



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

CAPEX S.A.

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



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NOMENCLATURE

Currency

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

Glossary of Terms

Terms	Description
Bbl	Barrel
BTU	British thermal unit
CC	Combined cycle
CNV	National Securities Commission
CSJN	Supreme Court of Justice
CT ADC	Agua del Cajón Power Plant
CVP	Variable production cost
FACPCE	Argentine Federation of Professional Councils in Economic Sciences
GWh	Gigawatts per hour
IASB	International Accounting Standards Board
Km	Kilometer
km ²	Square kilometer
KW	Kilowatt
LVFVD	Sales settlement with maturity to be defined
m ³	Cubic meter
MMBTU	Million British thermal unit
WEM	Wholesale Electricity Market
Mm ³	Thousand cubic meters
MMm ³	Million cubic meters
MMMm ³	Billion cubic meters
Mtn	Thousands of tons
MW	Megawatt
NCP ARG	Professional Accounting Standards prevailing prior to IFRS
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Nm ³	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 three-month period ended July 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, 5th floor, apartment C, City of Buenos Aires

Main activity: Exploitation of hydrocarbons

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

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 July 31 and April 30, 2018
Stated in pesos

	Note/ Exhibit	07.31.2018	04.30.2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9 / A	11,876,072	9,338,710
Investment in companies	24	773,729	-
Spare parts and materials		211,358	149,059
Net deferred tax assets	10	15,795	11,377
Other accounts receivable	11	48,335	24,867
Total Non-Current Assets		12,925,289	9,524,013
CURRENT ASSETS			
Spare parts and materials		61,874	45,652
Inventories		4,547	4,330
Other accounts receivable	11	399,727	104,376
Trade accounts receivable	12	1,169,079	825,832
Financial instruments at fair value	13 / C	758,919	632,454
Cash and cash equivalents	14	4,183,514	4,009,886
Total Current Assets		6,577,660	5,622,530
Total Assets		19,502,949	15,146,543

The accompanying Notes 1 to 25 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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Condensed Interim Consolidated Statements of Financial Position

As of July 31 and April 30, 2018

Stated in pesos

	Note / Exhibit	07.31.2018	04.30.2018
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Capital stock		179,802	179,802
Legal reserve		35,960	35,960
Free reserve		464,413	464,413
Additional paid-in capital		79,686	79,686
Reserve for assets revaluation	15	5,489,148	4,151,170
Unappropriated retained earning		779,071	864,734
Total shareholders' equity attributable to shareholders		7,028,080	5,775,765
Non-controlling interest		49,760	39,165
Total shareholders' equity		7,077,840	5,814,930
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade accounts payable	16	525,663	125,191
Financial liabilities	17	8,288,098	6,225,499
Net deferred tax liabilities	10	2,056,729	1,623,441
Provisions and other charges	E	2,480	2,480
Total non-current liabilities		10,872,970	7,976,611
CURRENT LIABILITIES			
Trade accounts payable	16	966,730	702,085
Financial liabilities	17	194,547	259,804
Salaries and social security contributions	18	53,448	97,265
Taxes payable		265,342	231,812
Other liabilities		72,072	64,036
Total current liabilities		1,552,139	1,355,002
Total liabilities		12,425,109	9,331,613
Total shareholders' equity and liabilities		19,502,949	15,146,543

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Chairman



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Condensed Interim Consolidated Statement of Comprehensive Income

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

	Note/ Exhibit	07.31.2018	07.31.2017
Sales	20	1,737,463	912,575
Cost of sales	F	(393,937)	(302,404)
Gross profit		1,343,526	610,171
Preoperative expenses	H	(1,352)	-
Selling expenses	H	(214,317)	(138,478)
Administrative expenses	H	(94,649)	(79,675)
Other operating expenses, net	21	(388)	(312)
Operating income		1,032,820	391,706
Financial income	22	1,173,397	507,249
Financial costs	22	(2,403,892)	(928,340)
Other financial income	E	151	248
Result before income tax		(197,524)	(29,137)
Income tax		55,968	10,495
Net result for the period		(141,556)	(18,642)
Concepts that will not be reclassified to results			
Other comprehensive results	15	1,403,460	427,774
Comprehensive result for the period		1,261,904	409,132
Net result for the period attributable to:			
Company shareholders		(141,556)	(18,657)
Non-controlling interest		-	15
Net result for the period		(141,556)	(18,642)
Net comprehensive result for the period attributable to:			
Company shareholders		1,252,315	407,039
Non-controlling interest		9,589	2,093
Comprehensive result for the period		1,261,904	409,132
Basic and diluted net result per share attributable to:			
- Company shareholders		(0.78729)	(0.10376)
Basic and diluted comprehensive result per share attributable to:			
- Company shareholders		6.96496	2.26381

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Condensed Interim Consolidated Statement of Changes in Shareholders' Equity
For the three-month periods ended July 31, 2018 and 2017
Stated in pesos

	Attributable to the Company shareholders								Total equity
	Capital Stock		Retained earnings			Unappropriated retained earnings	Subtotal	Non-controlling interest	
	Outstanding shares	Additional paid-in capital	Legal reserve	Free reserve ⁽¹⁾	Other accumulated comprehensive income Reserve for assets revaluation ⁽²⁾				
Balances at April 30, 2017	179,802	79,686	-	-	2,757,020	500,374	3,516,882	24,560	3,541,442
Comprehensive result for the three-month period	-	-	-	-	425,696	(18,657)	407,039	2,093	409,132
Reversal of reserve for assets revaluation (Note 15)	-	-	-	-	(37,022)	37,022	-	-	-
Balances at July 31, 2017	179,802	79,686	-	-	3,145,694	518,739	3,923,921	26,653	3,950,574
Ordinary and Shareholders' Meeting of August 9, 2017	-	-	35,960	464,413	-	(500,373)	-	-	-
Capital contribution from Interenergy Argentina S.A. to Hychico S.A.	-	-	-	-	-	-	-	1,070	1,070
Comprehensive result for the nine-month period	-	-	-	-	1,137,484	714,360	1,851,844	11,442	1,863,286
Reversal of reserve for assets revaluation (Note 15)	-	-	-	-	(132,008)	132,008	-	-	-
Balances at April 30, 2018	179,802	79,686	35,960	464,413	4,151,170	864,734	5,775,765	39,165	5,814,930
Capital contribution from Interenergy Argentina S.A. to Hychico S.A. and E.G. Wind	-	-	-	-	-	-	-	1,006	1,006
Comprehensive result for the three-month period	-	-	-	-	1,393,871	(141,556)	1,252,315	9,589	1,261,904
Reversal of reserve for assets revaluation (Note 15)	-	-	-	-	(55,893)	55,893	-	-	-
Balances at July 31, 2018	179,802	79,686	35,960	464,413	5,489,148	779,071	7,028,080	49,760	7,077,840

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

⁽²⁾ Generated by the revaluation of assets (see Note 15).

The accompanying Notes 1 to 25 and Exhibit A and C to H form an integral part of these condensed interim consolidated financial statements.

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Chairman



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Condensed Interim Consolidated Statement of Cash Flows

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

	Note / Exhibit	07.31.2018	07.31.2017
Cash flows from operating activities:			
Comprehensive result for the period		1,261,904	409,132
Adjustments to arrive at net cash flows provided by operating activities:			
Exchange differences generated by cash and cash equivalents		(813,782)	(305,721)
Income tax		(55,968)	(10,495)
Interest accrued on financial liabilities and others		187,584	127,893
Exchange difference generated by financial liabilities	17	2,082,985	785,647
Exchange difference from placements in financial instruments at amortized cost not considered as cash or cash equivalents		(165,000)	(129,013)
Exchange difference generated by accounts receivable with CAMMESA		(11,728)	(4,958)
Interest accrued on accounts receivable and payable	22	4,183	508
Commissions and expenses related to negotiable obligations	17	-	(52,489)
Depreciation of property, plant and equipment	9 / A	201,159	150,462
Other comprehensive results	15	(1,403,460)	(427,774)
Recovery of the provision of property, plant and equipment.	9 / E	(151)	(250)
Changes in net operating assets and liabilities:			
Increase in trade accounts receivable		(343,243)	(77,560)
(Increase) / decrease in other accounts receivable		(271,366)	3,536
(Increase) / decrease in inventories		(217)	2,502
Increase in spare parts and materials		(78,521)	(28,778)
Increase / (Decrease) in trade accounts payable		259,336	(139,780)
Decrease in salaries and social security contributions		(43,817)	(37,381)
(Decrease) / Increase in taxes		12,656	(21,987)
Increase in other liabilities		8,037	3,345
Income tax paid		(15,728)	-
Tax on assets paid		-	(4,271)
Net cash flows provided by operating activities		814,863	242,568
Cash flows from investment activities			
Payments made for the acquisition of property, plant and equipment	9 / A	(447,602)	(90,224)
Retirements of property, plant and equipment, net	9 / A	-	113
Changes in financial instruments at amortized cost not considered as cash or cash equivalents		38,535	(526,741)
Advance payment for Pampa del Castillo concession		(773,729)	-
Capital contribution from Interenergy to E,G, Wind and Hychico		1,006	-
Net cash flows used in by investment activities		(1,181,790)	(616,852)
Cash flows from financing activities			
Interest paid and others	17	(261,315)	(77,961)
Financial liabilities settled – net	17	(11,912)	(3,159,460)
Financial liabilities obtained	17	-	4,655,122
Net cash flows (used in) / generated by financing activities		(273,227)	1,417,699
Net (decrease) / increase in cash, cash equivalents and overdrafts			
		(640,154)	1,043,415
Exchange difference generated by cash and cash equivalents		813,782	305,720
Cash, cash equivalents and overdrafts at the beginning of the year	14	4,009,886	967,539
Cash, cash equivalents and overdrafts at the end of the period	14	4,183,514	2,316,674

Alejandro Götz
Chairman



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

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

Operations not generating changes in cash

Complementary information

	<u>07.31.2018</u>	<u>07.31.2017</u>
Accrual for well capping	(46,137)	(3,107)
Capital contributions to be made in E G Wind S.A.	-	(56)
Commercial debt for the purchase of fixed assets	355.445	-
Provision Tax on assets	35,872	-

The accompanying Notes 1 to 25 and Exhibits A and C to H form an integral part of these condensed interim consolidated financial statements.

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Chairman



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Notes to the Condensed Interim Consolidated Financial Statements of Financial Position

As of January 31, 2018 and 2017 and April 30, 2017, as appropriate
Stated in thousands of pesos

NOTE 1 – GENERAL INFORMATION

Capex S.A. ("the Company") and its subsidiaries Servicios Buproneu S.A. (SEB), Hychico S.A. (Hychico) and E G WIND S.A. (E G WIND) (jointly, "the Group") have as main activity the generation of electric power, 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 to 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 August 2018, the Company acquired 95% of the concession of hydrocarbon exploitation Pampa del Castillo - La Guitarra from Enap Sipepetrol and Petrominera del Chubut S.E. (See Note 24).

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



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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 132kW were built, with Arroyito and Chocón Oeste being the interconnection points. Due to the operating needs of the combined cycle, an additional high-voltage line of 500 KW was built, the connection point of which is in Chocón Oeste. Thus, delivery is highly reliable and flexible.

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

The Company started through Hychico two projects for the generation of wind power and the production of oxygen and hydrogen by electrolysis. Thus the Company built the Diadema Eolic Energy Farm and the Hydrogen and Oxygen. 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 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. Héctor López, in compliance with the requirements of ES Resolution 324/06. The expiration horizon is January 2052, with the following values:

Products		Proven			Probable	Possible	Resources
		Developed	Non-developed	Total			
Gas	MMm3 ⁽¹⁾	4,255	1,744	5,999	1,053	969	15,315
Oil	Mbbl	2,151	1,252	3,403	1,138	591	2,088
	Mm3	342	199	541	181	94	332

⁽¹⁾ Determined at 9,300 K/Cal per m³

- 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		Proven			Probable	Possible	Resources
		Developed	Non-developed	Total			
Gas	MMm3 ⁽¹⁾	488	1,014	1,502	362	318	-
Oil	Mbbl	648	1,220	1,868	289	679	-
	Mm3	103	194	297	46	108	-

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 June 2027, with the following values:

Products		Proven					Resources
		Proven			Probable	Possible	
		Developed	Non-developed	Total			
Gas	MMm ³ ⁽¹⁾	114	40	154	-	236	-
Oil	Mbbl	1,138	503	1,641	-	3,006	-
	Mm ³	181	80	261	-	478	-

The Company owns 18.75% of said reserves.

Proven developed reserves at July 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 July 2018, are as follows:

		Agua del Cajón	Loma Negra (37,5%)	La Yesera (18,75%)
Gas	MMm ³ ⁽¹⁾	4,035	152	16
Oil	Mbbl	2,028	207	189
	Mm ³	322	33	30

⁽¹⁾ Determined at 9,300 K/Cal per m³

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:

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 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 - July 2018 and the bond insurance policies, in order to request the provisional payment of the incentive program. On August 9, 2018, the Ministry of Energy authorized the provisional payment equivalent to 85% of the economic remunerations requested for the period January - July 2018 for approximately \$115 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 \$135 million corresponding to the production of the months January to June 2018 (see note 5 and 22). At the date of issue of these financial statements, the same is pending payment.



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

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.

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 three-month period ended July 31, 2018, have been prepared according to 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 consolidated financial information must be read jointly with the consolidated financial statements of the Group as of April 30, 2018.

The condensed interim consolidated financial statements corresponding to the three-month periods ended July 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 three-month periods ended July 31, 2018 and 2017 do not necessarily reflect the proportion of the Group's results during full fiscal years. Figures are stated in Argentine thousands of pesos without cents, except otherwise expressly stated.

The condensed interim consolidated financial statements have been approved for their issuance by the Board of Directors on September 7, 2018.

Comparative information

Balances at April 30, 2018 and for the three-month period ended on July 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. The cumulative inflation rate over three years at June 30, 2018, exceeds 100%. For this reason, according to IAS 29, the Argentine economy must be considered as a highly inflationary economy as from July 1, 2018. Therefore, after such date, the financial statements must be restated. On July 24, 2018, the FACPCE issued a communication to confirm the above-mentioned information.



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

However, National Executive Branch Decree No. 664/03, which is still in force at the date of issue of these financial statements, does not allow presentation of restated financial statements with the 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.

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 Management understands that these actions will conclude with the issue of the next interim financial statements.

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 July 31, 2018, which amount to \$ 1,204.3 million, are distributed as follows:

- 1) Gas revenues of \$ 623.6 million: corresponds to payments received from CAMMESA for the Recognition of Own Fuels, whose remuneration is set in dollars and associated with the evolution of the price of gas for generation plants, and
- 2) Electric energy revenues of \$ 580.8 million: corresponds to the specific remuneration per generation.

Segments reporting information is disclosed below:

	Three months at 31.07.2018						
	Oil and Gas	Electricity ADC	LPG	Energy DEEF	Hydrogen Energy	Oxygen	Total
Sales	412,934	1,204,329	97,861	20,223	1,317	799	1,737,463
Reclassification between segments	642,703	(623,571)	(19,132)	-	-	-	-
Sales per segment	1,055,637	580,758	78,729	20,223	1,317	799	1,737,463
Participation per segment on Sales	60.76%	33.42%	4.53%	1.16%	0.08%	0.05%	100%
Cost of sales	(185,370)	(176,543)	(21,415)	(6,718)	(2,486)	(1,405)	(393,937)
Gross Profit	870,267	404,215	57,314	13,505	(1,169)	(606)	1,343,526
Segment share on gross income	64.77%	30.09%	4.27%	1.01%	-0.09%	-0.05%	100%
Preoperative expenses	-	-	-	(1,352)	-	-	(1,352)
Selling Expenses	(163,608)	(45,348)	(4,767)	(54)	(362)	(178)	(214,317)
Administrative Expenses	(55,068)	(27,937)	(10,699)	(95)	(512)	(338)	(94,649)
Other operating income / (expenses), net	1,874	(1,899)	(363)	-	-	-	(388)
Operating result	653,465	329,031	41,485	12,004	(2,043)	(1,122)	1,032,820
Financial Income							1,173,397
Financial Costs							(2,403,892)
Other Financial Income							151
Result Before Income Tax							(197,524)
Income Tax							55,968
Net result for the period							(141,556)
Other comprehensive results ⁽¹⁾							1,403,460
Net comprehensive result for the period							1,261,904
Depreciation							
In Cost of Sales	(86,368)	(105,242)	(4,274)	(3,780)	(292)	(71)	(200,027)
In Administrative Expenses	(273)	(795)	(64)	-	-	-	(1,132)
Total	(86,641)	(106,037)	(4,338)	(3,780)	(292)	(71)	(201,159)



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NOTE 8 - SEGMENT REPORTING (CONT'D.)

Three months at 07.31.2017							
Oil and gas	Electricity ADC	LPG	Energy DEEF	Hydrogen Energy	Oxygen	Total	
Sales	211,952	627,618	56,138	14,800	1,528	539	912,575
Reclassification between segments	363,784	(331,296)	(32,488)	-	-	-	-
Sales per segment	575,736	296,322	23,650	14,800	1,528	539	912,575
Participation per segment on Sales	63.1%	32.5%	2.6%	1.6%	0.2%	0.0%	100.0%
Cost of sales	(129,735)	(151,408)	(14,846)	(3,919)	(1,865)	(631)	(302,404)
Gross Profit	446,001	144,914	8,804	10,881	(337)	(92)	610,171
Segment share on gross income	73.1%	23.7%	1.4%	1.8%	0.0%	0.0%	100.0%
Selling expenses	(106,386)	(26,263)	(5,312)	(102)	(315)	(100)	(138,478)
Administrative expenses	(47,789)	(23,628)	(7,700)	(82)	(313)	(163)	(79,675)
Other operating expenses, net	(70)	(204)	(26)	(12)	-	-	(312)
Operating result	291,756	94,819	(4,234)	10,685	(965)	(355)	391,706
Financial income							507,249
Financial costs							(928,340)
Other financial income							248
Result before Income Tax							(29,137)
Income tax							10,495
Net result for the period							(18,642)
Other comprehensive results ⁽¹⁾							427,774
Net comprehensive result for the period							409,132
Depreciation							
In Cost of sales	(62,504)	(80,915)	(3,666)	(2,351)	(292)	(72)	(149,800)
In Administrative expenses	(156)	(464)	(42)	-	-	-	(662)
Total	(62,660)	(81,379)	(3,708)	(2,351)	(292)	(72)	(150,462)

⁽¹⁾ 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

	07.31.2018	07.31.2017
Residual value at beginning of period	9,338,710	6,849,140
Additions / retirements	849,184	93,218
Recovery of provisions	151	250
Revaluation	1,889,186	658,113
Depreciation	(201,159)	(150,462)
Residual value at the end of the period	11,876,072	7,450,259

From the depreciation charge for the three-month periods ended July 31, 2018 and 2017, \$ 200,027 and \$ 149,800, respectively, were allocated to Cost of sales and \$ 1,132 and \$ 662, respectively, to Administrative Expenses.

At July 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 July 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 07.31.2018
CT ADC	501,488	24,949	(30,760)	495,677
Building and land in Neuquén	33,256	-	(51)	33,205
LPG Plant	50,625	-	(1,234)	49,391
DEEF	51,551	1,950	(934)	52,567
Remaining assets	3,109,840	822,436	(87,754)	3,844,522
Total	3,746,760	849,335	(120,733)	4,475,362

	Residual value of revaluation at 04.30.2018	Additions/ Retirements for the period- Revaluation	Depreciation of the period- Revaluation	Residual value of revaluation at 07.31.2018	Net book value at 07.31.2018
CT ADC	4,971,844	1,764,849	(74,483)	6,662,210	7,157,887
Building and land in Neuquén	338,930	-	(58)	338,872	372,077
LPG Plant	124,568	57,600	(3,038)	179,130	228,521
DEEF	156,608	66,737	(2,847)	220,498	273,065
Remaining assets	-	-	-	-	3,844,522
Total	5,591,950	1,889,186	(80,426)	7,400,710	11,876,072

NOTE 10 – NET DEFERRED TAX ASSETS / LIABILITIES

The deferred tax net position is as follows:

	07.31.2018	04.30.2018
Deferred tax assets		
Deferred tax assets to be recovered after 12 months	139,022	34,422
Deferred tax assets to be recovered within 12 months	9,411	2,715
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after 12 months	(2,070,479)	(1,216,277)
Deferred tax liabilities to be recovered within 12 months	(118,890)	(432,924)
Net deferred tax liabilities ⁽¹⁾	(2,040,934)	(1,612,064)

⁽¹⁾ This amount is shown in the condensed interim consolidated financial statements as follows: \$ 15,795 and \$ 11,377 under net deferred tax assets at July 31 and April 30, 2018, respectively, and \$ 2,056,729 and \$ 1,623,441 under net deferred tax liabilities at July 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	10,042	20,025	37,136
Charge to income/loss	121,974	186	(9,158)	113,002
Change in income tax rate	(1,266)	(25)	(414)	(1,705)
Balance at July 31, 2018	127,777	10,203	10,453	148,433



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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	(84,710)	29,722	437	81	(54,470)
Change in income tax rate	-	28	-	-	28
Charge to Other Comprehensive Results	-	(566,755)	-	-	(566,755)
Charge to Other Comprehensive Results due to a change in the income tax rate	-	81,029	-	-	81,029
Balance at July 31, 2018	(197,018)	(1,979,672)	367	(13,045)	(2,189,368)

Tax losses in force as of July 31, 2018 of Capex and Hychico for \$ 115,935 and \$ 5,247, respectively, 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 July 31, 2018 of E G Wind amounting to \$6,595 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

	07.31.2018	04.30.2018
Non-Current		
In local currency		
Turnover tax	-	1,035
Tax on assets	35,872	11,023
Other tax credits	-	41
In foreign currency (Exhibit G)		
Assignment of CAMMESA rights	12,463	12,768
Total	48,335	24,867
Current		
In local currency		
Sundry advances	22,774	9,915
Turnover tax	15,336	6,520
Value added tax	74,156	12,542
Income tax withholdings	51,204	2,735
Other tax credits	19,389	9,152
Prepaid insurance	21,004	21,302
Prepaid expenses	5,622	1,247
Assignment of CAMMESA rights	1,944	1,293
Intercompany receivables Section 33 – Law 19550 (Note 23.b))	1,123	829
Agreement for gas propane supply for networks to collect	9,978	13,109
Fiduciary fund gas to recover	11,133	-
Unconventional gas stimulus program (Note 3)	135,000	-
Sundry	270	1,376
In foreign currency (Exhibit G)		
Sundry advances	8,779	7,549
Intercompany receivables Section 33 – Law 19550 (Note 23.b))	18	137
Assignment of CAMMESA rights	21,997	16,670
Total	399,727	104,376

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



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NOTE 12 – TRADE ACCOUNTS RECEIVABLE

	07.31.2018	04.30.2018
Non-Current		
In local currency		
Doubtful accounts	2,627	2,627
Less: Provision for doubtful accounts (Exhibit E)	(2,627)	(2,627)
Total	-	-
Current		
In local currency		
From sale of energy and others	60,643	35,775
Intercompany receivables Section 33 – Law 19550 (Nota 23.b))	14,716	16,651
In foreign currency (Exhibit G)		
From sale of oil and others	156,080	106,415
From sale of energy	934,706	664,202
Intercompany receivables Section 33 – Law 19550 (Nota 23.b))	2,934	2,789
Total	1,169,079	825,832

NOTE 13 - FINANCIAL INSTRUMENTS

	07.31.2018	04.30.2018
Current		
In foreign currency (Exhibit G)		
Financial instruments at fair value (Exhibit C)	758,919	632,454
Total	758,919	632,454

NOTE 14 - CASH AND CASH EQUIVALENTS

	07.31.2018	04.30.2018
Current		
In local currency		
Cash	74	65
Banks	27,219	15,169
Financial instruments at fair value (Exhibit D)	561,681	1,772,842
In foreign currency (Exhibit G)		
Cash	150	4,608
Banks	550	15,463
Financial instruments at amortized cost (Exhibit D)	550,338	564,592
Financial instruments at fair value (Exhibit D)	3,043,502	1,637,147
Total	4,183,514	4,009,886

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

	07.31.2018	07.31.2017
Cash, banks and checks to be deposited	27,993	36,211
Financial instruments at fair value	3,605,183	876,600
Financial instruments at amortized cost	550,338	1,403,863
Total	4,183,514	2,316,674



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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)
Total other comprehensive results	413,941	-	13,833	-	427,774	425,696	2,078
Reversal due to depreciation for the period ⁽¹⁾	(53,457)	(2,406)	(1,419)	(8)	(57,290)	(56,957)	(333)
Reversal of deferred tax ⁽¹⁾	18,709	842	497	3	20,051	19,935	116
Subtotal for reversal of depreciation for the revaluation of assets ⁽¹⁾	(34,748)	(1,564)	(922)	(5)	(37,239)	(37,022)	(217)
Balance at July 31, 2017	2,877,893	67,252	64,553	149,054	3,158,752	3,145,694	13,058
Increase for revaluation	735,550	28,322	63,098	109,683	936,653	925,761	10,892
Deferred tax	(257,443)	(9,912)	(22,084)	(38,389)	(327,828)	(324,016)	(3,812)
Result due to change in income tax rate	478,920	11,241	14,521	33,799	538,481	535,739	2,742
Total other comprehensive results	957,027	29,651	55,535	105,093	1,147,306	1,137,484	9,822
Reversal due to depreciation for the period ⁽¹⁾	(191,233)	(7,218)	(5,802)	(66)	(204,319)	(203,088)	(1,231)
Reversal of deferred tax ⁽¹⁾	66,931	2,526	2,031	23	71,511	71,080	431
Subtotal for reversal of depreciation for the revaluation of assets ⁽¹⁾	(124,302)	(4,692)	(3,771)	(43)	(132,808)	(132,008)	(800)
Balance at April 30, 2018	3,710,618	92,211	116,317	254,104	4,173,250	4,151,170	22,080
Increase for revaluation	1,764,849	57,600	66,737	-	1,889,186	1,876,282	12,904
Deferred tax	(529,455)	(17,280)	(20,020)	-	(566,755)	(562,885)	(3,870)
Result due to change of the income tax rate	75,749	2,376	2,904	-	81,029	80,474	555
Total other comprehensive results	1,311,143	42,696	49,621	-	1,403,460	1,393,871	9,589
Reversal due to depreciation for the period ⁽¹⁾	(74,483)	(3,038)	(2,848)	(58)	(80,427)	(79,847)	(580)
Reversal of deferred tax ⁽¹⁾	22,345	911	854	17	24,127	23,954	173
Subtotal for reversal of depreciation for the revaluation of assets ⁽¹⁾	(52,138)	(2,127)	(1,994)	(41)	(56,300)	(55,893)	(407)
Balance at July 31, 2018	4,969,623	132,780	163,944	254,063	5,520,410	5,489,148	31,262

⁽¹⁾ Charged to "Retained earnings".

NOTE 16 - TRADE ACCOUNTS PAYABLE

	07.31.2018	04.30.2018
Non-Current		
In local currency		
Sundry accruals	163,737	120,457
In foreign currency (Exhibit G)		
Sundry accruals	361,926	4,734
Total	525,663	125,191
Current		
In local currency		
Suppliers	351,551	252,461
Intercompany suppliers Section 33 - Law 19550 (Nota 23.b)	193	164
Sundry accruals	52,711	21,933
In foreign currency (Exhibit G)		
Suppliers	541,626	324,465
Intercompany suppliers Section 33 - Law 19550 (Nota 23.b)	-	1,735
Sundry accruals	20,649	101,327
Total	966,730	702,085

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



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NOTE 17 - FINANCIAL LIABILITIES

	07.31.2018	04.30.2018
Non-Current		
In local currency		
Commissions and expenses to be accrued	(42,259)	(44,198)
Advance funding for maintenance of the CT ADC	41,573	58,401
In foreign currency (Exhibit G)		
Bank	65,784	49,296
Corporate bonds	8,223,000	6,162,000
Total	<u>8,288,098</u>	<u>6,225,499</u>
Current		
In local currency		
Advance funding for maintenance of the CT ADC	60,316	56,647
Commissions and expenses to be accrued	(8,869)	(8,811)
In foreign currency (Exhibit G)		
Bank	23,753	16,624
Corporate bonds	119,347	195,344
Total	<u>194,547</u>	<u>259,804</u>

Changes in loans are as follows:

	07.31.2018	07.31.2017
Balances at the beginning	6,485,303	3,413,422
Funding for maintenance of the CT ADC	-	53,122
Loans obtained	-	4,602,000
Accruals:		
Accrued interest	185,704	124,360
Accrued commissions and expenses	1,880	3,532
Exchange difference generated by foreign currency debts	2,082,985	785,647
Payments:		
Corporate bond expenses	-	(52,489)
Interest	(261,315)	(77,961)
Capital	(11,912)	(3,159,460)
Balances at period-end	8,482,645	5,692,173

The fair value of corporate bonds at July 31 and April 30, 2018 amounts to \$ 7,438 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

	<u>07.31.2018</u>	<u>04.30.2018</u>
Current		
In local currency		
Salaries and social security contributions	30,650	21,932
Sundry accruals	22,798	75,333
Total	<u>53,448</u>	<u>97,265</u>

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.

NOTE 20 – SALES

	<u>01.31.2018</u>	<u>01.31.2017</u>
Oil	267,293	147,828
Gas	-	64,124
Gas stimulation program (Note 3)	135,000	-
Electricity ⁽¹⁾	1,204,329	627,618
LPG	86,614	56,130
DEEF Energy	20,223	14,800
Energy generated with hydrogen	1,317	1,528
Oxygen	799	539
Services	10,641	-
Other ⁽²⁾	11,247	8
Total	<u>1,737,463</u>	<u>912,575</u>

⁽¹⁾ 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 \$ 623,571 and \$ 331,296 as of July 31, 2018 and 2017, respectively.

⁽²⁾ Corresponds to revenues from the programs “Propano Sur”.

NOTE 21 – OTHER OPERATING EXPENSES, NET

	<u>07.31.2018</u>	<u>07.31.2017</u>
Income from charges for indirect administrative services consortia (net)	2,397	-
Not computable assessments	(1,296)	-
Result on sale of vehicles	405	413
Sundry	(1,894)	(725)
Total	<u>(388)</u>	<u>(312)</u>

NOTE 22 – FINANCIAL RESULTS

	<u>07.31.2018</u>	<u>07.31.2017</u>
<u>Financial income</u>		
Interest and other	79,994	57,474
Accrual of interest on accounts receivable	12	715
Exchange difference	1,093,391	449,060
	<u>1,173,397</u>	<u>507,249</u>
<u>Financial costs</u>		
Interest and other	(193,290)	(130,117)
Interest accrued from accounts payable	(4,195)	(1,223)
Exchange difference	(2,206,407)	(797,000)
	<u>(2,403,892)</u>	<u>(928,340)</u>



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NOTE 23 –RELATED PARTIES OF THE COMPANY

The Company is controlled by Compañías Asociadas Petroleras Sociedad Anónima (C.A.P.S.A.), which holds 75.2% of the Company's shares. Furthermore, Wild S.A. is the last group parent company with a direct and indirect interest of 98.01% in the shares of CAPSA. The remaining shares are held by shareholders who have acquired them in the Stock Market.

Transactions between related parties were conducted as if between independent parties and are as follows:

a) Transactions with related parties

a.i) With the parent company

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

	07.31.2018	07.31.2017
Sale of energy	1,317	1,527
Expenses corresponding to Hychico	(23)	-
Expenses corresponding to C.A.P.S.A.	2,617	1,697
Expenses corresponding to Capex S.A.	(139)	(51)
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 were carried out with Interenergy Argentina S.A. were:

	07.31.2018	07.31.2017
Office and garage rental	(1,128)	(935)
Services provided	1,063	343

a.iii) With related parties:

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

	07.31.2018	07.31.2017
Office and garage rental	(6,150)	(5,100)

a.iv) With consortia

The transactions with Loma Negra were:

	07.31.2018	07.31.2017
Management and operation services	15,141	-
Prorateable expenses	5,017	-
Charges for indirect administration services	113	-
Expenses refund	1,227	-
Cash Call	(131,280)	-
Distributions to partners	14,340	-

The transactions with La Yesera were:

	07.31.2018	07.31.2017
Management and operation services	4,328	-
Prorateable expenses	557	-
Charges for indirect administration services	30	-
Expenses refund	26	-
Cash Call	(6,073)	-
Distributions to partners	795	-

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

b) Balances at period end with the related companies

	With the parent company	With the companies directly or indirectly controlled by the parent Company	Loma Negra	La Yesera	Total at 07.31.2018
	C.A.P.S.A.	Interenergy Argentina S.A.			
Assets					
Other non-current accounts receivable					
In local currency	997	126	-	-	1,123
In foreign currency	-	-	18	-	18
Current accounts receivable					
In local currency	1,123	487	10,570	2,536	14,716
In foreign currency	25	-	2,651	258	2,934
Liabilities					
Current accounts payable					
In local currency	163	30	-	-	193

	With the parent company	With the companies directly or indirectly controlled by the parent Company	With the controlling companies of the parent company	Loma Negra	La Yesera	Total at 04.30.2018
	C.A.P.S.A.	Interenergy Argentina S.A.	Plenium Energy S.A.			
Assets						
Current trade accounts receivable						
In local currency	-	-	-	14,983	1,668	16,651
In foreign currency	756	-	-	1,313	720	2,789
Other current accounts receivable						
In local currency	701	126	2	-	-	829
In foreign currency	137	-	-	-	-	137
Liabilities						
Current accounts payable						
In local currency	164	-	-	-	-	164
In foreign currency	1,735	-	-	-	-	1,735

c) Remuneration of key management personnel

Remuneration accrued to members of the senior management, for labor services rendered (salaries and other benefits) accrued at July 31, 2018 and 2017, amounts to \$ 23,541 and \$ 24,432, respectively.



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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 participation of the Temporary Union of Enterprises (UTE) 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 Sipelrol over the concession.

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 Sipelrol 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 \$773,729), withholding US\$ 5 million for contingent environmental liabilities. Such payment is recorded under “Investment in Companies.”

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.

At the date of issuance of these condensed financial statements, Capex Management carried out a preliminary analysis of the fair value of the assets and liabilities of business acquired in August 2018, which does not differ with respect to the total considerations established.

On August 15, 2018, the Temporary Union of Enterprises (UTE) contract between the Company and Petrominera was registered with the Superintendency 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 25 – SUBSEQUENT EVENTS

Ordinary Shareholders meeting

The Company's Ordinary Shareholders' Meeting held on 28 August, 2018 approved the financial statements at 30 April, 2018 and decided the allocation of the retained earnings at 30 April, 2018 for the amount of \$864,734 to the Free Reserve for the distribution of dividends and/or investments and/or debt settlement and/or absorption of losses.

Devaluation of the peso against the US dollar

Since July 31, 2018 and until the date of submission of these financial statements, the peso has devalued by approximately 40% against the US dollar.

The Company estimates that the devaluation of the peso against the US dollar will have positive and negative effects on results and equity because: i) The Company's revenue is mostly denominated in US dollars; ii) the policy for valuation at current values of certain items of property, plant and equipment requires an index-adjustment of residual values, whose main components are stated in US dollars; and iii) the effect of the devaluation on net indebtedness. 96% of the Company's financial debt will fall due in November 2024, so this situation will not have a significant financial impact in the short term.



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EXHIBIT A

At July 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 07.31.18	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		
Operation activities of oil and gas:													
- Areas acquired and other studies													
Agua del Cajón – Operation rights	258,514	-	-	-	-	258,514	91,308	2,803	-	-	94,111	164,403	167,206
Río Negro Norte	210,532	-	-	-	-	210,532	4,137	2,250	-	-	6,387	204,145	206,395
La Yesera	63,100	-	-	-	-	63,100	1,428	724	-	-	2,152	60,948	61,672
- Other Studies													
Agua del Cajón – Exploration	8,107	-	-	-	-	8,107	6,433	29	-	-	6,462	1,645	1,674
Agua del Cajón – Seismic	12,173	-	-	-	-	12,173	8,755	58	-	-	8,813	3,360	3,418
- Assets for the production of oil and gas in Agua del Cajón													
Oil and gas wells	3,343,760	46,137	139,058	-	-	3,528,955	1,421,730	69,310	-	-	1,491,040	2,037,915	1,922,030
Work in progress	399,901	339,250	(186,989)	-	-	552,165	-	-	-	-	-	552,165	399,901
Production assets	209,939	-	47,931	-	-	257,870	137,490	3,954	-	-	141,444	116,426	72,449
Vehicles	9,676	899	-	(268)	-	10,307	4,430	371	(268)	-	4,533	5,774	5,246
Gas Pipeline	33,865	-	-	-	-	33,865	29,684	131	-	-	29,815	4,050	4,181
- Assets for the production of oil in Loma Negra and La Yesera ⁽²⁾													
Oil and gas wells	117,793	-	-	-	-	117,793	10,095	5,529	-	-	15,624	102,169	107,698
Production assets	26,863	-	-	-	-	26,863	2,233	1,209	-	-	3,442	23,421	24,630
Work in progress	-	37,115	-	-	-	37,115	-	-	-	-	-	37,115	-
Other tangible assets													
Central administration and plant administration													
Neuquén land and buildings	384,854	-	-	-	-	384,854	12,667	110	-	-	12,777	372,077	372,187
Furniture and fixtures	1,777	-	-	-	-	1,777	1,777	-	-	-	1,777	-	-
Administration assets	27,540	-	-	-	-	27,540	15,233	1,022	-	-	16,255	11,285	12,307
Power Station Agua del Cajón													
CT ADC (1)	15,541,915	-	-	-	5,216,773	20,758,688	10,122,127	105,242	-	3,451,924	13,679,293	7,079,395	5,419,788
Work in progress	53,543	24,949	-	-	-	78,492	-	-	-	-	-	78,492	53,543
Assets under Surplus due to Restrictions to the Transportation Capacity Account													
Fourth line	15,523	-	-	-	-	15,523	15,523	-	-	-	15,523	-	-
Capacitor bank	6,558	-	-	-	-	6,558	6,558	-	-	-	6,558	-	-
Carried forward	20,725,933	448,350	-	(268)	5,216,773	26,390,788	11,891,608	192,742	(268)	3,451,924	15,536,006	10,854,782	8,834,325



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EXHIBIT A
At July 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					Net book value at 07.31.2018	Net 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		
Brought forward	20,725,933	448,350	-	(268)	5,216,773	26,390,788	11,891,608	192,742	(268)	3,451,924	15,536,006	10,854,782	8,834,325
LPG Plant – Agua del Cajón													
Installation	55	-	-	-	-	55	55	-	-	-	55	-	-
Computer equipment	11	-	-	-	-	11	11	-	-	-	11	-	-
Furniture and fixtures	5	-	-	-	-	5	5	-	-	-	5	-	-
LPG plant ⁽¹⁾	701,930	-	-	-	57,600	759,530	526,737	4,272	-	-	531,009	228,521	175,193
Wind farm Diadema (DEEF)													
DEEF ⁽¹⁾	303,334	1,950	-	-	100,003	405,287	95,175	3,781	-	33,266	132,222	273,065	208,159
Wind farm Diadema (DEEF II)													
DEEF II	121,034	398,670	-	-	-	519,704	-	-	-	-	-	519,704	121,033
Hydrogen and oxygen plant													
Hydrogen and oxygen plant	36,473	214	-	-	-	36,687	11,632	364	-	-	11,996	24,691	24,841
Provision for hydrogen and oxygen plant	(24,842)	-	-	151	-	(24,691)	-	-	-	-	-	(24,691)	(24,841)
Total at July 31, 2018	21,863,933	849,184	-	(117)	5,374,376	28,087,376	12,525,223	201,159	(268)	3,485,190	16,211,304	11,876,072	
Total at April 30, 2018	16,086,785	1,591,782	-	(3,752)	4,189,118	21,863,933	9,237,646	693,539	(314)	2,594,352	12,525,223		9,338,710

(1) See note 9



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EXHIBIT C

At July 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 07.31.2018	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
		\$		\$	\$			\$	\$	\$	\$	\$	
Current assets													
In foreign currency (Exhibit G)													
Financial instruments at fair value													
BONAR 2020			6,105	92,726	137,353	-	-	-	-	-	-	-	-
LETES 2017			58,502	666,193	495,101	-	-	-	-	-	-	-	-
Total financial instruments at fair value				758,919	632,454								



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EXHIBIT D

At July 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 07.31.18	Book value at 04.30.18
	\$	\$
Cash and cash equivalents		
In local currency		
Financial instruments at fair value		
Mutual funds	561,681	1,772,842
In foreign currency (Exhibit G)		
Financial instruments at amortized cost		
Paid account	202,372	347,277
Time deposits	347,966	217,315
Financial instruments at fair value		
Mutual funds	3,043,502	1,637,147
Total other instruments	4,155,521	3,974,581



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EXHIBIT E

At July 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
	\$	\$	\$
DEDUCTED FROM ASSETS			
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment			
In local currency			
Impairment of property, plant and equipment	24,842	(1) ⁽¹⁾ (151)	24,691
Trade accounts receivable			
In local currency			
Provision for doubtful accounts	2,627	-	2,627
Total deducted from assets	27,469	(151)	27,318
INCLUDED IN LIABILITIES			
<u>NON-CURRENT LIABILITIES</u>			
Provisions			
In local currency			
For lawsuits and fines	2,480	-	2,480
Total included in liabilities	2,480	-	2,480
Total provisions	29,949	(151)	29,798

⁽¹⁾ Charged to Other financial income.



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EXHIBIT F

At July 31, 2018 and 2017

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

COST OF SALES

	07.31.2018	07.31.2017
	\$	
Inventories and spare parts and materials at the beginning of year ⁽¹⁾	179,412	125,546
Plus:		
- Addition to warehouses	175,576	42,396
- Production cost (Exhibit H)	394,060	299,902
Less:		
- Consumption	(105,153)	(25,711)
Inventories and spare parts and materials at period end ⁽²⁾	(249,958)	(139,729)
Cost of sales	393,937	302,404

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



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EXHIBIT G

At July 31 and April 30, 2018

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

FOREIGN CURRENCY ASSETS AND LIABILITIES

Items	07.31.2018				04.30.2018			
	Class	Amount	Exchange rate	Amount in \$	Class	Amount	Exchange rate	Amount in \$
ASSETS								
NON-CURRENT ASSETS								
Spare parts and materials								
Sundry advances	US\$	815	27.31	22,257	US\$	768	20.44	15,703
Other accounts receivable								
Assignment of rights CAMMESA	US\$	456	27.31	12,463	US\$	625	20.44	12,768
Total Non-Current Assets				34,720				28,471
CURRENT ASSETS								
Spare parts and materials								
Sundry advances	US\$	204	27.31	5,564	US\$	192	20.44	3,926
Other accounts receivable								
Sundry advances	US\$	321	27.31	8,779	US\$	369	20.44	7,549
Intercompany receivables Sect. 33 – Law 19550	US\$	1	27.31	18	US\$	7	20.44	137
Assignment of rights CAMMESA	US\$	805	27.31	21,997	US\$	816	20.44	16,670
Trade accounts receivable								
Intercompany receivables Sect. 33 – Law 19550	US\$	107	27.31	2,934	US\$	136	20.44	2,789
For sale of energy	US\$	34,226	27.31	934,706	US\$	32,495	20.44	664,202
For sale of oil and others	US\$	5,715	27.31	156,080	US\$	5,206	20.44	106,415
Financial instruments at amortized cost								
Financial instruments at fair value	US\$	27,789	27.31	758,919	US\$	30,942	20.44	632,454
Cash and cash equivalents								
Cash	US\$	2	27.31	65	US\$	221	20.44	4,509
Cash	€	3	31.91	85	€	4	24.72	99
Banks	US\$	20	27.31	550	US\$	756	20.44	15,463
Financial instruments at fair value	US\$	111,443	27.31	3,043,502	US\$	79,788	20.44	1,637,147
Financial instruments at amortized cost	US\$	20,152	27.31	550,338	US\$	27,622	20.44	564,592
Total Current Assets				5,483,537				3,655,952
Total assets				5,518,257				3,684,423
LIABILITIES								
NON-CURRENT LIABILITIES								
Trade accounts payable								
Sundry accruals	US\$	13,204	27.41	361,926	US\$	230	20.54	4,734
Financial liabilities								
Bank	US\$	2,400	27.41	65,784	US\$	2,400	20.54	49,296
Corporate bonds	US\$	300,000	27.41	8,223,000	US\$	300,000	20.54	6,162,000
Total Non-Current Liabilities				8,650,710				6,216,030
CURRENT LIABILITIES								
Trade accounts payable								
Suppliers	US\$	19,760	27.41	541,626	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\$	753	27.41	20,649	US\$	4,933	20.54	101,327
Financial liabilities								
Bank	US\$	867	27.41	23,753	US\$	809	20.54	16,624
Corporate bonds	US\$	4,354	27.41	119,347	US\$	9,510	20.54	195,344
Total Current Liabilities				705,375				639,495
Total Liabilities				9,356,085				6,855,525



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EXHIBIT H

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

For the three-month periods beginning on May 1, 2018 and 2017, and ended on July 31, 2018 and 2017

This exhibit is part of these condensed interim consolidated financial statements

Items	Three months at July 31, 2018					Three months at July 31, 2017			
	Preoperative expenses	Production cost	Selling expenses	Administrative expenses	Total	Production cost	Selling expenses	Administrative expenses	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fees and other compensation	403	4,430	-	4,252	9,085	1,878	-	3,197	5,075
Salaries and social security contributions	-	101,634	-	41,398	143,032	91,878	-	49,238	141,116
Materials, spare parts and others	-	11,964	-	2	11,966	12,229	-	13	12,242
Operation, maintenance and repairs	-	37,398	-	10,840	48,238	28,365	-	7,087	35,452
Fuel, lubricants and fluids	-	9,939	-	-	9,939	2,450	-	-	2,450
Transportation, freight and studies	-	2,939	-	861	3,800	2,333	-	391	2,724
Depreciation of Property, plant and equipment	-	200,027	-	1,132	201,159	149,800	-	662	150,462
Office, travel and representation expenses	170	1,437	-	5,349	6,956	901	-	972	1,873
Taxes, rates, contributions, insurance and rental	28	13,885	-	8,774	22,687	7,788	-	8,134	15,922
Acquisition of electricity from CAMMESA	-	12	-	-	12	9	-	-	9
Transport of gas expenses	-	10,395	-	-	10,395	2,271	-	-	2,271
Royalties	-	-	152,873	-	152,873	-	90,154	-	90,154
Cost of transport and energy deliveries	-	-	11,608	-	11,608	-	18,898	-	18,898
Turnover tax	-	-	48,789	-	48,789	-	28,760	-	28,760
Commissions and other	-	-	1,047	-	1,047	-	666	-	666
Bank charges	751	-	-	22,041	22,792	-	-	9,981	9,981
Total	1,352	394,060	214,317	94,649	704,378	299,902	138,478	79,675	518,055



SUMMARY OF ACTIVITY

REFERRED TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF

CAPEX S.A. AS OF JULY 31, 2018

(stated in thousands of pesos)

a) Comments on the comprehensive results and consolidated financial position at July 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 July 31, 2018 and for the three-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.

Consolidated Statement of Comprehensive Results

	07/31/2018	07/31/2017	Variation	
Sales	1,737,463	912,575	824,888	90.4%
Cost of Sales	(393,937)	(302,404)	(91,533)	30.3%
Gross Profit	1,343,526	610,171	733,355	120.2%
Preoperative expenses	(1,352)	-	(1,352)	100.0%
Selling expenses	(214,317)	(138,478)	(75,839)	54.8%
Administrative expenses	(94,649)	(79,675)	(14,974)	18.8%
Other operating expenses, net	(388)	(312)	(76)	24.4%
Operating result	1,032,820	391,706	641,114	163.7%
Financial Income	1,173,397	507,249	666,148	131.3%
Financial Costs	(2,403,892)	(928,340)	(1,475,552)	158.9%
Other Financial Income	151	248	(97)	-39.1%
Result before income tax	(197,524)	(29,137)	(168,387)	577.9%
Income tax	55,968	10,495	45,473	433.3%
Net result of the period	(141,556)	(18,642)	(122,914)	659.3%
Other Comprehensive Income	1,403,460	427,774	975,686	228.1%
Comprehensive Result for the Period	1,261,904	409,132	852,772	208.4%

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

- Gross profit for the period ended July 31, 2018 was \$1,343,526, representing 77.3% of sales, while in the same period of the previous year it amounted to \$ 610,171 or 66.9% of sales at July 31, 2017. Gross profit for the current period increased by 120.2%.
- Operating result in the period ended July 31, 2018 rose to \$1,032,820 (profit), compared to \$391,706 (profit) for the same period of the prior year, representing an increase of 163.7%.
- The net result amounted to \$ 141,556 (loss) in the period ended July 31, 2018, compared to \$ 18,642 (loss) in the same period of the previous year, representing an increase of 659.3%
- Other comprehensive income amounted to \$1,403,460 (profit), as a result of the revaluation for certain assets within Property, plant and equipment, at July 31, 2018.
- The comprehensive result was of \$1,261,904 (profit) in the period ended July 31, 2018, compared to \$409,132 (profit) for the same period of the previous year, representing an increase of 208.4 %.

Sales

Product	07/31/2018	07/31/2017	Variation	
Energy				
Energy CT ADC ⁽¹⁾	1,204,329	627,618	576,711	91.9%
Energy DEEF	20,223	14,800	5,423	36.6%
Façon Service of electric energy	1,317	1,528	(211)	-13.8%
Gas (include gas stimulus program)	-	64,124	(64,124)	-100.0%
Gas stimulus program	135,000	-	135,000	100.0%
Oil	267,293	147,828	119,465	80.8%
Propane	59,975	34,094	25,881	75.9%
Butane	37,886	22,044	15,842	71.9%
Oxygen	799	539	260	48.2%
Services	10,641	-	10,641	100.0%
Total	1,737,463	912,575	824,888	90.4%

⁽¹⁾ At July 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 three-month period ended on July 31, 2018 increased by 90.4% compared with the same period of the previous year. The evolution of each product was as follows:

a) Energy:

The income generated by CT ADC operations measured in pesos increased by \$576,711, representing a rise of 91.9% from \$ 627,618 as of July 31, 2017 to \$ 1,204,329 as July 31, 2018. This variation was mainly due to:

- (i) an increase of 92.7% in the average sales price on GW sold, from an average \$ / MWh 278.5 in the period ended July 31, 2017 to average \$ / MWh 536.7 in the period ended July 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 85.1 % 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 lower consumption of its own gas in CT ADC. Resolution 41/16 issued by the Ministry of Energy and Mining (in force as from April 2016) established the reference value of gas per million BTU for thermal plants of the Neuquen Basin in US\$ 5.53. Income from this remuneration is included within the Oil and Gas segment (Note 8 to the Condensed Interim Consolidated Financial Statements).

The generation of the ADC TC remained in line with the same period of the previous year.

Sales of energy from the DEEF measured in pesos increased by \$ 5,423, representing an increment of 36.6%, from \$ 14,800 at July 31, 2017 to \$ 20,223 at July 31, 2018. In the period ended July 31, 2018, sales in GWh were 6.3 at an average price of \$/MWh 3,210.0 and in the period ended July 31, 2017 it was of 7.5 GWh at an average price of \$/MWh 1,973.3; 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 \$ 211, representing a decrease of 13.8% from \$1,528 at July 31, 2017 to \$1,317 at July 31, 2018. This variation was mainly due to the decrease of 43% in the selling volume offset by an increase of 53% 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 3.8%, from 137,188 m³ as of July 31, 2017 to 142,377 m³ as of July 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 price increase of gas, 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 Río Negro, with an average of 96 thousands m³ per day for the three-month period beginning on May 1, 2018 and ended on July 31, 2018.

At July 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. Additionally, the Company has presented the affidavits for the production of natural gas coming from unconventional reservoirs from the Agua del Cajón Area corresponding to the periods January - July 2018 and the bond insurance



policies in order to request the provisional payment of the incentive program. On August 9, 2018, the Ministry of Energy authorized the provisional payment equivalent to 85% of the economic remunerations requested for the period January - July 2018 for approximately \$115 million. The Company has recorded the total amount earned for \$135 million. At the date of issue of these financial statement, the same is pending payment.

In the period ended July 31, 2017 Capex, under the "Gas Plus" program, sold \$ 64,124 corresponding to the delivery of 18,318 m³ at an average of US\$/ m³ 0.20974 (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 \$ 119,465, representing an increment of 80.8%. This increase was due to a rise of 97.4% in the average price in pesos caused by an increment in the reference price agreed between the parties and in the foreign exchange rate that was applied to selling prices, all of this offset by a decrease in the m³ sold, from 25,447 m³ on July 31, 2017 to 23,310 m³ on July 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 2.7 %, from 15,507 m³ as of July 31, 2017 to 15,933 m³ as of July 31, 2018, due to the results obtained from the stimulation of some wells and the incorporation of oil production 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 approximately 49 m³ per day for the three-month period beginning on May 1, 2018 and ended on July 31, 2018.

e) Propane, butane and gasoline:

- Sales of propane increased by \$ 25,881 or 75.9%, from 34,094 at July 31, 2017 to \$ 59,975 at July 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 94.9%, from \$ 5,835 average \$/tn as of July 31, 2017 to \$11,374 average \$/tn as of July 31, 2018, due mainly to the increase in international prices. The volume sold decreased by 9.8%

- Sales of butane increased by \$ 15,842 or 71.9% from \$ 22,044 at July 31, 2017 to \$ 37,886 at July 31, 2018. This was result of a rise in the average sale price in pesos of 81.5%, from \$/ton 5,929 on average as of July 31, 2017 to \$/ton 10,763.1 on average as of July 31, 2018, mainly due to the increase in international prices. The volume sold decreased by 5.3%.
- No sales of gasoline were recorded at July 31, 2018 and 2017, since production of 6,412 m³ and 6,747 m³, respectively, were blended and sold with oil for market reasons.

f) Oxygen:

Hychico sold 31,500 m³ and 30,798 m³ of oxygen for a total of \$ 799 and \$ 539 in the periods ended on July 31, 2018 and 2017, respectively. This increase in sales was the result of a rise in the sale price, due to the increase in the US dollar quotation, and by an increment in the volume sold of 2.3%.

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

	07/31/2018	07/31/2017	Variation	
Fees and other compensations	(4,430)	(1,878)	(2,552)	135.9%
Salaries and social security contributions	(101,634)	(91,878)	(9,756)	10.6%
Materials, spare parts and others	(11,964)	(12,229)	265	-2.2%
Operation, maintenance and repairs	(37,398)	(28,365)	(9,033)	31.8%
Fuel, lubricants and fluids	(9,939)	(2,450)	(7,489)	305.7%
Transportation, freight and studies	(2,939)	(2,333)	(606)	26.0%
Depreciation of property, plant and equipment	(200,027)	(149,800)	(50,227)	33.5%
Office, travel and representation expenses	(1,437)	(901)	(536)	59.5%
Taxes, rates, contributions, insurance and rental	(13,885)	(7,788)	(6,097)	78.3%
Acquisition of electricity from CAMMESA	(12)	(9)	(3)	100.0%
Gas transportation costs	(10,395)	(2,271)	(8,124)	357.7%
Adjustment on the cost of sales	123	(2,502)	2,625	-104.9%
Cost of Sales	(393,937)	(302,404)	(91,533)	30.3%

The cost of sales as of July 31, 2018 amounted to \$ 393,937 (22.7% of net sales), while as of July 31, 2017 it amounted to \$ 302,404 (33.1% of sales).

The 30.3% increase in the cost of sales was mainly explained by:

- the higher charge for depreciation of \$ 50,227 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 carried out during the period ended on April 30, 2018.
- an increment of \$ 9,756 in labor costs, as a result of the salary increases granted.
- a rise of \$ 9,033 in operating, maintenance and repair cost, as a result of the increment in the activity generated by the incorporation of Loma Negra and La Yesera areas and the increase in rates of these services over the period,
- an increase in fees and other retributions of \$ 2,552, mainly as a result of the hiring of geological studies for the evaluation of the potential areas.
- an increase in the costs of fuels, lubricants and fluids for \$ 7,489, as a consequence of more activity in the oil field, the increase in prices and the rise in the price of fiduciary funds for residential consumption of gas associated with the production of LPG gas,
- an increase of \$ 8,124 in gas transportation costs, as a result of the increment in their rates
- an increase in taxes, fees, contributions and insurance by \$ 6,097, as a consequence, mainly, to the rise in the cost of insurance coverage.

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

\$	07/31/2018	07/31/2017	Variation	
Royalties	(152,873)	(90,154)	(62,719)	69.6%
Cost of transport and energy delivery	(11,608)	(18,898)	7,290	-38.6%
Turnover tax	(48,789)	(28,760)	(20,029)	69.6%
Commissions and other	(1,047)	(666)	(381)	57.2%
Selling expenses	(214,317)	(138,478)	(75,839)	54.8%

Selling expenses amounted to \$ 214,317, representing 12.3% of sales. The 54.8% increase was mainly explained by:

- a) 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.
- b) The royalties associated with oil by: i) the increment in production produced by adding the participation in the Consortia of the Loma Negra and La Yesera areas, ii) an increase in the average price of 22.2% y iii) 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

	07/31/2018	07/31/2017	Variation	
Fees and other compensations	(4,252)	(3,197)	(1,055)	33.0%
Salaries and social security contributions	(41,398)	(49,238)	7,840	-15.9%
Materials, spare parts and others	(2)	(13)	11	-84.6%
Operation, maintenance and repairs	(10,840)	(7,087)	(3,753)	53.0%
Transportation, freight and studies	(861)	(391)	(470)	120.2%
Depreciation of property, plant and equipment	(1,132)	(661)	(471)	71.3%
Office, travel and representation expenses	(5,349)	(972)	(4,377)	450.3%
Taxes, rates, contributions, insurance and rental	(8,774)	(8,134)	(640)	7.90%
Bank charges	(22,041)	(9,982)	(12,059)	120.8%
Administrative expenses	(94,649)	(79,675)	(14,974)	18.8%

Administrative expenses were \$ 94,649, representing 5.4% of sales. With respect to the same period of the previous year they increased by \$14,974, or 18.8%. This increment is mainly due to: i) the expenses related to the operation of Pampa del Castillo (Stamp tax of the contract); 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 expenses, net

	07/31/2018	07/31/2017	Variation	
Sale of vehicles	405	413	(8)	-1.9%
Not computable assessments	(1,296)	-	(1,296)	100.0%
Income from charges for indirect administrative services-consortia	2,397	-	2,397	100.0%
Sundry	(1,894)	(725)	(1,169)	161.2%
Other operating expenses, net	(388)	(312)	(76)	24.4%

Other operating expenses, net as of July 31, 2018 and 2017 represented a loss of \$ 388 and \$ 312; respectively.

Financial results

	07/31/2018	07/31/2017	Variation	
Financial income	1,173,397	507,249	666,148	131.3%
Financial costs	(2,403,892)	(928,340)	(1,475,552)	158.9%
Other financial results	151	248	(97)	-39.1%
Financial results	(1,230,344)	(420,843)	(809,501)	192.4%

a) Financial income

	07/31/2018	07/31/2017	Variation	
Exchange difference	1,093,391	449,060	644,331	143.5%
Interest and others	79,994	57,474	22,520	39.2%
Interest accrued on receivables	12	715	(703)	-98.3%
Financial Income	1,173,397	507,249	666,148	131.3%

The financial income for the period ended July 31, 2018 reflected a balance of \$ 1,173,397 while at July 31, 2017 it was of \$ 507,249, representing an increment of 131.3%. The main causes of the increase of \$ 666,148 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 July 2018 was of 33.4%, while between April and July 2017 it was of 14.5%.
- 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

	07/31/2018	07/31/2017	Variation	
Exchange difference	(2,206,407)	(797,000)	(1,409,407)	176,8%
Interest and others	(193,290)	(130,117)	(63,173)	48,6%
Interest accrued from receivables and payables	(4,195)	(1,223)	(2,972)	243,0%
Financial Costs	(2,403,892)	(928,340)	(1,475,552)	158,9%

Financial costs in the period ended July 31, 2018 showed a negative balance of \$ 2,403,892, while at July 31, 2017 they were negative by \$ 928,340, representing an increase in costs of 158.9%. The main cause of the variation of \$ 1,475,552 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 July 2018 was of 33.4%, while, between April and July 2017 it was of 14.5%. The Group holds 99.4% 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 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 July 31, 2018 the owed capital amounts to US\$ 3,200,000.
- The variation in interest and others mainly corresponds to interest accrued by Corporate Bonds, the secured loan 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

	07/31/2018	07/31/2017	Variation	
Income Tax	55,968	10,495	45,473	433.3%

The result for the tax to July 31, 2018 showed a positive balance of \$ 55,968, as a result of the recognition of the tax effect on the result before tax (loss) of the period.

Other comprehensive income

	07/31/2018	07/31/2017	Variation	
Other comprehensive income	1,403,460	427,774	975,686	228.1%

Other comprehensive income as of July 31, 2018 amounted to \$ 1,403,460, because the Company has been applying the revaluation model for certain assets within Property, plant and equipment and, at July 31, 2018 and 2017, the fair values of those assets were updated. At July 31, 2018 the Group recorded under this caption \$ 81,029 (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 for \$1,403,460, the portion attributable to the Company is \$ 1,393,871 and is accumulated in the Reserve for assets revaluation, in the Statement of Changes in Shareholders' Equity. The closing balance as of July 31, 2018 for that reserve is \$ 5,489,148 which, as set forth in the Restated Text of the CNV, may not be distributed, capitalized or allocated to absorb accumulated losses, but must be computed as part of accumulated gains/losses for the purposes of comparison to determine the Company's situation under sections 31, 32 and 206 of Commercial Companies Law 19550.

Consolidated financial Statements

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 July 31, 2018 and 2017. The financial statements as of July 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 July 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).

	07/31/2018	07/31/2017	Variation	
Property, plant and equipment	11,876,072	7,450,259	4,425,813	59.4%
Investment in companies	773,729	75	773,654	1031538.7%
Financial instruments at fair value	758,919	1,138,652	(379,733)	-33.3%
Spare parts and materials	273,232	160,989	112,243	69.7%
Net deferred tax assets	15,795	22,072	(6,277)	-28.4%
Other receivables	448,062	124,615	323,447	259.6%
Trade receivables	1,169,079	731,366	437,713	59.8%
Inventories	4,547	2,332	2,215	95.0%
Cash and cash equivalents	4,183,514	2,316,674	1,866,840	80.6%
Total Assets	19,502,949	11,947,034	7,555,915	63.2%
Total shareholders' equity attributable to shareholders	7,028,080	3,923,921	3,104,159	79.1%
Non-controlling interest	49,760	26,653	23,107	86.7%
Total shareholders' equity	7,077,840	3,950,574	3,127,266	79.2%
Trade accounts payable	1,492,393	252,566	1,239,827	490.9%
Financial liabilities	8,482,645	5,692,174	2,790,471	49.0%
Net deferred tax liabilities	2,056,729	1,844,700	212,029	11.5%
Taxes payable	265,342	120,326	145,016	120.5%
Provisions and other charges	2,480	2,730	(250)	-9.2%
Salaries and social security contributions	53,448	33,939	19,509	57.5%
Other liabilities	72,072	50,025	22,047	44.1%
Total Liabilities	12,425,109	7,996,460	4,428,649	55.4%
Total Shareholders' equity and liabilities	19,502,949	11,947,034	7,555,915	63.2%

Total assets as of July 31, 2018 increased in \$ 7,555,915, which represents an increment of 63.2% compared to July 31, 2017.

The main reasons for this variation are listed below:

- (i) Property, plant and equipment: an increase by \$ 4,425,813, due to the effect of the technical revaluations of certain assets recorded for the financial year ending 30 April 2018 and for the period ending 31 July 2018, the investments made, the acquisition of assets in the new areas (Loma Negra and La Yesera) and the advances for the construction of the DEEF II, all net of the depreciations for the period.
- (ii) Investment in companies: It corresponds to the advance payment for the operation of the area of Pampa del Castillo - La Guitarra; possession occurred on August 1, 2018.
- (iii) Financial instruments at fair value: decrease by \$ 379,733, due to the investments made in the acquisition of new areas and the advance payment for the construction of DEEF II.
- (iv) Spare parts and materials: increase by \$ 112,243, due to the net movement of the income and consumption of the stocks for major maintenance of the CT ADC and the incorporation of the stocks of the consortia.
- (v) Net deferred tax assets: a decrease by \$ 6,277 due to the utilization of tax losses of Hychico S.A.
- (vi) Other receivables: increase of \$ 323,447, mainly due to the accrual of the Stimulus Program for the production of natural gas from unconventional reservoirs, the increase in insurance, Hychico's VAT credit position, the increase in the balance of advances to suppliers and the increase of the balances expressed in US dollars given the variation of the quotation, all offset with the collections of the FONINVEMEM credits (of Hychico).
- (vii) Trade receivables: an increase by \$ 437,713 due to: i) the increase in the remuneration of power granted by the Res SEN 19-E/17, in the months of May and November 2017, on the remuneration scheme of power generation, ii) increase in crude oil price and iii) for credits nominated in US dollars, the increase in the quotation.
- (viii) Cash and cash equivalents: an increase by \$ 1,866,840, 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, ii) the issuance of Class 2 Negotiable Obligations for an amount of US \$ 300 million net of the cancellation of the Negotiable Obligation of US \$ 200 million, and y iii) 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 and La Yesera, payment for partial participation in the area of Pampa del Castillo - La Guitarra, investments in property, plant and equipment and advances for the construction of the DEEF II.

Total liabilities as of July 31, 2018 increased in \$ 4,428,649, which represents an increment of 55.4% in comparison with July 31, 2017.

The main reasons for this variation are listed below:

- I. Trade accounts payable: increase by \$ 1,239,827, mainly due to: i) higher imports 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 incorporation of the participations in the consortia of Loma Negra and La Yesera and the increase in activity in Agua del Cajón, and iv) the balance pending cancellation for the acquisition of such participations.

- II. Financial liabilities: increase by \$ 2,790,471, generated by: the increment in the exchange rate of the US dollar, which resulted in an increase in accrued interest and the higher valuation of liabilities in foreign currency, offset by the capital payments of the guaranteed loan.
- III. Net deferred tax liabilities: an increase of \$ 212,029, mainly as a result of the effect of the gradual reduction of the income tax rate, introduced by the Tax Reform enacted on December 29, 2017, offset by the tax effect of the updating of the technical revaluations recorded at 30 April and July 31, 2018.
- IV. Taxes: an increase of \$ 145,016, mainly as a consequence of the increase in the income tax payable for the results as of April 30, 2018.
- V. Salaries and social security contributions: increase of \$ 19,509, as a result of the granting of salary increases.
- VI. Other liabilities: an increment of \$ 22,047, 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.

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 ³ ⁽¹⁾	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 ³	342	199	541	181	94	332

⁽¹⁾ Expressed in 9,300 kcal/m³

- 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 ³ ⁽¹⁾	488	1,014	1,502	362	318	-
Oil	Mbbl	648	1,220	1,868	289	679	-
	Mm ³	103	194	297	46	108	-

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 ³ (1)	114	40	154	-	236	-
Oil	Mbbl	1.138	503	1.641	-	3.006	-
	Mm ³	181	80	261	-	478	-

Capex owns 18.75% of said reserves.

b) Asset structure

The summary of the interim condensed consolidated equity structure of the Company at July 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 July 31, 2018 have been prepared in accordance with the accounting framework established by the National Securities Commission (CNV). For more information please refer to note 4 of these financial statements.

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

	31/07/2018	31/07/2017	31/07/2016	31/07/2015	31/07/2014
			\$		
			(a)		
Current Assets	6,577,660	4,322,988	1,699,223	896,522	482,406
Non-Current Assets	12,925,289	7,624,046	5,128,115	3,284,611	3,296,989
Total Assets	19,502,949	11,947,034	6,827,338	4,181,133	3,779,395
Current Liabilities	1,552,139	751,291	697,535	452,658	430,318
Non-Current Liabilities	10,872,970	7,245,169	4,262,548	2,674,700	2,307,627
Total Liabilities	12,425,109	7,996,460	4,960,083	3,127,358	2,737,945
Shareholders' equity attributable to shareholders	7,028,080	3,923,921	1,856,798	1,044,713	1,032,150
Non-Controlling interest	49,760	26,653	10,457	9,062	9,300
Total Shareholders' Equity	7,077,840	3,950,574	1,867,255	1,053,775	1,041,450
Total Shareholders' Equity and Liabilities	19,502,949	11,947,034	6,827,338	4,181,133	3,779,395

(a) Information consolidated with SEB and Hychico, according to financial information at July 31, 2018, 2017, 2016, 2015 and 2014 and EG Wind at July 31, 2018.

c) Results Structure

The summary of the interim condensed consolidated results structure of the Company at July 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 July 31, 2018 have been prepared in accordance with the accounting framework established by the National Securities Commission (CNV). For more information please refer to note 4 of these financial statements.

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

	31/07/2018	31/07/2017	31/07/2016	31/07/2015	31/07/2014
	(a)				
Operating result	1,032,820	391,706	326,184	171,745	142,262
Financial income	1,173,397	507,249	78,259	41,595	19,499
Financial costs	(2,403,892)	(928,340)	(295,350)	(142,172)	(109,629)
Other financial income	151	248	286	66	360
Result before Income Tax	(197,524)	(29,137)	109,379	71,234	52,492
Tax on assets	-	-	-	-	(17,883)
Income tax	55,968	10,495	(39,423)	(24,688)	-
Net result for the period	(141,556)	(18,642)	69,956	46,546	34,609
Other comprehensive income	1,403,460	427,774	-	-	743,518
Comprehensive result for the period	1,261,904	409,132	69,956	46,546	778,127

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

d) Cash flow Structure

The summary of the interim condensed consolidated cash flow structure of the Company at July 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 July 31, 2018 have been prepared in accordance with the accounting framework established by the National Securities Commission (CNV). For more information please refer to note 4 of these financial statements.

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

	07/31/2018	07/31/2017	07/31/2016	07/31/2015	07/31/2014
	(a)				
Net cash flows provided by operating activities	814,863	242,568	368,799	116,672	38,223
Net cash flows used in investment activities	(1,181,790)	(616,852)	(379,836)	(104,333)	(27,217)
Net cash flows (used in) / provided by financing activities	(273,227)	1,417,699	(108,969)	146,570	48,351
Net (decrease)/increase in cash, cash equivalents and overdrafts	(640,154)	1,043,415	(120,006)	158,909	59,357

(a) Information consolidated with SEB and Hychico, according to financial information at July 31, 2018, 2017, 2016, 2015 and 2014 and EG Wind at July 31, 2018.

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

OIL					
	07/31/2018	07/31/2017	07/31/2016	07/31/2015	07/31/2014
Consolidated Information					
Production in bbl	100,216	97,538	67,931	67,227	61,075
Sales domestic market bbl	146,615	160,058	112,998	112,983	106,700
Production in m ³	15,933	15,507	10,800	10,688	9,710
Sales in the domestic market m ³ (1)(4)	23,310	25,447	17,965	17,963	16,964
GAS (thousands of m³)					
	07/31/2018	07/31/2017	07/31/2016	07/31/2015	07/31/2014
Consolidated information					
Production	142,377	137,188	140,996	140,213	142,163
Redirected by CAMMESA – ES Resolution 95/13 /Purchase	146,561	160,996	143,607	84,576	65,897
Sales in the domestic market	-	18,318	2,319	8,834	8,268
ENERGY AGUA DEL CAJON (thousands of MWh)					
	07/31/2018	07/31/2017	07/31/2016	07/31/2015	07/31/2014
Consolidated information					
Production	1,125	1,119	1,128	822	759
Sales	1,079	1,082	1,064	763	696
RENEWABLE ENERGY (thousands of MWh)					
	07/31/2018	07/31/2017	07/31/2016	07/31/2015	07/31/2014
Consolidated information					
Production	6.3	7.5	4.2	7.6	7.3
Sales	6.3	7.5	4.2	7.6	7.3
ENERGY DIADEMA PLANT (thousands of MWh)					
	07/31/2018	07/31/2017	07/31/2016	07/31/2015	07/31/2014
Consolidated information					
Production	1.4	2.6	2.5	2.3	2.5
Sales	1.3	2.3	1.9	1.9	1.9
PROPANE (tn)					
	07/31/2018	07/31/2017	07/31/2016	07/31/2015	07/31/2014
Consolidated information					
Production	5,137	5,696	5,254	4,975	5,973
Sales domestic market	5,273	5,843	5,198	5,095	6,151
BUTANE (tn)					
	07/31/2018	07/31/2017	07/31/2016	07/31/2015	07/31/2014
Consolidated information					
Production	3,408	3,757	3,488	3,651	3,994
Sales domestic market	3,520	3,718	3,527	3,561	4,044
GASOLINE (m³)					
	07/31/2018	07/31/2017	07/31/2016	07/31/2015	07/31/2014
Consolidated information					
Production (2)	6,412	6,747	6,392	6,689	6,572

OXYGEN (Nm ³)					
	07/31/2018	07/31/2017	07/31/2016	07/31/2015	07/31/2014
	Consolidated information				
Production	6,945	10,358	7,324	13,501	9,148
Sales domestic market ⁽³⁾	31,500	30,798	29,795	27,673	31,594

⁽¹⁾ Includes 6,436 m³, 6,753 m³, 6,415 m³, 6,689 m³ and 6,533 m³ of gasoline at July 31, 2018, 2017, 2016, 2015 and 2014, respectively sold as oil.

⁽²⁾ The gasoline at July 31, 2018, 2017, 2016, 2015 and 2014, was sold as oil.

⁽³⁾ The sales of oxygen at July 31, 2018, 2017, 2016, 2015 and 2014 include take or pay clause.

⁽⁴⁾ At July 31, 2018 includes 19,164 m³ from Agua del Cajón area and 4,146 m³ from Loma Negra and La Yesera areas.

f) Ratios

	07/31/2018	07/31/2017	07/31/2016	07/31/2015	07/31/2014
	(a)				
Liquidity (1)	4.24	5.75	2.44	1.98	1.12
Solvency (2)	0.57	0.49	0.38	0.34	0.38
Capital Immobilization (3)	0.66	0.64	0.75	0.79	0.87

(a) Information consolidated with SEB and Hychico as per financial information at July 31, 2018, 2017, 2016, 2015 and 2014 and E G WIND at July 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 aream continue with a development plan called "conventional" that includes the drilling of two wells. Additionally wells tight gas sand will be drilled, there will be 2 deepenings and a program of repair/optimization of 10 wells. Furthermore, an exploratory well will be drilled to continue investigating shale gas productivity in the Los Molles formation and 2 wells to extend the tight gas sand area in exploitation. The evaluation of the oil potential in the Shale Vaca Muerta formation will be continued.

Capex will continue to focus resources on the development of new conventional and unconventional reserves. The replacement of reserves in the short term will be based on the exploration and development of conventional reserves and tight sand projects. Regarding the development of shale resources (schist of slate rock), work will continue on its technical-economic viability before facing the development stage.

- **In the area Loma Negra**, drilling 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.

- **In the area La Yesera**, install a battery in order to continue the development program of this area. 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.

At the date of issuance of these financial statements, Capex has acquired 88% from Enap Sipetrol and from "Petrominera del Chubut SE" 7% of the participation in the exploitation concession of Pampa del Castillo - La Guitarra area, taking possession from August 1, 2018. Also on August 15, 2018 Capex and Petrominera have set up a Transitory Union of Companies for the exploitation



of the concession, whose participations are: 95% Capex and 5% Petrominera, with Capex being the operator. The area covers an area of approximately 121 km² and has an approximate production of 550 m³ / day of oil. The area concession expires in 2026, with the option to extend it to 20 years if the additional investments are met.

Capex and Petrominera committed to invest in the area until the year 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 in the same period. Additionally, Capex and Petrominera must make up to 2026 additional investments of US \$ 70 million to make use of the option to continue exploitation of the area until the subsequent period (year 2046).

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 two plants and evaluate the storage of hydrogen in depleted gas and oil reservoirs, as well as the feasibility of moving forward with the metanation project. In this sense, a work program with its corresponding budget and schedule has been defined, which will be extended until the end of 2018.

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 for the supply of 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 partial 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 \$ 159 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.