



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

**CAPEX S.A.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**As of October 31, 2019 stated in thousands of pesos and presented in comparative form**



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**SUMMARY OF ACTIVITY**

**REVIEW REPORT OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**REPORT OF THE SYNDICS´ COMMITTEE ON THE CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**



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## NOMENCLATURE

### Currency

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

### Glossary of Terms

Terms	Description
Bbl	Barrel
BTU	British thermal unit
CC	Combined cycle
CNV	National Securities Commission
CSJN	Supreme Court of Justice
CT ADC	Agua del Cajón Power Plant
CVP	Variable production cost
FACPCE	Argentine Federation of Professional Councils in Economic Sciences
GWh	Gigawatts per hour
IASB	International Accounting Standards Board
Km	Kilometer
km <sup>2</sup>	Square kilometer
KW	Kilowatt
LVFVD	Sales settlement with maturity to be defined
m <sup>3</sup>	Cubic meter
MMBTU	Million British thermal unit
WEM	Wholesale Electricity Market
Mm <sup>3</sup>	Thousand cubic meters
MMm <sup>3</sup>	Million cubic meters
MMMm <sup>3</sup>	Billion cubic meters
Mtn	Thousands of tons
MW	Megawatt
NCP ARG	Professional Accounting Standards prevailing prior to IFRS
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Nm <sup>3</sup>	Standard cubic meter
OyM	Operation and Maintenance
DEEF	Diadema Eolic Energy Farm
RECPAM	Purchasing power parity
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. Marilina Manteiga

**Alternate directors**

Mr. Ernesto Grandolini

Mr. Miguel Fernando Götz

Mr. René Balestra

**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.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the six-month period ended October 31, 2019 presented in comparative form

Fiscal year No. 32 commenced on May 1, 2019

Company legal domicile: Córdoba Av. 948/950, 5th floor, apartment 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, 5<sup>th</sup> floor, apartment C, City of Buenos Aires

Main activity: Exploitation of hydrocarbons

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

**CAPITAL STOCK**

Type of shares	Subscribed, paid-in and registered with the Public Registry of Commerce 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

Alejandro Götz  
Chairman



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**Condensed Interim Consolidated Statement of Financial Position**

As of October 31 and April 30, 2019

Stated in thousands of pesos

	<b>Note/ Exhibit</b>	<b>10.31.2019</b>	<b>04.30.2019</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<b>9 / A</b>	27,516,998	28,834,334
Spare parts and materials		788,273	854,869
Net deferred tax assets	<b>10</b>	106,661	42,685
Right of use asset	<b>5</b>	252,396	-
Other accounts receivable	<b>11</b>	2,060	6,252
<b>Total Non-Current Assets</b>		<b>28,666,388</b>	<b>29,738,140</b>
<b>CURRENT ASSETS</b>			
Spare parts and materials		222,737	249,470
Inventories		466,028	12,320
Other accounts receivable	<b>11</b>	1,643,705	1,110,235
Trade accounts receivable	<b>12</b>	1,570,867	2,199,579
Cash and cash equivalents	<b>13</b>	10,854,507	10,747,452
<b>Total Current Assets</b>		<b>14,757,844</b>	<b>14,319,056</b>
<b>Total Assets</b>		<b>43,424,232</b>	<b>44,057,196</b>

The accompanying Notes 1 to 24 and Exhibits A and D to H form an integral part of these condensed interim consolidated financial statements.

Alejandro Götz  
Chairman



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**Condensed Interim Consolidated Statements of Financial Position**

As of October 31 and April 30, 2019

Stated in thousands of pesos

	Note / Exhibit	10.31.2019	04.30.2019
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Capital stock		179,802	179,802
Capital adjustment		3,360,510	3,360,510
Additional paid-in capital		79,686	79,686
Adjustment additional paid-in capital		1,489,337	1,489,337
Legal reserve		295,541	81,677
Free reserve		6,579,310	2,515,892
Reserve for assets revaluation	14	3,219,516	1,633,450
Unappropriated retained earning		1,118,687	7,682,510
<b>Total shareholders' equity attributable to shareholders</b>		<b>16,322,389</b>	<b>17,022,864</b>
Non-controlling interest		95,409	106,015
<b>Total shareholders' equity</b>		<b>16,417,798</b>	<b>17,128,879</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Trade accounts payable	15	1,953,481	1,509,733
Financial liabilities	16	17,897,749	16,294,066
Net deferred tax liabilities	10	2,548,920	3,301,425
Taxes payable		599,569	599,507
Provisions and other charges	E	2,480	3,051
<b>Total non-current liabilities</b>		<b>23,002,199</b>	<b>21,707,782</b>
<b>CURRENT LIABILITIES</b>			
Trade accounts payable	15	2,383,929	3,319,217
Financial liabilities	16	946,490	620,271
Salaries and social security contributions	17	195,892	256,491
Taxes payable		318,081	811,859
Other liabilities	18	159,843	212,697
<b>Total current liabilities</b>		<b>4,004,235</b>	<b>5,220,535</b>
<b>Total liabilities</b>		<b>27,006,434</b>	<b>26,928,317</b>
<b>Total shareholders' equity and liabilities</b>		<b>43,424,232</b>	<b>44,057,196</b>

The accompanying Notes 1 to 24 and Exhibit A and D to H form an integral part of these condensed interim consolidated financial statements.

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Chairman



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**Condensed Interim Consolidated Statement of Comprehensive Income**

For the six and three-month periods beginning on May 1, 2019 and 2018 and ended on October 31, 2019 and 2018  
Stated in thousands of pesos

	Note/ Exhibit	Six months to		Three months to	
		10.31.2019	10.31.2018	10.31.2019	10.31.2018
Sales	20	7,875,138	6,379,554	4,017,471	3,243,544
Cost of sales	F	(3,975,605)	(1,746,853)	(2,224,504)	(552,324)
<b>Gross profit</b>		<b>3,899,533</b>	<b>4,632,701</b>	<b>1,792,967</b>	<b>2,691,220</b>
Preoperative expenses	H	(3,513)	(7,664)	(1,974)	(5,165)
Selling expenses	H	(1,212,297)	(960,119)	(631,644)	(571,739)
Administrative expenses	H	(354,409)	(316,472)	(166,942)	(143,906)
Other operating income, net	21	20,656	6,081	8,610	6,648
<b>Operating income</b>		<b>2,349,970</b>	<b>3,354,527</b>	<b>1,001,017</b>	<b>1,977,058</b>
Financial income	22	3,606,744	4,743,140	3,510,317	2,554,795
Financial costs	22	(6,703,355)	(9,805,627)	(6,518,188)	(5,331,204)
Other financial results	E	10,186	4,749	1,559	1,733
Other financial results - RECPAM		1,135,341	2,102,389	872,197	1,684,263
<b>Results before income tax</b>		<b>398,886</b>	<b>399,178</b>	<b>(1,133,098)</b>	<b>886,645</b>
Income tax		578,435	(615,456)	921,316	(850,727)
<b>Net result for the period</b>		<b>977,321</b>	<b>(216,278)</b>	<b>(211,782)</b>	<b>35,918</b>
<b>Concepts that will not be reclassified to results</b>					
Other comprehensive results	14	(1,688,402)	3,001,280	(991,411)	1,099,976
<b>Comprehensive result for the period</b>		<b>(711,081)</b>	<b>2,785,002</b>	<b>(1,203,193)</b>	<b>1,135,894</b>
<b>Net result for the period attributable to:</b>					
Company shareholders		975,143	(211,544)	(206,691)	38,999
Non-controlling interest		2,178	(4,734)	(5,091)	(3,081)
<b>Net result for the period</b>		<b>977,321</b>	<b>(216,278)</b>	<b>(211,782)</b>	<b>35,918</b>
<b>Net comprehensive result for the period attributable to:</b>					
Company shareholders		(700,475)	2,769,433	(1,191,100)	1,122,251
Non-controlling interest		(10,606)	15,569	(12,093)	13,643
<b>Comprehensive result for the period</b>		<b>(711,081)</b>	<b>2,785,002</b>	<b>(1,203,193)</b>	<b>1,135,894</b>
Basic and diluted net result per share attributable to:					
- Company shareholders		5.42343	(1.1765)	(1.14955)	0.2169
Basic and diluted comprehensive result per share attributable to:					
- Company shareholders		(3.89581)	15.4027	(6.62451)	6.2416

The accompanying Notes 1 to 24 and Exhibits A and D to H form an integral part of these condensed interim consolidated financial statements.

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Chairman





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**Condensed Interim Consolidated Statement of Changes in Shareholders' Equity**  
For the six-month periods beginning on May 1, 2019 and 2018 and ended October 31, 2019 and 2018  
Stated in thousands of pesos

	Capital Stock			Retained earnings		Other accumulated comprehensive income		Total shareholders' equity	Non-controlling interest	Total equity	
	Outstanding shares	Capital adjustment	Additional paid-in capital	Adjustment additional paid-in capital	Legal reserve	Free reserve <sup>(1)</sup>	Reserve for assets revaluation <sup>(2)</sup>				Unappropriated Retained earnings <sup>(3)</sup>
<b>Balances at April 30, 2018</b>	179,802	3,360,510	79,686	1,489,337	81,677	1,054,819	691,606	7,410,622	14,348,059	76,771	14,424,830
<b>Ordinary Shareholders' meeting at August 28, 2018</b>	-	-	-	-	-	1,461,073	-	(1,461,073)	-	-	-
Comprehensive result for the six-month period	-	-	-	-	-	-	2,980,977	(211,544)	2,769,433	15,569	2,785,002
Reversal of reserve for assets revaluation	-	-	-	-	-	-	(18,632)	18,632	-	-	-
<b>Balances at October 31, 2018</b>	<b>179,802</b>	<b>3,360,510</b>	<b>79,686</b>	<b>1,489,337</b>	<b>81,677</b>	<b>2,515,892</b>	<b>3,653,951</b>	<b>5,756,637</b>	<b>17,117,492</b>	<b>92,340</b>	<b>17,209,832</b>
Comprehensive result for the six-month period	-	-	-	-	-	-	(2,009,258)	1,914,630	(94,628)	13,675	(80,953)
Reversal of reserve for assets revaluation	-	-	-	-	-	-	(11,243)	11,243	-	-	-
<b>Balances at April 30, 2019</b>	<b>179,802</b>	<b>3,360,510</b>	<b>79,686</b>	<b>1,489,337</b>	<b>81,677</b>	<b>2,515,892</b>	<b>1,633,450</b>	<b>7,682,510</b>	<b>17,022,864</b>	<b>106,015</b>	<b>17,128,879</b>
<b>Ordinary Shareholders' meeting at August 21, 2019</b>	-	-	-	-	213,864	4,063,418	3,405,228	(7,682,510)	-	-	-
Comprehensive result for the six-month period	-	-	-	-	-	-	(1,675,618)	975,143	(700,475)	(10,606)	(711,081)
Reversal of reserve for assets revaluation	-	-	-	-	-	-	(143,544)	143,544	-	-	-
<b>Balances at October 31, 2019</b>	<b>179,802</b>	<b>3,360,510</b>	<b>79,686</b>	<b>1,489,337</b>	<b>295,541</b>	<b>6,579,310</b>	<b>3,219,516</b>	<b>1,118,687</b>	<b>16,322,389</b>	<b>95,409</b>	<b>16,417,798</b>

<sup>(1)</sup> For distribution of dividends and/or investments and/or cancellation of debts and/or absorption of losses.

<sup>(2)</sup> Generated by the revaluation of assets (see Notes 14 and 24).

The accompanying Notes 1 to 24 and Exhibit A and D to H form an integral part of these condensed interim consolidated financial statements.

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### Condensed Interim Consolidated Statement of Cash Flows

For the six-month periods beginning on May 1, 2019 and 2018 and ended on October 31, 2019 and 2018  
Stated in thousands of pesos

	Note / Exhibit	10.31.2019	10.31.2018
<b>Cash flows from operating activities:</b>			
Comprehensive result for the period		(711,081)	2,785,002
<b>Adjustments to arrive at net cash flows provided by operating activities:</b>			
Exchange differences generated by cash and cash equivalents		(2,612,114)	(3,176,860)
Income tax		(578,435)	615,456
Interest accrued on financial liabilities and others	16	692,280	758,105
Exchange difference generated by financial liabilities	16	5,095,240	8,394,272
Exchange difference from placements in financial instruments at amortized cost not considered as cash or cash equivalents		(173,462)	(832,996)
RECPAM		(1,531,832)	(2,419,480)
Exchange difference generated by accounts receivable with CAMMESA		(18,131)	-
Interest accrued on accounts receivable and payable	22	23,460	18,380
Depreciation of property, plant and equipment	9 / A	1,499,578	1,046,135
Depreciation of right of use asset	H	8,670	-
Other comprehensive results	14	1,688,402	(3,021,584)
Recovery of hydrogen and oxygen plant provision		(10,186)	-
Provision for lawsuits and fines		(571)	(1,021)
Net retirement in property, plant and equipment	A	24,053	-
<b>Changes in net operating assets and liabilities:</b>			
Decrease / (Increase) in trade accounts receivable		628,712	(367,742)
Increase in other accounts receivable		(510,332)	(663,615)
(Increase) / decrease in inventories		(453,708)	(441,011)
Increase in spare parts and materials		93,329	(185,810)
(Decrease) / Increase in trade accounts payable		(910,553)	780,885
Decrease in salaries and social security contributions		(60,599)	(25,907)
(Decrease) / Increase in taxes payables		(160,395)	(544,068)
Increase in other liabilities		(52,854)	37,769
Income tax advance payment		-	(89,910)
<b>Net cash flows generated by operating activities</b>		<b>1,969,471</b>	<b>2,666,000</b>
<b>Cash flows from investment activities</b>			
Payments made for the acquisition of property, plant and equipment	A	(2,297,126)	(4,264,770)
Evolution of financial investments at amortized cost not considered as cash or cash equivalents		(423,736)	2,045,013
<b>Net cash flows used in investment activities</b>		<b>(2,720,862)</b>	<b>(2,219,757)</b>
<b>Cash flows from financing activities</b>			
Interest paid and others	16	(572,513)	(502,763)
Financial liabilities obtained	16	-	253,501
Financial liabilities settled, net	16	(39,032)	(60,635)
Rent payment		(16,512)	-
<b>Net cash flows used in financing activities</b>		<b>(628,057)</b>	<b>(309,897)</b>
<b>Net (decrease) / increase in cash, cash equivalents and overdrafts</b>		<b>(1,379,448)</b>	<b>136,346</b>
Exchange difference generated by cash and cash equivalents		2,612,114	3,176,860
RECPAM generated by cash and cash equivalents		(2,010,103)	(1,877,860)
Cash, cash equivalents and overdrafts at the beginning of the year	13	10,747,452	7,684,434
<b>Cash, cash equivalents and overdrafts at the end of the period</b>	<b>13</b>	<b>9,970,015</b>	<b>9,119,780</b>

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Chairman



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**Condensed Interim Consolidated Statement of Cash Flows (Cont'd.)**

For the six-month periods beginning on May 1, 2019 and 2018 and ended on October 31, 2019 and 2018  
Stated in thousands of pesos

<b>Operations not entailing movements of cash Complementary information</b>	<b>10.31.2019</b>	<b>10.31.2018</b>
Accrual for well capping	(141,202)	(571,083)
Right of use liability	(243,725)	-
Financial results capitalized of Property, Plant and Equipment	(14,187)	-

The accompanying Notes 1 to 24 and Exhibits A and D to H form an integral part of these condensed interim consolidated financial statements.

Alejandro Götz  
Chairman



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## Notes to the Condensed Interim Consolidated Financial Statements of Financial Position

As of October 31 and April 30, 2019

Stated in thousands of pesos

### NOTE 1 – GENERAL INFORMATION

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

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 recently Loma Negra, La Yesera and Pampa del Castillo). 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 subsidiary Hychico, Capex started to diversify into the field of renewable energies, including the generation of wind power and the production of oxygen and hydrogen.

In January 1991, the Company acquired 100% of the rights over the Agua del Cajón area located in the Neuquén Basin in the south east of the province of Neuquén, under a 25-year concession with an extension option for 10 years. On April 13, 2009, a Memorandum of Understanding was signed, whereby the province of Neuquén granted the Company an extension to the original term until January 11, 2026. The agreement involved the payment of US \$ 17 million (which was capitalized in Property, plant and equipment), the commitment to conduct an action plan for an aggregate amount of US\$ 144 million until the expiration of the concession term, the payment of an extraordinary 3% production fee and the extraordinary fee ranging from 1% to 3% depending on the price of crude and natural gas with regard to a scale of reference prices.

In April 2017, by Decree No. 556/17, the Executive Power of the Province of Neuquén granted the Company a concession for the non-conventional exploitation of hydrocarbons for a term of 35 years over the entire Agua del Cajón Area for which it paid a total of US \$ 8.95 million, which was capitalized in the heading Property, plant and equipment. The concession will terminate in 2052 and, as a 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. At April 30, 2019, the total investment made was US \$ 129.3 million, exceeding the investment committed two years earlier than stipulated.

Under the agreement signed with the Province of Neuquén, the Company shall pay 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 agreed under the Memorandum of Understanding of April 13, 2009 shall be paid until 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.

On October 31, 2017, Capex S.A. completed the acquisition from Chevron Argentina S.R.L. of i) 37.5% of the concession of hydrocarbon exploitation "Loma Negra", and ii) 18.75% of the concession of hydrocarbon exploitation "La Yesera", two oil and gas exploitation areas located 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. In both concessions Capex is operator. The acquisition price amounted to US \$ 24.7 million.

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., an oil exploitation area located in Comodoro Rivadavia, Province of Chubut. The term of validity of the concession of the Pampa del Castillo - La Guitarra area expires in October 2026. Capex is the operator of the area. The acquisition price amounted to US \$ 39.3 million.

Capex is considering a possible acquisition of hydrocarbon assets to enable it to increase its reserves and production levels. The Company made several bids in hydrocarbon areas (see Note 24).

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

Alejandro Götz  
Chairman



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**Notes to the Condensed Interim Consolidated Financial Statements of Financial Position**

**NOTE 1 – GENERAL INFORMATION (CONT'D.)**

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

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

The Company started through Hychico two projects for the generation of wind power and the production of oxygen and hydrogen by electrolysis. Thus the Company built the Diadema Eolic Energy Farm (“DEEF I”) with an installed power of 6.3 MW and the Hydrogen and Oxygen Plant in Comodoro Rivadavia. Hydrogen is used as fuel for the generation of electric power, by mixing hydrogen with gas; oxygen is destined for the industrial gases market in the region and the produced wind power is sold in the WEM.

On December 19, 2017 Capex became the awardee in the RenovAr Program – Round 2 for the development and construction (through its subsidiary EG WIND S.A.) of the Diadema Eolic Energy Farm II (“DEEF II”) of 27.6 MW, located near DEEF I. DEEF II was opened and commercially enabled in September 2019 and the energy generated is sold to CAMMESA under a PPA for a 20-year period as from the date of authorization of commercial commissioning. Total investment reached approximately US\$ 35.7 million (excluding taxes).

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

**Argentine macroeconomic context**

The Group operates in an economic context in which the main variables have been affected by a strong volatility as a result of political and economic events at a national and international level. In the local market, particularly, the stocks of the main public companies, the sovereign bonds and the Argentine peso suffered a sharp decline in their value.

In this context, the Argentine Government has adopted some economic measures, among others, restrictions on the exchange market (see Note 7) and control over fuel prices (see Note 3).

Capex’s Management constantly supervises the changes in the variables affecting its business to define its course of action and identify the possible impact on its financial position. The Company’s Financial Statements must be read in light of these circumstances.

**NOTE 2 - OIL AND GAS RESERVES (NOT COVERED BY REVIEW REPORT OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS)**

- Agua del Cajón

Below is the estimate of hydrocarbon reserves and resources in the Agua del Cajon area made by the Company at December 31, 2018, and audited by the independent auditor, Lic. Hector A. Lopez, in compliance with the requirements of ES Resolution 324/06. The expiration horizon is January 2052, with the following values:

Products		Reserves					Resources
		Proven			Probable	Possible	
		Developed	Non-developed	Total			
Gas	Mm <sup>3</sup> <sup>(1)</sup>	4,126	1,208	5,334	797	653	15,315
Oil	Mbbl	1,774	1,094	2,868	1,730	1,736	3,730
	Mm <sup>3</sup>	282	174	456	275	276	593

<sup>(1)</sup> Determined at 9,300 K/Cal per m<sup>3</sup>

Alejandro Götz  
Chairman

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**Notes to the Condensed Interim Consolidated Financial Statements of Financial Position**

**NOTE 2 - OIL AND GAS RESERVES (NOT COVERED BY REVIEW REPORT OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS) (CONT'D.)**

- Loma Negra

The estimate of hydrocarbon reserves and resources in the Loma Negra area, at December 31, 2018, was audited by the independent auditor, Lic. Hector A. Lopez, in compliance with the requirements of ES Resolution 324/06. The expiration horizon in December 2024, with the following values:

Products		Reserves					Resources
		Proven			Probable	Possible	
		Developed	Non-developed	Total			
Gas	MMm <sup>3</sup> <sup>(1)</sup>	972	6	978	238	-	766
Oil	Mbbl	1,585	327	1,912	50	-	755
	Mm <sup>3</sup>	252	52	304	8	-	120

<sup>(1)</sup> Determined at 9,300 K/Cal per m<sup>3</sup>

The Company owns 37.5% of said reserves.

- La Yesera

The estimate of hydrocarbon reserves and resources in the La Yesera area, at December 31, 2018, was audited by the independent auditor, Lic. Héctor A. López, in compliance with the requirements of ES Resolution 324/06. The expiration horizon in June 2027, with the following values:

Products		Reserves					Resources
		Proven			Probable	Possible	
		Developed	Non-developed	Total			
Gas	MMm <sup>3</sup> <sup>(1)</sup>	235	26	261	-	-	236
Oil	Mbbl	1,145	365	1,510	-	-	3,007
	Mm <sup>3</sup>	182	58	240	-	-	478

<sup>(1)</sup> Determined at 9,300 K/Cal per m<sup>3</sup>

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, 2018, was audited by the independent auditor, Lic. Ana María Nardone, in compliance with the requirements of ES Resolution 324/06. The expiration horizon is October 2026, with the following values:

Products		Reserves					Resources
		Proven			Probable	Possible	
		Developed	Non-developed	Total			
Gas	MMm <sup>3</sup> <sup>(1)</sup>	26	28	54	5	4	-
Oil	Mbbl	7,246	7,560	14,806	1,365	1,044	-
	Mm <sup>3</sup>	1,152	1,202	2,354	217	166	-

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

The company owns 95 % of said reserves.

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Chairman



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**Notes to the Condensed Interim Consolidated Financial Statements of Financial Position**

**NOTE 2 - OIL AND GAS RESERVES (NOT COVERED BY REVIEW REPORT OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS) (CONT'D.)**

Proven developed reserves at October 31, 2019, calculated on the basis of the audited reserves at December 31, 2018 until the end of the concessions, and adjusted according to production for the period from January to October 2019 and taking into account the participation of the Company in each of the areas, amount to:

		Agua del Cajón	Loma Negra (37,5%)	La Yesera (18,75%)	Pampa del Castillo (95%)	Total
Gas	MMm <sup>3</sup> <sup>(1)</sup>	4,193	293	40	25	4,551
Oil	Mbbl	1,820	472	182	5,634	8,108
	Mm <sup>3</sup>	289	75	29	896	1,289

<sup>(1)</sup> Determined at 9,300 K/Cal per m<sup>3</sup>

**NOTE 3 – REGULATORY FRAMEWORK FOR THE OIL, ELECTRICITY, GAS AND LPG SECTORS**

There were no changes in the regulatory framework of the oil & gas, electric and LPG sectors compared with the information provided in the consolidated financial statements for the year ended April 30, 2019, except for:

**Oil sector**

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 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.

Taking into account the purposes pursued by presidential decrees 566/19 and 601/19 and as long as they are effective, the Energy Secretariat from the Ministry of Finance shall issue any resolutions as necessary to normalize the hydrocarbon sector prices and/or modify the reference values and maximum prices established therein and/or require transfers from the National Treasury to maintain the level of activity and employment and protect consumers during this exceptional period. 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\$.

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## **Notes to the Condensed Interim Consolidated Financial Statements of Financial Position**

### **NOTE 3 – REGULATORY FRAMEWORK FOR THE OIL, ELECTRICITY, GAS AND LPG SECTORS (CONT'D.)**

After the entry into force of Necessity and Urgency Decree No. 566/19 and until the date of issuance of these Financial Statements, no regulations were published regarding prices and reference exchange rates for deliveries of crude oil.

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.

### **NOTE 4 - BASIS FOR PRESENTATION**

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

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 period, 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.

These condensed interim consolidated financial statements, for the six-month period ended October 31, 2019, have been prepared according to "Financial Interim Information" (IAS 34).

This condensed interim financial information must be read jointly with the consolidated financial statements of the Company as of April 30, 2019.

The condensed interim consolidated financial statements corresponding to the six and three-month periods ended October 31, 2019 and 2018 have not been audited. The Company Management estimates that they include all necessary adjustments to present the results of each period in a reasonable manner. The results of the six and three-month periods ended October 31, 2019 and 2018 do not necessarily reflect the proportion of the Group's results during full fiscal years.

The condensed interim consolidated financial statements have been approved for their issuance by the Board of Directors on September 10, 2019.

### **Comparative information**

Balances at April 30, 2019 and for the six and three-month period ended on October 31, 2018, which are disclosed for comparative purposes, arise from financial statements at those dates after their reexpression. Certain not significant reclassifications corresponding to the financial statements presented for comparative purposes have been made to keep consistency in disclosure with the amounts for the current period.

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## Notes to the Condensed Interim Consolidated Financial Statements of Financial Position

### NOTE 4 - BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)

#### Consideration of the effects of inflation

The International Accounting Standard No. 29 "Financial information in hyperinflationary economies" (IAS 29) requires that the financial statements of an entity whose functional currency is that of a high inflation economy, regardless of whether they are based on the historical cost method or the current cost method, be restated in constant currency at the end date of the reporting period. For this, in general terms, the inflation produced from the date of acquisition or from the revaluation date should be computed in the non-monetary items as appropriate. These requirements also include comparative information of the financial statements.

In order to conclude on whether an economy is categorized as of high inflation in terms of IAS 29, the norm details some key indicators, among which accumulative inflation rate over three years that approaches, or exceeds, 100%, is included. For this reason, according to IAS 29, the Argentine economy must be considered as a highly inflationary economy as from July 1, 2018.

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 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 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 the balance sheet date 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 their date of 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 Company's 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.

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Chairman



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## **Notes to the Condensed Interim Consolidated Financial Statements of Financial Position**

### **NOTE 4 - BASIS FOR PREPARATION AND PRESENTATION (CONT'D.)**

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 adjustment" respectively and
- Other comprehensive income items were restated as from each date of accounting allocation.
- The Reserve for revaluation is expressed in real terms.
- Other reserves were not restated in the initial application of the standard.

The inflation adjustment was calculated considering the indexes established by the FACPCE based on the price indexes published by INDEC.

### **NOTE 5 - ACCOUNTING POLICIES**

The accounting policies adopted for these interim condensed consolidated financial statements are consistent with those used in the consolidated financial statements for the year ended April 30, 2019, except for:

#### **IFRS 16 – Leases**

Since the fiscal year commenced May 1, 2019, the Group 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 asset" and Trade accounts payable under "Lease debts" (Note 15).

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.

In applying IFRS 16, the Group recognized lease payables that were measured at present value of payments of remaining leases, discounted at the market 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 Group continues recognizing in P&L for the period.

### **NOTE 6 - ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of the condensed interim consolidated financial statements at a given date requires that Management makes estimates and evaluations affecting the amount of assets and liabilities recorded and contingent assets and liabilities disclosed at the date of issue of the financial statements, as well as income and expenses recorded during the period.

These estimates and judgements are constantly assessed and are based on past experience and other factors that are reasonable under the existing circumstances. Actual future results may differ from those estimates and assessments made at the date these condensed interim consolidated financial statements were prepared.

In the preparation of these condensed interim consolidated financial statements, critical judgments made by Management when applying the Group accounting policies and the sources of information used for the related estimates are the same as those applied to the consolidated financial statements for the fiscal year ended April 30, 2019.

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## Notes to the Condensed Interim Consolidated Financial Statements of Financial Position

### NOTE 7 - ADMINISTRATION OF FINANCIAL RISKS

The Group's activities expose it to several financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit and liquidity risks.

There were no significant changes in the risk management policies since the last fiscal year ended April 30, 2019, except:

#### **Measures in the financial and foreign exchange market adopted 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:

- 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; iii) payment 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.

### NOTE 8 - 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 electric power ("Electricity ADC"),
- 3) production and sale of gas-derived liquid fuel ("LPG").
- 4) generation of wind electric power ("Energy DEEF"),
- 5) generation of electric power with hydrogen ("HYDROGEN Energy") and
- 6) oxygen production and sale ("Oxygen").

Within this segment opening, the revenues received from CAMMESA as of October 31, 2019, which amount to \$ 3,990.9 million, are distributed as follows:

- 1) Gas revenues of \$ 2,284.6 million: corresponds to payments received from CAMMESA for the Recognition of Own Fuels, whose remuneration is set in dollars and associated with the evolution of the price of gas for generation plants, and
- 2) Electric energy revenues of \$ 1,706.3 million: corresponds to the specific remuneration per generation.

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**Notes to the Condensed Interim Consolidated Financial Statements of Financial Position**

**NOTE 8 - SEGMENT REPORTING (CONT'D.)**

Segments reporting information is disclosed below:

Six months to 10.31.2019							
Oil and Gas	Electricity ADC	LPG	Energy DEEF	Hydrogen Energy	Oxygen	Total	
Sales	3,492,594	3,990,951	249,138	128,877	10,850	2,728	7,875,138
Reclassification between segments	2,283,803	(2,284,598)	795	-	-	-	-
Sales per segment	5,776,397	1,706,353	249,933	128,877	10,850	2,728	7,875,138
Participation per segment on Sales	73,35%	21,67%	3,17%	1,64%	0,14%	0,03%	100,00%
Cost of sales	(3,201,696)	(628,296)	(79,927)	(36,089)	(23,965)	(5,632)	(3,975,605)
<b>Gross Profit</b>	2,574,701	1,078,057	170,006	92,788	(13,115)	(2,904)	3,899,533
Segment share on gross income	66.03%	27.65%	4.36%	2.38%	-0.34%	-0.07%	100.00%
Preoperative expenses	-	-	-	(3,513)	-	-	(3,513)
Selling Expenses	(973,911)	(224,856)	(10,553)	(1,289)	(1,367)	(321)	(1,212,297)
Administrative Expenses	(224,762)	(103,158)	(17,750)	(4,010)	(3,829)	(900)	(354,409)
Other operating income, net	17,870	2,543	146	97	-	-	20,656
<b>Operating result</b>	1,393,898	752,586	141,849	84,073	(18,311)	(4,125)	2,349,970
Financial income							3,606,744
Financial costs							(6,703,355)
Other financial income							10,186
Other financial results RECPAM							1,135,341
<b>Result Before Income Tax</b>							398,886
Income Tax							578,435
<b>Net result for the period</b>							<b>977,321</b>
Other comprehensive results <sup>(1)</sup>							(1,688,402)
<b>Net comprehensive result for the period</b>							<b>(711,081)</b>
<b>Depreciation</b>							
In Cost of Sales	(1,048,460)	(380,756)	(27,530)	(28,917)	(6,834)	(1,606)	(1,494,103)
In Administrative Expenses	(6,428)	(7,300)	(417)	-	-	-	(14,145)
<b>Total</b>	<b>(1,054,888)</b>	<b>(388,056)</b>	<b>(27,947)</b>	<b>(28,917)</b>	<b>(6,834)</b>	<b>(1,606)</b>	<b>(1,508,248)</b>

  

Three months to 10.31.2019							
Oil and Gas	Electricity ADC	LPG	Energy DEEF	Hydrogen Energy	Oxygen	Total	
Sales	1,950,871	1,861,013	112,685	86,095	5,803	1,004	4,017,471
Reclassification between segments	1,099,398	(1,094,977)	(4,421)	-	-	-	-
Sales per segment	3,050,269	766,036	108,264	86,095	5,803	1,004	4,017,471
Participation per segment on Sales	75,93%	19,07%	2,69%	2,14%	0,14%	0,02%	100,00%
Cost of sales	(1,839,066)	(293,520)	(51,695)	(21,622)	(15,537)	(3,064)	(2,224,504)
<b>Gross Profit</b>	1,211,203	472,516	56,569	64,473	(9,734)	(2,060)	1,792,967
Segment share on gross income	67.55%	26.35%	3.15%	3.60%	-0.54%	-0.11%	100.00%
Preoperative expenses	-	-	-	(1,974)	-	-	(1,974)
Selling Expenses	(491,298)	(133,744)	(4,969)	(925)	(779)	71	(631,644)
Administrative Expenses	(106,826)	(48,219)	(6,630)	(3,071)	(2,310)	114	(166,942)
Other operating income / (expenses) net	9,346	(779)	(55)	98	-	-	8,610
<b>Operating result</b>	622,425	289,774	44,915	58,601	(12,823)	(1,875)	1,001,017
Financial income							3,510,317
Financial costs							(6,518,188)
Other financial income							1,559
Other financial results RECPAM							872,197
<b>Result Before Income Tax</b>							(1,133,098)
Income Tax							921,316
<b>Net result for the period</b>							<b>(211,782)</b>
Other comprehensive results <sup>(1)</sup>							(991,411)
<b>Net comprehensive result for the period</b>							<b>(1,203,193)</b>
<b>Depreciation</b>							
In Cost of Sales	(717,317)	(159,935)	(13,767)	(19,874)	(2,809)	(1,410)	(915,112)
In Administrative Expenses	(3,609)	(1,215)	(288)	-	-	-	(5,112)
<b>Total</b>	<b>(720,926)</b>	<b>(161,150)</b>	<b>(14,055)</b>	<b>(19,874)</b>	<b>(2,809)</b>	<b>(1,410)</b>	<b>(920,224)</b>

(1) No future allocation to results.

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Chairman



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**Notes to the Condensed Interim Consolidated Financial Statements of Financial Position**

**NOTE 8 - SEGMENT REPORTING (CONT'D.)**

	Six months to 10.31.2018						
	Oil and Gas	Electricity ADC	LPG	Energy DEEF	Hydrogen Energy	Oxygen	Total
Sales	1,568,228	4,338,353	377,465	87,843	4,440	3,225	6,379,554
Reclassification between segments	2,088,176	(2,019,927)	(68,249)	-	-	-	-
Sales per segment	3,656,404	2,318,426	309,216	87,843	4,440	3,225	6,379,554
Participation per segment on Sales	57,31%	36,34%	4,85%	1,38%	0,07%	0,05%	100,00%
Cost of sales	(964,957)	(677,844)	(65,696)	(35,420)	(1,696)	(1,240)	(1,746,853)
<b>Gross Profit</b>	2,691,447	1,640,582	243,520	52,423	2,744	1,985	4,632,701
Segment share on gross income	58.10%	35.41%	5.26%	1.13%	0.06%	0.04%	100.00%
Preoperative expenses	-	-	-	(7,664)	-	-	(7,664)
Selling Expenses	(785,747)	(163,215)	(8,946)	(2,034)	(102)	(75)	(960,119)
Administrative Expenses	(195,100)	(93,061)	(24,035)	(3,933)	(198)	(145)	(316,472)
Other operating (expenses) / income, net	(47,553)	49,933	3,739	(38)	-	-	6,081
<b>Operating result</b>	1,663,047	1,434,239	214,278	38,754	2,444	1,765	3,354,527
Financial income							4,743,140
Financial costs							(9,805,627)
Other financial income							4,749
Other financial results RECPAM							2,102,389
<b>Result Before Income Tax</b>							399,178
Income Tax							(615,456)
<b>Net result for the period</b>							(216,278)
Other comprehensive results <sup>(1)</sup>							3,001,280
<b>Net comprehensive result for the period</b>							2,785,002
<b>Depreciation</b>							
In Cost of Sales	(550,976)	(464,785)	(10,376)	(11,754)	(451)	(330)	(1,038,672)
In Administrative Expenses	(2,887)	(4,251)	(325)	-	-	-	(7,463)
<b>Total</b>	(553,863)	(469,036)	(10,701)	(11,754)	(451)	(330)	(1,046,135)
	Three months to 10.31.2018						
	Oil and Gas	Electricity ADC	LPG	Energy DEEF	Hydrogen Energy	Oxygen	Total
Sales	829,100	2,158,188	200,445	51,906	2,097	1,808	3,243,544
Reclassification between segments	797,060	(892,815)	95,755	-	-	-	-
Sales per segment	1,626,160	1,265,373	296,200	51,906	2,097	1,808	3,243,544
Participation per segment on Sales	50,14%	39,01%	9,13%	1,60%	0,06%	0,06%	100,00%
Cost of sales	(494,379)	(43,412)	2,721	(24,867)	5,045	2,568	(552,324)
<b>Gross Profit</b>	1,131,781	1,221,961	298,921	27,039	7,142	4,376	2,691,220
Segment share on gross income	42.05%	45.41%	11.11%	1.00%	0.27%	0.16%	100.00%
Preoperative expenses	-	-	-	(5,165)	-	-	(5,165)
Selling Expenses	(482,632)	(80,969)	(6,982)	(1,506)	235	115	(571,739)
Administrative Expenses	(85,757)	(42,114)	(13,452)	(3,087)	343	161	(143,906)
Other operating (expenses) / income, net	(50,740)	53,392	4,034	(38)	-	-	6,648
<b>Operating result</b>	512,652	1,152,270	282,521	17,243	7,720	4,652	1,977,058
Financial income							2,554,795
Financial costs							(5,331,204)
Other financial income							1,733
Other financial results RECPAM							1,684,263
<b>Result Before Income Tax</b>							886,645
Income Tax							(850,727)
<b>Net result for the period</b>							35,918
Other comprehensive results <sup>(1)</sup>							1,099,976
<b>Net comprehensive result for the period</b>							1,135,894
<b>Depreciation</b>							
In Cost of Sales	(259,403)	41,050	14,018	9,820	1,216	75	(193,224)
In Administrative Expenses	(2,173)	(2,147)	(154)	-	-	-	(4,474)
<b>Total</b>	(261,576)	38,903	13,864	9,820	1,216	75	(197,698)

(1) No future allocation to results.

The Company made sales to foreign clients in the period ended October 31, 2019. The Company does not own assets that are not financial instruments outside the country.

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Chairman



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**Notes to the Condensed Interim Consolidated Financial Statements of Financial Position**

**NOTE 9 – PROPERTY, PLANT AND EQUIPMENT**

	<b>10.31.2019</b>	<b>10.31.2018</b>
Residual value at the beginning of period	28,834,334	21,821,417
Additions / retirements/ impairments	2,432,581	5,167,821
Revaluation	(2,250,339)	4,422,058
Depreciation	(1,499,578)	(1,046,135)
Residual value at the end of the period	<u>27,516,998</u>	<u>30,365,161</u>

From the depreciation charge for the six-month periods ended October 31, 2019 and 2018, \$ 1,491,345 and \$ 1,038,672 respectively, were allocated to Cost of sales and \$ 8,233 and \$ 7,463, respectively, to Administrative Expenses.

There were no transfers between levels 1, 2 and 3 during the current period.

Below is the revaluation by group of assets:

	<b>Net book value at cost at 04.30.2019</b>	<b>Additions/ Retirements for the period – net</b>	<b>Depreciation for the period at cost value</b>	<b>Residual value at cost value at 10.31.2019</b>
CT ADC	4,474,541	179,742	(192,323)	4,461,960
Building and land in Neuquén	330,354	-	(854)	329,500
LPG Plant	301,421	-	(16,136)	285,285
DEEF	310,488	429	(11,130)	299,787
Remaining assets	16,323,662	2,252,410	(1,072,477)	17,503,595
Total	<u>21,740,466</u>	<u>2,432,581</u>	<u>(1,292,920)</u>	<u>22,880,127</u>

	<b>Residual value of revaluation at 04.30.2019</b>	<b>Depreciation for the period- Revaluation</b>	<b>Retirements of the period- Revaluation</b>	<b>Residual value of revaluation at 10.31.2019</b>	<b>Net book value at 10.31.2019</b>
CT ADC	6,161,760	(188,433)	(1,915,285)	4,058,042	8,520,002
Building and land in Neuquén	582,125	-	(164,643)	417,482	746,982
LPG Plant	191,416	(11,394)	(85,806)	94,216	379,501
DEEF	158,567	(6,831)	(84,605)	67,131	366,918
Remaining assets	-	-	-	-	17,503,595
Total	<u>7,093,868</u>	<u>(206,658)</u>	<u>(2,250,339)</u>	<u>4,636,871</u>	<u>27,516,998</u>

At October 31, 2019, Capex has compared the recoverable values of its fixed assets with their carrying values, concluding that they do not exceed their recoverable values.

**NOTE 10 – NET DEFERRED TAX ASSETS / LIABILITIES**

The deferred tax net position is as follows:

	<b>10.31.2019</b>	<b>04.30.2019</b>
<b>Deferred tax assets</b>		
Deferred tax assets to be recovered after 12 months	503,698	82,224
Deferred tax assets to be recovered within 12 months	26,350	2,373
<b>Deferred tax liabilities:</b>		
Deferred tax liabilities to be recovered after 12 months	(2,708,891)	(2,311,355)
Deferred tax liabilities to be recovered within 12 months	(263,416)	(1,031,982)
<b>Net liability for deferred tax <sup>(1)</sup></b>	<u>(2,442,259)</u>	<u>(3,258,740)</u>

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Chairman



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**Notes to the Condensed Interim Consolidated Financial Statements of Financial Position**

**NOTE 10 – NET DEFERRED TAX ASSETS / LIABILITIES (CONT'D.)**

<sup>(1)</sup> This amount is shown in the condensed interim consolidated financial statements as follows: \$ 106,661 and \$ 42,685 under net deferred tax assets at October 31 and April 30, 2019, respectively, and \$ 2,548,920 and \$ 3,301,425 under net deferred tax liabilities at October 31 and April 30, 2019, respectively.

The changes in deferred tax assets and liabilities, without considering the offsetting of balances referred to the same fiscal authority, are as follows:

- Deferred assets:

	Tax losses	Assets for adjustment for tax inflation	Trade accounts payable	Total
Balance at April 30, 2019	56,471	6,887	21,238	84,596
Charge to income/loss	419,102	(329)	26,679	445,452
Balance at October 31, 2019	<b>475,573</b>	<b>6,558</b>	<b>47,917</b>	<b>530,048</b>

- Deferred liabilities:

	Financial instruments at amortized cost	Property, plant and equipment	Other accounts receivables	Financial liabilities	Provisions and others	Total
Balance at April 30, 2019	(78,417)	(3,132,665)	(97,400)	(26,147)	(8,707)	(3,343,336)
Charge to income/loss	(61,964)	131,708	(58,857)	-	(201,595)	(190,708)
Charge to Other Comprehensive Results	-	561,737	-	-	-	561,737
Balance at October 31, 2019	<b>(140,381)</b>	<b>(2,439,220)</b>	<b>(156,257)</b>	<b>(26,147)</b>	<b>(210,302)</b>	<b>(2,972,307)</b>

Tax losses in force as of October 31, 2019 of E G WIND, for \$ 132,249, may be applied against future taxable income originated within ten years from its generation; these tax losses become statute-barred as from the year ending April 30, 2028.

For the purpose of determining the net taxable income at the end of this period, the inflation adjustment determined in accordance with sections No. 95 to No. 98 of the Income Tax Law was incorporated into the tax result, since the Company expects that the variation of the Consumer Price Index (CPI) will exceed 30% by April 30, 2020. Likewise, the Income Tax Law establishes that the charge generated by the tax inflation adjustment may be deferred over three consecutive fiscal years. This adjustment generated a loss in the P&L for the period of \$ 578.8 million.

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**Notes to the Condensed Interim Consolidated Financial Statements of Financial Position**

**NOTE 11 - OTHER ACCOUNTS RECEIVABLE**

	<b>10.31.2019</b>	<b>04.30.2019</b>
<b>Non-Current</b>		
In local currency		
Income tax	2,060	6,252
<b>Total</b>	<b>2,060</b>	<b>6,252</b>
<b>Current</b>		
In local currency		
Sundry advances	21,575	29,387
Turnover tax	30,571	29,612
Value added tax	314,058	339,702
Income tax	126,371	5,072
Other tax credits	138,118	109,622
Prepaid insurance	41,967	56,224
Prepaid expenses	10,878	2,939
Assignment of CAMMESA rights	3,861	4,172
Intercompany receivables Section 33 – Law 19550 (Note 23.b))	1,326	2,743
Agreement for gas propane supply for networks to collect	63,073	77,689
Fiduciary fund gas to recover	43,992	27,840
Unconventional gas stimulus program	571,326	343,501
Credits to be recovered	25,289	-
Sundry	9,215	10,229
In foreign currency (Exhibit G)		
Sundry advances	107,481	33,454
Assignment of CAMMESA rights	18,580	38,049
Credits to be recovered with Petrominera	109,230	-
Sundry	6,794	-
<b>Total</b>	<b>1,643,705</b>	<b>1,110,235</b>

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

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**Notes to the Condensed Interim Consolidated Financial Statements of Financial Position**

**NOTE 12 – TRADE ACCOUNTS RECEIVABLE**

	<b>10.31.2019</b>	<b>04.30.2019</b>
<b>Non-Current</b>		
In local currency		
Doubtful accounts	2,627	3,231
Less: Provision for doubtful accounts (Exhibit E)	(2,627)	(3,231)
Total	-	-
<b>Current</b>		
In local currency		
From sale of energy and others	130,510	66,065
Intercompany receivables Section 33 – Law 19550 (Nota 23.b))	30,352	25,066
In foreign currency (Exhibit G)		
From sale of oil and others	545,873	1,086,737
From sale of energy	857,386	1,014,583
Intercompany receivables Section 33 – Law 19550 (Nota 23.b))	6,746	7,128
Total	1,570,867	2,199,579

**NOTE 13 - CASH AND CASH EQUIVALENTS**

	<b>10.31.2019</b>	<b>04.30.2019</b>
<b>Current</b>		
In local currency		
Cash	81	98
Banks	172,949	47,483
Financial instruments at amortized cost (Exhibit D)	69,037	-
Financial instruments at fair value (Exhibit D)	665,401	904,700
In foreign currency (Exhibit G)		
Cash	511	399
Banks	206,493	178,951
Financial instruments at amortized cost (Exhibit D)	718,495	7,969,507
Financial instruments at fair value (Exhibit D)	9,021,540	1,646,314
Total	10,854,507	10,747,452

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

	<b>10.31.2019</b>	<b>10.31.2018</b>
Cash, banks and checks to be deposited	380,034	97,606
Financial instruments at fair value	9,089,743	5,535,166
Financial instruments at amortized cost	787,532	3,487,008
Overdraft	(287,294)	-
Total	9,970,015	9,119,780

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## Notes to the Condensed Interim Consolidated Financial Statements of Financial Position

### NOTE 14 - RESERVE FOR ASSETS REVALUATION

Below is a detail of the changes and breakdown of the Reserve for assets revaluation:

	CT ADC	LPG Plant	DEEF	Building and land - Neuquén	Total	Attributable to the Company	Attributable to Minority Interest
<b>Balance at April 30, 2018</b>	<b>567,013</b>	-	<b>52,949</b>	<b>79,597</b>	<b>699,559</b>	<b>691,606</b>	<b>7,953</b>
Increase for revaluation	3,768,911	294,840	358,307	-	4,422,058	4,353,504	68,554
Deferred tax	(1,130,673)	(88,452)	(107,492)	-	(1,326,617)	(1,306,051)	(20,566)
Result for change of the income tax rate	168,829	(117,908)	(145,082)	-	(94,161)	(66,476)	(27,685)
<b>Total other comprehensive results</b>	<b>2,807,067</b>	<b>88,480</b>	<b>105,733</b>	-	<b>3,001,280</b>	<b>2,980,977</b>	<b>20,303</b>
Reversal due to depreciation for the period <sup>(1)</sup>	(23,703)	-	(30)	(2,889)	(26,622)	(26,617)	(5)
Reversal of deferred tax <sup>(1)</sup>	7,111	-	9	867	7,987	7,985	2
<b>Subtotal for reversal of Reserve for the revaluation of assets <sup>(1)</sup></b>	<b>(16,592)</b>	-	<b>(21)</b>	<b>(2,022)</b>	<b>(18,635)</b>	<b>(18,632)</b>	<b>(3)</b>
<b>Balance at October 31, 2018</b>	<b>3,357,488</b>	<b>88,480</b>	<b>158,661</b>	<b>77,575</b>	<b>3,682,204</b>	<b>3,653,951</b>	<b>28,253</b>
(Reserve decrease) / Increase for revaluation	(2,886,533)	(104,980)	(265,109)	171,356	(3,085,266)	(3,040,202)	(45,064)
Deferred tax	865,960	31,493	79,533	(51,407)	925,579	912,060	13,519
Result due to change in income tax rate	(129,400)	127,401	149,742	-	147,743	118,884	28,859
<b>Total other comprehensive results</b>	<b>(2,149,973)</b>	<b>53,914</b>	<b>(35,834)</b>	<b>119,949</b>	<b>(2,011,944)</b>	<b>(2,009,258)</b>	<b>(2,686)</b>
Reversal due to depreciation for the period <sup>(1)</sup>	(25,094)	-	(5,199)	9,876	(20,417)	(19,637)	(780)
Reversal of deferred tax <sup>(1)</sup>	7,528	-	1,298	(237)	8,589	8,394	195
<b>Subtotal for reversal of Reservation for the revaluation of assets <sup>(1)</sup></b>	<b>(17,566)</b>	-	<b>(3,901)</b>	<b>9,639</b>	<b>(11,828)</b>	<b>(11,243)</b>	<b>(585)</b>
<b>Balance at April 30, 2019</b>	<b>1,189,949</b>	<b>142,394</b>	<b>118,926</b>	<b>207,163</b>	<b>1,658,432</b>	<b>1,633,450</b>	<b>24,982</b>
<b>Ordinary and extraordinary shareholders' meeting of August 21, 2019</b>	<b>3,078,729</b>	<b>1,166</b>	-	<b>325,391</b>	<b>3,405,286</b>	<b>3,405,228</b>	<b>58</b>
Reserve decrease	(1,915,285)	(85,806)	(84,605)	(164,643)	(2,250,339)	(2,234,159)	(16,180)
Deferred tax	478,821	20,822	21,132	41,162	561,937	558,541	3,396
<b>Total other comprehensive results</b>	<b>(1,436,464)</b>	<b>(64,984)</b>	<b>(63,473)</b>	<b>(123,481)</b>	<b>(1,688,402)</b>	<b>(1,675,618)</b>	<b>(12,784)</b>
Reversal due to depreciation for the period <sup>(1)</sup>	(188,434)	(11,394)	(6,831)	-	(206,659)	(205,063)	(1,596)
Reversal of deferred tax <sup>(1)</sup>	56,530	3,418	2,049	-	61,997	61,519	478
<b>Subtotal for reversal of depreciation for the revaluation of assets <sup>(1)</sup></b>	<b>(131,904)</b>	<b>(7,976)</b>	<b>(4,782)</b>	-	<b>(144,662)</b>	<b>(143,544)</b>	<b>(1,118)</b>
<b>Balance at October 31, 2019</b>	<b>2,700,310</b>	<b>70,600</b>	<b>50,671</b>	<b>409,073</b>	<b>3,230,654</b>	<b>3,219,516</b>	<b>11,138</b>

<sup>(1)</sup> Charged to “Retained earnings”.

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 \$ 3,405.228, 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 the Reserve for Revaluation of Assets the amount duly reversed in accordance with the guidelines of Resolution No. 777/18.

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Chairman



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**Notes to the Condensed Interim Consolidated Financial Statements of Financial Position**

**NOTE 15 - TRADE ACCOUNTS PAYABLE**

	<b>10.31.2019</b>	<b>04.30.2019</b>
<b>Non-Current</b>		
In local currency		
Sundry accruals	551,228	484,714
In foreign currency (Exhibit G)		
Suppliers	350,097	318,633
Lease debt	207,937	-
Sundry accruals	844,219	706,386
Total	<u>1,953,481</u>	<u>1,509,733</u>
	<b>10.31.2019</b>	<b>04.30.2019</b>
<b>Currente</b>		
In local currency		
Suppliers	1,410,105	1,455,506
Intercompany suppliers (Nota 23.b))	2,559	3,108
Sundry accruals	296,248	155,108
In foreign currency (Exhibit G)		
Suppliers	557,076	1,183,355
Lease debt	91,518	-
Sundry accruals	26,423	522,140
Total	<u>2,383,929</u>	<u>3,319,217</u>

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

**NOTE 16 - FINANCIAL LIABILITIES**

	<b>10.31.2019</b>	<b>04.30.2019</b>
<b>Non-Current</b>		
In local currency		
Commissions and expenses to be accrued	(74,855)	(84,953)
In foreign currency (Exhibit G)		
Bank	71,604	86,891
Corporate bonds	17,901,000	16,292,128
Total	<u>17,897,749</u>	<u>16,294,066</u>
<b>Current</b>		
In local currency		
Overdrafts	287,294	-
Advance funding for maintenance of the CT ADC	65,465	81,355
Commissions and expenses to be accrued	(21,854)	(21,429)
In foreign currency (Exhibit G)		
Bank	48,098	43,862
Corporate bonds	567,487	516,483
Total	<u>946,490</u>	<u>620,271</u>

Changes in loans are as follows:

	<b>10.31.2019</b>	<b>10.31.2018</b>
<b>Balances at the beginning</b>	<b>16,914,337</b>	<b>12,401,869</b>
RECPAM	(3,533,367)	(4,317,643)
Overdrafts	287,294	-
Financial liabilities obtained	-	253,501
Accruals:		
Accrued interest	685,127	748,726
Accrued commissions and expenses	7,153	9,379
Exchange difference generated by foreign currency debts	5,095,240	8,394,272
Payments:		
Interest	(572,513)	(502,763)
Capital	(39,032)	(60,635)
<b>Balances at period-end</b>	<b>18,844,239</b>	<b>16,926,706</b>

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## Notes to the Condensed Interim Consolidated Financial Statements of Financial Position

### NOTE 16 - FINANCIAL LIABILITIES (CONT'D)

Class II of the Negotiable Obligations, at the time of issuance, has been qualified internationally and locally by two risk rating agencies such as: "B (EXP) / RR3" and "B-" and "CCC+ (arg)" and "raBBB+", respectively by Fitch and Standard & Poor's respectively. At the date of issuance of these financial statements, these negotiable obligations were classified internationally and locally as "CCC+" and "B-" and "RR3" and "raAA-", respectively, by Fitch and Standard & Poor's.

The fair value of corporate bonds at October 31, 2019 and April 30, 2019 amounts to \$ 14,467 million and \$ 12,939 million, respectively, measured at fair value level 1.

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

### NOTE 17 – SALARIES AND SOCIAL SECURITY CONTRIBUTIONS

	10.31.2019	04.30.2019
<b>Current</b>		
In local currency		
Salaries and social security contributions	71,683	68,208
Sundry accruals	124,209	188,283
<b>Total</b>	<b>195,892</b>	<b>256,491</b>

### NOTE 18 – OTHER LIABILITIES

	10.31.2019	04.30.2019
<b>Currency</b>		
In local currency		
Oil and gas royalties	159,843	212,697
<b>Total</b>	<b>159,843</b>	<b>212,697</b>

### NOTE 19 – CONTINGENCIES

There were no significant changes in the contingencies of the Company with respect to the statements in the consolidated financial statements for the year ended April 30, 2019.

### NOTE 20 – SALES

	Six months to		Three months to	
	10.31.2019	10.31.2018	10.31.2019	10.31.2018
Oil (Local market)	922,899	1,032,755	441,743	549,801
Oil (Foreign market)	1,778,381	-	1,042,877	-
Gas	198,249	-	140,433	-
Gas stimulation program	553,445	493,813	303,925	256,872
Electricity <sup>(1)</sup>	3,990,951	4,338,353	1,861,013	2,158,188
LPG (local market)	227,647	356,519	91,193	199,243
LPG (foreign market)	21,492	-	21,492	-
DEEF Energy	128,877	87,844	86,096	51,906
Energy generated with hydrogen	10,850	4,440	5,803	2,097
Oxygen	2,728	3,225	1,004	1,808
Services	39,619	41,661	21,892	22,428
Other <sup>(2)</sup>	-	20,944	-	1,201
<b>Total</b>	<b>7,875,138</b>	<b>6,379,554</b>	<b>4,017,471</b>	<b>3,243,544</b>

<sup>(1)</sup> Includes the revenues generated by the gas produced by the ADC field and consumed in the CT ADC and paid by CAMMESA under the concept of the Recognition of Own Fuels for \$ 2,284.6 and \$ 2,019.9 as of October 31, 2019 and 2018, respectively.

<sup>(2)</sup> Corresponds to revenues from the "Propano Sur" and "Programa Hogar" programs.

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## Notes to the Condensed Interim Consolidated Financial Statements of Financial Position

### NOTE 21 – OTHER OPERATING INCOME, NET

	Six months to		Three months to	
	10.31.2019	10.31.2018	10.31.2019	10.31.2018
Income from charges for indirect administrative services consortia / UTE (net)	15,372	10,909	8,421	5,830
Not computable assessments	-	(2,280)	-	(6)
Sale of vehicles	-	956	-	956
Sundry	5,284	(3,504)	189	(132)
<b>Total</b>	<b>20,656</b>	<b>6,081</b>	<b>8,610</b>	<b>6,648</b>

### NOTE 22 – FINANCIAL RESULTS

	Six months to		Three months to	
	10.31.2019	10.31.2018	10.31.2019	10.31.2018
<b>Financial income</b>				
Interest and other	342,703	232,103	178,620	81,808
Accrual of interest on accounts receivable	815	267	259	247
Exchange difference	3,263,226	4,510,770	3,331,438	2,472,740
	<b>3,606,744</b>	<b>4,743,140</b>	<b>3,510,317</b>	<b>2,554,795</b>
<b>Financial costs</b>				
Interest and other	(749,739)	(764,933)	(475,036)	(411,870)
Interest accrued from accounts payable	(24,275)	(18,647)	(17,289)	(11,123)
Exchange difference	(5,929,341)	(9,022,047)	(6,025,863)	(4,908,211)
	<b>(6,703,355)</b>	<b>(9,805,627)</b>	<b>(6,518,188)</b>	<b>(5,331,204)</b>

### NOTE 23 – RELATED PARTIES OF THE COMPANY

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

Transactions with the parent company C.A.P.S.A. were:

	Six months to		Three months to	
	10.31.2019	10.31.2018	10.31.2019	10.31.2018
Sale of energy	10,850	3,627	5,803	1,805
Expenses corresponding to C.A.P.S.A.	8,738	9,594	3,847	4,866
Expenses corresponding to Capex	(464)	(1,404)	(198)	(454)

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

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

	Six months to		Three months to	
	10.31.2019	10.31.2018	10.31.2019	10.31.2018
Office and garage rental	3,126	3,736	1,442	1,840
Services provided	1,939	2,956	1,129	1,034
Irrevocable contributions	-	1,332	-	1,332
Expenses corresponding to Capex	(6)	-	-	-
Expenses corresponding to Interenergy	2	-	2	-

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Chairman



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**Notes to the Condensed Interim Consolidated Financial Statements of Financial Position**

**NOTE 23 – RELATED PARTIES OF THE COMPANY (CONT'D.)**

a.iii) With the related parties

The transactions with Alparamis S.A. were:

	Six months to		Three months to	
	10.31.2019	10.31.2018	10.31.2019	10.31.2018
Office and garage rental	24,827	20,957	16,619	9,800

a.iv) With consortia

The transactions with Loma Negra were:

	Six months to		Three months to	
	10.31.2019	10.31.2018	10.31.2019	10.31.2018
Management and operation services	67,832	55,424	34,354	28,045
Prorateable expenses	11,847	15,707	6,654	6,564
Charges for indirect administration services	9,442	13,809	4,666	8,318
Expenses refund	12,003	3,538	10,874	3,538
Cash Call	388,251	371,484	211,322	133,903
Distributions to partners	(69,856)	(80,735)	(47,231)	(54,717)

The transactions with La Yesera were:

	Six months to		Three months to	
	10.31.2019	10.31.2018	10.31.2019	10.31.2018
Management and operation services	19,051	14,329	8,904	6,506
Prorateable expenses	3,146	1,745	1,663	729
Charges for indirect administration services	8,170	2,705	4,734	1,198
Expenses refund	85	60	77	13
Cash Call	51,186	20,423	31,800	9,483
Distributions to partners	(11,181)	(2,633)	(6,761)	(1,199)

a.v) With UTE

The transactions with Pampa del Castillo were:

	Six months to		Three months to	
	10.31.2019	10.31.2018	10.31.2019	10.31.2018
Management and operation services	188,603	17,499	73,978	17,499
Charges for indirect administrative services	44,457	-	20,212	-
Reimbursement of expenses	1,189	30	772	30
Cash call	2,705,954	190,549	1,305,825	190,549
Distributions to partners	(492,469)	(78,271)	(216,831)	(78,271)

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**Notes to the Condensed Interim Consolidated Financial Statements of Financial Position**

**NOTE 23 – RELATED PARTIES OF THE COMPANY (CONT'D.)**

b) Balances at period end with the related companies

	<b>10.31.2019</b>		
	<b>Other current accounts</b>	<b>Current trade accounts receivable</b>	<b>Current accounts payable</b>
In local currency			
<b>With the parent company:</b>			
- Compañías Asociadas Petroleras S.A.	1,322	1,343	2,559
<b>With the companies directly or indirectly controlled by the parent company:</b>			
- Interenergy Argentina S.A.	4	385	
<b>With consortia / UTE:</b>			
- Río Negro Norte Area	-	23,251	-
- Lote IV La Yesera	-	4,066	-
- Pampa del Castillo	-	1,307	-
<b>Total In local currency</b>	<b>1,326</b>	<b>30,352</b>	<b>2,559</b>
In foreign currency (Exhibit G)			
<b>With the parent company:</b>			
- Compañías Asociadas Petroleras S.A.	-	2,161	-
<b>With consortia / UTE:</b>			
- Río Negro Norte Area	-	839	-
- Lote IV La Yesera	-	3,234	-
- Pampa del Castillo	-	512	-
<b>Total In foreign currency</b>	<b>-</b>	<b>6,746</b>	<b>-</b>

	<b>04.30.2019</b>		
	<b>Other current accounts</b>	<b>Current trade accounts receivable</b>	<b>Current accounts payable</b>
In local currency			
<b>With the parent company:</b>			
- Compañías Asociadas Petroleras S.A.	1,385	2,107	3,108
<b>With the companies directly or indirectly controlled by the parent company:</b>			
- Interenergy Argentina S.A.	154	362	-
<b>With consortia / UTE:</b>			
- Río Negro Norte Area	744	17,272	-
- Lote IV La Yesera	2	4,197	-
- Pampa del Castillo	458	1,128	-
<b>Total In local currency</b>	<b>2,743</b>	<b>25,066</b>	<b>3,108</b>
In foreign currency (Exhibit G)			
<b>With the parent company:</b>			
- Compañías Asociadas Petroleras S.A.	-	2,160	-
<b>With consortia / UTE:</b>			
- Río Negro Norte Area	-	1,337	-
- Lote IV La Yesera	-	637	-
- Pampa del Castillo	-	2,994	-
<b>Total In foreign currency</b>	<b>-</b>	<b>7,128</b>	<b>-</b>

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## Notes to the Condensed Interim Consolidated Financial Statements of Financial Position

### NOTE 23 –RELATED PARTIES OF THE COMPANY (CONT'D.)

#### *c) Remuneration of key management personnel*

Remuneration accrued to members of the senior management, for labor services rendered (salaries and other benefits) accrued at October 31, 2019 and 2018, amounts to \$ 82,952 and \$ 81,243, respectively.

### NOTE 24 – NEW HYDROCARBON AREAS

#### **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. 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. If the related authorizations are obtained, the Company must make an initial payment to PMC and implement a five-year investment plan. At the date of these Financial Statements, the authorization has not yet been granted.

#### **Parva Negra Oeste**

In the framework of Neuquén Exploration Plan, Gas y Petróleo del Neuquén S.A. 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. 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 US\$ 19 million, to take place within the First Exploration Period of 4 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 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, and the Company paid the related right of access of US\$ 5.5 million.

#### **Puesto Zúñiga**

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. 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.

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Chairman





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**EXHIBIT A**  
At October 31, 2019 and April 30, 2019

**Property, plant and equipment**

This exhibit is part of these condensed interim consolidated financial statements

Items	ORIGINAL VALUE					At period / year - end	DEPRECIATION				Net book value at 10.31.19	Net book value at 04.30.19
	At the beginning of year	Additions	Completed work in progress	Retirements / Recovery	Decrease Technical Revaluation		Accumulated at the beginning of year	For the period	Decrease / Increase revaluation <sup>(1)</sup>	Accumulated at period / year-end		
<b>Operation activities of oil and gas:</b>												
<b>- Areas acquired and other studies</b>												
Agua del Cajón – Operation rights	1,428,410	-	-	-	-	1,428,410	811,654	21,096	-	832,750	595,660	616,756
Río Negro Norte	462,271	-	-	-	-	462,271	65,821	47,742	-	113,563	348,708	396,450
La Yesera	138,549	-	-	-	-	138,549	18,649	8,544	-	27,193	111,356	119,900
Pampa del Castillo	427,219	-	-	-	-	427,219	24,544	19,438	-	43,982	383,237	402,675
<b>- Other Studies</b>												
Agua del Cajón – Exploration	73,689	-	-	-	-	73,689	59,549	484	-	60,033	13,656	14,140
Agua del Cajón – Seismic	110,658	-	-	-	-	110,658	81,751	989	-	82,740	27,918	28,907
<b>- Assets for the production of oil in Agua del Cajón</b>												
Oil and gas wells	17,200,114	118,637	1,161,182	-	-	18,479,933	9,095,578	607,988	-	9,703,566	8,776,367	8,104,536
Work in progress	1,247,706	641,030	(1,179,110)	-	-	709,626	-	-	-	-	709,626	1,247,706
Production assets	1,324,774	-	17,928	-	-	1,342,702	844,039	30,847	-	874,886	467,816	480,735
Vehicles	80,607	3,325	-	-	-	83,932	26,888	7,044	-	33,932	50,000	53,719
Gas Pipeline	430,758	-	-	-	-	430,758	384,819	3,282	-	388,101	42,657	45,939
<b>- Assets for the production of oil in Loma Negra and La Yesera Rio Negro<sup>(2)</sup></b>												
Oil and gas wells	-	-	-	-	-	-	-	-	-	-	-	-
Production assets	429,380	7,384	2,207	-	-	438,971	76,892	45,798	-	122,690	316,281	352,488
Work in progress	58,985	-	-	-	-	58,985	11,883	5,442	-	17,325	41,660	47,102
	348,397	250,764	(2,207)	-	-	596,954	-	-	-	-	596,954	348,397
<b>- Assets for the production of oil and gas in Pampa del Castillo Chubut</b>												
Oil and gas wells	-	-	-	-	-	-	-	-	-	-	-	-
Production assets	1,437,797	15,182	828,412	-	-	2,281,391	146,544	201,911	-	348,455	1,932,936	1,291,253
Work in progress	434,121	-	-	-	-	434,121	56,622	45,097	-	101,719	332,402	377,499
<b>Other tangible assets</b>	555,230	1,123,645	(828,412)	-	-	850,463	-	-	-	-	850,463	555,230
<b>Central administration and plant administration</b>												
Neuquén land and buildings	955,837	-	-	-	(164,643)	791,194	43,358	854	-	44,212	746,982	912,479
Administration assets	137,364	29,372	-	-	-	166,736	113,209	7,378	-	120,587	46,149	24,155
<b>Power Station Agua del Cajón</b>												
CT ADC (1)	-	-	-	-	(1,915,285)	21,341,645	12,755,341	380,756	-	13,136,097	8,205,548	10,501,589
Work in progress	23,256,930	-	-	-	-	314,454	-	-	-	-	314,454	134,712
	134,712	179,742	-	-	-	-	-	-	-	-	-	-
<b>Eolic Energy</b>												
Work in progress	377	6,210	-	-	-	6,587	-	-	-	-	6,587	377
<b>Brought forward</b>	<b>50,673,885</b>	<b>2,375,291</b>	<b>-</b>	<b>-</b>	<b>(2,079,928)</b>	<b>50,969,248</b>	<b>24,617,141</b>	<b>1,434,690</b>	<b>-</b>	<b>26,051,831</b>	<b>24,917,417</b>	<b>26,056,744</b>

(1) See Note 9



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**EXHIBIT A (CONT'D.)**

At October 31, 2019 and April 30, 2019

**Property, plant and equipment (Cont'd.)**

This exhibit is part of these condensed interim consolidated financial statements.

Items	ORIGINAL VALUE						DEPRECIATION				Net book value at 10.31.2019	Net book value at 04.30.2019
	At the beginning of year	Additions	Completed works in progress	Retirements / Recovery	Decrease / Increase revaluation <sup>(1)</sup>	At period / year-end	Accumulated at the beginning of year	For the period	Decrease / Increase revaluation <sup>(1)</sup>	Accumulated at period / year-end		
Brought forward	50,673,885	2,375,291	-	-	(2,079,928)	50,969,248	24,617,141	1,434,690	-	26,051,831	24,917,417	26,056,744
<b>LPG Plant – Agua del Cajón</b> LPG plant <sup>(1)</sup>	2,269,150	-	-	-	(510,813)	1,758,337	1,776,312	27,530	(425,007)	1,378,835	379,502	492,838
<b>Diadema Eolic Energy Farm (DEEF)</b> DEEF <sup>(1)</sup>	784,060	429	-	-	(144,710)	639,779	315,005	17,961	(60,105)	272,861	366,918	469,055
<b>Diadema Eolic Energy Farm (DEEF II)</b> Construction in progress	-	-	1,843,505	-	-	1,843,505	-	10,754	-	10,754	1,832,751	-
Financial results capitalized	1,769,370	71,383	(1,840,753)	-	-	-	-	-	-	-	-	1,769,370
Advances	42,919	(22,307)	-	-	-	20,612	-	203	-	203	20,409	42,919
	3,407	(655)	(2,752)	-	-	-	-	-	-	-	-	3,408
<b>Hydrogen and oxygen plant</b> Hydrogen and oxygen plant	331,191	(1,746)	-	-	-	329,445	133,130	8,440	-	141,570	187,875	198,060
Provision for hydrogen and oxygen plant	(198,060)	-	-	10,186	-	(187,874)	-	-	-	-	(187,874)	(198,060)
Total at October 31, 2019	55,675,922	2,422,395	-	10,186	(2,735,451)	55,373,052	26,841,588	1,499,578	(485,112)	27,856,054	27,516,998	
Total at April 30, 2019	45,498,254	8,147,862	-	(7,779)	2,037,588	55,675,925	23,676,837	2,466,765	697,989	26,841,591		28,834,334

(1) See note 9



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**EXHIBIT D**

At October 31, 2019 and April 30, 2019

This exhibit is part of these condensed interim consolidated financial statements.

**OTHER INVESTMENTS**

Principal account and characteristics	Book value at 10.31.19	Book value at 04.30.19
	\$	\$
<b>Cash and cash equivalents</b>		
In local currency		
Financial instruments at fair value		
Mutual funds	665,401	904,700
Financial instruments at amortized cost		
Financial placements	69,037	-
In foreign currency (Exhibit G)		
Financial instruments at amortized cost		
Paid account	122,197	187,523
Time deposits	596,298	7,781,984
Financial instruments at fair value		
Mutual funds	8,424,342	1,646,314
Public titles	597,198	-
<b>Total other investments</b>	<b>10,474,473</b>	<b>10,520,521</b>



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**EXHIBIT E**

At October 31 and April 30, 2019

This exhibit is part of these condensed interim consolidated financial statements.

**PROVISIONS**

Items	Balance at the beginning of year	(Recoveries) / Increases <sup>(1)</sup>	Balance at period – end
	\$	\$	\$
<b>DEDUCTED FROM ASSETS</b>			
<b><u>NON-CURRENT ASSETS</u></b>			
Property, plant and equipment			
In local currency	(198,060)	10,186	(187,874)
Impairment of property, plant and equipment			
Trade accounts receivable			
In local currency	(3,231)	604	(2,627)
Provision for doubtful accounts			
Total deducted from assets	(201,291)	10,790	(190,501)
<b>INCLUDED IN LIABILITIES</b>			
<b><u>NON-CURRENT LIABILITIES</u></b>			
Provisions			
In local currency			
For lawsuits and fines	3,051	(571)	2,480
Total included in liabilities	3,051	(571)	2,480
Total provisions	(198,240)	10,219	(188,021)

<sup>(1)</sup> Charged to Other financial income.



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**EXHIBIT F**

At October 31, 2019 and 2018

This exhibit is part of these condensed interim consolidated financial statements.

**COST OF SALES**

	Six months to		Three months to	
	10.31.2019	10.31.2018	10.31.2019	10.31.2018
Inventories and spare parts and materials at the beginning of year <sup>(1)</sup>	1,082,692	743,930	1,355,891	921,254
Plus:				
- Addition to warehouses	396,901	673,941	210,140	289,384
- Acquisition of crude of resale	62,441	-	49,125	-
- Production cost (Exhibit H)	4,392,425	2,182,276	2,387,972	986,872
Less:				
- Consumption	(511,016)	(485,345)	(330,786)	(277,237)
Inventories and spare parts and materials at period end <sup>(1)</sup>	(1,447,838)	(1,367,949)	(1,447,838)	(1,367,949)
<b>Cost of sales</b>	<b>3,975,605</b>	<b>1,746,853</b>	<b>2,224,504</b>	<b>552,324</b>

<sup>(1)</sup> Includes inventories and spare parts and materials net of advances to suppliers.



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**EXHIBIT G**

At October 31, 2019 and April 30, 2019

This exhibit is part of these condensed interim consolidated financial statements.

**FOREIGN CURRENCY ASSETS AND LIABILITIES**

Items	10.31.2019				04.30.2019				
	Class	Amount in thousands of US\$	Exchange rate	Amount in \$	Class	Amount in thousands of US\$	Exchange rate	Amount in \$	Amount in \$ reexpressed
<b>ASSETS</b>									
<b>NON-CURRENT ASSETS</b>									
<b>Spare parts and materials</b>									
Sundry advances	US\$	393	59.47	23,360	US\$	503	43.95	22,086	27,167
<b>Total Non-Current Assets</b>				<b>23,360</b>				<b>22,086</b>	<b>27,167</b>
<b>CURRENT ASSETS</b>									
<b>Spare parts and materials</b>									
Sundry advances	US\$	98	59.47	5,840	US\$	126	43.95	5,522	6,792
<b>Other accounts receivable</b>									
Sundry advances	US\$	1,807	59.47	107,481	US\$	619	43.95	27,197	33,454
Assignment of rights CAMMESA	US\$	312	59.47	18,580	US\$	704	43.95	30,933	38,049
Credit to be recovered with Ptrominera	US\$	1,837	59.47	109,230	-	-	-	-	-
Sundry	US\$	114	59.47	6,794	-	-	-	-	-
<b>Trade accounts receivable</b>									
Intercompany receivables Sect. 33 – Law 19550	US\$	113	59.47	6,746	US\$	132	43.95	5,795	7,128
For sale of energy	US\$	9,179	59.47	545,873	US\$	20,102	43.95	883,484	1,086,737
For sale of oil and others	US\$	14,417	59.47	857,386	US\$	18,767	43.95	824,825	1,014,583
<b>Cash and cash equivalents</b>									
Cash	US\$	5	59.47	275	US\$	1	43.95	49	61
Cash	€	4	66.22	236	€	6	48.50	275	338
Banks	US\$	3,472	59.47	206,493	US\$	3,310	43.95	145,482	178,951
Financial instruments at fair value	US\$	151,699	59.47	9,021,540	US\$	30,453	43.95	1,338,403	1,646,314
Financial instruments at amortized cost	US\$	12,082	59.47	718,495	US\$	147,417	43.95	6,478,965	7,969,507
<b>Total Current Assets</b>				<b>11,604,969</b>				<b>9,740,930</b>	<b>11,981,914</b>
<b>Total assets</b>				<b>11,628,329</b>				<b>9,763,016</b>	<b>12,009,081</b>
<b>LIABILITIES</b>									
<b>NON-CURRENT LIABILITIES</b>									
<b>Trade accounts payable</b>									
Suppliers	US\$	5,867	59.67	350,097	US\$	5,867	44.15	259,038	318,633
Sundry accruals	US\$	14,148	59.67	844,219	US\$	13,007	44.15	574,270	706,386
Lease debt	US\$	3,485	59.67	207,937	-	-	-	-	-
<b>Financial liabilities</b>									
Bank	US\$	1,200	59.67	71,604	US\$	1,600	44.15	70,640	86,891
Corporate bonds	US\$	300,000	59.67	17,901,000	US\$	300,000	44.15	13,245,000	16,292,128
<b>Total Non-Current Liabilities</b>				<b>19,374,857</b>				<b>14,148,948</b>	<b>17,404,038</b>
<b>CURRENT LIABILITIES</b>									
<b>Trade accounts payable</b>									
Suppliers	US\$	9,336	59.67	557,076	US\$	21,790	44.15	962,031	1,183,355
Sundry accruals	US\$	443	59.67	26,423	US\$	9,615	44.15	424,484	522,140
Lease debt	US\$	1,534	59.67	91,518	-	-	-	-	-
<b>Financial liabilities</b>									
Bank	US\$	806	59.67	48,098	US\$	808	44.15	35,659	43,862
Corporate bonds	US\$	9,510	59.67	567,487	US\$	9,510	44.15	419,885	516,483
<b>Total Current Liabilities</b>				<b>1,290,602</b>				<b>1,842,059</b>	<b>2,265,840</b>
<b>Total Liabilities</b>				<b>20,665,459</b>				<b>15,991,007</b>	<b>19,669,878</b>



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**EXHIBIT H**

**INFORMATION REQUIRED BY SECT. 64, SUB-SECT. B) OF LAW 19550**

For the six and three-month periods beginning on May 1, 2019 and 2018, and ended on October 31, 2019 and 2018

This exhibit is part of these condensed interim consolidated financial statements

Items	Six months to 10.31.2019					Three months to 10.31.2019				
	Preoperative expenses	Production cost	Selling expenses	Administrative expenses	Total	Preoperative expenses	Production cost	Selling expenses	Administrative expenses	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fees and other compensation	2,406	25,237	-	27,875	55,518	1,623	15,275	-	14,589	31,487
Salaries and social security contributions	-	549,976	-	150,932	700,908	-	263,407	-	67,324	330,731
Materials, spare parts and others	-	303,452	-	2,787	306,239	-	151,955	-	13	151,968
Operation, maintenance and repairs	-	514,796	-	28,031	542,827	-	269,549	-	11,680	281,229
Fuel, lubricants and fluids	-	314,914	-	-	314,914	-	164,716	-	-	164,716
Transportation, freight and studies	-	57,352	-	2,225	59,577	-	28,923	-	1,241	30,164
Depreciation of Property, plant and equipment	-	1,491,345	-	8,233	1,499,578	-	913,733	-	4,649	918,382
Depreciation of right of use asset	-	2,758	-	5,912	8,670	-	1,379	-	463	1,842
Office, travel and representation expenses	497	13,834	-	2,780	17,111	149	8,924	-	951	10,024
Taxes, rates, contributions, insurance and rental	49	103,909	-	17,584	121,542	-	45,339	-	11,965	57,304
Transport of gas expenses	-	40,738	-	-	40,738	-	16,745	-	-	16,745
Acquisition of third-party gas	-	974,046	-	-	974,046	-	508,005	-	-	508,005
Royalties	-	-	753,466	-	753,466	-	-	374,602	-	374,602
Cost of transport and energy deliveries	-	-	66,760	-	66,760	-	-	37,496	-	37,496
Export withholdings	-	-	140,115	-	140,115	-	-	72,436	-	72,436
Turnover tax	-	-	250,683	-	250,683	-	-	147,110	-	147,110
Commissions and other	561	-	1,273	-	1,834	202	-	-	-	202
Bank charges	-	-	-	108,050	108,050	-	-	-	54,067	54,067
Energy acquisition	-	68	-	-	68	-	22	-	-	22
<b>Total</b>	<b>3,513</b>	<b>4,392,425</b>	<b>1,212,297</b>	<b>354,409</b>	<b>5,962,644</b>	<b>1,974</b>	<b>2,387,972</b>	<b>631,644</b>	<b>166,942</b>	<b>3,188,532</b>



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

**EXHIBIT H**

**INFORMATION REQUIRED BY SECT. 64, SUB-SECT. B) OF LAW 19550 (Cont'd.)**

For the six and three-month periods beginning on May 1, 2019 and 2018, and ended on October 31, 2019 and 2018

This exhibit is part of these condensed interim consolidated financial statements

Items	Six months to 10.31.2018					Three months to 10.31.2018				
	Preoperative expenses	Production cost	Selling expenses	Administrative expenses	Total	Preoperative expenses	Production cost	Selling expenses	Administrative expenses	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fees and other compensation	1,685	21,944	-	18,238	41,867	941	13,895	-	10,547	25,383
Salaries and social security contributions	-	401,176	-	133,026	534,202	-	217,448	-	57,980	275,428
Materials, spare parts and others	-	87,852	-	22	87,874	-	66,572	-	17	66,589
Operation, maintenance and repairs	-	320,829	-	35,689	356,518	-	253,421	-	15,784	269,205
Fuel, lubricants and fluids	-	183,554	-	-	183,554	-	165,619	-	-	165,619
Transportation, freight and studies	-	34,551	-	3,085	37,636	-	29,235	-	1,526	30,761
Depreciation of Property, plant and equipment	-	1,038,672	-	7,463	1,046,135	-	193,224	-	4,474	197,698
Office, travel and representation expenses	379	9,483	-	18,736	28,598	76	6,860	-	9,427	16,363
Taxes, rates, contributions, insurance and rental	228	54,141	-	28,521	82,890	179	29,143	-	12,597	41,919
Transport of gas expenses	-	29,991	-	-	29,991	-	11,387	-	-	11,387
Royalties	-	-	724,676	-	724,676	-	-	447,726	-	447,726
Cost of transport and energy deliveries	-	-	42,164	-	42,164	-	-	21,027	-	21,027
Turnover tax	-	-	184,338	-	184,338	-	-	95,885	-	95,885
Commissions and other	5,372	-	8,941	2,602	16,915	3,969	-	7,101	2,602	13,672
Bank charges	-	-	-	69,090	69,090	-	-	-	28,952	28,952
Energy acquisition	-	83	-	-	83	-	68	-	-	68
<b>Total</b>	<b>7,664</b>	<b>2,182,276</b>	<b>960,119</b>	<b>316,472</b>	<b>3,466,531</b>	<b>5,165</b>	<b>986,872</b>	<b>571,739</b>	<b>143,906</b>	<b>1,707,682</b>



**SUMMARY OF ACTIVITY**

**REFERRED TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF**

**CAPEX S.A. AS OF OCTOBER 31, 2019**

**(stated in thousands of pesos)**

a) **Comments on the comprehensive results and consolidated financial position at October 31, 2019 (Not covered by the report on the condensed interim consolidated financial statements).**

**Consolidated Statement of Comprehensive Results**

	10/31/2019	10/31/2018	Variation	
Sales	7,875,138	6,379,554	1,495,584	23.4%
Cost of Sales	(3,975,605)	(1,746,853)	(2,228,752)	127.6%
<b>Gross Profit</b>	<b>3,899,533</b>	<b>4,632,701</b>	<b>(733,168)</b>	<b>-15.8%</b>
Preoperative expenses	(3,513)	(7,664)	4,151	-54.2%
Selling expenses	(1,212,297)	(960,119)	(252,178)	26.3%
Administrative expenses	(354,409)	(316,472)	(37,937)	12.0%
Other operating income, net	20,656	6,081	14,575	239.7%
<b>Operating result</b>	<b>2,349,970</b>	<b>3,354,527</b>	<b>(1,004,557)</b>	<b>-29.9%</b>
Financial Income	3,606,744	4,743,140	(1,136,396)	-24.0%
Financial Costs	(6,703,355)	(9,805,627)	3,102,272	-31.6%
Other Financial Income	10,186	4,749	5,437	114.5%
Other financial results – RECPAM	1,135,341	2,102,389	(967,048)	-46.0%
<b>Result before income tax</b>	<b>398,886</b>	<b>399,178</b>	<b>(292)</b>	<b>-0.1%</b>
Income tax	578,435	(615,456)	1,193,891	194.0%
<b>Net result of the period</b>	<b>977,321</b>	<b>(216,278)</b>	<b>1,193,599</b>	<b>551.9%</b>
<b>Other Comprehensive Income</b>	<b>(1,688,402)</b>	<b>3,001,280</b>	<b>(4,689,682)</b>	<b>-156.3%</b>
<b>Comprehensive Result of the Period</b>	<b>(711,081)</b>	<b>2,785,002</b>	<b>(3,496,083)</b>	<b>-125.5%</b>

To analyze the changes, it should be taken into account that the balances at October 31, 2018 disclosed below arise from the restatement of the balances at that date in terms of unit of measurement at October 31, 2019, following the guidelines detailed in Note 4 of the interim consolidated financial statements as of October 31, 2019.

The comparative evolution of the results as of October 31, 2019 with respect to October 31, 2018 was as follows:

- The gross profit for the period ended October 31, 2019 was \$ 3,899,533 (profit), or 49.5% of sales, while in the same period of the previous year it amounted to \$ 4,632,701 (profit) or 72.6% of sales at October 31, 2018. The gross profit decreased by 15.8%.
- Operating result in the period ended October 31, 2019 was of \$ 2,349,970 (profit), compared to \$ 3,354,527 (profit) for the same period of the prior year, representing a decrease of 29.9%.
- Net result of the period amounted to \$ 977,321 (profit) in the period ended October 31, 2019, compared to \$ 216,278 (loss) in the prior period.
- Other comprehensive income, which has an impact on the reserve for assets revaluation, being the same stated in real terms, amounted to \$ 1,688,402 (loss) as a result of the application of the inflation adjustment, net of the tax effect, of certain items of Property, plant and equipment stated at fair value (accounting revaluation).
- The comprehensive result was of \$ 711,081 (loss) in the period ended October 31, 2019, compared to \$ 2,785,002 (profit) for the same period of the previous year, representing a decrease of 125.5%.

## Sales

Product	10/31/2019	10/31/2018	Variation	
<b>Energy</b>				
Energy CT ADC <sup>(1)</sup>	3,990,951	4,338,353	(347,402)	-8.0%
Energy DEEF	128,877	87,844	41,033	46.7%
<b>Façon Service of electric energy</b>	10,850	4,440	6,410	144.4%
<b>Gas</b>	198,249	-	198,249	100.0%
<b>Gas stimulus program</b>	553,445	493,813	59,632	12.1%
<b>Oil</b>	2,701,280	1,032,755	1,668,525	161.6%
<b>Propane</b>	159,668	235,705	(76,037)	-32.3%
<b>Butane</b>	89,470	141,758	(52,288)	-36.9%
<b>Oxygen</b>	2,728	3,225	(497)	-15.4%
<b>Services</b>	39,620	41,661	(2,041)	-4.9%
<b>Total</b>	<b>7,875,138</b>	<b>6,379,554</b>	<b>1,495,583</b>	<b>23.4%</b>

(1) At October 31, 2019 and 2018 it includes income generated by the gas produced at the ADC area, Loma Negra and La Yesera, consumed in the CT ADC, and paid by CAMMESA under the concept Own Fuel Recognition. Likewise, as of November 2018, the third party gas and consumed in the CT ADC is included in this item.

Sales for the period ended on October 31, 2019 increased by 23.4% compared with the same period of 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 \$ 347,402, representing a drop of 8%, from \$ 4,338,353 as of October 31, 2018 to \$ 3,990,951 as October 31, 2019. This revenue comprises the remuneration from the generation of energy and gas consumed in the process.

The revenue associated with the remuneration for energy generation decreased by 26.4%. This variation is mainly related to: i) a decrease in generation by 11%, chiefly due to scheduled maintenance tasks performed for the period in TV07 and ii) a decrease of 18.3% in the average sales price on GW sold, from an average \$ / MWh 1,035.5 in the period ended October 31, 2018 to average \$ / MWh 846.1 in the period ended October 31, 2019, as a result of the lower value of the energy and remunerated power based on the rate schedule implemented by Resolution SRRME 1/2019, offset with the higher evolution of the U.S. dollar quotation, with respect to the evolution of the inflation. Resolution SRRME 1/2019, effective since March 2019, set lower values of energy and power to those in force at February 2019.

Revenue associated to the remuneration recognized by CAMMESA to Capex for the gas produced by the ADC, Loma Negra, La Yesera areas and the third party gas increased by 13.1%. Revenue arising from the higher remunerated volume of gas (72.9%) as a result of the volume acquired from third parties as of November 2018, was offset with the drop in value of gas recognized to Capex per million btu from US\$ 4.54 to an average of US\$ 2.75 for the six-month period ended on October 31, 2019, as a result of the application of the maximum prices established by Resolution No. 46/2018 of the Ministry of Energy, the auctions made by CAMMESA for the acquisition of natural gas for the generation of electricity as from September 2018 and gas cost statements made by Capex. The higher price of the US dollar vis-à-vis the evolution of inflation failed to offset this effect.

Income from the remuneration of gas is included within the Oil and Gas segment (Note 8 to the Condensed Interim Consolidated Financial Statements). The own production gas consumed by the CT ADC slightly decreased by 7.5% because part of it was destined for sale for market reasons.

Sales of energy from the DEEF measured in pesos increased by \$ 41,033 representing an increment of 46.7%, from \$ 87,844 for the six month period ended October 31, 2018 to \$ 128,877 for the six-month period ended October 31, 2019. 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 measured in GWh were 25.1 and 13.6 at October 31, 2019 and 2018, respectively. The average price of sales was \$ 5,127 and \$ 6,451.1 at October 31, 2019 and 2018, respectively. The prices per MWh agreed for the DEEF and DEEF II are US\$ 115,896 and US \$ 40.27, respectively.

### b) Façon Service of electric energy

Facon services for the generation of electricity with natural gas and hydrogen measured in pesos increased by \$ 6,410 representing a rise of 144.4%, from \$ 4,440 at October 31, 2018 to \$ 10,850 at October 31, 2019. This increment is produced by the increase of 142% in the volume sold during the period ended October 31, 2019 due to the fact that, at the same period of the preceding financial year, maintenance work was being carried out in the plant, and to the upward of 2% in the tariff sold in pesos, as a result of the greater evolution of the price of the US dollar, currency in which the price is fixed for this service, with respect to the evolution of inflation.

### c) Gas

Gas production increased by 1.5%, from 283,147 thousands m<sup>3</sup> as of October 31, 2018 to 287,492 thousands m<sup>3</sup> as of October 31, 2019. 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 160.3% from an average of 97 m<sup>3</sup> per day at October 31, 2018 to an average of 252 m<sup>3</sup> per day at October 31, 2019.

At October 31, 2019 Capex has used 94% 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 – September 2019 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 - December 2018 for approximately \$ 484.5 million and the provisional payment equivalent to 85% of the economic compensations requested for the period January – March 2019 for approximately \$ 184.6 million (both them expressed in historical cost). The Company has recorded under Sales the total incentive which complies with the conditions set forth in Resolution No. 419 E/2017, by \$ 553,445 and \$ 493,813 at October 31 2019 and 2018, respectively.

In the period ended October 31, 2019 Capex sold \$ 198,249 corresponding to the delivery of 35,873 thousands m<sup>3</sup> originating from the areas Agua del Cajón and Loma Negra areas at an average of US\$/ m<sup>3</sup> 0.10812 (or US\$ 2.9 million thousand BTU). The remaining gas was used for the generation of electric energy in the CT ADC and in the operation of the LPG plant.

d) Oil:

Sales of oil increased by \$ 1,668,525, or 161.6%. This increase was due to the 100% rise in the exports of oil, from the participation in the concession of Pampa del Castillo - La Guitarra area in the Province of Chubut as from August 2018. The exported volume was 81,370 m<sup>3</sup> (511,799 bbl) at an average sale price of \$/m<sup>3</sup> 21,855.6 (\$/bbl 3,474.8), totaling sales revenue to the foreign market for \$ 1,778,381; in the local market, sales decreased by 10.6% from \$ 1,032,755 as of October 31, 2018 to \$ 922,899 as of October 31, 2019 due to a 16.1% 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 sets the reference price of BRENT crude oil at USD/bbl 59. The decree also establishes a reference exchange rate that affects the average price in pesos. This decrease in the local average price was partially offset by a 6.5% increase in the volume of m<sup>3</sup> sold, from 46,642 m<sup>3</sup> as of October 31, 2018 to 49,674 m<sup>3</sup> as of October 31, 2019.

Oil production increased by 92.2%, from 83,077 m<sup>3</sup> as of October 31, 2018 to 159,684 m<sup>3</sup> as of October 31, 2019, due to the results obtained from the stimulation of some wells and the 59.8% increment in production, coming from the concessions in Loma Negra and La Yesera areas in the Province of Río Negro and to a greater extent, by the incorporation of oil production from the concession of Pampa del Castillo - La Guitarra Area in the Province of Chubut with an average of 677 m<sup>3</sup> per day in the period May-October 2019.

e) Propane, butane and gasoline:

- Sales of propane decreased by \$ 76,037 or 32.3%, from 235,705 at October 31, 2018 to \$ 159,668 at October 31, 2019, including the income from the "Propane Sur Program".

The reduction in sales is the result of a decrease in the average sale price of 28.9%, from \$ 23,153.8 average \$/tn as of October 31, 2018 to \$16,454.9 average \$/tn as of October 31, 2019, 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 4.7%.

- The sales of butane decreased by \$ 52,288 or 36.9%, from \$ 141,758 at October 31, 2018 to \$ 89,470 at October 31, 2019. This decrease was due to a reduction in the average sales price in pesos of 32.8 %, from \$/tn 20,420.5 on average at October 31, 2018 to \$/tn 13,713.3 on average at October 31, 2019, due to the lower international prices, offset by a higher price of the US dollar vis-à-vis the evolution of inflation. The volume sold decreased by 6.0%.
- No sales of gasoline were recorded at October 31, 2019 and 2018, since production of 11,900 m<sup>3</sup> and 12,974 m<sup>3</sup>, respectively, were blended and sold with oil for market reasons.

f) Oxygen:

Hychico sold 49,506 m<sup>3</sup> and 62,000 m<sup>3</sup> of oxygen for a total of \$ 2,278 and \$ 3,225 in the periods ended on October 31, 2019 and 2018, respectively. This decrease in sales was mainly due to a drop in the volume sold of 20.2%, 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 sales

	10/31/2019	10/31/2018	Variation	
Fees and other compensations	(25,237)	(21,944)	(3,293)	15.0%
Salaries and social security contributions	(549,976)	(401,176)	(148,800)	37.1%
Materials, spare parts and others	(303,452)	(87,852)	(215,600)	245.4%
Operation, maintenance and repairs	(514,796)	(320,829)	(193,967)	60.5%
Fuel, lubricants and fluids	(314,914)	(183,554)	(131,360)	71.6%
Transportation, freight and studies	(57,352)	(34,551)	(22,801)	66.0%
Depreciation of property, plant and equipment	(1,491,345)	(1,038,672)	(452,673)	43.6%
Depreciation of right of use asset	(2,758)	-	(2,758)	100.0%
Office, travel and representation expenses	(13,834)	(9,483)	(4,351)	45.9%
Taxes, rates, contributions, insurance and rental	(103,909)	(54,141)	(49,768)	91.9%
Acquisition of electricity from CAMMESA	(68)	-	(68)	100.0%
Gas transportation costs	(40,738)	(29,991)	(10,747)	35.8%
Acquisition of third-party gas	(974,046)	-	(974,046)	100.0%
Oil acquisition	(62,441)	-	(62,441)	100.0%
Cost of production of inventories	479,261	435,340	43,921	10.1%
<b>Cost of Sales</b>	<b>(3,975,605)</b>	<b>(1,746,853)</b>	<b>(2,228,752)</b>	<b>127.6%</b>

The cost of sales as of October 31, 2019 amounted to \$ 3,975,605 (50.5% of net sales), while as of October 31, 2018 it amounted to \$ 1,746,853 (27.4% of sales).

The 127.6% increase in the cost of sales was mainly explained by:

- an increment of \$ 148,800, 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.
- an increase of materials, spare parts and others of \$ 215,600 and in operation, maintenance and repairs of \$ 193,967, as a result of the increment in the activity generated by the incorporation of Pampa del Castillo - La Guitarra area and the increase of the components of the rates of these services in foreign currency over the period, regarding the evolution of inflation,
- a rise in the costs of fuels, lubricants and fluids for \$ 131,360, as a consequence of more activity in the oil field, the rise 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,
- The purchase of gas for \$ 974,046, given that since November 2018 the Company acquires additional gas from third parties for the generation of energy, as a result of the auctions carried out by CAMMESA.
- the acquisition of oil for \$ 62,441, as a consequence of the Joint Operation Agreement that governs the operation of the Pampa del Castillo - La Guitarra area, and
- Depreciation charge of \$ 452,673 of items of Property, plant and equipment, to the investments made in the areas and for the incorporation of the participation in the Pampa del Castillo - La Guitarra joint venture, offset by a lower depreciable value of the CT ADC at October 31, 2019 with respect to the depreciable value at October 31, 2018, as a consequence of a decrease in the fair value of CT ADC stated in constant currency at the end of the period (see Note 14 to the interim condensed consolidated financial statements).

The cost of production of inventories corresponds to the capitalization of production costs to be allocated to the final stocks disclosed under Inventories.

### 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

	10/31/2019	10/31/2018	Variation	
Royalties	(753,466)	(724,676)	(28,790)	4.0%
Cost of transport and energy delivery	(66,760)	(42,164)	(24,596)	58.3%
Export duties	(140,115)	-	(140,115)	100.0%
Turnover tax	(250,683)	(184,338)	(66,345)	36.0%
Commissions and other	(1,273)	(8,941)	7,668	-85.8%
<b>Selling expenses</b>	<b>(1,212,297)</b>	<b>(960,119)</b>	<b>(252,178)</b>	<b>26.3%</b>

Selling expenses were \$ 1,212,297 as of October 31, 2019, representing 15.4% of sales, while as of October 31, 2018 they amounted to \$ 960,119, or 15.0% of sales.

The 26.3% increase was mainly explained by:

- The royalties associated with oil by: i) the increment in production by adding the concession of the area Pampa del Castillo – La Guitarra area and ii) the greater evolution of the price of the US dollar with respect to the evolution of inflation, all this offset with a decrease in the local average price of crude oil measured in pesos as a consequence of the Necessity and Urgency Decrees that set the sale price and the exchange rate (see Note 3 to the Interim Condensed Consolidated Financial Statements)
- the royalties on gas production, produced principally by the increment in production obtained in Loma Negra and La Yesera areas,
- the payment of export duties as a result of the export of oil from the Pampa del Castillo - La Guitarra area, and
- the increase in turnover tax as a result of the higher billing and the payment of a tax rate difference for 2018.

#### Administrative expenses

	10/31/2019	10/31/2018	Variation	
Fees and other compensations	(27,875)	(18,238)	(9,637)	52.8%
Salaries and social security contributions	(150,932)	(133,026)	(17,906)	13.5%
Materials, spare parts and others	(29)	(22)	(7)	31.8%
Operation, maintenance and repairs	(28,031)	(35,689)	7,658	-21.5%
Transportation, freight and studies	(2,225)	(3,085)	860	-27.9%
Depreciation of property, plant and equipment	(8,232)	(7,463)	(769)	10.3%
Depreciation of right of use asset	(8,670)	-	(8,670)	100.0%
Office, travel and representation expenses	(2,781)	(18,736)	15,955	-85.2%
Taxes, rates, contributions, insurance and rental	(17,584)	(31,123)	13,539	-43.5%
Bank charges	(108,050)	(69,090)	(38,960)	56.4%
<b>Administrative expenses</b>	<b>(354,409)</b>	<b>(316,472)</b>	<b>(37,937)</b>	<b>12.0%</b>

Administrative expenses were \$ 354,409 as of October 31, 2019, or 4.5% of sales, while as of October 31, 2018 they were \$ 316,472, or 5.0% of sales. The increase was \$ 37,937, representing 12.0%. This increment results mainly from: i) bank charges as a result of the higher tax on bank credits and debits due to the higher expenses made and income received by the Group; ii) the rise in labor costs as a result of the hiring of personnel and iii) an increase in the depreciation of right-of-use asset related to leases in accordance with IFRS 16, offset by a decrease in Rental included in Taxes, rates, contributions, insurance and rental. Likewise, Office, travel and representation expenses show a decrease due to the incorporation of expenses related to the acquisition of a participation in the Pampa del Castillo - La Guitarra area in the period ended October 31, 2018.

#### Other operating income, net

	10/31/2019	10/31/2018	Variation	
Income from charges for indirect administrative services-consortia and UTE	15,372	10,909	4,463	40.9%
Non-computable assessments	-	(2,280)	2,280	-100.0%
Sundry	5,284	(2,548)	7,832	307.4%
<b>Other operating income, net</b>	<b>20,656</b>	<b>6,081</b>	<b>14,575</b>	<b>239.7%</b>

Other operating income, net as of October 31, 2019 and 2018 were positive by \$ 20,656 and \$ 6,081, respectively. This increase was partly due to the services provided by the Company as operator of the Consortia and UTE.

#### Financial results

	10/31/2019	10/31/2018	Variation	
Financial income	3,606,744	4,743,140	(1,136,396)	-24.0%
Financial costs	(6,703,355)	(9,805,627)	3,102,272	-31.6%
Other financial results	10,186	4,749	5,437	114.5%
Other financial results - RECPAM	1,135,341	2,102,389	(967,048)	-46%
<b>Financial results</b>	<b>(1,951,084)</b>	<b>(2,955,349)</b>	<b>1,004,265</b>	<b>-34%</b>

#### a) Financial income

	10/31/2019	10/31/2018	Variation	
Exchange difference	3,263,226	4,510,770	(1,247,544)	-27.7%
Interest and others	342,703	232,103	110,600	47.7%
Interest accrued on receivables	815	267	548	205.2%
<b>Financial Income</b>	<b>3,606,744</b>	<b>4,743,140</b>	<b>(1,136,396)</b>	<b>-24.0%</b>

The financial income at October 31, 2019 reflected a balance of \$ 3,606,744 while at October 31, 2018 it was of \$ 4,743,140, representing a decrease of 24.0%. The main causes of the reduction of \$ 1,136,396 were:

- The lowest earnings for the exchange difference as a result of the less evolution of the price of the US dollar with respect to the evolution of inflation, calculated over the investments in such foreign currency. The variation in the quotation of

the US dollar between May and October 2019 was an increase of 35.3%, while between May and October 2018 it was a rise of 74.9%.

- The variation of interest and others mainly corresponds to the income generated by investments in term deposits and, to a lesser extent, to mutual funds and the holding of securities.
- The variation in interest accrued on receivables mainly corresponds to the result of the update of the value of Hychico's long term receivables.

b) Financial costs

	10/31/2019	10/31/2018	Variation	
Exchange difference	(5,929,341)	(9,022,047)	3,092,706	-34.3%
Interest and others	(749,739)	(764,933)	15,194	-2.0%
Interest accrued from payables	(24,275)	(18,647)	(5,628)	30.2%
<b>Financial Costs</b>	<b>(6,703,355)</b>	<b>(9,805,627)</b>	<b>3,102,272</b>	<b>-31.6%</b>

Financial costs at October 31, 2019 showed a negative balance of \$ 6,703,355, while at October 31, 2018 they were negative by \$ 9,805,627, representing a decrease of 31.6%. The main causes of the variation of \$ 3,102,272 were:

- The lower foreign exchange losses as a consequence of the less evolution of the US dollar price in relation to the evolution of inflation; the variation in nominal values in the quotation of the US dollar between April and October 2019 was an increase of 35.3%, while between April and October 2018 it was an increase of 74.9%. The Group holds 98.6% of its financial liabilities in US dollars, so the variation in the exchange rate of that currency has had a significant impact on the economic results and on equity.

The 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. At October 31, 2019 the owed capital amounts to US\$ 2,0 million.
- The variation in interest and others mainly corresponds to interest accrued by Corporate Bonds, to the loan with IIC and to the funding for the maintenance of the ADC power plant. The decrease in the exchange rate generated a lower accrual of interest in pesos.
  - The accrual of interest on payables corresponds to the result generated by the updating of the value of the provision for well capping and of the commercial debt that E G WIND has with the supplier ENERCON.

**Other financial results - RECPAM**

	10/31/2019	10/31/2018	Variation	
<b>Other financial results - RECPAM</b>	<b>1,135,341</b>	<b>2,102,389</b>	<b>(967,048)</b>	<b>-46.0%</b>

This item includes the result of the exposure to inflation.

**Income tax**

	10/31/2019	10/31/2018	Variation	
<b>Income tax</b>	<b>578,435</b>	<b>(615,456)</b>	<b>1,193,891</b>	<b>194.0%</b>

The income tax result at October 31, 2019 decreased by \$ 1,193,891, from a loss of \$ 615,456 to a profit of \$ 578,435, as a result of the lower tax results for the period, the higher depreciation from the Tax Revaluation option exercised by Capex and Hychico in May 2019, offset by the tax resulting from the tax inflation adjustment.

**Other comprehensive income**

	10/31/2019	10/31/2018	Variation	
<b>Other comprehensive income</b>	<b>(1,688,402)</b>	<b>3,001,280</b>	<b>(4,689,682)</b>	<b>-156.3%</b>

Capex has been applying the revaluation model for certain assets within Property, plant and equipment. At October 31, 2019, a negative result of \$ 1,688,402 was generated due to the determination of the reserve for assets revaluation at actual values.



### Consolidated financial Statements

	10/31/2019	10/31/2018	Variation	
Property, plant and equipment	27,516,998	30,365,161	(2,848,163)	-9.4%
Spare parts and materials	1,011,010	959,058	51,952	5.4%
Net deferred tax asset	106,661	35,865	70,796	197.4%
Right of use asset	252,396	-	252,396	100.0%
Other receivables	1,645,765	1,001,467	644,298	64.3%
Trade receivables	1,570,867	1,950,342	(379,475)	-19.5%
Inventories	466,028	449,311	16,717	3.7%
Cash and cash equivalents	10,854,507	9,119,778	1,734,729	19.0%
<b>Total Assets</b>	<b>43,424,232</b>	<b>43,880,982</b>	<b>(456,750)</b>	<b>-1.0%</b>
Total shareholders' equity attributable to shareholders	16,322,389	17,117,491	(795,102)	-4.6%
Non-controlling interest	95,409	92,341	3,068	3.3%
<b>Total shareholders' equity</b>	<b>16,417,798</b>	<b>17,209,832</b>	<b>(792,034)</b>	<b>-4.6%</b>
Trade accounts payable	4,337,410	3,287,951	1,049,459	31.9%
Financial liabilities	18,844,239	16,926,706	1,917,533	11.3%
Net deferred tax liabilities	2,548,920	5,905,240	(3,356,320)	-56.8%
Taxes payable	917,650	226,553	691,097	305.0%
Provisions and other charges	2,480	3,732	(1,252)	-33.5%
Salaries and social security contributions	195,892	160,487	35,405	22.1%
Other liabilities	159,843	160,481	(638)	-0.4%
<b>Total Liabilities</b>	<b>27,006,434</b>	<b>26,671,150</b>	<b>335,284</b>	<b>1.3%</b>
<b>Total Shareholders' equity and liabilities</b>	<b>43,424,232</b>	<b>43,880,982</b>	<b>(456,750)</b>	<b>-1.0%</b>

Total assets as of October 31, 2019 decreased by \$ 456,750, which represents a reduction of 1.0% compared to October 31, 2018.

The main reasons for this variation are listed below:

- (i) Property, plant and equipment: decrease by \$ 2,848,163, due to the effect of the depreciations of the period and the decrease in the fair value of the CT ADC. This decrease was offset by the investments made in the areas and in particular in the construction of the DEEF II.
- (ii) Spare parts and materials: increase of \$ 51,952, expressed in actual terms, due to the net movement of income and consumption of the stocks due to the major maintenance of the CT ADC and the materials coming from the operation of the Pampa del Castillo - La Guitarra area.
- (iii) Net deferred tax assets: increase by \$ 70,796 due to for the generation of tax losses in E G WIND.
- (iv) Right of use asset: \$ 252,396 increase generated by the application of IFRS 16 for leases.
- (v) Other accounts receivable: \$ 644,298 increase, principally for the accrual of the unconventional gas stimulus program, the VAT credit position of E G WIND and Capex.
- (vi) Trade accounts receivable: decrease by \$ 379,475, due to the drop in the remuneration of energy generation, the price of gas remunerated by CAMMESA and the decrease in the price of crude oil in US dollars due to market reasons, and since August 2019 due to the Decree of Necessity and Urgency No. 566/19, which set the reference price of BRENT crude oil at USD/bbl 59. The Decree of Necessity and Urgency and subsequent resolutions also fixed the exchange rate of crude oil in the local market, which had an impact on the decrease of revenue from the sale of oil. This drop in prices was offset by: i) an increase in the quantities of crude oil sold in the local market; ii) crude oil exports; and iii) for the credits nominated in US dollars, the increase in the price of this currency, with respect to the evolution of inflation.
- (vii) Cash and cash equivalents: an increase of 1,734,729 principally due to the higher net flows generated by: i) increases in sales due to crude oil exports and the variation in the price of the US dollar, regarding the evolution of inflation, and ii) the increase in financial investments in foreign currency given the variation in the price of the US dollar, offset by i) investments made in Property, plant and equipment, ii) the expenditures for the construction of PED II and iii) the payment of installments corresponding to the loan of Hychico with the IIC.

Total liabilities as of October 31, 2019, increased by \$ 335,284, which represents an increment of 1.3 % in comparison with October 31, 2018.

The main reasons for this variation are listed below:

- (i) Trade accounts payable: an increase of \$ 1,049,459, mainly due to: i) higher purchases of materials and gas to supply the CT ADC, ii) the effect of the exchange rate of the US dollar on suppliers in foreign currency, iii) the higher commercial liabilities and provision for abandonment of wells resulting from the increase in activity in Agua del Cajón, and the incorporation of participation in the UTE Pampa del Castillo - La Guitarra iv) the balance pending cancellation for the acquisition of Pampa del Castillo - La Guitarra, v) the commercial liabilities resulting from the construction of the PED II and y vi) the incorporation of the lease debt resulting from applying IFRS 16.
- (ii) Financial liabilities: an increase of \$ 1,917,533, generated by: i) the increment in the exchange rate of the US dollar, regarding the evolution of inflation, causing the higher valuation in pesos of liabilities in foreign currency, y ii) the overdrafts at closing. This increase was offset by the capital payments of the loan with IIC of Hychico and compensation related to early financing for maintenance of the CT ADC.

- (iii) **Tax charges:** an increase of \$ 691,097 as a result of the accrual of the tax inflation adjustment, under section 95, and a turnover tax payment plan.
- (iv) **Net deferred tax liabilities:** a decrease of \$ 3,356,320 as a result of the application of the tax revaluation applied as of April 30, 2019, net of applying the tax inflation adjustment and by the effect of the gradual reduction of the income tax rate, introduced by the Tax Reform promulgated on December 29, 2017.
- (v) **Salaries and social security contributions:** an increase of \$ 35,405, 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 interim 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, 2018, and audited by the independent auditor, Hector Alberto López, according to the requirements established in Res. SEN 324/06 and having as concession expiration horizon the month of January 2052.

Products		Reserves					Resources
		Proven			Probable	Possible	
		Developed	Non-developed	Total			
Gas	MMm <sup>3</sup> <sup>(1)</sup>	4,126	1,208	5,334	797	653	15,315
Oil	Mbbl	1,774	1,094	2,868	1,730	1,736	3,730
	Mm <sup>3</sup>	282	174	456	275	276	593

<sup>(1)</sup> Expressed in 9,300 kcal/m<sup>3</sup>

- Loma Negra

The estimate of hydrocarbon reserves and resources in the Loma Negra area, at December 31, 2018, was audited by the independent auditor, Licenciado Héctor A. López, in compliance with the requirements of ES Resolution 324/06 and having as expiration horizon the month of December 2024, with the following values:

Products		Reserves					Resources
		Proven			Probable	Possible	
		Developed	Non-developed	Total			
Gas	MMm <sup>3</sup> <sup>(1)</sup>	972	6	978	238	-	766
Oil	Mbbl	1,585	327	1,912	50	-	755
	Mm <sup>3</sup>	252	52	304	8	-	120

<sup>(1)</sup> Expressed in 9,300 kcal/m<sup>3</sup>

Capex owns 37.5% of said reserves

- La Yesera

The estimate of hydrocarbon reserves and resources in the La Yesera area, at December 31, 2018, was audited by the independent auditor, Lic. Héctor Alberto López, in compliance with the requirements of ES Resolution 324/06. The expiration horizon is June 2027, with the following values:

Products		Reserves					Resources
		Proven			Probable	Possible	
		Developed	Non-developed	Total			
Gas	MMm <sup>3</sup> <sup>(1)</sup>	235	26	261	-	-	236
Oil	Mbbl	1,145	365	1,510	-	-	3,007
	Mm <sup>3</sup>	182	58	240	-	-	478

<sup>(1)</sup> Expressed in 9,300 kcal/m<sup>3</sup>

Capex owns 18.75% of said reserves



- Pampa del Castillo – La Guitarra

The estimate of hydrocarbon reserves and resources in the Pampa del Castillo – La Guitarra area, at December 31, 2018, was audited by the independent auditor, Lic. Ana María Nardone, in compliance with the requirements of ES Resolution 324/06. The expiration horizon is October 2026, with the following values:

Products		Reserves					Resources
		Proven			Probable	Possible	
		Developed	Non-developed	Total			
Gas	MMm <sup>3</sup> <sup>(1)</sup>	26	28	54	5	4	-
Oil	Mbbl	7,246	7,560	14,806	1,365	1,044	-
	Mm <sup>3</sup>	1,152	1,202	2,354	217	166	-

<sup>(1)</sup> Expressed in 9,300 kcal/m<sup>3</sup>

Capex owns 95% of said reserves

**b) Asset structure**

	10/31/2019	10/31/2018
<b>(a)</b>		
Current Assets	14,757,844	12,680,645
Non-Current Assets	28,666,388	31,200,337
<b>Total Assets</b>	<b>43,424,232</b>	<b>43,880,982</b>
Current Liabilities	4,004,235	3,295,809
Non-Current Liabilities	23,002,199	23,375,341
<b>Total Liabilities</b>	<b>27,006,434</b>	<b>26,671,150</b>
Shareholders' equity attributable to shareholders	16,322,389	17,117,491
Non-Controlling interest	95,409	92,341
<b>Total Shareholders' Equity</b>	<b>16,417,798</b>	<b>17,209,832</b>
<b>Total Shareholders' Equity and Liabilities</b>	<b>43,424,232</b>	<b>43,880,982</b>

(a) Information consolidated with SEB and Hychico and E G WIND, according to financial information at October 2019 and 2018.

**c) Results Structure**

	10/31/2019	10/31/2018
<b>(a)</b>		
Operating result	2,349,970	3,354,527
Financial income	3,606,744	4,743,140
Financial costs	(6,703,355)	(9,805,627)
Other financial income	10,186	4,749
Other financial results - RECPAM	1,135,341	2,102,389
<b>Result before Income Tax</b>	<b>398,886</b>	<b>399,178</b>
Income tax	578,435	(615,456)
<b>Net result for the period</b>	<b>977,321</b>	<b>(216,278)</b>
Other comprehensive income	(1,688,402)	3,001,280
<b>Comprehensive result for the period</b>	<b>(711,081)</b>	<b>2,785,002</b>

(a) Information consolidated with SEB and Hychico and E G WIND, according to financial information as of October 2019 and 2018.

**d) Cash flow Structure**

	10/31/2019	10/31/2018
	(a)	
Net cash flows provided by operating activities	1,969,471	2,666,000
Net cash flows used in investment activities	(2,720,862)	(2,219,757)
Net cash flows used in financing activities	(628,057)	(309,897)
<b>Net (decrease) / increase in cash, cash equivalents and overdrafts</b>	<b>(1,379,448)</b>	<b>136,346</b>

(a) Information consolidated with SEB and Hychico and E G WIND, according to financial information at October 2019 and 2018.

**e) Statistical Data (information not covered by the review report on condensed interim consolidated financial statements)**

OIL					
	10/31/2019	10/31/2018	10/31/2017	10/31/2016	10/31/2015
Consolidated Information					
Production in bbl	1,004,382	522,536	181,399	146,093	131,567
Production in m <sup>3</sup> (4)	159,684	83,077	28,840	23,227	20,918
Sales in the domestic market bbl	312,438	293,367	294,975	232,284	232,251
Sales in the foreign market bbl	511,799	-	-	-	-
Sales in the domestic market m <sup>3</sup> (1)	49,674	46,642	46,897	36,930	36,925
Sales in the foreign market m <sup>3</sup>	81,370	-	-	-	-

GAS (thousands of m <sup>3</sup> )					
	10/31/2019	10/31/2018	10/31/2017	10/31/2016	10/31/2015
Consolidated information					
Production	287,492	283,147	275,356	283,208	280,360
Acquisition and redirection by CAMMESA – ES Resolution 95/13	296,062	313,098	301,623	289,695	146,286
Sales in the domestic market	35,873	-	30,295	4,186	26,935

ENERGY AGUA DEL CAJON (thousands of MWh)					
	10/31/2019	10/31/2018	10/31/2017	10/31/2016	10/31/2015
Consolidated information					
Production	2,075	2,331	2,183	2,284	1,493
Sales	2,017	2,239	2,104	2,179	1,381

RENEWABLE ENERGY (thousands of MWh)					
	10/31/2019	10/31/2018	10/31/2017	10/31/2016	10/31/2015
Consolidated information					
Production	25.1	13.6	15.9	9.3	13
Sales	25.1	13.6	15.9	9.3	13

ENERGY DIADEMA PLANT (thousands of MWh)					
	10/31/2019	10/31/2018	10/31/2017	10/31/2016	10/31/2015
Consolidated information					
Production	5.9	2.9	5.4	5.1	4.2
Sales	5.3	2.2	4.8	3.9	3.6

PROPANE (tn)					
	10/31/2019	10/31/2018	10/31/2017	10/31/2016	10/31/2015
Consolidated information					
Production	9,970	10,331	11,072	10,657	9,840
Sales domestic market	8,298	10,180	11,201	10,476	9,711
Sales in the foreign market	1,406	-	-	-	195

BUTANE (tn)					
	10/31/2019	10/31/2018	10/31/2017	10/31/2016	10/31/2015
Consolidated information					
Production	6,626	6,822	7,313	7,031	7,209
Sales domestic market	6,524	6,942	7,408	7,128	7,062

GASOLINE (m <sup>3</sup> )					
	10/31/2019	10/31/2018	10/31/2017	10/31/2016	10/31/2015
<b>Consolidated information</b>					
Production <sup>(2)</sup>	11,900	12,974	13,569	13,158	13,457

  

OXYGEN (Nm <sup>3</sup> )					
	10/31/2019	10/31/2018	10/31/2017	10/31/2016	10/31/2015
<b>Consolidated information</b>					
Production	12,625	12,140	24,546	16,379	11,184
Sales domestic market <sup>(3)</sup>	49,506	62,000	63,126	59,891	56,691

<sup>(1)</sup> Includes 11,866 m<sup>3</sup>, 6,753 m<sup>3</sup>, 13,574 m<sup>3</sup>, 13,104 m<sup>3</sup> and 13,463 m<sup>3</sup> of gasoline at October 31, 2019, 2018, 2017, 2016 and 2015, respectively sold as oil.

<sup>(2)</sup> The gasoline at October 31, 2019, 2018, 2017, 2016 and 2015, was sold as oil.

<sup>(3)</sup> The sales of oxygen at October 31, 2019, 2018, 2017, 2016 and 2015 include take or pay clause.

<sup>(4)</sup> At October 31, 2019 includes 19,900 thousands m3 from the Agua del Cajón area and 15,144 thousands m3 from the Loma Negra and La Yesera areas and 124,640 thousands m3 from the Pampa del Castillo – La Guitarra area.

#### f) Ratios

	10/31/2019	10/31/2018
	<b>(a)</b>	
Liquidity (1)	3.69	3.85
Solvency (2)	0.61	0.65
Capital Immobilization (3)	0.66	0.71

(a) Information consolidated with SEB and Hychico and E G WIND as per financial information at October 31, 2019 and 2018.

(1)	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
(2)	$\frac{\text{Shareholders' Equity}}{\text{Total Liabilities}}$
(3)	$\frac{\text{Non-Current Assets}}{\text{Total Assets}}$

#### g) Perspectives (information not covered by the review report on the interim condensed consolidated financial statements)

##### Hydrocarbons

During the fiscal year Capex foresees:

- **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 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-sand projects. Regarding the development of shale resources (schist of slate rock), work will continue on the technical-economic viability previous to face the development stage.

- **In the area Loma Negra**, drill one advanced well, two development producing oil wells and a well for gas-condensate. Additionally, the repair of oil wells and conversion of producing wells into injection wells is expected. Regarding surface works, the Loma de Maria battery will be expanded to a gas production capacity of 1 MM m3/d.

- **In the area La Yesera**, drill 1 development well (Side-Track to well LY-1) and install a battery in order to continue the development program of this area. The Consortium will focus on the development of oil reserves in deep targets.

- **In the area Pampa del Castillo**, drill advanced/exploration wells and primary/secondary development producing wells, a repair program for oil producing wells and the adequacy of secondary recovery facilities in batteries and plants.

As part of its strategy, Capex will continue evaluating potential acquisitions of hydrocarbon assets that will increase production levels and reserves.

In this sense, Capex made different offers in hydrocarbon areas, some of which were already awarded:

#### **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. 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. If the related authorizations are obtained, the Company must make an initial payment to PMC and implement a five-year investment plan. At the date of these financial statements, the authorization has not yet been granted.

#### **Parva Negra Oeste**

In the framework of Neuquén Exploration Plan, Gas y Petróleo del Neuquén S.A. 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. 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 US\$ 19 million, to take place within the First Exploration Period of 4 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 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 approved the aforementioned contract, and the Company paid the related right of access of US\$ 5.5 million.

#### **Puesto Zúñiga**

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. 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.

#### **Renewables**

Capex, through its subsidiaries Hychico and EG Wind, will continue operating its Wind Farms and its Hydrogen and Oxygen Plant in Diadema, in line with its vision of the use of hydrogen as energy carrier. The new Wind Farm Diadema II, composed of 9 wind energy converters and a total installed capacity of 27.6 MW, was authorized to operate in September 2019, in line with the deadlines set forth in the bid. Until the National Government carries out the expansion works, there will be restrictions on the transport capacity of the region, which will be greater as new wind farms are assembled in the area. As a compensation mechanism for these restrictions, the contract establishes a “take or pay” clause.

With short and medium term objectives, it is the intention of Capex and its subsidiary Hychico to be active participants in the renewable energy generation market, for which they are carrying out evaluations and feasibility studies to develop projects: i) with industrial clients; ii) self-generation, to the extent that it adds value to the business, as is the case of isolated sites and iii) participation in the Renewable Energies bids that the Argentine Government calls as for example: the RenovAr Program. For this purpose, a portfolio of wind and solar energy projects covering several regions of the country is currently being developed emphasizing those that have not only a good natural resource but an adequate capacity for electric transport (current or planned in the future).

The long-term objectives relating renewable energies for Capex and its subsidiaries are focused on supplying future regional and international markets of “green hydrogen” and the development of wind and photovoltaic farms to meet consumption, as well as the national electricity demand with plants free of greenhouse gas emissions. At the regional level, renewable energy projects and hydrogen applications are evaluated in pilot mobility projects. At international level, studies continue to analyze the feasibility of medium-term hydrogen exports to markets such as Europe and Japan.

#### **Financial**

The Group bases its financial strategy in: (i) 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.

In line with this strategy, Capex owns most of its structural financial debt under the issuance of Class 2 Corporate Bonds 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 Class 1 of Corporate Bonds for US\$ 200 million whose expiration operated in March 2018 at an annual nominal rate of 10%, and to increase the liquidity of Capex in order to complete its investment plan and acquisition of new businesses. In this sense, this extra liquidity was partly used to acquire the Loma Negra, La Yesera and Pampa del Castillo – La Guitarra hydrocarbon areas, the development of the Diadema Eolic Energy Farm II, awarded within the framework of the RenovAR Ronda 2.0 Program and to face the initial payments and carry out the investments committed in the awarded areas. The Company is evaluating different hydrocarbon assets and thermal and renewable energy projects and its financial investment policy.