b) the separate financial statements of the Company arise from accounting records carried in all formal respects in accordance with legal requirements, except in that they are pending transcription to the "Inventory and Balance Sheet" book;
- 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, 2020 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 \$ 21,082,653, none of which was claimable at that date;


A handwritten signature in black ink, consisting of a large loop and the letters "gr" below it.



- e) in accordance with article 21°, paragraph b), 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, 2020 represent:
- e.1) 74 % of the total fees for services invoiced to the Company for all items in that year;
 - e.2) 47 % 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) 37 % of the total fees for services invoiced to the Company, its parent companies, subsidiaries and related parties for all items in that year;
- f) We have applied money laundering abatement and anti-terrorist financing procedures to the Company foreseen in the professional standards issued by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires.

Autonomous City of Buenos Aires, July 29, 2020.

PRICE WATERHOUSE & CO. S.R.L



Dr. Nicolás A. Carusoni
Public Accountant

(Partner)

REPORT OF THE SYNDICS' COMMITTEE ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Capex S.A.

Legal Address: Avenida Córdoba 948/950 5th Floor Ap. C
CUIT: 30-62982706-0

In our capacity as members of the Syndics' Committee of Capex S.A. we have examined the consolidated financial statements detailed as follows:

Documents examined

- a) Consolidated Statement of Financial Position at April 30, 2020.
- b) Consolidated Statement of Comprehensive Income for the year ended April 30, 2020.
- c) Consolidated Statement of Changes in Shareholders' Equity for the year ended April 30, 2020.
- d) Consolidated Statement of Cash Flow for the year ended April 30, 2020.
- e) Notes 1 to 40 and Exhibits A and C to H.
- f) Annual Report for the year ended April 30, 2020.

The balances and other information corresponding to the fiscal year ended April 30, 2019 are an integral part of the financial statements mentioned above; therefore, they must be considered in connection with those financial statements.

Board responsibility as to the financial statements

The Board of Directors of the Company is responsible for: a) the preparation and presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and included by the National Securities Commission (CNV) in its regulations, as approved by the International Accounting Standards Board (IASB), and b) the internal control the Board may consider necessary to make possible the preparation of the consolidated financial statements free from material misstatements due to errors or irregularities. Our responsibility is to express an opinion on the consolidated financial statements, based on the audit that we have performed with the scope detailed in the paragraph below.

Syndic's responsibility

Our examination was conducted in accordance with standards applicable to syndics as set forth in Technical Pronouncement 15 of the Argentine Federation of Professional

Councils in Economic Sciences. Those standards require that the examination of the financial statements be performed in accordance with International Standards on Auditing (ISAs), which were adopted as review standards in Argentina through Technical Pronouncement No. 32 of the Argentine Federation of Professional Councils in Economic Sciences and its respective Circulars of Adoption, and include verifying the consistency of the documents examined with the information on corporate decisions disclosed in minutes and the conformity of those decisions to the law and by-laws insofar as concerns formal and documentary aspects.

For the purposes of our professional work on the documents mentioned in items a) to e), we have reviewed the work done by the external auditors of Capex S.A., Price Waterhouse & Co. S.R.L., who issued their unqualified audit report on this date. The review included the verification of the work planning, the nature, scope and timing of the procedures applied and the results of the 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 judgement, 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' preparation and reasonable presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company' s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by Company' s Management, as well as evaluating the overall presentation of the consolidated financial statements.

It is not the responsibility of the syndic to perform any control over the management, so the examination did not cover the business decisions and criteria adopted by the various areas of the Company, as such matters are the exclusive responsibility of the Board and Shareholders.

Furthermore, we have verified that the Annual Report from the Board of Directors for the year ended April 30, 2020 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.

Opinion

Based on the work done, with the scope mentioned in the paragraphs above, we report that:

- a) In our opinion, the consolidated financial statements examined present fairly, in all material respects, the consolidated financial position of Capex and its subsidiaries as of April 30, 2020, 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 No. 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, except that they are pending transcription to the Inventory and Balances Book, 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.

Report on other legal and regulatory requirements

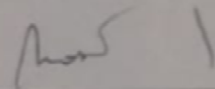
- a) The consolidated financial statements of Capex S.A. arise from accounting records carried in all formal aspects in accordance with legal requirements, except that they are pending transcription to the Inventory and Balances Book.
- b) We have read the summary of activities and have no observations to make, regarding those matters that are within our field of competence.

- c) The provisions of section 294 of the General Companies Law and article 76 of Resolution 7/2015 of the Superintendence of Commercial Companies have been duly fulfilled.

- d) 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 Autonomous City of Buenos Aires.

City of Buenos Aires, July 29, 2020

For the Syndics' Committee



Norberto Luis Feoli
Full Syndic
Public Accountant (UBA)

C.P.C.E.C.A.B.A. T° 50 F° 212