



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

**CAPEX S.A.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
As of October 31, 2018 stated in thousands of pesos and presented in comparative format



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19550

SUMMARY OF ACTIVITIES

REVIEW REPORT OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF THE SYNDICS' COMMITTEE ON THE CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS



Capex S.A.

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### NOMENCLATURE

#### Currency

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

#### Glossary of Terms

<u>Terms</u>	<u>Description</u>
Bbl	Barrel
BTU	British thermal unit
CC	Combined cycle
CNV	National Securities Commission
CSJN	Supreme Court of Justice
CT ADC	Agua del Cajón Power Plant
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
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. René Balestra

Mr. Miguel Fernando Götz

**Statutory Syndics**

Mr. Norberto Luis Feoli

Mr. Edgardo Giudicessi

Mr. Mario Árraga Penido

**Alternate Syndics**

Mrs. Claudia Marina Valongo

Mrs. Andrea Mariana Casas

Mrs. Claudia Angélica Briones

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**CAPEX S.A.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the six-month period ended October 31, 2018 compared with the prior year

Fiscal year No. 31 commenced on May 1, 2018

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: 75.3%

**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



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**Condensed Interim Consolidated Statement of Financial Position**

As of October 31 and April 30, 2018

Stated in thousands of pesos

	<u>Note/ Exhibit</u>	<u>10.31.2018</u>	<u>04.30.2018</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9 / A	16,134,002	9,338,710
Spare parts and materials		253,497	149,059
Net deferred tax assets	10	46,754	11,377
Other accounts receivable	11	45,797	24,867
<b>Total Non-Current Assets</b>		<b>16,480,050</b>	<b>9,524,013</b>
<b>CURRENT ASSETS</b>			
Spare parts and materials		72,670	45,652
Inventories		298,575	4,330
Other accounts receivable	11	622,923	104,376
Trade accounts receivable	12	1,296,036	825,832
Financial instruments at fair value	13 / C	-	632,454
Cash and cash equivalents	14	6,060,246	4,009,886
<b>Total Current Assets</b>		<b>8,350,450</b>	<b>5,622,530</b>
<b>Total Assets</b>		<b>24,830,500</b>	<b>15,146,543</b>

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

  
Alejandro Götz  
Chairman



Capex S.A.

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**Condensed Interim Consolidated Statements of Financial Position**  
As of October 31 and April 30, 2018  
Stated in thousands of pesos

	Note / Exhibit	10.31.2018	04.30.2018
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Capital stock		179,802	179,802
Additional paid-in capital		79,686	79,686
Legal reserve		35,960	35,960
Free reserve		1,329,147	464,413
Reserve for assets revaluation	15	7,109,995	4,151,170
Unappropriated retained earning		(328,684)	864,734
<b>Total shareholders' equity attributable to shareholders</b>		<b>8,405,906</b>	<b>5,775,765</b>
Non-controlling interest		62,626	39,165
<b>Total shareholders' equity</b>		<b>8,468,532</b>	<b>5,814,930</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Trade accounts payable	16	813,630	125,191
Financial liabilities	17	10,816,956	6,225,499
Net deferred tax liabilities	10	2,532,800	1,623,441
Provisions and other charges	E	2,480	2,480
<b>Total non-current liabilities</b>		<b>14,165,866</b>	<b>7,976,611</b>
<b>CURRENT LIABILITIES</b>			
Trade accounts payable	16	1,371,268	702,085
Financial liabilities	17	459,178	259,804
Salaries and social security contributions	18	108,462	97,265
Taxes payable		150,551	231,812
Other liabilities		106,643	64,036
<b>Total current liabilities</b>		<b>2,196,102</b>	<b>1,355,002</b>
<b>Total liabilities</b>		<b>16,361,968</b>	<b>9,331,613</b>
<b>Total shareholders' equity and liabilities</b>		<b>24,830,500</b>	<b>15,146,543</b>

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

  
Alejandro Götz  
Chairman



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**Condensed Interim Consolidated Statement of Comprehensive Income**  
For the six-month periods beginning on May 1, 2018 and 2017 and ended on October 31, 2018 and 2017  
Stated in thousands of pesos

	Note/ Exhibit	Six-month at		Three-month at	
		10.31.2018	10.31.2017	10.31.2018	10.31.2017
Sales	20	3,776,116	1,870,209	2,038,653	957,634
Cost of sales	F	(900,937)	(617,661)	(507,000)	(315,256)
<b>Gross profit</b>		<b>2,875,179</b>	<b>1,252,548</b>	<b>1,531,653</b>	<b>642,378</b>
Preoperative expenses	H	(4,685)	-	(3,333)	-
Selling expenses	H	(572,730)	(275,867)	(358,413)	(137,389)
Administrative expenses	H	(183,832)	(136,032)	(89,183)	(56,358)
Other operating income/ (expenses), net	21	3,954	(434)	4,342	(122)
<b>Operating income</b>		<b>2,117,886</b>	<b>840,215</b>	<b>1,085,066</b>	<b>448,509</b>
Financial income	22	2,653,543	597,164	1,480,146	89,916
Financial costs	22	(5,448,969)	(1,045,829)	(3,045,077)	(117,488)
Other financial income	E	(17,671)	(461)	(17,822)	(710)
<b>Result before income tax</b>		<b>(695,211)</b>	<b>391,089</b>	<b>(497,687)</b>	<b>420,227</b>
Income tax		192,521	(138,132)	136,553	(148,627)
<b>Net result for the period</b>		<b>(502,690)</b>	<b>252,957</b>	<b>(361,134)</b>	<b>271,600</b>
Concepts that will not be reclassified to results					
Other comprehensive results	15	3,154,083	427,774	1,750,623	-
<b>Comprehensive result for the period</b>		<b>2,651,393</b>	<b>680,731</b>	<b>1,389,489</b>	<b>271,600</b>
<b>Net result for the period attributable to:</b>					
Company shareholders		(502,690)	251,930	(361,134)	270,587
Non-controlling interest		-	1,027	-	1,013
<b>Net result for the period</b>		<b>(502,690)</b>	<b>252,957</b>	<b>(361,134)</b>	<b>271,600</b>
<b>Net comprehensive result for the period attributable to:</b>					
Company shareholders		2,630,141	677,626	1,377,826	270,587
Non-controlling interest		21,252	3,105	11,663	1,013
<b>Comprehensive result for the period</b>		<b>2,651,393</b>	<b>680,731</b>	<b>1,389,489</b>	<b>271,600</b>
Basic and diluted net result per share attributable to:					
- Company shareholders		(2.79580)	1.40115	(2.00851)	1.50491
Basic and diluted comprehensive result per share attributable to:					
- Company shareholders		14.62799	3.76873	7.66302	1.50491

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

  
 Alejandro Götz  
 Chairman





Capex S.A.

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**Condensed Interim Consolidated Statement of Changes in Shareholders' Equity**  
For the six-month periods ended October 31, 2018 and 2017  
Stated in thousands of pesos

	Attributable to the Company shareholders										Total equity	
	Capital Stock		Retained earnings			Other accumulated comprehensive income		Unappropriated retained earnings	Subtotal	Non-controlling interest		
	Outstanding shares	Additional paid-in capital	Legal reserve	Free reserve <sup>(1)</sup>	Reserve for assets revaluation <sup>(2)</sup>	Reserve for assets revaluation <sup>(2)</sup>	Income					
<b>Balances at April 30, 2017</b>	179,802	79,686	-	-	2,757,020	500,374	3,516,882	24,560	3,541,442	-	3,541,442	
Ordinary and Shareholders' Meeting of August 9, 2017	-	-	35,960	464,413	-	(500,373)	-	-	-	-	-	
Comprehensive result for the six-month period	-	-	-	-	425,696	251,930	677,626	3,105	680,731	-	680,731	
Reversal of reserve for assets revaluation	-	-	-	-	(84,026)	84,026	-	-	-	-	-	
<b>Balances at October 31, 2017</b>	179,802	79,686	35,960	464,413	3,098,690	335,957	4,194,508	27,665	4,222,173	-	4,222,173	
Capital contribution from Interenergy Argentina S.A. to Hychico S.A.	-	-	-	-	-	-	-	-	-	1,070	1,070	
Comprehensive result for the six-month period	-	-	-	-	1,137,484	443,773	1,581,257	10,429	1,591,686	-	1,591,686	
Reversal of reserve for assets revaluation	-	-	-	-	(85,004)	85,004	-	-	-	-	-	
<b>Balances at April 30, 2018</b>	179,802	79,686	35,960	464,413	4,151,170	864,734	5,775,765	39,164	5,814,929	-	5,814,929	
Ordinary Shareholders' Meeting of August 28, 2018	-	-	-	864,734	-	(864,734)	-	-	-	-	-	
Capital contribution from Interenergy Argentina S.A. to Hychico S.A.	-	-	-	-	-	-	-	-	-	2,210	2,210	
Comprehensive result for the six-month period	-	-	-	-	3,132,831	(502,690)	2,630,141	21,252	2,651,393	-	2,651,393	
Reversal of reserve for assets revaluation	-	-	-	-	(174,006)	174,006	-	-	-	-	-	
<b>Balances at October 31, 2018</b>	179,802	79,686	35,960	1,329,147	7,109,995	(328,684)	8,405,906	62,626	8,468,532	-	8,468,532	

<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 Note 15).

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

  
Alejandro Gobiz  
Chairman



Capex S.A.

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**Condensed Interim Consolidated Statement of Cash Flows**  
For the six-month periods beginning on May 1, 2018 and 2017 and ended on October 31, 2018 and 2017  
Stated in thousands of pesos

	Note / Exhibit	10.31.2018	10.31.2017
<b>Cash flows from operating activities:</b>			
Comprehensive result for the period		2,651,393	680,731
<b>Adjustments to arrive at net cash flows provided by operating activities:</b>			
Exchange differences generated by cash and cash equivalents		(1,908,472)	(318,861)
Income tax		(192,521)	138,132
Interest accrued on financial liabilities and others	17	441,295	238,889
Exchange difference generated by financial liabilities	17	4,672,633	790,049
Exchange difference from placements in financial instruments at amortized cost not considered as cash or cash equivalents		(400,450)	(123,137)
Exchange difference generated by accounts receivable with CAMMESA		(10,506)	(4,767)
Interest accrued on accounts receivable and payable	22	(28,000)	1,145
Depreciation of property, plant and equipment	9 / A	494,508	333,254
Other comprehensive results	15	(3,154,083)	(427,774)
Increase of the provision of property, plant and equipment.	9 / E	17,671	461
<b>Changes in net operating assets and liabilities:</b>			
Increase in trade accounts receivable		(470,204)	(117,525)
(Increase) / decrease in other accounts receivable		(444,017)	33,997
(Increase) / decrease in inventories		(294,245)	4,005
Increase in spare parts and materials		(102,969)	(37,356)
Increase / (Decrease) in trade accounts payable		530,717	(52,215)
Increase / (Decrease) in salaries and social security contributions		11,197	(14,797)
Decrease in taxes		(85,403)	(109,492)
Increase in other liabilities		42,607	3,553
Income tax paid		(56,555)	(14,654)
Tax on assets paid		-	(4,271)
<b>Net cash flows provided by operating activities</b>		<b>1,714,596</b>	<b>999,367</b>
<b>Cash flows from investment activities</b>			
Payments made for the acquisition of property, plant and equipment	9 / A	(1,337,104)	(317,309)
Retirements of property, plant and equipment, net	9 / A	-	113
Changes in financial instruments at amortized cost not considered as cash or cash equivalents		1,032,904	(302,951)
Payments for acquisition of new areas		(947,621)	(404,150)
Capital contribution from Interenergy to E.G, Wind and Hychico		2,210	-
<b>Net cash flows used in investment activities</b>		<b>(1,249,611)</b>	<b>(1,024,297)</b>
<b>Cash flows from financing activities</b>			
Interest paid and others	17	(272,374)	(84,223)
Fees and expenses on the issuance of Corporate Bonds	17	-	(57,525)
Financial liabilities settled – net	17	(50,723)	(3,171,615)
Financial liabilities obtained	17	-	4,688,022
<b>Net cash flows (used in) / generated by financing activities</b>		<b>(323,097)</b>	<b>1,374,659</b>
<b>Increase in cash, cash equivalents and overdrafts</b>		<b>141,888</b>	<b>1,349,729</b>
Exchange difference generated by cash and cash equivalents		1,908,472	318,861
Cash, cash equivalents and overdrafts at the beginning of the year	14	4,009,886	967,539
<b>Cash, cash equivalents and overdrafts at the end of the period</b>	<b>14</b>	<b>6,060,246</b>	<b>2,636,129</b>

Alejandro Götz  
Chairman



Capex S.A.

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

For the six-month periods beginning on May 1, 2018 and 2017 and ended on October 31, 2018 and 2017  
Stated in thousands of pesos

**Operations not generating changes in cash**

<b>Complementary information</b>	<b>10.31.2018</b>	<b>10.31.2017</b>
Accrual for well capping	(204,006)	(5,389)
Deferred purchase price to Enap Sipetrol	(145,339)	-
Commercial debt for the purchase of fixed assets	(466,190)	-
Provision Tax on assets	(24,403)	-

The accompanying Notes 1 to 24 and Exhibits A and C 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

### 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, the production of oil and gas, the provision of services related to the processing and separation of gases and the production of hydrogen and oxygen.

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

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

The Company is complying in excess with the investments committed with the Province of Neuquén.

Furthermore, as part of the terms and conditions for the granting of the concession to exploit unconventional hydrocarbons, the Company paid the Neuquén Province a total of \$ 137,854, which was capitalized in Property, plant. This amount results from the following items: (i) US\$ 4.97 million in respect of the conventional exploitation bond under Section 58 bis, paragraph two, of Law 17319; (ii) US\$ 3.1 million in respect of contributions for corporate social responsibility; and (iii) US\$ 0.882 million for stamp tax on the investment agreement signed with the Province. With the payment of the bond mentioned in point (i), the Company also keeps the right to exploit conventional resources in the area until the end of the unconventional hydrocarbon exploitation concession.

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.

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 Pampa del Casitllo - La Guitarra area expires in October 2026 (see Note 24). Capex is the operator of the area.

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.



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

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

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

The Company started through Hychico two projects for the generation of wind power and the production of oxygen and hydrogen by electrolysis. Thus the Company built the Diadema Eolic Energy Farm and the Hydrogen and Oxygen Plant. 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. Likewise, the Company through E G WIND S.A began the construction of a new wind farm in the City of Comodoro Rivadavia, called DEEF II.

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

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

**- Agua del Cañón**

Below is the estimate of hydrocarbon reserves and resources in the Agua del Cañón area made by the Company at December 31, 2017, and audited by the independent auditor, Lic. Héctor López, in compliance with the requirements of ES Resolution 324/06. The expiration horizon is January 2052, with the following values:

Products		Proven					Resources
		Proven			Probable	Possible	
		Developed	Non-developed	Total			
Gas	Mm <sup>3</sup> <sup>(1)</sup>	4,255	1,744	5,999	1,053	969	15,315
Oil	Mbbl	2,151	1,252	3,403	1,138	591	2,088
	Mm <sup>3</sup>	342	199	541	181	94	332

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

**- Loma Negra**

The estimate of hydrocarbon reserves and resources in the Loma Negra area, at December 31, 2017, was audited by the independent auditor, Lic. Ana Nardone, in compliance with the requirements of ES Resolution 324/06. The expiration horizon is in December 2024, with the following values:

Products		Proven					Resources
		Proven			Probable	Possible	
		Developed	Non-developed	Total			
Gas	Mm <sup>3</sup> <sup>(1)</sup>	488	1,014	1,502	362	318	-
Oil	Mbbl	648	1,220	1,868	289	679	-
	Mm <sup>3</sup>	103	194	297	46	108	-

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

The Company owns 37.50% of said reserves.

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

- La Yesera

The estimate of hydrocarbon reserves and resources in the La Yesera area, at December 31, 2017, was audited by the independent auditor, Lic. Ana Nardone, in compliance with the requirements of ES Resolution 324/06. The expiration horizon is in June 2027, with the following values:

Products		Proven					Resources
		Proven			Probable	Possible	
		Developed	Non-developed	Total			
Gas	MMm <sup>3</sup> <sup>(1)</sup>	114	40	154	-	236	-
Oil	Mbbl	1,138	503	1,641	-	3,006	-
	Mm <sup>3</sup>	181	80	261	-	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, 2017, was audited by the independent auditor, Lic. Héctor A. López, in compliance with the requirements of ES Resolution 324/06. The expiration horizon is October 2026, with the following values:

Products		Proven					Resources
		Proven			Probable	Possible	
		Developed	Non-developed	Total			
Gas	MMm <sup>3</sup> <sup>(1)</sup>	21	15	36	4	3	-
Oil	Mbbl	8,183	5,850	14,033	1,535	1,176	-
	Mm <sup>3</sup>	1,301	930	2,231	244	187	-

<sup>(1)</sup> Determined at 9,300 K/Cal per cubic meter  
Capex owns 95% of said reserves.

Proven developed reserves at October 31, 2018, calculated on the basis of the audited reserves at December 31, 2017 until the end of the concession, and adjusted according to production for the period from January to October 2018, are as follows:

		Agua del Cajón	Loma Negra (37,5%)	La Yesera (18,75%)	Pampa del Castillo (95%)
Gas	MMm <sup>3</sup> <sup>(1)</sup>	3,770	157	19	20
Oil	Mbbl	1,877	186	178	7,462
	Mm <sup>3</sup>	298	30	28	1,186

<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, 2018, except for:

7.



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

#### **Resolution 46/2018 – Reference price for electricity generating**

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

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

The company has submitted the affidavits for the production of natural gas coming from unconventional reservoirs from the Agua del Cajón Area corresponding to the periods January - October 2018 and the bond insurance policies, in order to request the payment of the incentive program. The Ministry of Energy authorized the provisional payment equivalent to 85% of the economic remunerations requested for the period January - August 2018 for approximately \$147.6 million. The Company has recorded under Sales the total incentive which complies with the conditions set forth in Resolution No. 419 E/2017, amounting to \$297.5 million corresponding to the production of the months January to September 2018 (see notes 5 and 22).

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

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

- CAMMESA must acquire natural gas under firm and interruptible quantities through the Gas Electronic Market (MEG, for its acronym in Spanish) based on the needs of the system and considering the Maximum Daily Quantities of the effective contracts in force for the period.
- Acquisitions must be open to producers and sellers of natural gas, for each of the productive basins and up to the required quantities.
- The term of the agreements to be executed is that corresponding to deliveries between September 1, 2018 and December 31, 2018.
- The maximum value to accept should not exceed the price established in Resolution MEN No. 46/2018.
- Volumes to be acquired in each basin will be those required to cover supply needs.
- The bidding must be competitive and transparent, the outcome of which must be published.
- The daily dispatch of natural gas volumes hired must be made in ascendant order of generation cost, considering the transportation capacity and the availability of electricity generation.

#### **Decree 793/2018 – Export Duties**

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

#### **Resolution No. 70/2018 ES - Acquisition of Gas**

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

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



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

The 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 condensed interim consolidated financial statements, for the six and three-month period ended October 31, 2018, have been prepared according to the accounting framework established by the CNV. The accounting framework is based on the application of the IFRs, and in particular IAS 34 "Financial Interim Information" (IAS 34), with the only exception of the International Accounting Standard 29 (IAS 29), which was excluded from its accounting framework by the CNV.

This condensed interim financial information must be read jointly with the consolidated financial statements of the Company as of April 30, 2018.

The condensed interim consolidated financial statements corresponding to the six and three-month periods ended October 31, 2018 and 2017 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, 2018 and 2017 do not necessarily reflect the proportion of the Group's results during full fiscal years. Figures are stated in thousands of Argentine pesos, except otherwise expressly stated.

The condensed interim consolidated financial statements have been approved for their issuance by the Board of Directors on December 4, 2018.

#### **Comparative information**

Balances at April 30, 2018 and for the six and three-month period ended on October 31, 2017, which are disclosed for comparative purposes, arise from financial statements at those dates. 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.

#### **Financial reporting 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, regardless of whether they are based on the historical cost method or the currency cost method. 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. On July 24, 2018, the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) issued a communication to confirm the above-mentioned information. However, on November 15, 2018, Law No. 27468 was approved whereby, among other issues, Executive Branch Decree No. 664/03, -which would not allow the filing of financial statements restated before the National Securities Commission (CNV)- was repealed. The regulation of this law is pending enactment by the pertinent control agencies (CNV).

Thus, the Company has applied the basis for accounting presentation described in the first item of this Note for the preparation of these financial statements.

In an inflationary period, any entity with an excess of monetary assets over monetary liabilities will lose purchasing power while any entity with an excess of monetary liabilities over monetary assets will win purchasing power, provided that these items are not subject to an adjustment mechanism.





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

In summary, the restatement mechanism of Technical Pronouncement No. 29 establishes that the monetary assets and liabilities will not be restated as they are already stated in the measuring unit current at the end of the reporting period. Assets and liabilities subject to adjustments under specific agreements will be adjusted on the basis of those agreements. Restatement of non-monetary items measured at their current values at the end of the reporting period, such as the net realizable value, among others, is not necessary. The remaining non-monetary assets and liabilities will be restated considering a general price index. Income or loss from the net monetary position will be included within the net comprehensive income/loss for the reporting period, disclosed in a separate item.

The Company is taking the necessary measures to implement the application of the comprehensive adjustment for inflation, which requires efforts on different matters such as training, changes to the systems, search of historical information, among other relevant issues. The implementation of these actions will have effects in the financial statements, for which presentation the effects of the inflation adjustment be required, once Law No. 27468 is implemented by the control agency (CNV).

#### **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, 2018, except for:

##### **IAS 20 – Accounting of the Government subsidies and information to be disclosed on Government aids**

The incentives for the natural gas production from unconventional reservoirs, stated by the Ministry of Energy and Mining through Resolutions Nos. 46E/2017 and 419E/2017 (see Note 3), fall within the scope of IAS 20 - Accounting of the Government subsidies and information to be disclosed on Government aid, as they consist of economic remunerations related to income for companies that are committed to make investments in natural gas production from unconventional reservoirs. This incentive has been included under Sales in the Statement of Comprehensive Income.

This incentive is recognized in the income for the period on a systematic basis throughout the period during which the necessary conditions for its recognition are materialized.

The recognition of this income is made at its fair value when there is a reasonable assurance that the incentive will be received and the conditions will be met.

#### **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, 2018.



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## 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, 2018.

## 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, 2018, which amount to \$ 2,559.0 million, are distributed as follows:

- 1) Gas revenues of \$ 1,184.1 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 \$ 1,374.9 million: corresponds to the specific remuneration per generation.

Segments reporting information is disclosed below:

	Six months at 10.31.2018						Total
	Oil and Gas	Electricity ADC	LPG	Energy DEEF	Hydrogen Energy	Oxygen	
Sales	936,049	2,559,019	224,373	52,132	2,624	1,919	3,776,116
Reclassification between segments	1,221,989	(1,184,119)	(37,870)	-	-	-	-
Sales per segment	2,158,038	1,374,900	186,503	52,132	2,624	1,919	3,776,116
Participation per segment on Sales	57.15%	36.41%	4.94%	1.38%	0.07%	0.05%	100.0%
Cost of sales	(421,462)	(416,548)	(40,432)	(14,758)	(4,632)	(3,105)	(900,937)
Gross Profit	1,736,576	958,352	146,071	37,374	(2,008)	(1,186)	2,875,179
Segment share on gross income	60.40%	33.33%	5.08%	1.30%	-0.07%	-0.04%	100.00%
Preoperative expenses	-	-	-	(4,685)	-	-	(4,685)
Selling Expenses	(465,857)	(96,130)	(9,427)	(120)	(733)	(463)	(572,730)
Administrative Expenses	(107,838)	(54,038)	(19,422)	(345)	(1,213)	(976)	(183,832)
Other operating income / (expenses), net	5,958	(1,815)	(189)	-	-	-	3,954
Operating result	1,168,839	806,369	117,033	32,224	(3,954)	(2,625)	2,117,886
Financial Income	-	-	-	-	-	-	2,653,543
Financial Costs	-	-	-	-	-	-	(5,448,969)
Other Financial Income	-	-	-	-	-	-	(17,671)
Result Before Income Tax	-	-	-	-	-	-	(695,211)
Income Tax	-	-	-	-	-	-	192,521
Net result for the period	-	-	-	-	-	-	(502,690)
Other comprehensive results <sup>(1)</sup>	-	-	-	-	-	-	3,154,083
Not comprehensive result for the period	-	-	-	-	-	-	2,651,393
Depreciation	-	-	-	-	-	-	-
In Cost of Sales	(198,780)	(273,741)	(9,986)	(8,796)	(583)	(144)	(492,030)
In Administrative Expenses	(625)	(1,705)	(148)	-	-	-	(2,478)
Total	(199,405)	(275,446)	(10,134)	(8,796)	(583)	(144)	(494,508)



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

Three months at 10.31.2018							
	Oil and Gas	Electricity ADC	LPG	Energy DEEF	Hydrogen Energy	Oxygen	Total
Sales	523,115	1,354,690	126,512	31,909	1,307	1,120	2,038,653
Reclassification between segments	579,286	(560,548)	(18,738)	-	-	-	-
Sales per segment	1,102,401	794,142	107,774	31,909	1,307	1,120	2,038,653
Participation per segment on Sales	54.07%	38.95%	5.29%	1.57%	0.06%	0.06%	100.00%
Cost of sales	(236,092)	(240,005)	(19,017)	(8,040)	(2,146)	(1,700)	(507,000)
Gross Profit	866,309	554,137	88,757	23,869	(839)	(580)	1,531,653
Segment share on gross income	56.56%	36.18%	5.79%	1.56%	-0.06%	-0.04%	100.00%
Preoperative expenses	-	-	-	(3,333)	-	-	(3,333)
Selling Expenses	(302,249)	(50,782)	(4,660)	(66)	(371)	(285)	(358,413)
Administrative Expenses	(52,770)	(26,101)	(8,723)	(250)	(701)	(638)	(89,183)
Other operating expenses, net	4,084	84	174	-	-	-	4,342
<b>Operating result</b>	<b>515,374</b>	<b>477,338</b>	<b>75,548</b>	<b>20,220</b>	<b>(1,911)</b>	<b>(1,503)</b>	<b>1,085,066</b>
Financial Income	-	-	-	-	-	-	1,480,146
Financial Costs	-	-	-	-	-	-	(3,045,077)
Other Financial Income	-	-	-	-	-	-	(17,822)
<b>Result Before Income Tax</b>	-	-	-	-	-	-	<b>(487,687)</b>
Income Tax	-	-	-	-	-	-	136,553
<b>Net result for the period</b>	-	-	-	-	-	-	<b>(351,134)</b>
Other comprehensive results <sup>(1)</sup>	-	-	-	-	-	-	1,750,623
<b>Net comprehensive result for the period</b>	-	-	-	-	-	-	<b>1,389,489</b>
<b>Depreciation</b>	-	-	-	-	-	-	-
In Cost of Sales	(112,412)	(168,499)	(5,712)	(5,016)	(291)	(73)	(292,002)
In Administrative Expenses	(352)	(910)	(84)	-	-	-	(1,347)
<b>Total</b>	<b>(112,764)</b>	<b>(169,409)</b>	<b>(5,796)</b>	<b>(5,016)</b>	<b>(291)</b>	<b>(73)</b>	<b>(293,349)</b>

Six months at 10.31.2017							
	Oil and gas	Electricity ADC	LPG	Energy DEEF	Hydrogen Energy	Oxygen	Total
Sales	386,474	1,329,268	118,029	32,008	3,231	1,199	1,870,209
Reclassification between segments	787,533	(723,680)	(63,853)	-	-	-	-
Sales per segment	1,174,007	605,588	54,176	32,008	3,231	1,199	1,870,209
Participation per segment on Sales	62.8%	32.4%	2.9%	1.7%	0.2%	0.1%	100.0%
Cost of sales	(280,649)	(294,976)	(27,266)	(9,338)	(4,011)	(1,421)	(617,661)
Gross Profit	893,358	310,612	26,910	22,670	(780)	(222)	1,252,548
Segment share on gross income	71.3%	24.8%	2.1%	1.8%	-0.1%	0.0%	100.0%
Selling expenses	(204,106)	(60,642)	(9,931)	(229)	(718)	(241)	(275,867)
Administrative expenses	(80,957)	(40,150)	(13,454)	(209)	(830)	(435)	(136,032)
Other operating expenses, net	(45)	(155)	(21)	(187)	(19)	(7)	(434)
<b>Operating result</b>	<b>608,250</b>	<b>209,665</b>	<b>3,504</b>	<b>22,048</b>	<b>(2,347)</b>	<b>(905)</b>	<b>840,215</b>
Financial income	-	-	-	-	-	-	597,164
Financial costs	-	-	-	-	-	-	(1,045,829)
Other financial income	-	-	-	-	-	-	(461)
<b>Result before Income Tax</b>	-	-	-	-	-	-	<b>391,089</b>
Income tax	-	-	-	-	-	-	(138,132)
<b>Net result for the period</b>	-	-	-	-	-	-	<b>252,957</b>
Other comprehensive results <sup>(1)</sup>	-	-	-	-	-	-	427,774
<b>Net comprehensive result for the period</b>	-	-	-	-	-	-	<b>680,731</b>
<b>Depreciation</b>	-	-	-	-	-	-	-
In Cost of sales	(138,179)	(180,076)	(7,332)	(5,368)	(584)	(144)	(331,683)
In Administrative expenses	(331)	(1,139)	(101)	-	-	-	(1,571)
<b>Total</b>	<b>(138,510)</b>	<b>(181,215)</b>	<b>(7,433)</b>	<b>(5,368)</b>	<b>(584)</b>	<b>(144)</b>	<b>(333,254)</b>



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

	Three months at 10.31.2017						Total
	Oil and gas	Electricity ADC	LPG	Energy DEEF	Hydrogen Energy	Oxygen	
Sales	174,522	701,650	61,891	17,209	1,703	659	957,634
Reclassification between segments	423,750	(392,385)	(31,365)	-	-	-	-
Sales per segment	598,272	309,265	30,526	17,209	1,703	659	957,634
Participation per segment on Sales	62.5%	32.3%	3.2%	1.8%	0.2%	0.1%	100.0%
Cost of sales	(150,914)	(143,568)	(12,419)	(5,418)	(2,146)	(791)	(315,256)
Gross Profit	447,358	165,697	18,107	11,791	(443)	(132)	642,378
Segment share on gross income	69.6%	25.8%	2.8%	1.8%	-0.1%	0.0%	100.0%
Selling expenses	(97,720)	(34,379)	(4,619)	(127)	(403)	(141)	(137,389)
Administrative expenses	(33,168)	(16,522)	(5,754)	(125)	(516)	(273)	(56,358)
Other operating income / (expenses), net	24	49	5	(175)	(18)	(7)	(122)
Operating result	318,494	114,845	7,739	11,364	(1,380)	(553)	448,509
Financial income							89,915
Financial costs							(117,488)
Other financial income							(710)
Result before Income Tax							420,226
Income tax							(148,627)
Net result for the period							271,599
Other comprehensive results <sup>(1)</sup>							-
Net comprehensive result for the period							271,599
Depreciation							
In Cost of sales	(75,675)	(99,161)	(3,666)	(3,016)	(292)	(72)	(181,882)
In Administrative expenses	(175)	(675)	(60)	-	-	-	(910)
Total	(75,850)	(99,836)	(3,726)	(3,016)	(292)	(72)	(182,792)

<sup>(1)</sup>No future charge to results

The Company did not make sales to foreign customers and is not owner of assets, which are not financial instruments abroad.

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

	10.31.2018	10.31.2017
Residual value at beginning of period	9,338,710	6,849,140
Additions / retirements	3,071,772	742,273
Increase of provisions	(17,671)	(461)
Revaluation	4,235,699	658,113
Depreciation	(494,508)	(333,254)
Residual value at the end of the period	16,134,002	7,915,811

From the depreciation charge for the six-month periods ended October 31, 2018 and 2017, \$ 492,030 and \$ 331,682, respectively, were allocated to Cost of sales and \$ 2,478 and \$ 1,571, respectively, to Administrative Expenses.

At October 31, 2018, Capex with independent experts have revalued at fair value the CT ADC, DEEF (owned by Hychico) and LPG Plant (property of SEB) (see Note 15). The differences that have arisen compared with the revaluation at April 30, 2018 were recorded. The Board of Directors approved the revaluations made on the different classes of assets.

The participation of the independent experts was approved by the Board of Directors based on skills such as the knowledge of the market, reputation and independence. Furthermore, the Board of Directors decides, after discussing with experts, the valuation methods and, where applicable, the entry data to be used in each case.

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

At October 31, 2018, the Company has compared the recoverable values of its revalued assets with their carrying values, measured based on the revaluation model, concluding that the latter do not exceed their recoverable values.

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**NOTE 9 – PROPERTY, PLANT AND EQUIPMENT (CONT'D.)**

Below is the revaluation by group of assets:

	Net book value at cost at 04.30.2018	Additions/ Retirements for the period – net	Depreciation for the period at cost value	Residual value at cost value at 10.31.2018
CT ADC	501,487	80,150	(38,308)	543,329
Building and land in Neuquén	33,256	17,664	(103)	50,817
LPG Plant	50,626	-	(2,470)	48,156
DEEF	51,551	2,993	(1,865)	52,679
Remaining assets	3,109,840	2,953,294	(201,766)	5,861,368
<b>Total</b>	<b>3,748,760</b>	<b>3,054,101</b>	<b>(244,512)</b>	<b>6,556,349</b>

	Residual value of revaluation at 04.30.2018	Depreciation for the period- Revaluation	Additions/ Retirements of the period- Revaluation	Residual value of revaluation at 10.31.2018	Net book value at 10.31.2018
CT ADC	4,971,844	(235,433)	3,961,095	8,697,506	9,240,835
Building and land in Neuquén	338,930	(116)	-	338,814	389,631
LPG Plant	124,568	(7,516)	126,127	243,179	291,335
DEEF	156,608	(6,931)	148,477	298,154	350,833
Remaining assets	-	-	-	-	5,861,368
<b>Total</b>	<b>5,591,950</b>	<b>(249,996)</b>	<b>4,235,699</b>	<b>9,577,653</b>	<b>16,134,002</b>

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

The deferred tax net position is as follows:

	10.31.2018	04.30.2018
<b>Deferred tax assets</b>		
Deferred tax assets to be recovered after 12 months	259,074	34,422
Deferred tax assets to be recovered within 12 months	1,492	2,715
<b>Deferred tax liabilities:</b>		
Deferred tax liabilities to be recovered after 12 months	(2,433,921)	(1,216,277)
Deferred tax liabilities to be recovered within 12 months	(312,691)	(432,924)
<b>Net deferred tax liabilities <sup>(1)</sup></b>	<b>(2,486,046)</b>	<b>(1,612,064)</b>

<sup>(1)</sup> This amount is shown in the condensed interim consolidated financial statements as follows: \$ 46,754 and \$ 11,377 under net deferred tax assets at October 31 and April 30, 2018, respectively, and \$ 2,532,800 and \$ 1,623,441 under net deferred tax liabilities at October 31 and April 30, 2018, respectively.

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

- Deferred assets:

	Tax losses	Trade accounts payable	Provisions and others	Total
Balance at April 30, 2018	7,069	10,043	20,025	37,137
Charge to income/loss	226,198	5,633	(6,227)	225,604
Change in income tax rate	(7,213)	(890)	(278)	(8,381)
<b>Balance at October 31, 2018</b>	<b>226,054</b>	<b>14,786</b>	<b>13,520</b>	<b>254,360</b>



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

- Deferred liabilities:

	Financial instruments at amortized cost	Property, plant and equipment	Other accounts receivables	Financial liabilities	Total
Balance at April 30, 2018	(112,308)	(1,523,696)	(70)	(13,126)	(1,649,200)
Charge to income/loss	(95,277)	82,357	2,863	(131)	(10,188)
Change in income tax rate	-	600	-	-	600
Charge to Other Comprehensive Results	-	(1,270,710)	-	-	(1,270,710)
Charge to Other Comprehensive Results due to a change in the income tax rate	-	189,092	-	-	189,092
Balance at October 31, 2018	(207,585)	(2,522,357)	2,793	(13,257)	(2,740,406)

Tax losses in force as of October 31, 2018 of Capex for \$185,381, may be applied against future taxable income originated within five years from their generation; these tax losses begin to expire as from the year ended April 30, 2020.

Tax losses in force as of October 31, 2018 of E G WIND amounting to \$40,673 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.

**NOTE 11 - OTHER ACCOUNTS RECEIVABLE**

	10.31.2018	04.30.2018
<b>Non-Current</b>		
In local currency		
Turnover tax	-	1,035
Tax on assets	24,404	11,023
Value added tax	11,163	
Other tax credits	-	41
Prepaid insurance	72	-
In foreign currency (Exhibit G)		
Assignment of CAMMESA rights	10,158	12,768
<b>Total</b>	<b>45,797</b>	<b>24,867</b>
<b>Current</b>		
In local currency		
Sundry advances	12,480	9,915
Turnover tax	18,091	6,520
Value added tax	112,564	12,542
Income tax withholdings	128,070	2,735
Other tax credits	56,091	9,152
Prepaid insurance	21,423	21,302
Prepaid expenses	3,867	1,247
Assignment of CAMMESA rights	2,869	1,293
Intercompany receivables Section 33 – Law 19550 (Note 23.b))	2,266	829
Agreement for gas propane supply for networks to collect	52,923	13,109
Fiduciary fund gas to recover	11,668	-
Unconventional gas stimulus program (Note 3)	149,950	-
Sundry	1,475	1,376
In foreign currency (Exhibit G)		
Sundry advances	7,886	7,549
Intercompany receivables Section 33 – Law 19550 (Note 23.b))	-	137
Assignment of CAMMESA rights	28,430	16,670
Sundry	12,870	-
<b>Total</b>	<b>822,923</b>	<b>104,376</b>

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

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**NOTE 12 – TRADE ACCOUNTS RECEIVABLE**

	10.31.2018	04.30.2018
<b>Non-Current</b>		
In local currency		
Doubtful accounts	2,627	2,627
Less: Provision for doubtful accounts (Exhibit E)	(2,627)	(2,627)
<b>Total</b>	-	-
<b>Current</b>		
In local currency		
From sale of energy and others	54,364	35,775
Intercompany receivables Section 33 – Law 19550 (Nota 23.b))	9,123	16,651
In foreign currency (Exhibit G)		
From sale of oil and others	214,156	106,415
From sale of energy	1,015,354	664,202
Intercompany receivables Section 33 – Law 19550 (Nota 23.b))	3,039	2,789
<b>Total</b>	1,296,036	825,832

**NOTE 13 - FINANCIAL INSTRUMENTS**

	10.31.2018	04.30.2018
<b>Current</b>		
In foreign currency (Exhibit G)		
Financial instruments at fair value (Exhibit C)	-	632,454
<b>Total</b>	-	632,454

**NOTE 14 - CASH AND CASH EQUIVALENTS**

	10.31.2018	04.30.2018
<b>Current</b>		
In local currency		
Cash	73	65
Banks	25,860	15,169
Check to be deposited	9	-
Financial instruments at fair value (Exhibit D)	616,892	1,772,842
In foreign currency (Exhibit G)		
Cash	265	4,608
Banks	38,654	15,463
Financial instruments at amortized cost (Exhibit D)	2,317,175	564,592
Financial instruments at fair value (Exhibit D)	3,061,318	1,637,147
<b>Total</b>	6,060,246	4,009,886

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

	10.31.2018	10.31.2017
Cash, banks and checks to be deposited	64,861	23,644
Financial instruments at fair value	3,678,210	1,834,527
Financial instruments at amortized cost	2,317,175	777,958
<b>Total</b>	6,060,246	2,636,129





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**NOTE 15 - 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
Balance at April 30, 2017	2,498,700	68,816	51,642	149,059	2,768,217	2,757,020	11,197
Increase for revaluation	636,832	-	21,281	-	658,113	654,917	3,196
Deferred tax	(222,891)	-	(7,448)	-	(230,339)	(229,221)	(1,118)
<b>Total other comprehensive results</b>	<b>413,941</b>	<b>-</b>	<b>13,833</b>	<b>-</b>	<b>427,774</b>	<b>425,696</b>	<b>2,078</b>
Reversal due to depreciation for the period <sup>(1)</sup>	(121,688)	(4,812)	(3,503)	(33)	(130,036)	(129,271)	(765)
Reversal of deferred tax <sup>(1)</sup>	42,591	1,684	1,226	12	46,513	45,245	268
<b>Subtotal for reversal of depreciation for the revaluation of assets <sup>(1)</sup></b>	<b>(79,097)</b>	<b>(3,128)</b>	<b>(2,277)</b>	<b>(21)</b>	<b>(84,523)</b>	<b>(84,026)</b>	<b>(497)</b>
Balance at October 31, 2017	2,833,544	65,688	63,198	149,038	3,111,468	3,098,690	12,778
Increase for revaluation	735,550	28,322	63,098	109,683	936,653	925,761	10,892
Deferred tax	(257,443)	(9,913)	(22,085)	(38,389)	(327,830)	(324,016)	(3,814)
Result due to change in income tax rate	478,920	11,241	14,522	33,799	538,482	535,739	2,743
<b>Total other comprehensive results</b>	<b>957,027</b>	<b>29,650</b>	<b>55,535</b>	<b>105,093</b>	<b>1,147,305</b>	<b>1,137,484</b>	<b>9,821</b>
Reversal due to depreciation for the period <sup>(1)</sup>	(123,003)	(4,813)	(3,717)	(42)	(131,575)	(130,774)	(801)
Reversal of deferred tax <sup>(1)</sup>	43,051	1,686	1,301	13	46,051	45,770	281
<b>Subtotal for reversal of depreciation for the revaluation of assets <sup>(1)</sup></b>	<b>(79,952)</b>	<b>(3,127)</b>	<b>(2,416)</b>	<b>(29)</b>	<b>(86,524)</b>	<b>(85,004)</b>	<b>(520)</b>
Balance at April 30, 2018	3,710,619	92,211	116,317	254,102	4,173,249	4,151,170	22,079
Increase for revaluation	3,961,095	126,127	148,477	148,477	4,235,699	4,207,096	28,603
Deferred tax	(1,188,328)	(37,837)	(44,543)	-	(1,270,708)	(1,262,129)	(8,579)
Result due to change of the income tax rate	177,438	5,202	6,452	-	189,092	187,864	1,228
<b>Total other comprehensive results</b>	<b>2,950,205</b>	<b>93,492</b>	<b>110,386</b>	<b>-</b>	<b>3,154,083</b>	<b>3,132,831</b>	<b>21,252</b>
Reversal due to depreciation for the period <sup>(1)</sup>	(235,433)	(7,516)	(6,931)	(116)	(249,996)	(248,580)	(1,416)
Reversal of deferred tax <sup>(1)</sup>	70,630	2,559	2,394	35	75,618	74,574	1,044
<b>Subtotal for reversal of depreciation for the revaluation of assets <sup>(1)</sup></b>	<b>(164,803)</b>	<b>(4,957)</b>	<b>(4,537)</b>	<b>(81)</b>	<b>(174,378)</b>	<b>(174,006)</b>	<b>(372)</b>
Balance at October 31, 2018	6,496,021	180,746	222,166	254,021	7,152,954	7,109,995	42,959

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

**NOTE 16 - TRADE ACCOUNTS PAYABLE**

	10.31.2018	04.30.2018
<b>Non-Current</b>		
In local currency		
Sundry accruals	338,723	120,457
In foreign currency (Exhibit G)		
Sundry accruals	474,907	4,734
<b>Total</b>	<b>813,630</b>	<b>125,191</b>
<b>Current</b>		
In local currency		
Suppliers	526,640	252,461
Intercompany suppliers Section 33 - Law 19550 (Nota 23.b))	1,538	164
Sundry accruals	87,936	21,933
In foreign currency (Exhibit G)		
Suppliers	731,760	324,465
Intercompany suppliers Section 33 - Law 19550 (Nota 23.b))	-	1,735
Sundry accruals	23,394	101,327
<b>Total</b>	<b>1,371,268</b>	<b>702,085</b>

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

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**NOTE 17 - FINANCIAL LIABILITIES**

	10.31.2018	04.30.2018
<b>Non-Current</b>		
In local currency		
Commissions and expenses to be accrued	(39,944)	(44,198)
Advance funding for maintenance of the CT ADC	-	58,401
In foreign currency (Exhibit G)		
Bank	71,900	49,296
Corporate bonds	10,785,000	6,162,000
<b>Total</b>	<b>10,816,956</b>	<b>6,225,499</b>
<b>Current</b>		
In local currency		
Advance funding for maintenance of the CT ADC	97,173	56,647
Commissions and expenses to be accrued	(8,996)	(8,811)
In foreign currency (Exhibit G)		
Bank	29,102	16,624
Corporate bonds	341,899	195,344
<b>Total</b>	<b>459,178</b>	<b>259,804</b>

Changes in loans are as follows:

	10.31.2018	10.31.2017
<b>Balances at the beginning</b>	<b>6,485,303</b>	<b>3,413,422</b>
Funding for maintenance of the CT ADC	-	86,022
Loans obtained	-	4,602,000
Accruals:		
Accrued interest	437,229	233,278
Accrued commissions and expenses	4,066	5,611
Exchange difference generated by foreign currency debts	4,672,633	790,049
Payments:		
Corporate bond expenses	-	(57,525)
Interest	(272,374)	(84,223)
Capital	(50,723)	(3,171,615)
<b>Balances at period-end</b>	<b>11,276,134</b>	<b>5,817,019</b>

The fair value of corporate bonds at October 31 and April 30, 2018 amounts to \$ 9,008 million and \$ 6,202 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.

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**NOTE 18 – SALARIES AND SOCIAL SECURITY CONTRIBUTIONS**

	10.31.2018	04.30.2018
<b>Current</b>		
In local currency		
Salaries and social security contributions	40,329	21,932
Sundry accruals	68,133	75,333
<b>Total</b>	<b>108,462</b>	<b>97,265</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, 2018, except for:

Differences in the computation of the employer contributions

On September 19, 2018, the Company was notified of Administrative Resolutions No. 323/18 DV TJGE (DI RSGE) and No. 324/18 DV TJGE (DI RSGE) whereby the challenges timely filed by the Company were rejected as regards the two periods claimed and the fines. These Resolutions were challenged at an administrative stage by the Company.

The Company's Management, in line with the opinion of its internal and external legal counsel, understands that it has solid grounds to reverse the position of AFIP; therefore, the financial statements at October 31, 2018 do not include any related charge.

**NOTE 20 – SALES**

	Six months at		Three months at	
	10.31.2018	10.31.2017	10.31.2018	10.31.2017
Oil	613,840	278,194	346,547	130,366
Gas	-	108,280	-	44,156
Gas stimulation program (Note 3)	297,506	-	162,506	-
Electricity <sup>(1)</sup>	2,559,019	1,329,268	1,354,690	701,650
LPG	212,371	117,997	125,757	61,867
DEEF Energy	52,132	32,008	31,909	17,209
Energy generated with hydrogen	2,624	3,231	1,307	1,703
Oxygen	1,919	1,199	1,120	659
Services	24,703	-	14,062	-
Other <sup>(2)</sup>	12,002	32	755	24
<b>Total</b>	<b>3,776,116</b>	<b>1,870,209</b>	<b>2,038,653</b>	<b>957,634</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 \$ 1,184.1 and \$ 723.7 as of October 31, 2018 and 2017, respectively.

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

**NOTE 21 – OTHER OPERATING INCOME / (EXPENSES), NET**

	Six months at		Three months at	
	10.31.2018	10.31.2017	10.31.2018	10.31.2017
Income from charges for indirect administrative services consortia / UTE (net)	6,621	-	4,224	-
Not computable assessments	(1,299)	-	(3)	-
Result on sale of vehicles	545	300	140	(113)
Sundry	(1,913)	(734)	(19)	(9)
<b>Total</b>	<b>3,954</b>	<b>(434)</b>	<b>4,342</b>	<b>(122)</b>

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**NOTE 22 – FINANCIAL RESULTS**

	Six months at		Three months at	
	10.31.2018	10.31.2017	10.31.2018	10.31.2017
<b>Financial income</b>				
Interest and other	133,504	139,847	53,510	82,373
Accrual of interest on accounts receivable	39,372	1,345	39,360	630
Exchange difference	2,480,667	455,972	1,387,276	6,913
	<b>2,653,543</b>	<b>597,164</b>	<b>1,480,146</b>	<b>89,916</b>
<b>Financial costs</b>				
Interest and other	(444,383)	(242,584)	(251,093)	(112,467)
Interest accrued from accounts payable	(11,372)	(2,489)	(7,177)	(1,266)
Exchange difference	(4,993,214)	(800,756)	(2,786,807)	(3,755)
	<b>(5,448,969)</b>	<b>(1,045,829)</b>	<b>(3,045,077)</b>	<b>(117,488)</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 75.3% 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 at		Three months at	
	10.31.2018	10.31.2017	10.31.2018	10.31.2017
Sale of energy	2,624	3,231	1,307	1,703
Expenses corresponding to Hychico	(179)	(5)	(156)	(5)
Expenses corresponding to C.A.P.S.A.	5,703	3,823	3,086	2,126
Expenses corresponding to Capex	(1,965)	(119)	(1,826)	(68)
Expenses corresponding a E G WIND	(1)	-	-	-
Expenses corresponding a SEB	(13)	-	-	-

*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 at		Three months at	
	10.31.2018	10.31.2017	10.31.2018	10.31.2017
Office and garage rental	(2,284)	(1,919)	(1,156)	(985)
Services provided	1,701	1,211	638	868
Expenses corresponding to Interenergy	1	19	1	18
Expenses corresponding to Capex	-	(675)	-	(675)

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

The transactions with Wild S.A. were:

	Six months at		Three months at	
	10.31.2018	10.31.2017	10.31.2018	10.31.2017
Expenses corresponding to Wild	7	-	7	-
Expenses corresponding to Capex	-	(6)	-	(6)

The transactions with Plenum Energy S.A. were:

	Six months at		Three months at	
	10.31.2018	10.31.2017	10.31.2018	10.31.2017
Expenses corresponding to Plenum	3	-	3	-



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

a. iv) With the related parties

The transactions with Alparamis S.A. were:

	Six months at		Three months at	
	10.31.2018	10.31.2017	10.31.2018	10.31.2017
Office and garage rental	(12,300)	(10,200)	(6,150)	(5,100)

a. v) With consortia

The transactions with Loma Negra were:

	Six months at		Three months at	
	10.31.2018	10.31.2017	10.31.2018	10.31.2017
Management and operation services	32,774	-	17,633	-
Prorateable expenses	9,149	-	4,132	-
Charges for indirect administration services	260	-	147	-
Expenses refund	1,692	-	465	-
Cash Call	215,709	-	84,429	-
Distributions to partners	(49,081)	-	(34,741)	-

The transactions with La Yesera were:

	Six months at		Three months at	
	10.31.2018	10.31.2017	10.31.2018	10.31.2017
Management and operation services	8,400	-	4,072	-
Prorateable expenses	1,017	-	460	-
Charges for indirect administration services	51	-	21	-
Expenses refund	35	-	9	-
Cash Call	12,003	-	5,930	-
Distributions to partners	(1,536)	-	(741)	-

a. vi) With UTE

The transactions with Pampa del Castillo were:

	Six months at		Three months at	
	10.31.2018	10.31.2017	10.31.2018	10.31.2017
Management and operation services	11,628	-	11,628	-
Prorateable expenses	20	-	20	-
Cash call	119,706	-	119,706	-
Distributions to partners	(51,302)	-	(51,302)	-

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

b) Balances at period end with the related companies

	10.31.2018		
	Other current accounts	Current trade accounts receivable	Current accounts payable
<b>In local currency</b>			
<b>With the parent company:</b>			
- Compañías Asociadas Petroleras S.A.	1,547	683	1,535
<b>With the companies directly or indirectly controlled by the parent company:</b>			
- Interenergy Argentina S.A.	126	-	3
<b>With the controlling companies of the parent company:</b>			
- Plenium Energy S.A.	2	-	-
- Wild	7	-	-
<b>With consortia / UTE:</b>			
- Río Negro Norte Area	576	5,992	-
- Lote IV La Yesera	8	1,319	-
- Pampa del Castillo	-	1,129	-
<b>Total In local currency</b>	<b>2,266</b>	<b>9,123</b>	<b>1,538</b>
<b>In foreign currency (Exhibit G)</b>			
<b>With the parent company:</b>			
- Compañías Asociadas Petroleras S.A.	-	1,058	-
<b>With consortia</b>			
- Río Negro Norte Area	-	1,683	-
- Lote IV La Yesera	-	298	-
<b>Total In foreign currency</b>	<b>-</b>	<b>3,039</b>	<b>-</b>

	04.30.2018		
	Other current accounts	Current trade accounts receivable	Other current accounts
<b>In local currency</b>			
<b>With the parent company:</b>			
- Compañías Asociadas Petroleras S.A.	701	-	164
<b>With the companies directly or indirectly controlled by the parent company:</b>			
- Interenergy Argentina S.A.	126	-	-
<b>With the controlling companies of the parent company:</b>			
- Plenium Energy S.A.	2	-	-
<b>With consortia / UTE:</b>			
- Río Negro Norte Area	-	14,983	-
- Lote IV La Yesera	-	1,668	-
- Pampa del Castillo	-	-	-
	<b>829</b>	<b>16,651</b>	<b>164</b>
<b>In foreign currency (Exhibit G)</b>			
<b>With the parent company:</b>			
- Compañías Asociadas Petroleras S.A.	137	756	1,735
<b>With consortia</b>			
- Río Negro Norte Area	-	1,313	-
- Lote IV La Yesera	-	720	-
<b>Total In foreign currency</b>	<b>137</b>	<b>2,789</b>	<b>1,735</b>



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**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, 2018 and 2017, amounts to \$ 47,751 and \$ 58,454, respectively.

**NOTE 24 – BUSINESS ACQUISITION**

On October 3, 2017, the Company agreed with ENAP SIPETROL ARGENTINA S.A ("ENAP SIPETROL") the terms and conditions for the acquisition of 100% of the participation (equivalent to 88%) of the Concession of Exploitation "Pampa del Castillo - La Guitarra" ("Pampa del Castillo") located in the province of Chubut, for an amount of US\$ 33 million.

In addition, on 13 April 2018 Capex agreed with Petrominera Chubut S.E. ("Petrominera") the terms and conditions for the acquisition of the 7% of the participation in the concession mentioned, from which Petrominera had 12%, until the due date of the extension passed by Law IX No.135 of the Province of Chubut.

Likewise, it was agreed to transfer to Capex, after the due date of the extension mentioned, 25% of the interest of the rights and obligations in the concession contract corresponding to Petrominera for the subsequent period and that was also passed by Law IX No. 135.

Subsequently, through provincial Decrees No. 318/18 and 512/18 published in the Official Gazette of the Province of Chubut dated May 24 and July 19, 2018, respectively, the Province of Chubut authorized the assignment of rights of Enap Sipetrol over the concession in favor of Capex.

On July 26, 2018, Law IX No. 143 was published, by means of which the Province of Chubut approved the Assignment Agreement dated April 13, 2018 between Capex and Petrominera, whose approval was ratified by the Executive Branch of the Province of Chubut through Decree No. 570/18 dated July 30, 2018.

On August 1, 2018, the Company was assigned all the rights and obligations that Enap Sipetrol had on the concession of hydrocarbon exploitation Pampa del Castillo, with Capex taking over the operation of the area.

The total consideration established for the participation mentioned on the paragraph above amounted to US\$ 33 million, which was paid in advance on July 31, 2018 for US\$ 28 million (equivalent to \$772,405), withholding US\$ 5 million for contingent environmental liabilities.

Additionally, on August 2, 2018, Capex paid Petrominera US\$ 6.3 million for the acquisition of 7% of the interest in the concession previously mentioned. Consequently, at that date, the Company has 95% of interest in the concession Pampa del Castillo, while the remaining 5% belongs to Petrominera.

Concession Pampa de Castillo	
Partners	Participation
Capex S.A.	95%
Petrominera Chubut SE	5%

The area covers an approximate surface of 121 km2. and it counts with an approximate production of 550 m3/day of oil; the duration of the concession of the area falls due in 2026, with the option to extend it for 20 years if the additional investments are complied with.

On August 15, 2018, the Temporary Union of Enterprises (UTE) contract between the Company and Petrominera was registered with the Superintendence of Commercial Companies (IGJ), which sets forth the guidelines for the management and operation of the exploitation of the concession.

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



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**NOTE 24 – BUSINESS ACQUISITION (CONT'D.)**

The following is the disclosure of the value of the transaction:

	Amount in thousands of US\$	Amounts in \$ equivalent
Price paid to Petrominera	6,270	175,560
Price paid to Enap Sipetrol	27,784	772,404
Deferred purchase price to Enap Sipetrol	5,228	145,339
<b>Total purchase price</b>	<b>39,282</b>	<b>1,093,303</b>

The following table summarizes the consideration, the fair values of the identifiable assets acquired at the acquisition date, which were incorporated into Capex's financial statements as of the takeover:

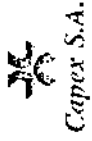
	Total \$
Property, plant and equipment (includes mining property)	1,065,381
Spare parts and materials	27,579
<b>Total identifiable assets net</b>	<b>1,092,960</b>
Tax	343
<b>Total purchase price</b>	<b>1,093,303</b>

The costs related to the transaction, which included mainly professional fees and stamp taxes, amounted to \$ 9,089 and were disclosed in the Administrative expenses item.

The fair values of the assets and liabilities of the acquired business arise from preliminary assessments conducted by the Board, and will become conclusive assessments in the financial statements of the Company at April 30, 2019. In accordance with the acquisition method, the purchase price was allocated to the acquired assets based on the fair values at the acquisition date. The fair values were mainly determined considering the replacement values and the remaining useful life of the assets at the acquisition date. For Mining Property, the fair value was estimated according to the present values at the acquisition date of the cash flows expected based on the reserves of the acquired areas.

As a consequence of the interest valuation of the business acquired by the Company at fair values at the acquisition date, no differences with the total consideration paid arose.

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**EXHIBIT A**  
**At October 31 and April 30, 2018**  
**Property, plant and equipment**  
**This exhibit is part of these condensed interim consolidated financial statements.**

Items	ORIGINAL VALUE						DEPRECIATION						Net book value at 04.30.18
	At the beginning of year	Additions	Completed work in progress	Retirements/Provisions	Revaluation	At period-end	Accumulated at the beginning of year	For the period	Retirements	Revaluation	Accumulated at period-end	Net book value at 10.31.18	
<b>Operation activities of oil and gas:</b>													
- Areas acquired and other studies													
- Agua del Cajón - Operation rights	288,514	-	-	-	-	258,514	91,308	5,547	-	-	96,855	161,659	167,206
- Río Negro Norte	210,532	-	-	-	-	210,532	4,137	4,672	-	-	8,809	201,723	206,395
- La Yesera	63,100	-	-	-	-	63,100	1,428	1,479	-	-	2,907	60,193	61,672
- Pampa del Castillo	-	252,849	-	-	-	252,849	-	-	-	-	-	252,849	-
- Other Studies	8,106	-	-	-	-	8,106	6,433	56	-	-	6,489	1,617	1,673
- Agua del Cajón - Exploration	12,173	-	-	-	-	12,173	8,755	114	-	-	8,869	3,304	3,418
- Agua del Cajón - Seismic	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>- Assets for the production of oil and gas in Agua del Cajón</b>	<b>3,343,760</b>	<b>85,816</b>	<b>510,540</b>	<b>-</b>	<b>-</b>	<b>3,940,116</b>	<b>1,421,730</b>	<b>181,388</b>	<b>-</b>	<b>-</b>	<b>1,583,118</b>	<b>2,356,998</b>	<b>1,922,030</b>
- Oil and gas wells	391,317	860,935	(694,188)	-	-	658,064	137,490	10,150	-	-	147,640	658,064	391,317
- Work in progress	209,939	-	83,648	-	-	293,587	4,430	1,155	(268)	-	5,317	145,947	72,449
- Production assets	9,676	22,950	-	(268)	-	32,358	4,430	1,155	-	-	5,317	27,041	5,246
- Vehicles	33,865	-	-	-	-	33,865	29,684	281	-	-	29,945	3,920	4,181
- Gas Pipeline	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>- Assets for the production of oil in Loma Negra and La Yesera Rio Negro</b>	<b>117,793</b>	<b>6,115</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>123,908</b>	<b>10,095</b>	<b>11,460</b>	<b>-</b>	<b>-</b>	<b>21,555</b>	<b>102,353</b>	<b>107,698</b>
- Oil and gas wells	26,863	-	-	-	-	26,863	2,233	2,503	-	-	4,736	22,127	24,630
- Production assets	8,684	199,360	-	-	-	207,964	-	-	-	-	-	207,964	8,584
- Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>- Assets for the production of oil and gas in Pampa del Castillo Chubut</b>	<b>288,481</b>	<b>640,726</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>889,207</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>889,207</b>	<b>-</b>
- Oil and gas wells	-	288,481	-	-	-	288,481	-	-	-	-	-	288,481	-
- Production assets	-	640,726	-	-	-	640,726	-	-	-	-	-	640,726	-
- Work in progress	-	7,593	-	-	-	7,593	-	-	-	-	-	7,593	-
<b>Other tangible assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Central administration and plant administration</b>	<b>384,854</b>	<b>17,664</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>402,518</b>	<b>12,667</b>	<b>220</b>	<b>-</b>	<b>-</b>	<b>12,887</b>	<b>389,631</b>	<b>372,187</b>
- Neuquén land and buildings	1,777	-	-	-	-	1,777	1,777	-	-	-	1,777	-	-
- Furniture and fixtures	27,540	1,517	-	-	-	29,057	15,233	2,254	-	-	17,487	11,570	12,307
- Administration assets	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Power Station Agua del Cajón</b>	<b>15,541,915</b>	<b>80,150</b>	<b>90,217</b>	<b>-</b>	<b>-</b>	<b>15,685,240</b>	<b>10,122,127</b>	<b>273,741</b>	<b>-</b>	<b>11,092,013</b>	<b>21,487,881</b>	<b>9,197,359</b>	<b>5,419,788</b>
- CI ADC (1)	53,543	-	(90,217)	-	-	(36,674)	-	-	-	-	-	43,476	-
- Work in progress	-	80,150	(90,217)	-	-	-	-	-	-	-	-	-	-
<b>Brought forward</b>	<b>20,703,651</b>	<b>2,464,176</b>	<b>-</b>	<b>(268)</b>	<b>15,053,108</b>	<b>38,220,867</b>	<b>11,859,527</b>	<b>475,000</b>	<b>(268)</b>	<b>11,092,013</b>	<b>23,436,272</b>	<b>14,784,995</b>	<b>8,834,324</b>

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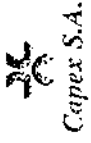
**EXHIBIT A**  
**At October 31 and April 30, 2018**  
**Property, plant and equipment (Cont'd.)**

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

Items	ORIGINAL VALUE					DEPRECIATION					Not book value at 04.30.2018		
	At the beginning of year	Additions	Completed works in progress	Retirements / Provisions	Revaluation	At period-end	Accumulated at the beginning of year	For the period	Retirements	Revaluation		Accumulated at period end	Not book value at 10.31.2018
Brought forward	20,703,851	2,484,176	-	(268)	15,053,108	38,220,867	11,869,527	475,000	(268)	11,082,013	23,436,272	14,784,595	8,834,324
Assets under Surplus due to Restrictions to the Transportation Capacity Account	15,523	-	-	-	-	15,523	15,523	-	-	-	15,523	-	-
Fourth line Capacitor bank	6,558	-	-	-	-	6,558	6,558	-	-	-	6,558	-	-
LPG Plant – Agua del Cejón Installation	55	-	-	-	-	55	55	-	-	-	55	-	-
Computer equipment	11	-	-	-	-	11	11	-	-	-	11	-	-
Furniture and fixtures	5	-	-	-	-	5	5	-	-	-	5	-	-
LPG plant (1)	701,931	-	-	-	126,127	828,058	525,737	9,985	-	-	536,722	291,336	175,193
Wind farm Dledoma (DEEF)	303,334	2,593	-	-	224,209	530,536	95,175	8,796	-	75,732	179,703	350,833	208,159
Wind farm Dledoma (DEEF II)	121,034	586,204	-	-	-	707,238	-	-	-	-	-	707,238	121,033
Hydrogen and oxygen plant	36,473	18,399	-	-	-	54,872	11,532	727	-	-	12,369	42,513	24,841
Hydrogen and oxygen plant Provision for hydrogen and oxygen plant	(24,842)	-	-	(17,671)	-	(42,513)	-	-	-	-	-	(42,513)	(24,841)
Total at October 31, 2018	21,863,593	3,071,772	-	(17,959)	15,409,444	40,321,210	12,525,223	494,508	(268)	11,167,745	24,187,208	16,134,002	9,338,710
Total at April 30, 2018	16,086,785	1,591,782	-	(3,752)	4,189,178	21,863,933	9,237,646	893,539	(314)	2,594,352	12,925,223	16,134,002	9,338,710

(1) See note 9

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**EXHIBIT C**

At October 31 and April 30, 2018

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

**INVESTMENTS**

Securities issued in Series and Investments in other Companies

Issuer and characteristics of the securities	Class	Nominal value	Quantity	Book value at 10.31.2018	Book value at 04.30.2018	Information about the issuer Latest financial statements												
						Principal activity	Closing date	Capital stock	Legal reserve	Free reserve	Unappropriated retained earnings	Shareholders' equity	% participation in capital stock					
<u>Current Assets</u>		\$		\$	\$													
In foreign currency (Exhibit G)																		
Financial Instruments at fair value																		
BONAR 2020			6,105	-	137,353													
LETES 2017			58,502	-	495,101													
Total financial instruments at fair value				-	632,454													

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**EXHIBIT D**

At October 31 and April 30, 2018

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

**OTHER INVESTMENTS**

Principal account and characteristics	Book value at 10.31.18	Book value at 04.30.18
	\$	\$
<b>Cash and cash equivalents</b>		
In local currency		
Financial instruments at fair value		
Mutual funds	616,892	1,772,842
In foreign currency (Exhibit G)		
Financial instruments at amortized cost		
Paid account	213,309	347,277
Time deposits	2,103,866	217,315
Financial instruments at fair value		
Mutual funds	3,061,318	1,637,147
<b>Total other investments</b>	<b>5,995,385</b>	<b>3,974,581</b>

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**EXHIBIT E**

At October 31 and April 30, 2018

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

**PROVISIONS**

Items	Balance at the beginning of year	Increase	Balance at period – end
	\$	\$	\$
<b>DEDUCTED FROM ASSETS</b>			
<b><u>NON-CURRENT ASSETS</u></b>			
Property, plant and equipment In local currency			
Impairment of property, plant and equipment	24,842	(1) 17,671	42,513
Trade accounts receivable In local currency			
Provision for doubtful accounts	2,627	-	2,627
Total deducted from assets	27,469	17,671	45,140
<b>INCLUDED IN LIABILITIES</b>			
<b><u>NON-CURRENT LIABILITIES</u></b>			
Provisions In local currency			
For lawsuits and fines	2,480	-	2,480
Total included in liabilities	2,480	-	2,480
Total provisions	29,949	17,671	47,620

(1) Charged to Other financial income.

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**EXHIBIT F**

At October 31, 2018 and 2017

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

**COST OF SALES**

	Six months at		Three months at	
	10.31.2018	10.31.2017	10.31.2018	10.31.2017
Inventories and spare parts and materials at the beginning of year <sup>(1)</sup>	179,412	125,546	249,958	139,729
Plus:				
- Addition to warehouses	356,590	115,255	181,014	72,859
- Production cost (Exhibit H)	1,194,932	613,553	800,872	313,650
Less:				
- Consumption	(232,115)	(88,583)	(126,962)	(62,872)
Inventories and spare parts and materials at period end <sup>(2)</sup>	(597,882)	(148,110)	(597,882)	(148,110)
Cost of sales	900,937	617,661	507,000	315,256

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

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**EXHIBIT G**

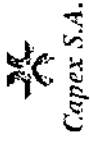
At October 31 and April 30, 2018

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

**FOREIGN CURRENCY ASSETS AND LIABILITIES**

Items	10.31.2018				04.30.2018			
	Class	Amount in thousands of US\$	Exchange rate	Amount in \$	Class	Amount in thousands of US\$	Exchange rate	Amount in \$
<b>ASSETS</b>								
<b>NON-CURRENT ASSETS</b>								
Spare parts and materials								
Sundry advances	US\$	601	35.75	21,488	US\$	768	20.44	15,703
Other accounts receivable								
Assignment of rights CAMMESA	US\$	284	35.75	10,158	US\$	625	20.44	12,788
<b>Total Non-Current Assets</b>				<b>31,646</b>				<b>28,471</b>
<b>CURRENT ASSETS</b>								
Spare parts and materials								
Sundry advances	US\$	150	35.75	5,372	US\$	192	20.44	3,926
Other accounts receivable								
Sundry advances	US\$	221	35.75	7,886	US\$	369	20.44	7,549
Intercompany receivables Sect. 33 – Law 19550	US\$	-	-	-	US\$	7	20.44	137
Assignment of rights CAMMESA	US\$	795	35.75	28,430	US\$	816	20.44	16,670
Sundry	-	360	35.75	12,870	-	-	-	-
Trade accounts receivable								
Intercompany receivables Sect. 33 – Law 19550	US\$	85	35.75	3,039	US\$	136	20.44	2,789
For sale of energy	US\$	28,402	35.75	1,015,354	US\$	32,495	20.44	664,202
For sale of oil and others	US\$	5,990	35.75	214,156	US\$	5,208	20.44	106,415
Financial Instruments at amortized cost								
Financial instruments at fair value	US\$	-	-	-	US\$	30,942	20.44	632,454
Cash and cash equivalents								
Cash	US\$	4	35.75	161	US\$	221	20.44	4,509
Cash	€	3	40.39	104	€	4	24.72	99
Banks	US\$	1,081	35.75	38,654	US\$	756	20.44	15,463
Financial instruments at fair value	US\$	85,631	35.75	3,061,318	US\$	79,788	20.44	1,637,147
Financial Instruments at amortized cost	US\$	64,816	35.75	2,317,175	US\$	27,622	20.44	564,592
<b>Total Current Assets</b>				<b>6,704,519</b>				<b>3,655,952</b>
<b>Total assets</b>				<b>6,736,165</b>				<b>3,684,423</b>
<b>LIABILITIES</b>								
<b>NON-CURRENT LIABILITIES</b>								
Trade accounts payable								
Sundry accruals	US\$	13,210	35.95	474,907	US\$	230	20.54	4,734
Financial liabilities								
Bank	US\$	2,000	35.95	71,900	US\$	2,400	20.54	49,296
Corporate bonds	US\$	300,000	35.95	10,785,000	US\$	300,000	20.54	6,162,000
<b>Total Non-Current Liabilities</b>				<b>11,331,807</b>				<b>6,216,030</b>
<b>CURRENT LIABILITIES</b>								
Trade accounts payable								
Suppliers	US\$	20,355	35.95	731,760	US\$	15,795	20.54	324,432
Suppliers	€	-	-	-	€	1	24.89	33
Intercompany suppliers Sect. 33 – Ley 19,550	US\$	-	-	-	US\$	84	20.54	1,735
Sundry accruals	US\$	651	35.95	23,394	US\$	4,933	20.54	101,327
Financial liabilities								
Bank	US\$	810	35.95	29,102	US\$	809	20.54	16,624
Corporate bonds	US\$	9,510	35.95	341,899	US\$	9,510	20.54	195,344
<b>Total Current Liabilities</b>				<b>1,126,155</b>				<b>639,496</b>
<b>Total Liabilities</b>				<b>12,457,962</b>				<b>6,855,526</b>

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EXHIBIT H

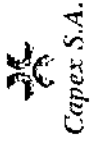
INFORMATION REQUIRED BY SECT. 64, SUB-SECT. B) OF LAW 19550

For the six-month periods beginning on May 1, 2018 and 2017, and ended on October 31, 2018 and 2017

This exhibit is part of these condensed interim consolidated financial statements

Items	Six months at October 31, 2018				Three months at October 31, 2017					
	Preoperative expenses	Production cost	Selling expenses	Administrative expenses	Total	Preoperative expenses	Production cost	Selling expenses	Administrative expenses	Total
Fees and other compensation	\$ 1,313	\$ 13,195	-	\$ 10,834	\$ 25,342	\$ 910	\$ 8,765	-	\$ 6,562	\$ 16,257
Salaries and social security contributions	-	238,480	-	77,072	315,552	-	136,846	-	35,674	172,520
Materials, spare parts and others	-	55,953	-	14	55,967	-	43,989	-	12	44,001
Operation, maintenance and repairs	-	199,171	-	20,907	220,078	-	161,773	-	10,067	171,840
Fuel, lubricants and fluids	-	118,359	-	-	118,359	-	108,420	-	-	108,420
Transportation, freight and studies	-	21,771	-	1,819	23,590	-	18,832	-	958	19,790
Depreciation of Property, plant and equipment	-	492,030	-	2,478	494,508	-	292,003	-	1,346	293,349
Office, travel and representation expenses	303	5,859	-	10,420	16,582	133	4,422	-	5,071	9,626
Taxes, rates, contributions, insurance and rental	42	32,319	-	18,365	50,726	14	18,434	-	9,591	28,039
Acquisition of electricity from CMMESA	-	52	-	-	52	-	40	-	-	40
Transport of gas expenses	-	17,743	-	-	17,743	-	7,348	-	-	7,348
Royalties	-	-	433,114	-	433,114	-	-	280,241	-	280,241
Cost of transport and energy deliveries	-	-	26,445	-	26,445	-	-	14,837	-	14,837
Turnover tax	-	-	109,184	-	109,184	-	-	60,395	-	60,395
Commissions and other	3,027	-	3,987	-	3,987	2,276	-	2,940	-	2,940
Bank charges	4,685	-	-	41,923	44,950	3,333	-	-	19,882	22,158
Total		\$ 1,194,932	\$ 572,730	\$ 183,832	\$ 1,958,179	\$ 3,333	\$ 800,872	\$ 358,413	\$ 89,193	\$ 1,251,801

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EXHIBIT H (CONT'D.)

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

For the six-month periods beginning on May 1, 2018 and 2017, and ended on October 31, 2018 and 2017

This exhibit is part of these condensed interim consolidated financial statements

Items	Six months at October 31, 2017			Three months at October 31, 2017			Total
	Production cost	Selling expenses	Administrative expenses	Production cost	Selling expenses	Administrative expenses	
Fees and other compensation	6,803	-	7,567	4,925	-	4,370	9,285
Salaries and social security contributions	185,427	-	72,720	73,549	-	23,482	97,031
Materials, spare parts and others	18,570	-	18	6,341	-	5	6,346
Operation, maintenance and repairs	54,660	-	12,904	26,285	-	5,817	32,112
Fuel, lubricants and fluids	4,674	-	-	2,223	-	0	2,223
Transportation, freight and studies	7,024	-	878	4,674	-	487	5,179
Depreciation of Property, plant and equipment	331,682	-	1,571	181,882	-	910	182,792
Office, travel and representation expenses	2,086	-	1,757	1,186	-	785	1,971
Taxes, rates, contributions, insurance and rental	16,881	-	16,497	8,693	-	8,363	17,256
Acquisition of electricity from CAMMESA	14	-	-	5	-	-	5
Transport of gas expenses	5,931	-	-	3,660	-	-	3,660
Royalties	-	180,191	-	-	90,037	-	90,037
Cost of transport and energy deliveries	-	35,003	-	-	16,106	-	16,106
Turnover tax	-	59,480	-	-	30,719	-	30,719
Commissions and other	-	1,193	-	-	527	-	527
Bank charges	-	-	22,120	-	-	12,139	12,139
Total	613,552	275,887	136,032	313,651	137,389	56,358	507,388

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**SUMMARY OF ACTIVITY**

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

**CAPEX S.A. AS OF OCTOBER 31, 2018**  
(stated in thousands of pesos)

a) **Comments on the comprehensive results and consolidated financial position at October 31, 2018** (Not covered by the report on the condensed interim consolidated financial statements).

The following analysis of the comprehensive income of consolidated operations of the Company must be read together with the interim condensed consolidated financial statements of the Company at October 31, 2018 and for the six-month period ended on that date, presented in comparative format with the same period of 2017. These financial statements have been prepared in accordance with the accounting framework established by the National Securities Commission (CNV). For more information, please refer to Note 4 to the financial statements.

In addition, the financial information used by the Company to analyze the interim condensed consolidated financial position at October 31, 2017 derives from the interim condensed consolidated financial statements at such date, which have been prepared in accordance with International Accounting Standard 34 "Interim Financial Information" (IAS 34).

**Consolidated Statement of Comprehensive Results**

	10/31/2018	10/31/2017	Variation	
Sales	3,776,116	1,870,209	1,905,907	101.9%
Cost of Sales	(900,937)	(617,661)	(283,276)	45.9%
<b>Gross Profit</b>	<b>2,875,179</b>	<b>1,252,548</b>	<b>1,622,631</b>	<b>129.5%</b>
Preoperative expenses	(4,685)	-	(4,685)	100.0%
Selling expenses	(572,730)	(275,867)	(296,863)	107.6%
Administrative expenses	(183,832)	(136,032)	(47,800)	35.1%
Other operating income / (expenses), net	3,954	(434)	4,388	1011.1%
<b>Operating result</b>	<b>2,117,886</b>	<b>840,215</b>	<b>1,277,671</b>	<b>152.1%</b>
Financial Income	2,653,543	597,164	2,056,379	344.4%
Financial Costs	(5,448,969)	(1,045,829)	(4,403,140)	421.0%
Other Financial Income	(17,671)	(461)	(17,210)	3733.2%
<b>Result before income tax</b>	<b>(695,211)</b>	<b>391,089</b>	<b>(1,086,300)</b>	<b>-277.8%</b>
Income tax	192,521	(138,132)	330,653	-239.4%
<b>Net result of the period</b>	<b>(502,690)</b>	<b>252,957</b>	<b>(755,647)</b>	<b>-298.7%</b>
Other Comprehensive Income	3,154,083	427,774	2,726,309	637.3%
<b>Comprehensive Result of the Period</b>	<b>2,651,393</b>	<b>680,731</b>	<b>1,970,662</b>	<b>289.5%</b>

The performance of the results as of October 31, 2018 with respect to October 31, 2017 was as follows:

- Gross profit for the period ended October 31, 2018 was \$ 2,875,179, representing 76.1% of sales, while in the same period of the previous year it amounted to \$ 1,252,548 or 67.0% of sales at October 31, 2017. Gross profit for the current period increased by 129.5%.
- Operating result in the period ended October 31, 2018 rose to \$ 2,117,886 (profit), compared to \$ 840,215 (profit) for the same period of the prior year, representing an increase of 152.1%.
- The net result amounted to \$ 502,690 (loss) in the period ended October 31, 2018, compared to \$ 252,957 (profit) in the same period of the previous year, representing a decrease of 298.7%
- Other comprehensive income amounted to \$ 3,154,083 (profit), as a result of the revaluation for certain assets within Property, plant and equipment, at October 31, 2018.
- The comprehensive result was of \$ 2,651,393 (profit) in the period ended October 31, 2018, compared to \$ 680,731 (profit) for the same period of the previous year, representing an increase of 289.5%.



**Sales**

Product	10/31/2018	10/31/2017	Variation	
<b>Energy</b>				
Energy CT ADC <sup>(1)</sup>	2,559,019	1,329,268	1,229,751	92.5%
Energy DEEF	52,132	32,008	20,124	62.9%
Façon Service of electric energy	2,624	3,231	(607)	-18.8%
Gas (includes Gas Plus Program)	-	108,280	(108,280)	-100.0%
Gas stimulus program	297,506	-	297,506	100.0%
Oil	613,840	278,194	335,646	120.7%
Propane	140,067	71,077	68,990	97.1%
Butane	84,306	46,952	37,354	79.6%
Oxygen	1,919	1,199	720	60.1%
Services	24,703	-	24,703	100.0%
<b>Total</b>	<b>3,776,161</b>	<b>1,870,209</b>	<b>1,905,907</b>	<b>101.9%</b>

<sup>(1)</sup> At October 31, 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.

Sales for the six-month period ended on October 31, 2018 increased by 101.9% 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 increased by \$ 1,229,751, representing a rise of 92.5%, from \$ 1,329,268 as of October 31, 2017 to \$ 2,559,019 as October 31, 2018. This variation was mainly due to:

- (i) an increase of 113.3% in the average sales price on GW sold, from an average \$ / MWh 287.8 in the period ended October 31, 2017 to average \$ / MWh 614.1 in the period ended October 31, 2018, as a result of the increment in the value of the remunerated power based on the rate schedule implemented by Resolution SEN 19 E/2017 and the U.S. dollar quotation. Resolution SEN 19 E/2017 is effective since February 2017 and it foresaw staggered increases in the values of the remunerated power in the months of May and November 2017.
- (ii) an increase of 53.8% in the remuneration in pesos, recognized by CAMMESA to generators for the gas produced by the ADC areas, Loma Negra and La Yesera, and consumed in the CT ADC, generated by the rise in the US dollar quotation, offset by the decrease in the reference value of gas per million BTU for thermal plants of the Neuquen Basin from US\$ 5.53 (Resolution of the Ministry of Energy and Mining No. 41/16) to an average of US\$ 4.66 for a six-month period (as a result of the application of the maximum prices established by Resolution No. 46/2017 of the Ministry of Energy and the bidding made by CAMMESA for the acquisition of natural Gas for the generation of electricity as from Sept/18 in accordance with Note NO-2018-40206154-APN-SSEE#MEN). Income from this remuneration is included within the Oil and Gas segment (Note 8 to the Condensed Interim Consolidated Financial Statements). The own gas consumed by the CT ADC slightly increased by 3.8%.

The generation of the ADC TC rose by 6.8% with respect to the same period of the previous year.

Sales of energy from the DEEF measured in pesos increased by \$ 20,124, representing an increment of 62.9%, from \$ 32,008 at October 31, 2017 to \$ 52,132 at October 31, 2018. In the period ended October 31, 2018, sales in GWh were 13.6 at an average price of \$/MWh 3,833.2 and in the period ended October 31, 2017 it was of 15.9 GWh at an average price of \$/MWh 2,013.1; the price increase is due to the rise in the US dollar exchange rate.

b) Façon Service of electric energy

Façon services for the generation of electricity with natural gas and hydrogen measured in pesos decreased by \$ 607, or 18.8% from \$ 3,231 at October 31, 2017 to \$ 2,624 at October 31, 2018. This variation was mainly due to the decrease of 54% in the selling volume, given the maintenance work during the months of August and September 2018, offset by an increase of 77% in the tariff sold in pesos as a result of the rise in the US dollar exchange rate, currency in which the price is fixed for this service.

c) Gas

Gas production increased by 2.8%, from 272,356 thousands m<sup>3</sup> as of October 31, 2017 to 283.147 thousands m<sup>3</sup> as of October 31, 2018. Taking into account the natural decline of the field, Capex has been keeping the level of gas production by means of the investments made, mainly encouraged by the stimulus programs and by the development of reserves with better productivity. As from November 2017 Capex has added the production of gas from its participation in the Consortia with concessions in Loma Negra and La Yesera areas, in the province of Rio Negro, with an average of 96 thousands m<sup>3</sup> per day for the six-month period beginning on May 1, 2018 and ended on October 31, 2018.

At October 31, 2018 Capex has used 100% of the production of gas for the generation of electricity in CT ADC and the operation of the LPG plant. Under the framework of the Incentive Program for the Investments in Developments of Natural Gas Production from Unconventional Reservoirs, the Company has presented the affidavits of the Agua del Cajón Area corresponding to the periods January - Octubre 2018 and the bond insurance policies in order to request the payment of the program. The Ministry of Energy authorized the provisional payment equivalent to 85% of the economic remunerations requested for the period January - August 2018 for approximately \$147.6 million. The Company has recorded under Sales the total incentive which complies with the conditions set forth in Resolution No. 419 E/2017, amounting to \$ 298 million, for the monthly production from January to September 2018.

In the period ended October 31, 2017 Capex, under the "Gas Plus" program, sold \$ 108,280 corresponding to the delivery of 30,295 m<sup>3</sup> at an average of US\$/ m<sup>3</sup> 0.21015 (or US\$ 5.7 million 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 \$ 335,646, representing an increment of 120.7%. This increase was due to a rise of 121.9% in the average price in pesos caused by an increment in the reference price agreed between the parties and in the foreign exchange rate, all of this offset by a decrease in the m<sup>3</sup> sold, from 46,897 m<sup>3</sup> on October 31, 2017 to 46,642 m<sup>3</sup> on October 31, 2018. Considering the international price of crude oil and the need for a local price that allows developing the production activity and the impact of the exchange rate in the final prices of oil, fuel pump, producers and refineries negotiate regularly a price convergence of the inner product with the international value of the same.

Oil production increased by 188.1 %, from 28,840 m<sup>3</sup> as of October 31, 2017 to 83,077 m<sup>3</sup> as of October 31, 2018, due to the results obtained from the stimulation of some wells and the incorporation of oil production from:

- i) the participation in the Consortia with concessions in Loma Negra and La Yesera areas in the Province of Río Negro, with an average of approximately 51 m<sup>3</sup> per day for the six-month period beginning on May 1, 2018 and ended on October 31, 2018.
- ii) The participation in the concession of Pampa del Castillo - La Guitarra Area in the Province of Chubut, as from August 1, 2018, with an average of 539 m<sup>3</sup> per day in the period August-October 2018.

e) Propane, butane and gasoline:

- Sales of propane increased by \$ 68,990 or 97.1%, from 71,077 at October 31, 2017 to \$ 140,067 at October 31, 2018, including the income from the "Propane Sur Program".

The rise in sales is the result of an increment in the average sales price of 116.9%, from \$ 6,345.6 average \$/tn as of October 31, 2017 to \$13,759.0 average \$/tn as of October 31, 2018, due mainly to the increase in international prices and the variation of the US dollar exchange rate. The volume sold decreased by 9.1%

- Sales of butane increased by \$ 37,354 or 79.6% from \$ 46,952 at October 31, 2017 to \$ 84,306 at October 31, 2018. This was result of a rise in the average sale price in pesos of 91.6%, from \$/ton 6,338.0 on average as of October 31, 2017 to \$/ton 12,144.3 on average as of October 31, 2018, due mainly to the increase in international prices and the variation of the US dollar exchange rate. The volume sold decreased by 6.3%.
- No sales of gasoline were recorded at October 31, 2018 and 2017, since production of 12,974 m<sup>3</sup> and 13,569 m<sup>3</sup>, respectively, were blended and sold with oil for market reasons.

f) Oxygen:

Hychico sold 62,000 m<sup>3</sup> and 63,126 m<sup>3</sup> of oxygen for a total of \$ 1,919 and \$ 1,199 in the periods ended on October 31, 2018 and 2017, respectively. This increase in sales was the result of a rise in the sale price in pesos, due to the increase in the US dollar quotation, offset by a decrease in the volume sold of 1.8%.

g) Services:

It corresponds to the participation of 37.5% over the income provided by the Loma Negra consortia for the treatment of crude oil and gas readiness starting from November 2017.



**Cost of sales**

	10/31/2018	10/31/2017	Variation	
Fees and other compensations	(13,195)	(6,803)	(6,392)	94.0%
Salaries and social security contributions	(238,480)	(165,427)	(73,053)	44.2%
Materials, spare parts and others	(55,953)	(18,570)	(37,383)	201.3%
Operation, maintenance and repairs	(199,171)	(54,660)	(144,511)	264.4%
Fuel, lubricants and fluids	(118,359)	(4,674)	(113,685)	2432.3%
Transportation, freight and studies	(21,771)	(7,024)	(14,747)	210.0%
Depreciation of property, plant and equipment	(492,030)	(331,682)	(160,348)	48.3%
Office, travel and representation expenses	(5,859)	(2,086)	(3,773)	180.9%
Taxes, rates, contributions, insurance and rental	(32,319)	(16,681)	(15,638)	93.7%
Acquisition of electricity from CAMMESA	(52)	(14)	(38)	271.4%
Gas transportation costs	(17,743)	(5,931)	(11,812)	199.2%
Reclassification cost of production to Inventories	293,995	(4,109)	298,104	-7254.9%
<b>Cost of Sales</b>	<b>(900,937)</b>	<b>(617,661)</b>	<b>(283,276)</b>	<b>45.9%</b>

The cost of sales as of October 31, 2018 amounted to \$ 900,937 (23.9% of net sales), while as of October 31, 2017 it amounted to \$ 617,661 (33% of sales).

The 45.9% increase in the cost of sales was mainly explained by:

- the higher charge for depreciation of \$ 160,348 for the assets related to the exploitation of oil and gas, the CT ADC, DEEF and the LPG Plant, as a result of the larger investment made in the areas and the upgrade of the technical revaluation of certain assets made on April 30 and July 31, 2018.
- an increment of \$ 73,053 in labor costs, as a result of the incorporation of personnel due to the acquisition of participation in the Pampa del Castillo - La Guitarra area as of August 1, 2018 and to the salary increases granted.
- a rise of \$ 144,511 in operating, maintenance and repairs, as a result of the increment in the activity generated by the incorporation of Loma Negra, La Yesera and Pampa del Castillo – La Guitarra areas and the increase in rates of these services over the period,
- an increase in the costs of fuels, lubricants and fluids for \$ 113,685, 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 of gas associated with the production of LPG gas,
- an increase of \$ 11,812 in gas transportation costs, as a result of the increment in its rate.
- a rise in taxes, fees, contributions and insurance by \$ 15,638, as a consequence, mainly, to the increment in the cost of insurance coverage.

At period-end, the Company held in its stock the production of crude oil from Pampa del Castillo - La Guitarra Area; therefore, production costs are disclosed in 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**

	10/31/2018	10/31/2017	Variation	
Royalties	(433,114)	(180,191)	(252,923)	140.4%
Cost of transport and energy delivery	(26,445)	(35,003)	8,558	-24.4%
Turnover tax	(109,184)	(59,480)	(49,704)	83.6%
Commissions and other	(3,987)	(1,193)	(2,794)	234.2%
<b>Selling expenses</b>	<b>(572,730)</b>	<b>(275,867)</b>	<b>(296,863)</b>	<b>107.6%</b>

Selling expenses amounted to \$ 572,730, representing 15.2% of sales. The 107.6% increase was mainly explained by:

- a) The royalties associated with oil by: i) the increment in production by adding the participation in the Consortia of the Loma Negra, La Yesera and Pampa del Castillo – La Guitarra areas, ii) an increase in the average price in dollars of 22.2% and iii) the increase in the US dollar quotation,
- b) the royalties on gas production, produced by i) the increment in production obtained by adding the participation in the Consortia of the Loma Negra and La Yesera areas, and ii) the increase in the US dollar quotation, and
- c) Turnover tax as a consequence of the higher billing.

All of this is offset by the lower cost of transport and energy delivery accrued by CAMMESA as a consequence of a readjustment of the rates.

**Administrative expenses**

	10/31/2018	10/31/2017	Variation	
Fees and other compensations	(10,834)	(7,567)	(3,267)	43.2%
Salaries and social security contributions	(77,072)	(72,720)	(4,352)	6.0%
Materials, spare parts and others	(14)	(18)	4	-22.2%
Operation, maintenance and repairs	(20,907)	(12,904)	(8,003)	62.0%
Transportation, freight and studies	(1,819)	(878)	(941)	107.2%
Depreciation of property, plant and equipment	(2,478)	(1,571)	(907)	57.7%
Office, travel and representation expenses	(10,420)	(1,757)	(8,663)	493.1%
Taxes, rates, contributions, insurance and rental	(18,365)	(16,497)	(1,868)	11.3%
Bank charges	(41,923)	(22,120)	(19,803)	89.5%
<b>Administrative expenses</b>	<b>(183,832)</b>	<b>(136,032)</b>	<b>(47,800)</b>	<b>35.1%</b>

Administrative expenses were \$ 183,832, representing 4.9% of sales. With respect to the same period of the previous year they increased by \$47,800, or 35.1%. This increment is mainly due to: i) increase in the line salaries and social security contributions as a result of salary increases granted; ii) captions Operation, maintenance and repairs and Taxes, rates, contributions and rental and insurance include expenses related to the Pampa del Castillo - La Guitarra operation (including the stamp tax from the purchase agreement); and ii) bank expenses as a consequence of the higher tax on debits and credits given the higher expenditures and income received by the Group.

**Other operating income / (expenses), net**

	10/31/2018	10/31/2017	Variation	
Result of sale of vehicles	545	300	245	81.7%
Not computable assessments	(1,299)	-	(1,299)	100.0%
Income from charges for indirect administrative services-consortia and UTE	6,621	-	6,621	100.0%
Sundry	(1,913)	(734)	(1,179)	160.6%
<b>Other operating income / (expenses), net</b>	<b>3,954</b>	<b>(434)</b>	<b>4,388</b>	<b>1011.1%</b>

Other operating income / (expenses), net as of October 31, 2018 were positive for \$ 3,954 and as of October 31, 2017 they were negative for \$ 434. This increase was due to the incorporation of the Consortia and UTE.

**Financial results**

	10/31/2018	10/31/2017	Variation	
Financial income	2,653,543	597,164	2,056,379	344.4%
Financial costs	(5,448,969)	(1,045,829)	(4,403,140)	421.0%
Other financial results	(17,671)	(461)	(17,210)	3733.2%
<b>Financial results</b>	<b>(2,813,097)</b>	<b>(449,126)</b>	<b>(2,363,971)</b>	<b>526.3%</b>

**a) Financial income**

	10/31/2018	10/31/2017	Variation	
Exchange difference	2,480,667	455,972	2,024,695	444.0%
Interest and others	133,504	139,847	(6,343)	-4.5%
Interest accrued on receivables	39,372	1,345	38,027	2827.3%
<b>Financial Income</b>	<b>2,653,543</b>	<b>597,164</b>	<b>2,056,379</b>	<b>344.4%</b>

The financial income for the period ended October 31, 2018 reflected a balance of \$ 2,653,543 while at October 31, 2017 it was of \$ 597,164, representing an increment of 344.4%. The main causes of the increase of \$ 2,056,379 was due to:

- The variation in the exchange difference as a result of the increase in the US Dollar quotation, calculated over the investments in such foreign currency. As from May 2017, the basis of foreign currency investments increased as a result of the Company Group's high liquidity. The variation in the quotation of the US dollar between April and October 2018 was of 74.9%, while between April and October 2017 it was of 14.7%.
- The variation of interest and others mainly correspond to the income generated by investments in 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

	10/31/2018	10/31/2017	Variation	
Exchange difference	(4,993,214)	(800,756)	(4,192,458)	523.6%
Interest and others	(444,383)	(242,584)	(201,799)	83.2%
Interest accrued from receivables and payables	(11,372)	(2,489)	(8,883)	356.9%
<b>Financial Costs</b>	<b>(5,448,969)</b>	<b>(1,045,829)</b>	<b>(4,403,140)</b>	<b>421.0%</b>

Financial costs in the period ended October 31, 2018 showed a negative balance of \$ 5,448,969, while at October 31, 2017 they were negative by \$ 1,045,829, representing an increase in costs of 421.0%. The main cause of the variation of \$ 4,403,140 was:

- The higher foreign exchange losses as a consequence of the increase in the US dollar exchange rate; the variation in the US dollar quotation between April and October 2018 was of 74.9%, while, between April and October 2017 it was of 14.7%. The Group holds 99.6% 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 Negotiable Obligation for US \$ 300 million maturing in May 2024 at a fixed rate of 6.875%, payable semiannually.
  - Secured loan for US\$ 14,000,000 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% payable semi-annually (as from April 2018). At October 31, 2018 the owed capital amounts to US\$ 2,800,000.
- The variation in interest and others mainly corresponds to interest accrued by Corporate Bonds, the loan with IIC and to the funding for the maintenance of the ADC power plant. The increase in the exchange rate generated a higher accrual of interest in pesos.
  - The accrual of interest on receivables and payables corresponds to the result generated by the updating of the value of the provision for well capping.

Income Tax

	10/31/2018	10/31/2017	Variation	
Income Tax	192,521	(138,132)	330,653	-239.4%

The result for income tax to October 31, 2018 showed a positive balance of \$ 192,521, as a consequence of the recognition of the tax effect on the result before tax (loss) of the period.

Other comprehensive income

	10/31/2018	10/31/2017	Variation	
Other comprehensive income	3,154,083	427,774	2,726,309	637.3%

Other comprehensive income as of October 31, 2018 amounted to \$ 3,154,083, because the Company has been applying the revaluation model for certain assets within Property, plant and equipment and, at October 31, 2018 and 2017, the fair values of those assets were updated. At October 31, 2018 the Group recorded under this caption \$ 189,092 (income) from the change in income tax rate as per the tax reform enacted December 29, 2017, corresponding to deferred liabilities recognized for the application of the revaluation model.

From the total other comprehensive income of \$ 3,154,083, the portion attributable to the Company is \$ 3,132,831 and is accumulated in the Reserve for assets revaluation, in the Statement of Changes in Shareholders' Equity. The closing balance as of October 31, 2018 for that reserve is \$ 7,109,995 which, as set forth in the Restated Text of the CNV, may not be distributed, capitalized or allocated to absorb accumulated losses, but must be computed as part of accumulated gains/losses for the purposes of comparison to determine the Company's situation under sections 31, 32 and 205 of Commercial Companies Law 19550.

Consolidated financial Statements

The following analysis of the Company's consolidated financial position should be read in conjunction with the Company's interim condensed consolidated financial statements as of October 31, 2018 and 2017. The financial statements as of October 31, 2018 have been prepared in accordance with the accounting framework established by the National Securities Commission (CNV). For further information, see note 4 to these financial statements.

Also, the financial information used by the Company to analyze the interim condensed consolidated financial position at October 31, 2017 derives from the interim condensed consolidated financial statements at that date which have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34).

	10/31/2018	10/31/2017	Variation	
Property, plant and equipment	16,134,002	7,915,812	8,218,190	103.8%
Investment in companies	-	5	(5)	-100.0%
Financial instruments at fair value	-	909,057	(909,057)	-100.0%
Spare parts and materials	326,167	171,133	155,034	90.6%
Net deferred tax assets	46,754	18,190	28,564	157.0%
Other receivables	668,720	94,173	574,547	610.1%
Trade receivables	1,296,036	774,470	521,566	67.3%
Inventories	298,575	12,908	285,667	2213.1%
Cash and cash equivalents	6,060,246	2,636,129	3,424,117	129.9%
<b>Total Assets</b>	<b>24,830,500</b>	<b>12,531,877</b>	<b>12,298,623</b>	<b>98.1%</b>
Total shareholders' equity attributable to shareholders	8,405,906	4,194,508	4,211,398	100.4%
Non-controlling interest	62,626	27,665	34,961	126.4%
<b>Total Shareholders' equity</b>	<b>8,468,532</b>	<b>4,222,173</b>	<b>4,246,359</b>	<b>100.6%</b>
Trade accounts payable	2,184,898	384,593	1,800,305	468.1%
Financial liabilities	11,276,134	5,817,021	5,459,113	93.8%
Net deferred tax liabilities	2,532,800	1,869,023	663,777	35.5%
Taxes payable	150,551	129,580	20,971	16.2%
Provisions and other charges	2,480	2,730	(250)	-9.2%
Salaries and social security contributions	108,462	56,524	51,938	91.9%
Other liabilities	106,643	50,233	56,410	112.3%
<b>Total Liabilities</b>	<b>16,361,968</b>	<b>8,309,704</b>	<b>8,052,264</b>	<b>96.9%</b>
<b>Total Shareholders' equity and liabilities</b>	<b>24,830,500</b>	<b>12,531,877</b>	<b>12,298,623</b>	<b>98.1%</b>

Total assets as of October 31, 2018 increased in \$ 12,298,623, which represents an increment of 98.1% compared to October 31, 2017.

The main reasons for this variation are listed below:

- (i) **Property, plant and equipment:** an increase by \$ 8,218,190, due to the effect of the technical revaluations of certain assets recorded for the financial year ending on April 30, 2018 and for the period ending on October 31, 2018, the investments made, the acquisition of assets in Pampa del Castillo – La Guitarra and the advances for the construction of the DEEF II, all net of the depreciations for the period.
- (ii) **Financial instruments at fair value:** decrease by \$ 909,057, due to the investments made in the acquisition of new areas and the advance payment for the construction of DEEF II.
- (iii) **Spare parts and materials:** increase by \$ 155,034, due to the net movement of the income and consumption of the stocks for major maintenance of the CT ADC.
- (iv) **Net deferred tax assets:** an increase by \$ 28,564 due to the generation of tax losses in E G WIND and Capex.
- (v) **Other receivables:** increase of \$ 574,547, mainly due to the accrual of the Stimulus Program of natural gas from unconventional reservoirs, E G WIND's VAT credit position, and the increase in income tax withholdings made to the Group.
- (vi) **Trade receivables:** an increase by \$ 521,566 due to: i) increment in crude oil price and ii) for credits nominated in US dollars, the increase in the quotation of this currency.
- (vii) **Inventories:** increase of \$ 285,667, due to the fact that the production of oil from the Pampa del Castillo - La Guitarra area remained in stock at the close while awaiting its export in the month of November 2018.
- (viii) **Cash and cash equivalents:** an increase by \$ 3,424,117, mainly due to higher net cash flows generated by: i) increases in sales as a result of the increment in prices and the variation of the exchange rate of the US dollar, and ii) the increase in financial investments in foreign currency due to the variation in the exchange rate of the US dollar, offset by the payment for the acquisition of participations in the areas of Loma Negra, La Yesera and Pampa del Castillo – La Guitarra, investments in property, plant and equipment and advances for the construction of the DEEF II.

Total liabilities as of Octubre 31, 2018 increased in \$ 8,052,264, which represents an increment of 96.9% in comparison with October 31, 2017.

The main reasons for this variation are listed below:

- (i) **Trade accounts payable:** increase by \$ 1,800,305, mainly due to: i) higher purchases of materials, ii) the effect of the exchange rate of the US dollar on suppliers in foreign currency, iii) the higher commercial liabilities resulting from the increase in activity in Agua del Cajón, and the incorporation of participation in the UTE Pampa del Castillo - La Guitarra and iv) the balance pending cancellation for the acquisition of Pampa del Castillo - La Guitarra.
- (ii) **Financial liabilities:** increase by \$ 5,459,113, generated by: the increment in the exchange rate of the US dollar, causing the higher valuation of liabilities in foreign currency, offset by the capital payments of the loan with IIC of Hychico.
- (iii) **Net deferred tax liabilities:** an increase of \$ 663,777, mainly as a consequence of the tax effect of the updating of the technical revaluations recorded as of April 30 and October 31, 2018, offset by the effect of the gradual reduction of the income tax rate, introduced by the Tax Reform enacted on December 29, 2017 and the tax losses of Capex at the period end.
- (iv) **Salaries and social security contributions:** increase of \$ 51,938, as a result of the rise in the payroll of the Company due to the incorporation of new businesses and the granting of salary increases.
- (v) **Other liabilities:** an increment of \$ 56,410, mainly as a consequence of the higher accrued royalties, due to the rise in the quotation of the US dollar and the higher oil and gas productions due to the incorporation of the participations in the Loma Negra and La Yesera consortia and in UTE Pampa del Castillo – La Guitarra and the increase in dollar prices of oil.

**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, 2017, and audited by the independent auditor, Lic. Ana Nardone, 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	MMm <sup>3</sup> <sup>(1)</sup>	4,255	1,744	5,999	1,053	969	15,315
Oil	Mbbl	2,151	1,252	3,403	1,138	591	2,088
	Mm <sup>3</sup>	342	199	541	181	94	332

<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, 2017, was audited by the independent auditor, Lic. Ana Nardone, in compliance with the requirements of ES Resolution 324/06. The expiration horizon is December 2024, with the following values:

Products		Reserves					Resources
		Proven			Probable	Possible	
		Developed	Non-developed	Total			
Gas	MMm <sup>3</sup> <sup>(1)</sup>	488	1,014	1,502	362	318	-
Oil	Mbbl	648	1,220	1,868	289	679	-
	Mm <sup>3</sup>	103	194	297	46	108	-

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

Capex owns 37.50% of said reserves

- **La Yesera**

The estimate of hydrocarbon reserves and resources in the La Yesera area, at December 31, 2017, was audited by the independent auditor, Lic. Ana Nardone, 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>	114	40	154	-	236	-
Oil	Mbbl	1,138	503	1,641	-	3,006	-
	Mm <sup>3</sup>	181	80	261	-	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, 2017, was audited by the independent auditor, Lic. Héctor A. López, 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>	21	15	36	4	3	-
Oil	Mbbl	8,183	5,850	14,033	1,535	1,176	-
	Mm <sup>3</sup>	1,301	930	2,231	244	187	-

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

Capex owns 95% of said reserves.



#### b) Asset structure

The summary of the interim condensed consolidated equity structure of the Company at October 31, 2018, 2017, 2016, 2015 and 2014, derives from the interim condensed consolidated financial statements of the Company at each date.

Condensed interim consolidated financial statements at October 31, 2018 have been prepared in accordance with the accounting framework established by the CNV. For more information please refer to note 4 of these financial statements.

On the other hand, financial statements at October 31, 2017, 2016, 2015, and 2014 have been prepared in accordance with International Accounting Standards 34 "Interim Financial Information" (IAS 34).

	31/10/2018	31/10/2017	31/10/2016	31/10/2015	31/10/2014
	(a)				
Current Assets	8,350,450	4,440,529	1,778,320	878,473	615,822
Non-Current Assets	16,480,050	8,091,348	5,188,899	3,395,426	3,189,194
<b>Total Assets</b>	<b>24,830,500</b>	<b>12,531,877</b>	<b>6,967,219</b>	<b>4,273,899</b>	<b>3,805,016</b>
Current Liabilities	2,196,102	1,044,854	586,753	479,771	382,503
Non-Current Liabilities	14,165,866	7,264,850	4,328,918	2,723,559	2,360,959
<b>Total Liabilities</b>	<b>16,361,968</b>	<b>8,309,704</b>	<b>4,915,671</b>	<b>3,203,330</b>	<b>2,743,462</b>
Shareholders' equity attributable to shareholders	8,405,906	4,194,508	2,027,859	1,061,588	1,052,107
Non-Controlling interest	62,626	27,665	23,689	8,981	9,447
<b>Total Shareholders' Equity</b>	<b>8,468,532</b>	<b>4,222,173</b>	<b>2,051,548</b>	<b>1,070,569</b>	<b>1,061,554</b>
<b>Total Shareholders' Equity and Liabilities</b>	<b>24,830,500</b>	<b>12,531,877</b>	<b>6,967,219</b>	<b>4,273,899</b>	<b>3,805,016</b>

(a) Information consolidated with SEB and Hychico, according to financial information at October 31, 2018, 2017, 2016, 2015 and 2014 and E G WIND at October 31, 2018.

#### c) Results Structure

The summary of the interim condensed consolidated results structure of the Company at October 31, 2018, 2017, 2016, 2015 and 2014, derives from the interim condensed consolidated financial statements of the Company at each date.

Condensed interim consolidated financial statements at October 31, 2018 have been prepared in accordance with the accounting framework established by the CNV. For more information please refer to note 4 of these financial statements.

On the other hand, financial statements at October 31, 2017, 2016, 2015, and 2014 have been prepared in accordance with International Accounting Standards 34 "Interim Financial Information" (IAS 34).

	31/10/2018	31/10/2017	31/10/2016	31/10/2015	31/10/2014
	(a)				
Operating result	2,117,886	840,215	680,594	303,643	266,942
Financial income	2,653,543	597,164	128,559	96,429	47,579
Financial costs	(5,448,969)	(1,045,829)	(432,435)	(302,652)	(240,054)
Other financial income	(17,671)	(461)	(1,317)	304	697
<b>Result before income tax</b>	<b>(695,210)</b>	<b>391,089</b>	<b>375,401</b>	<b>97,724</b>	<b>75,164</b>
Income tax	192,521	(138,132)	(132,652)	(34,385)	(20,452)
<b>Net result for the period</b>	<b>(502,689)</b>	<b>252,957</b>	<b>242,749</b>	<b>63,339</b>	<b>54,712</b>
Other comprehensive income	3,154,083	427,774	-	-	743,518
<b>Comprehensive result for the period</b>	<b>2,651,393</b>	<b>680,734</b>	<b>242,749</b>	<b>63,339</b>	<b>798,230</b>

(a) Information consolidated with SEB and Hychico, according to financial information as of October 31, 2018, 2017, 2016, 2015 y 2014 and E G WIND at October 31, 2018.

#### d) Cash flow Structure

The summary of the interim condensed consolidated cash flow structure of the Company at October 31, 2018, 2017, 2016, 2015 and 2014, derives from the interim condensed consolidated financial statements of the Company at each date.

Condensed interim consolidated financial statements at October 31, 2018 have been prepared in accordance with the accounting framework established by the CNV. For more information please refer to note 4 of these financial statements.

On the other hand, financial statements at October 31, 2017, 2016, 2015, and 2014 have been prepared in accordance with International Accounting Standards 34 "Interim Financial Information" (IAS 34).

	31/10/2018	31/10/2017	31/10/2016	31/10/2015	31/10/2014
	(a)				
Net cash flows provided by operating activities	1,714,596	999,367	1,160,729	362,846	193,089
Net cash flows (used in) / provided by investment activities	(1,249,611)	(1,024,297)	59,396	(237,127)	63,847
Net cash flows (used in) / provided by financing activities	(323,097)	1,374,659	(324,365)	24,996	(88,735)
<b>Net (increase in cash, cash equivalents and overdrafts)</b>	<b>144,888</b>	<b>1,349,729</b>	<b>895,760</b>	<b>150,715</b>	<b>168,201</b>

(a) Information consolidated with SEB and Hychico, according to financial information at October 31, 2018, 2017, 2016, 2015 and 2014 and E G WIND at October 31, 2018.

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

OIL					
	31/10/2018	31/10/2017	31/10/2016	31/10/2015	31/10/2014
Consolidated information					
Production in bbl	522,536	181,399	146,093	131,567	118,103
Sales domestic market bbl	293,367	294,975	232,284	232,251	219,711
Production in m <sup>3</sup>	83,077	28,840	23,227	20,918	18,777
Sales in the domestic market m <sup>3</sup> (1)(4)	46,642	46,897	36,930	36,925	34,931
GAS (thousands of m <sup>3</sup> )					
	31/10/2018	31/10/2017	31/10/2016	31/10/2015	31/10/2014
Consolidated information					
Production	283,147	275,356	283,208	280,360	278,362
Redirected by CAMMESA – ES Resolution 95/13 /Purchase	313,098	301,623	289,695	146,286	155,196
Sales in the domestic market	-	30,295	4,186	26,935	21,356
ENERGY AGUA DEL CAJON (thousands of MWh)					
	31/10/2018	31/10/2017	31/10/2016	31/10/2015	31/10/2014
Consolidated information					
Production	2,331	2,183	2,284	1,493	1,576
Sales	2,239	2,104	2,179	1,381	1,461
RENEWABLE ENERGY (thousands of MWh)					
	31/10/2018	31/10/2017	31/10/2016	31/10/2015	31/10/2014
Consolidated information					
Production	13.6	15.9	9.3	13	14
Sales	13.6	15.9	9.3	13	14
ENERGY DIADEMA PLANT (thousands of MWh)					
	31/10/2018	31/10/2017	31/10/2016	31/10/2015	31/10/2014
Consolidated information					
Production	2.9	5.4	5.1	4.2	5.0
Sales	2.2	4.8	3.9	3.6	4.0
PROPANE (tn)					
	31/10/2018	31/10/2017	31/10/2016	31/10/2015	31/10/2014
Consolidated information					
Production	10,331	11,072	10,657	9,840	11,097
Sales domestic market	10,180	11,201	10,476	9,711	11,260
Sales foreign market	-	-	-	195	-

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BUTANE (tn)					
	31/10/2018	31/10/2017	31/10/2016	31/10/2015	31/10/2014

Consolidated information					
Production	6,822	7,313	7,031	7,209	7,514
Sales domestic market	6,942	7,408	7,128	7,062	7,578

GASOLINE (m <sup>3</sup> )					
	31/10/2018	31/10/2017	31/10/2016	31/10/2015	31/10/2014

Consolidated information					
Production <sup>(2)</sup>	12,974	13,569	13,158	13,457	12,860

OXYGEN (Nm <sup>3</sup> )					
	10/31/2018	10/31/2017	10/31/2016	10/31/2015	10/31/2014

Consolidated information					
Production	12,140	24,546	16,379	11,184	19,990
Sales domestic market <sup>(3)</sup>	62,000	63,126	59,891	56,691	63,688

<sup>(1)</sup> Includes 12,980 m<sup>3</sup>, 13,574 m<sup>3</sup>, 13,104 m<sup>3</sup>, 13,463 m<sup>3</sup> and 12,838 m<sup>3</sup> of gasoline at October 31, 2018, 2017, 2016, 2015 and 2014, respectively sold as oil.

<sup>(2)</sup> The gasoline at October 31, 2018, 2017, 2016, 2015 and 2014, was sold as oil.

<sup>(3)</sup> The sales of oxygen at October 31, 2018, 2017, 2016, 2015 and 2014 include take or pay clause.

<sup>(4)</sup> At October 31, 2018 includes 24,009 thousands m<sup>3</sup> from Agua del Cajón area and 9,479 thousands m<sup>3</sup> from Loma Negra and La Yesera areas and 49,589 thousands m<sup>3</sup> from Pampa del Castillo – La Guitarra area.

#### f) Ratios

	10/31/2018	10/31/2017	10/31/2016	10/31/2015	10/31/2014
Liquidity (1)	3.80	4.25	(a) 3.03	1.83	1.61
Solvency (2)	0.52	0.51	0.42	0.33	0.39
Capital Immobilization (3)	0.66	0.65	0.74	0.79	0.84

(a) Information consolidated with SEB and Hychico as per financial information at October 31, 2018, 2017, 2016, 2015 and 2014 and E G WIND at October 31, 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, there will be drilled 9 wells of tight gas sand in the development zone, 2 exploration wells to prove productivity of the formation Los Molles Shale, 1 tight gas sand well for extension purposes, 1 conventional oil well, a further drilling of 2 wells and a repair/upgrade program of 10 wells.

Capex will continue to focus resources on the development of new conventional and unconventional reserves. Regarding the development of shale resources (schist of slate rock), work will continue on the technical-economic viability of this project.

- In the area Loma Negra, there will be drilled 2 development wells and 2 advanced wells to develop gas reserves, as well as investments in catchment and treatment facilities to commercialize said gas; the development of this gas, if the stimulus plan is approved for unconventional gas investments, could be applied to said plan. Also, it is intended to repair 6 injection wells and producers.

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- In the area La Yesera, the construction of a battery in order to continue the development program of this area will begin. Capex will focus on the development of oil reserves in deep targets. In the first instance, the intention is to carry out "side track" to any of the existing inactive wells.

- In the area Pampa del Castillo - La Guitarra, Capex together with Petrominera committed to invest in the area until September 2021 the sum of US\$ 108.4 million, in proportion to their participations and Capex, at its own account and risk, must make investments in exploration for the sum of US\$ 10.6 million until September 2020. During this year, 6 development wells will be drilled for oil and 1 advanced well; In addition, 20 wells will be repaired.

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

#### Energy

As part of its strategy of diversification and growth, Capex is evaluating potential thermal power generation projects in different regions of the country.

#### Renewables

Hychico will continue to operate its Eolic Energy Farm and its Hydrogen Plant and evaluate the storage of hydrogen in depleted gas and oil reservoirs, as well as the feasibility of moving forward with the methanation project. In this sense, a work program with its corresponding budget and schedule has been defined, which will be extended until the mid of 2019. In addition, the Commercial Operation of the new Diadema II Wind Farm is expected by the first six-month period of 2019.

Hychico's long-term objectives involve supplying future regional and international markets with "green hydrogen" produced from renewable energy and / or "green methane", using hydrogen as a raw material and a sustainable source of carbon dioxide, as well as the development of wind farms and photovoltaic for the national electricity demand as power plants generating renewable energy free of greenhouse gas emissions.

It is the intention of the Company 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 participate with potential generation projects in the next calls under the RenovAr Program and the Term Market. For this purpose, they are currently developing a portfolio of wind and solar energy projects covering several regions of the country.

#### Financial

The Group bases its financial strategy on two pillars: (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 and, (ii) prioritize the position of liquidity in order to be able to complete its growth and investment plan.

In line with this strategy, Capex owns all of its structured financial liabilities under the issuance of Class 2 Negotiable Obligations 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 Negotiable Obligations 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 used to acquire the Loma Negra and La Yesera hydrocarbon areas, to face the investments associated with the development of the Diadema Eolic Energy Farm II, awarded within the framework of the RenovAR Ronda 2.0 Program, for the cancellation of working capital and for payment of the participation in the Pampa del Castillo - La Guitarra area.

Finally, and in line with the strategy previously mentioned, the Group has, at the date of the present financial statements, a liquidity position of US\$ 169 million, which is invested in instruments of immediate liquidity. It should be noted that at the issuance date of these financial statements, the Group holds approximately 90% of its placements in US dollars.





## LIMITED REVIEW REPORT OVER THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the President and Directors of  
Capex S.A.  
Legal address: Córdoba Av. 948/950 5th C Floor  
Autonomous City of Buenos Aires  
Tax Code: 30-62982706-0

### Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Capex S.A. and its subsidiaries (the "Company") including the condensed interim consolidated statement of financial position as of October 31, 2018, the condensed interim consolidated statements of comprehensive income for the six and three month period, of changes in shareholders' equity and cash flows for the six and three months period ended on that date, and the notes 1 and 3 to 26 and Exhibits A and C to H.

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

### Responsibility for the Board of Directors

The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with the accounting framework established by the National Securities Commission (CNV). As indicated in note 4 to the condensed interim consolidated financial statements, said accounting framework is based on the application of the International Financial Reporting Standards (IFRS), and, in particular, of the International Accounting Standard 34 "Interim Financial Reporting" (IAS 34). These standards have been adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) and have been used for the preparation of the financial statements with the only exception of the International Accounting Standard 29 (IAS 29), which was excluded from its accounting framework by the CNV.

### Scope of our review

Our review was limited to the application of the procedures laid down by the International Standard on Review Engagement ISRE 2410 "Review of interim financial information development by independent auditor of entity", which was adopted as the standard of review in Argentina by Technical Pronouncement No. 33 of FACPCE as was approved by the International Auditing and Assurance Standard Board (IAASB). A limited review of interim financial statements consists in requesting information from the personnel of the Company in charge of preparing the information included in the condensed interim consolidated financial statements and applying analytical procedures and subsequent analysis. This review is substantially less in scope than an audit performed in accordance with international auditing standards; consequently, a review does not allow us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not issue an opinion on the consolidated financial position, consolidated comprehensive income and the consolidated cash flow of the Company.

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## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements mentioned in the first paragraph of this report, have not been prepared, in all material respects, in accordance with the accounting framework established by the CNV.

## Difference between the CNV and IFRS accounting reporting framework

Without modify our conclusion, we draw attention over the Note 4 to the condensed interim consolidated financial statements attached, which describes the difference between the framework of the accounting information of the CNV and the IFRS, considering that the application of IAS 29 was excluded from its accounting framework by the CNV.

## Report on compliance with current regulations

In accordance with current regulations, we report that, in connection with Capex S.A.:

- a) the condensed interim consolidated financial statements of Capex S.A. are transcribed into the "Inventory and Balance Sheet" book and as regards those matters that are within our competence, they are in compliance with the provisions of the Commercial Companies Law and pertinent resolutions of the National Securities Commission;
- b) the condensed interim individual financial statements of the Capex S.A. arise from accounting records kept in all formal respects in conformity with legal regulations;
- c) we have read the summary of activity, on which, as regards those matters that are within our competence, we have no observations to make;
- d) as of October 31, 2018 the debt accrued by Capex S.A. in favor of the Argentine Integrated Social Security System according to the Company's accounting records amounted to \$ 9,227,431.85, none of which was claimable at that date.

Autonomous City of Buenos Aires, December 4, 2018.

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Dr. Nicolás A. Carusoni  
Public Accountant