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ALBANESI

Albanesi S.A.

Condensed Interim Consolidated Financial Statements

At June 30, 2018 and for the six- and three-month periods
ended June 30, 2018 and 2017
presented in comparative format

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

Albanesi S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AT JUNE 30, 2018 AND 2017

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GLOSSARY OF TECHNICAL TERMS

The following are not technical definitions, but they are helpful for the reader's understanding of some terms used in the notes to the condensed interim consolidated financial statements of the Company.

Terms	Definitions
/day	Per day
AESA	Albanesi Energía S.A.
AFIP	Federal Administration of Public Revenue
AISA	Albanesi Inversora S.A. (a company absorbed by ASA)
AJSA	Alba Jet S.A.
ASA	Albanesi S.A.
AVRC	Alto Valle Río Colorado S.A.
BADCOR	Adjusted BADLAR rate
BADLAR	Average interest rate paid by financial institutions on time deposits for over one million pesos.
BCRA	Central Bank of the Argentine Republic
BDD	Bodega del Desierto S.A.
CAMMESA	Wholesale Electricity Market Management Company (Compañía Administradora del Mercado Mayorista Eléctrico S.A.)
CC	Combined cycle
IFRIC	International Financial Reporting Interpretations Committee
CNV	National Securities Commission
CTE	Central Térmica Ezeiza (Ezeiza Thermal Power Plant)
CTF	Central Térmica Frías situated in Frías, Santiago del Estero (merged with GMSA)
CTI	Central Térmica Independencia (Independencia Thermal Power Plant) located in San Miguel de Tucumán, Tucumán (merged with GMSA)
CTLB	Central Térmica La Banda (La Banda Thermal Power Plant) located in La Banda, Santiago del Estero (merged with GMSA)
CTMM	Central Térmica Modesto Maranzana, located in Río Cuarto, Córdoba
CTR	Central Térmica Roca S.A.
CTRi	Central Térmica Riojana (Riojana Thermal Power Plant) located in La Rioja, La Rioja (merged with GMSA)
CVP	Variable Production Cost
Dam^3	Cubic decameter Volume equivalent to 1,000 (one thousand) cubic meters
DH	Historical Availability
Availability	Percentage of time in which the power plant or machinery, as applicable, is in operation (generating power) or available for power generation, but not called by CAMMESA
DMC	Minimum Availability Committed
DO	Target Availability
DR	Registered Availability
ENARSA	Energía Argentina S.A.
Energía Plus	Plan created under ES Resolution No. 1281/06
ENRE	National Electricity Regulatory Authority
EPEC	Empresa Provincial de Energía de Córdoba
FACPCE	Argentine Federation of Professional Councils in Economic Sciences
FONINVEMEM	Fund for investments required to increase the electric power supply in the WEM
GE	General Electric
GECEN	Generación Centro S.A.
GLSA	Generación Litoral S.A.

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Terms	Definitions
GFSA	Generación Frías S.A.
GISA	Generación Independencia S.A.
GLBSA	Generación La Banda S.A.
GMSA	Generación Mediterránea S.A.
Large Users	WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs
GRISA	Generación Riojana S.A.
GROSA	Generación Rosario S.A.
GUDIs	Large Demand from Distributors' customers, with declared or demanded power of over 300kW
GUMAs	Major Large Users
GUMEs	Minor Large Users
GUPAs	Large Users - Individuals
GW	Gigawatt. Unit of power equivalent to 1,000,000,000 watts
GWh	Gigawatt-hour Unit of energy equivalent to 1,000,000,000 watts hour
IASB	International Accounting Standards Board
IGJ	Superintendency of Commercial Companies
kV	Kilovolt Unit of electromotive force equivalent to 1,000 (one thousand) volts
kW	Kilowatt Unit of power equivalent to 1,000 watts
kWh	Kilowatt-hour Unit of energy equivalent to 1,000 watts hour
The Company/The Group	Albanesi S.A. and its subsidiaries
LGS	General Companies Law
LVFVD	Sales liquidations with maturity date to be defined
MAPRO	Major Scheduled Maintenance
MAT	Futures market
WEM	Wholesale Electric Market
MMm3	Million cubic meters
MVA	Mega-volt ampere, unit of energy equivalent to 1 volt x 1 ampere x 106
MW	Megawatt Unit of power equivalent to 1,000,000 watts
MWh	Megawatt hour Unit of energy equivalent to 1,000,000 watts hour
ARG GAAP	Argentine Generally Accepted Accounting Principles
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
NO	Negotiable Obligations
PWPS	Pratt & Whitney Power System Inc
Resolution No. 220/07	Regulatory framework for the sale of energy to CAMMESA through the "WEM Supply Contract" under Energy Secretariat Resolution No. 220/07
RG	General Resolution
RGA	Rafael G. Albanesi S.A.
RT	Technical Pronouncements
SADI	Argentine Interconnection System
ES	Energy Secretariat
TRASNOA S.A.	Empresa de Transporte de Energía Eléctrica por Distribución Troncal del Noroeste Argentino S.A.
CGU	Cash Generating Unit
USD	US dollars

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Albanesi S.A.

Composition of the Board of Directors and Syndics' Committee

President
Armando Losón (h)

1st Vice-President
Guillermo G. Brun

2nd Vice-President
Julián P. Sarti

Full Directors
Carlos A. Bauzas
Sebastián A. Sánchez Ramos
Oscar C. De Luise

Alternate Directors
José L. Sarti
Juan G. Daly
María de los Milagros D. Grande
Ricardo M. Lopez
Romina S. Kelleyian

Full Syndics
Enrique O. Rucq
Francisco A. Landó
Marcelo P. Lerner

Alternate Syndics
Carlos I. Vela
Juan Cruz Nocciolino
Johanna M. Cárdenas

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Albanesi S.A.

Corporate name:	**Albanesi S.A.**
Legal address:	855 L.N. Alem Ave., 14th floor - City of Buenos Aires
Main business activity:	Investing and financial activities
Tax Registration Number:	30-68250412-5

Dates of registration with the Public Registry of Commerce:

Bylaws or incorporation agreement:	June 28, 1994
Latest amendment:	February 23, 2018

Registration with the Superintendency of Commercial Companies under number:	6,216 of Book 115, Volume A of Corporations
Expiration of bylaws or incorporation agreement:	June 28, 2093

CAPITAL STATUS (see Note 10)			
Shares			
Number	**Type**	**Number of votes per share**	**Subscribed, paid-in and registered**
			$
64,451,745	Ordinary, registered, non-endorsable FV $1	1	64,451,745

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Albanesi S.A.

Condensed Interim Consolidated Statement of Financial Position

At June 30, 2018 and December 31, 2017

Stated in pesos

	Notes	06.30.2018	12.31.2017
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	19,702,964,768	10,953,281,351
Investments in associates	8	510,067,185	373,737,083
Investments in other companies		129,861	129,861
Deferred tax assets		130,718,725	11,565,410
Other receivables		115,936,827	69,362,026
Trade receivables		-	1,698,757
Total non-current assets		**20,459,817,366**	**11,409,774,488**
CURRENT ASSETS			
Inventories		107,240,158	56,467,876
Other receivables		1,870,637,122	1,051,241,318
Trade receivables		2,232,146,333	1,174,211,047
Other financial assets at fair value through profit or loss		476,130,476	9,631,484
Cash and cash equivalents	9	1,195,153,939	98,296,792
Total current assets		**5,881,308,028**	**2,389,848,517**
Total Assets		**26,341,125,394**	**13,799,623,005**

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

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Albanesi S.A.

Condensed Interim Consolidated Statement of Financial Position (Cont'd)

At June 30, 2018 and December 31, 2017

Stated in pesos

	Notes	06.30.2018	12.31.2017
EQUITY			
Share capital	10	64,451,745	62,455,160
Legal reserve		13,289,666	4,381,440
Optional reserve		455,011,046	101,010,691
Technical revaluation reserve		5,554,958,124	2,063,110,832
Other comprehensive income		(4,636,682)	(4,636,682)
Unappropriated retained earnings		(3,266,909,315)	352,742,465
Equity attributable to the owners		**2,816,164,584**	**2,579,063,906**
Non-controlling interest		**218,781,321**	**134,822,815**
Total Equity		**3,034,945,905**	**2,713,886,721**
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	13	5,390,488	7,405,069
Deferred tax liabilities		946,038,584	795,895,279
Other debts		2,439,505	6,619,454
Defined benefit plan		24,290,226	11,467,462
Loans	12	15,133,963,352	7,023,696,572
Trade payables		970,811,468	783,012,955
Total non-current liabilities		**17,082,933,623**	**8,628,096,791**
CURRENT LIABILITIES			
Other debts		236,944,666	280,744,642
Social security debts		11,412,344	15,470,820
Defined benefit plan		1,371,608	97,837
Loans	12	3,442,104,002	732,336,925
Income tax, net		52,789,083	9,426,369
Tax payables		27,670,756	26,591,732
Trade payables		2,450,953,407	1,392,971,168
Total current liabilities		**6,223,245,866**	**2,457,639,493**
Total liabilities		**23,306,179,489**	**11,085,736,284**
Total liabilities and shareholders' equity		**26,341,125,394**	**13,799,623,005**

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

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Albanesi S.A.

Condensed Interim Consolidated Statement of Comprehensive Income

For the six- and three-month periods ended June 30, 2018 and 2017

Stated in pesos

		Six months at		Three months at	
	Notes	06.30.2018	06.30.2017	06.30.2018	06.30.2017
Sales revenue	14	2,548,037,628	1,197,886,625	1,462,989,726	542,137,029
Cost of sales	15	(1,160,965,994)	(863,461,747)	(649,901,183)	(379,968,082)
Gross income		**1,387,071,634**	**334,424,878**	**813,088,543**	**162,168,947**
Selling expenses	16	(6,672,184)	17,383,781	(3,333,947)	(760,337)
Administrative expenses	17	(91,845,988)	(22,840,932)	(60,697,648)	(15,300,987)
Loss from interests in associates	8	(7,238,180)	(1,620,569)	(5,185,434)	(2,204,772)
Other operating income	18	180,671,749	889,953	3,159,421	530,305
Other operating expenses	19	(226,116,440)	-	(226,116,440)	-
Operating income		**1,235,870,591**	**328,237,111**	**520,914,495**	**144,433,156**
Financial income	20	18,178,600	18,871,447	9,637,479	11,915,151
Financial expenses	20	(691,181,021)	(183,857,518)	(432,459,568)	(80,479,266)
Other financial results	20	(5,443,547,262)	(20,169,558)	(4,833,969,622)	(95,153,368)
Financial results, net		**(6,116,549,683)**	**(185,155,629)**	**(5,256,791,711)**	**(163,717,483)**
(Loss)/income before taxes		**(4,880,679,092)**	**143,081,482**	**(4,735,877,216)**	**(19,284,327)**
Income tax		1,191,734,019	(62,546,568)	1,174,089,521	258,713
(Loss)/income for the period		**(3,688,945,073)**	**80,534,914**	**(3,561,787,695)**	**(19,025,614)**
Other Comprehensive (Loss)/income					
Items not reclassified into profit/loss					
Revaluation of property, plant and equipment		4,358,397,671	-	4,358,397,671	-
Revaluation of property, plant and equipment in Associate		150,125,420	-	150,125,420	-
Impact on income tax		(1,089,599,418)	-	(1,089,599,418)	-
Other comprehensive income for the period		**3,418,923,673**	**-**	**3,418,923,673**	**-**
Comprehensive (loss) / income for the period		**(270,021,400)**	**80,534,914**	**(142,864,022)**	**(19,025,614)**
Comprehensive (loss) / income for the period attributable to:					
Owners of the company		(3,385,227,940)	74,939,487	(3,272,845,762)	(18,932,607)
Non-controlling interest		(303,717,133)	5,595,427	(288,941,933)	(93,007)
Comprehensive (loss) / income for the period attributable to:					
Owners of the company		(188,547,351)	74,939,487	(76,165,173)	(18,932,607)
Non-controlling interest		(81,474,049)	5,595,427	(66,698,849)	(93,007)
(Losses) / earnings per share attributable to the owners of the company					
Basic and diluted (loss) earnings per share	21	(53.36)	1.20		

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

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Albanesi S.A.

Condensed Interim Consolidated Statement of Changes in Equity

For the six-month periods ended June 30, 2018 and 2017

Stated in pesos

	Attributable to Shareholders								
	Shareholders' contributions	Retained earnings						Non-controlling interest	Total equity
	Share capital (Note 10)	Legal reserve	Optional reserve	Technical revaluation reserve	Other comprehensive income	Unappropriated retained earnings	Total		
Balances at December 31, 2016	62,455,160	1,942,908	-	1,760,090,123	(3,397,653)	103,449,223	1,924,539,761	100,881,306	2,025,421,067
As resolved by Ordinary Shareholders' Meeting held on April 18, 2017.									
- Legal reserve	-	2,438,532	-	-	-	(2,438,532)	-	-	-
- Optional reserve	-	-	101,010,691	-	-	(101,010,691)	-	-	-
Reversal of technical revaluation reserve	-	-	-	(50,725,204)	-	50,725,204	-	-	-
Income for the six-month period	-	-	-	-	-	74,939,487	74,939,487	5,595,427	80,534,914
Balances at June 30, 2017	62,455,160	4,381,440	101,010,691	1,709,364,919	(3,397,653)	125,664,691	1,999,479,248	106,476,733	2,105,955,981
Contributions from non-controlling interest	-	-	-	-	-	-	-	25,000	25,000
Reversal of technical revaluation reserve	-	-	-	(72,542,869)	-	72,542,869	-	-	-
Other comprehensive income for the period	-	-	-	426,288,782	(1,239,029)	-	425,049,753	17,487,198	442,536,951
Income for the supplementary six-month period	-	-	-	-	-	154,534,905	154,534,905	10,833,884	165,368,789
Balances at December 31, 2017	62,455,160	4,381,440	101,010,691	2,063,110,832	(4,636,682)	352,742,465	2,579,063,906	134,822,815	2,713,886,721
Addition due to merger through absorption as from January 1, 2018 (Note 29)	1,996,585	399,317	9,766,799	366,543,301	-	46,942,027	425,648,029	166,402,774	592,050,803
As resolved by Ordinary Shareholders' Meeting held on April 18, 2018.									
- Legal reserve	-	8,508,909	-	-	-	(8,508,909)	-	-	-
- Optional reserve	-	-	344,233,556	-	-	(344,233,556)	-	-	-
Dividends attributable to the non-controlling interest	-	-	-	-	-	-	-	(970,219)	(970,219)
Reversal of technical revaluation reserve	-	-	-	(71,376,598)	-	71,376,598	-	-	-
Other comprehensive income for the period	-	-	-	3,196,680,589	-	-	3,196,680,589	222,243,084	3,418,923,673
Loss for the six-month period	-	-	-	-	-	(3,385,227,940)	(3,385,227,940)	(303,717,133)	(3,688,945,073)
Balances at June 30, 2018	64,451,745	13,289,666	455,011,046	5,554,958,124	(4,636,682)	(3,266,909,315)	2,816,164,584	218,781,321	3,034,945,905

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

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Albanesi S.A.

Condensed Interim Consolidated Statement of Cash Flows

For the six-month periods ended June 30, 2018 and 2017

Stated in pesos

	Notes	06.30.2018	06.30.2017
Cash flow from operating activities:			
(Loss) income for the period		(3,688,945,073)	80,534,914
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax		(1,191,734,019)	62,546,568
Income from investments in associates	**8**	7,238,180	1,620,569
Depreciation of property, plant and equipment	**7 and 15**	297,195,004	122,051,283
Fair value of receivables and debts		21,111,140	(5,917,113)
Decrease in provisions	**13**	(2,014,581)	(1,002,004)
Bad debts		-	(76,869)
Income from changes in the fair value of financial instruments	**20**	(502,325,731)	(41,067,235)
Interest and exchange differences and other		6,535,930,884	172,727,923
Waiver of debt	**18**	(176,687,491)	-
Accrual of benefit plans	**15**	11,881,436	302,094
Changes in operating assets and liabilities:			
(Increase) in trade receivables		(577,425,094)	(72,168,784)
(Increase)/decrease in other receivables (1)		(782,645,185)	217,466,152
(Increase) in inventories		(30,449,507)	(4,271,718)
Increase in trade payables		47,176,187	78,240,617
(Decrease) / increase in other liabilities		(19,743,856)	23,947,359
(Decrease) / increase in social security charges and taxes		(31,249,931)	3,070,470
Payment of income tax		(3,745,741)	-
Cash flows (used in) provided by operating activities		**(86,433,378)**	**638,004,226**
Cash flows from investment activities:			
Cash added as a result of the merger		97,284,286	-
Collection of dividends		-	5,880,000
Payments for acquisition of property, plant and equipment	7	(1,269,275,550)	(1,956,544,936)
Subscription of mutual funds		(180,229,246)	-
Redemption of mutual funds		32,308,031	98,135,642
Payment of financial instruments		-	(2,175,000)
Collection of financial instruments		148,786,644	25,521,793
Loans granted		50,232,094	(12,660,001)
Cash flows (applied to) investment activities		**(1,120,893,741)**	**(1,841,842,502)**
Cash flows from financing activities:			
Payment of loans	**12**	(1,877,987,907)	(944,502,238)
Payment of interest	**12**	(656,526,821)	(318,413,495)
Borrowings	**12**	4,738,258,195	2,175,818,974
Cash flows provided by financing activities		**2,203,743,467**	**912,903,241**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**996,416,348**	**(290,935,035)**
Cash and cash equivalents at the beginning of the period		98,296,792	517,167,118
Financial results of cash and cash equivalents		100,440,799	40,885,274
Cash and cash equivalents at the end of the period	**9**	1,195,153,939	267,117,357
		996,416,348	**(290,935,035)**

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

1) Includes advances to suppliers for the purchase of property, plant and equipment for $619,117,052 and $293,530,321 at June 30, 2018 and 2017, respectively.

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Albanesi S.A.

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

For the six-month periods ended June 30, 2018 and 2017

Stated in pesos

Material transactions not entailing changes in cash

	Notes	06.30.2018	06.30.2017
Acquisition of property, plant and equipment not yet paid	7	(13,492,507)	(1,094,893,920)
Advances to suppliers applied to the acquisition of property, plant and equipment	7	(25,680,806)	-
Other comprehensive income for the period		3,418,923,673	-
Financial costs capitalized in property, plant and equipment	7	(696,161,876)	(453,246,162)
Issue of negotiable obligations paid up in kind	12	-	(255,826,342)
Assignment of credits with directors to RGA		-	(20,785,080)
Directors' fees offset against other receivables		36,906,635	-
Dividends applied to the non-controlling interest but not paid		970,219	-
Dividends applied but not collected		(6,557,138)	-
Addition of balances due to merger through absorption (Note 29)			
Assets			
Property, plant and equipment		2,683,870,011	-
Deferred tax assets		1,163,688	-
Other receivables		282,380,131	-
Inventories		20,322,775	-
Other financial assets at fair value through profit or loss		29,676,880	-
Income tax credit balance, net		1,097,695	-
Trade receivables		320,005,184	-
Total assets		3,338,516,364	-
Liabilities			
Deferred tax liabilities, net		(195,289,289)	-
Loans		(2,356,005,292)	-
Other liabilities		(5,314,572)	-
Tax payables		(6,651,866)	-
Social security debts		(1,951,921)	-
Trade payables		(278,536,907)	-
Total liabilities		(2,843,749,847)	-
Equity attributable to the owners		(425,648,029)	-
Non-controlling interest		(166,402,774)	-
Cash added as a result of the merger		(97,284,286)	-

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Stated in pesos

NOTE 1: GENERAL INFORMATION

The Company was established in 1994 as investment and financing company. Through its subsidiaries and related entities, ASA has invested in the energy market, in the power generation and commercialization segment.

The Albanesi Group, through ASA and its related company AESA, is engaged in the generation and sale of electricity and has focused on the gas transportation and sale business through RGA.

In recent years, the main strategy of the Albanesi Group has been focused on achieving vertical integration, drawing on its vast experience and reputation in the natural gas sale market (obtained through RGA), with the subsequent addition of the electric power generation business. This approach seeks to capitalize the value added from the purchase from large gas producers in all the basins in the country to its transformation and sale as electric power.

Below is a detail of the participation of ASA in each company.

Companies	Country of creation	Main activity	% participation	
			06.30.2018	12.31.2017
CTR [1]	Argentina	Electric power generation	75%	-
GECEN	Argentina	Electric power generation	95%	95%
GLSA	Argentina	Electric power generation	95%	95%
GMSA	Argentina	Electric power generation	95%	95%
GROSA	Argentina	Electric power generation	95%	95%
Solalban Energía S.A.	Argentina	Electric power generation	42%	42%

(1) Company merged under the merger through absorption process, as described in Note 29.

The Albanesi Group had at the date these condensed interim consolidated financial statements were signed a total installed capacity of 1,410 MW, representing 6.2% of the total installed thermoelectric capacity in Argentina, it being expanded with additional 435 MW with all the new projects awarded and currently under way.

RGA, in turn, is the leading company engaged in the sale of gas and the provision of energy supply services to industries and thermal power plants.

Furthermore, in 2017 ASA (merging and continuing company) has been part of a merger process in which AISA was merged. The final merger agreement was signed on November 21, 2017, which set January 1, 2018 as the effective date of the merger. The merger was approved by the CNV on January 11, 2018 and registered with the Superintendency of Commercial Companies on February 23, 2018 (See Note 29).

In 2015, ASA entered the capital markets. On November 20, 2015, it obtained authorization to enter the public offering system and create a program of Simple Negotiable Obligations (not convertible into shares) of up to USD 100,000,000 or its equivalent in other currencies, in one or more classes or series. Thus, the Company issued Class I Negotiable Obligations for $ 70 million on December 29, 2015; Class II Negotiable Obligations for $ 220 million on October 25, 2016; and Class III Negotiable Obligations for $ 256 million on June 15, 2017.

NOTE 1: GENERAL INFORMATION (Cont'd)

On July 7, 2016, under CNV Resolution No. 18110, GMSA, GFSA and CTR obtained authorization for the co-issuance in the domestic and international markets of simple guaranteed unsubordinated NO, not convertible for shares. On July 27, 2016, NO were issued for USD 250 million and on December 5, 2017 additional NO for USD 86 million were issued, both falling due on July 27, 2013. Both issuances are unconditionally and fully guaranteed by ASA.

On August 8, 2017, through the Extraordinary Shareholders' Meeting of GMSA, the creation of a program was approved for the co-issuance of simple NO not convertible for shares with CTR for a total outstanding nominal value of up to USD 100,000,000 (US Dollars one hundred million) or its equivalent in other currencies.

Below is a detail of the most important information for each of the thermal power plants operated by the subsidiaries of ASA:

Central Térmica Modesto Maranzana

GMSA is the owner of the power plant Central Térmica Modesto Maranzana (CTMM), located in Río Cuarto, Province of Córdoba. The Power Plant originally had a combined cycle in operation with a capacity of 70 MW, in two blocks of 35 MW each, and each block with a Frame Gas Turbine 5, a Generator and a Steam Turbine in a single axis system.

In October 2008, GMSA completed the first stage of the project to enlarge the Power Plant. To this end, two new FT8-3 SwiftPac 60 PWPS aero-derivative gas turbines of 60 MW were installed and put into operation. Each has two aero-derivative gas turbines of 30MW that transmit their power to a single generator thus offering great flexibility in the operation.

Continuing with its expansion process, CTMM installed a third PWPS FT8-3 SwiftPac 60 turbine of 60 MW in 2010, which became operative in September of that year, thus reaching an installed capacity of 250 MW at the Power Plant.

On March 28, 2016, GMSA signed an agreement with Siemens Industrial Turbomachinery AB for CTMM for the provision and assembly of two Siemens SGT-800 turbines of 50MW nominal each. This enlargement was made under an agreement signed pursuant to a Resolution of the Energy Secretariat. 220/07. On July 6, 2017, the two Siemens SGT-800 turbines were put into commercial operation in the WEM. Thus, the installed capacity of the Power Plant increased from 250 MW to 350 MW.

Through EES Resolution No. 287/2017 dated May 10, 2017, the Electric Energy Secretariat instructed CAMMESA to call for tenders for new thermal generation of closure of the combined cycle technology and co-generation, with the commitment to be available to meet the demand in WEM.

GMSA participated in the invitation and was awarded with two projects for the closure of the combined cycle through EES Resolution No. 926 – E/2017.

NOTE 1: GENERAL INFORMATION (Cont'd)

Central Térmica Modesto Maranzana (Cont'd)

One of them is the closure of the combined cycle of units TG06 and TG07 of Central Modesto Maranzana, located in the city of Río Cuarto. The project consists in the installation of a new 50 MW Siemens SGT800 gas turbine (with a guaranteed power of 47.5 MW) and the conversion into combined cycle of the three gas turbines (3x1 configuration). For such conversion, a recovery boiler will be installed at the gas turbines exit, which will produce steam in two pressures to feed a SST-600 steam turbine that will deliver a further 65 MW to the network; also, the necessary infrastructure will be installed for its operation and maintenance. The project for the closure of CT Modesto Maranzana combined cycle will enable contributing a further 112.5 MW to Argentine Interconnection System (SADI). The addition of a new gas turbine will cause an additional demand for fuel to the system. The addition of the turbo steam machine will contribute 65 MW, without additional consumption of fuel, with the complete cycle recording a specific consumption of 1590 Kcal/kWh in the closure of the combined cycle. This project was awarded by EES Resolution No. 926 - E/2017 on October 17, 2017 and is expected to become operative in mid-2020.

GMSA and CAMMESA signed the Wholesale Demand contract on December 14, 2017.

Central Térmica Independencia

GMSA is the owner of the power plant Central Térmica Independencia (CTI) which is located in the city of San Miguel de Tucumán, Province of Tucumán. CTI was out of service, and in 2011 Albanesi Group executed all the works necessary to install 120 MW with PWPS technology, and to refurbish the existing ancillary facilities. It obtained authorization for commercial operation on November 17, 2011.

On June 30, 2016, within the framework of the bidding process called for by the Energy Secretariat through Resolution ES No. 21, GMSA signed a Contract for Wholesale Demand for CTI for the installation of the new thermal generation capacity. The project consists in the installation of 100 MW (92 MW undertaken) in two stages.

To that end, on April 30, 2016, a contract was executed with Siemens Industrial Turbomachinery AB for the purchase of the first SGT-800 turbine of 50 MW, paying on December 2016 50% and financing the remaining 50% in 24 installments as from September 2017. On August 10, 2017, in compliance with the Contract for Wholesale Demand, authorization for commercial operation was obtained for the first stage, for a maximum power of 49.6 MW while operated with natural gas, and 46.5 MW while operated with diesel. It is connected to SADI at the transformer station (ET for its acronym in Spanish) INDEPENDENCIA 132 KV of TRANSNOA, province of Tucumán.

NOTE 1: GENERAL INFORMATION (Cont'd)

Central Térmica Ezeiza (Cont'd)

GMSA and CAMMESA signed the Wholesale Demand contract on December 14, 2017.

Co-generation Project Arroyo Seco

GECEN is developing a co-generation project in Arroyo Seco, province of Santa Fe. The project consists in the installation of two SGT800 Siemens gas turbines with a nominal capacity of 100 MW and a heat recovery boiler that will generate steam using exhaust fumes from the turbine. GECEN will thus generate (i) electricity that will be sold (a) under a contract signed with CAMMESA within the framework of a public bidding under EES Resolution No. 287/2017 and awarded under EES Resolution No.820/2017 for a term of 15 years, and (b) under an agreement with LDC Argentina S.A.; and (ii) steam, to be supplied to LDC Argentina S.A. for its plant in Arroyo Seco, by means of a steam and electric power generation contract.

GECEN and CAMMESA signed the Wholesale Demand contract on November 28, 2017.

On August 9, 2017, a contract was signed with the supplier Siemens for the purchase of the Turbines for a total amount of SEK 270,216,600 million. The contract is for the purchase of two SGT800 Siemens gas turbines, including whatever is necessary for their installation and start-up. At the date of these consolidated financial statements, two advances have been paid to Siemens for the gas turbine which account for 40% of the contract.

On March 26, 2018, a contract was signed with the supplier Siemens for the purchase of a steam turbine for a total amount of USD 5,370,500. The contract contemplates the purchase of an SST-300 Siemens steam turbine, including whatever is necessary for its installation and start-up. At the date of these consolidated financial statements, two advance payments have been made to Siemens for the steam turbine, which account for 20% of the contract.

Central Térmica Roca

In 2011 Grupo Albanesi, through CTR acquired a power plant (the "Plant") located in the outskirts of the city of General Roca, province of Río Negro, on Provincial Road No. 6, km 11.1, which was unavailable since 2009.

The Plant, built in 1995, is equipped with an open cycle generation unit with EGT technology (European Gas Turbines) and has a nominal power of 130 MW. In fiscal year 2012 the first stage of repair and reconditioning was completed, and the Plant was authorized for commercial operation by the end of June 2012. In late June 2013 the second stage was completed, which consisted in the conditioning and modification of facilities and infrastructure for the purposes of the conversion to dual fuel, permitting feed of the turbo generator with alternative fuel (diesel).

NOTE 1: GENERAL INFORMATION (Cont'd)

Central Térmica Roca (Cont'd)

CTR developed a project to close the Power Plant cycle, which means expanding the current capacity by 60 MW with the installation of a steam turbine, a boiler and other equipment. Not only will this project increase power but will also be significant in environmental and energy efficiency terms, as the extra power to be generated will not require additional fuel. See also subsequent event in Note 34.

A new WEM Supply Contract for 55 MW was signed with CAMMESA in October 2015 under Energy Secretariat Resolution 220/07.

Central Térmica Sorrento

Central Térmica Sorrento is a thermal power plant located in Rosario, province of Santa Fe, and delivers a capacity of 135 MW to the system. This capacity comprises an Ansaldo steam turbine capable of operating simultaneously with gas and fuel oil, and can be supplied by ship at the plant's port and docking facility.
With the aim of keeping the availability and dispatch levels as required by WEM, GROSA is executing the Third Stage for the Repair of the Unit TV13, performing additional investments in the boiler, steam turbine, transformers and ancillary equipment. In particular, in April 2016, scheduled maintenance tasks were conducted, including works in the boiler, the thermal cycle and the transformers. During the second half of October and first days of November 2016, new scheduled maintenance tasks were conducted, including the replacement of boiler tubes, of valves in the boiler thermal cycle and ancillary equipment, and the recovery of fuel oil pumps, among other tasks.

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES

The Group's revenue from electricity generation activity derives from sales to Large Users on the Forward Market, for surplus demand for energy (ES Resolution 1281/06); from sales to CAMMESA (Compañía Administradora del Mercado Mayorista Eléctrico S.A.) under ES Resolution 220/07, and from sales under ES Resolutions 21/16 and 19/17. In addition, the excess electricity generated under the modalities of ES Resolutions No. 1281/06 and 220/07 is sold on the Spot Market, in accordance with the regulations in force in the Wholesale Electricity Market (WEM) administered by CAMMESA.

a) Regulations on Energía Plus, Resolution No. 1281/06

It provides that the existing energy sold on the Spot Market follows these priorities:

(1) Demand lower than 300 KW;
(2) Demand over 300 KW, with contracts; and
(3) Demand over 300 KW, without contracts.

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

a) Regulations on Energía Plus, Resolution No. 1281/06 (Cont'd)

It also establishes certain restrictions on the sale of electric power and implements the "Energía Plus" service, which allows generating agents to offer the available additional generation. They must fulfill the following requirements: (i) they must be WEM agents whose generating units shall have been authorized for commercial operation after September 5, 2006; and (ii) they must have fuel supply and transportation contracts.

The regulation establishes that:

- Large Users with demand over 300 KW ("GU300") will be authorized to enter into contract for their demand of electricity in the forward market with the generating agents existing in the WEM at the moment, only for the electricity consumption in 2005 ("Basic Demand").

- The electricity consumed by GU300 above their Basic Demand must be supplied by new generation (Energía Plus) and contracted at a price agreed upon by the parties. This may not exceed 50% of the actual demand.

- New Agents entering the system must contract 50% of their total demand under the Energía Plus service, under the conditions described above.

At the date of these condensed interim consolidated financial statements, almost all the nominal power of 135MW available is under contract. The duration of these contracts is from1 to 2 years.

b) WEM Supply Contract (Resolution No. 220/07)

In January 2007, the Energy Secretariat passed Resolution No. 220/07 authorizing the execution of Supply Contracts between WEM and additional offers of available generation and associated energy submitted by generating, co-generating or self-generating agents which, at the date of publication of the said resolution are not WEM agents or do not have the generation facilities to be agreed under these commercially authorized offers, or are not interconnected with WEM at that date. In this regard, the execution of Supply Contracts was foreseen as another way to generate incentives for the development of additional energy projects.

These Supply Contracts are entered into between generating agents and CAMMESA, with a duration of 10 years or a shorter term that may exceptionally be established. The valuable consideration for availability of generation and energy will be established in each contract based on the costs accepted by the ES. The contracts will also establish that the machines and thermal power plants used to cover the Supply Contracts will generate energy as they are dispatched by CAMMESA.

Sales under this modality are denominated in dollars and are paid by CAMMESA under a take or pay clause and the generated surplus is sold to the Spot Market, pursuant to regulations in effect in the WEM administered by CAMMESA.

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

b) Supply Contract with WEM (Resolution No. 220/07) (Cont'd)

GMSA and CAMMESA entered into various Wholesale Electric Market (WEM) supply contracts: For CTMM it agreed a power of 45 MW for TG5 and for a term of 10 years counted as from October 2010, and 89.9 MW for TG6 and 7 and a duration of 10 years counted as from July 2017; for CTI it agreed a power of 100 MW and a duration of 10 years counted as from November 2011; for CTF it agreed a power of 55.5 MW and a duration of 10 years counted as from December 2015, and for CTRi it agreed a power of 42 MW and a duration of 10 years counted as from May 2017.

Further, CTR and CAMMESA entered into a WEM supply contract for 116.7 MW, for a term of 10 years counted as from June 2012. On October 14, 2015, a new WEM supply contract for 55 MW was signed with CAMMESA for a term of 10 years counted as from the date of authorization for commercial operation of the agreed upon turbine. The contract will be supported by the conversion of the current gas turbine generator into a combined cycle. To this end, the equipment must be installed, so that the exhaust fume recovery of the present gas turbine generates an amount of steam such that when expanded through a steam turbine, additional power of up to 60-MW may be generated.

The agreements set forth a remuneration made up of 5 components:

i) fixed charge for power hired, affected by monthly average availability; the remunerated price is:

Thermal power plants	Fixed charge for power hired USD/MW-month	Hired power MW
CTMM TG 5	USD 16,133	45
CTI TG 1 and 2	USD 17,155	100
CTF	USD 19,272	55.5
CTMM TG 6 and 7	USD 15,930	89.9
CTRi TG 24	USD 16,790	42
CTR	USD 12,540	116.7
CTR cycle closure	USD 31,916	55

ii) the fixed charge recognizes transportation costs plus other costs inherent to the generating agents;
iii) the variable charge associated with the energy effectively prescribed under the contract and which purpose is to remunerate the operation and maintenance of the Plant

Thermal power plants	Variable charge in USD/MWh	
	Gas	Diesel
CTMM TG 5	USD 7.83	USD 8.32
CTI TG 1 and 2	USD 7.52	USD 7.97
CTF	USD 10.83	USD 11.63
CTMM TG 6 and 7	USD 8.00	USD 10.50
CTRi TG 24	USD 11.44	USD 15.34
CTR	USD 10.28	USD 14.18

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

b) Supply Contract with WEM (Resolution No. 220/07) (Cont'd)

iv) a variable charge for repayment of fuel costs, all of them at reference price; and
v) a discount for penalties.

These penalties are applied to the hours in which 92% of the agreed upon power has not been reached and are valued on a daily basis and according to the operating condition of the machine and the market situation.

Revenue recognition from power under Resolution No. 220/07 has been performed according to the guidelines of IAS 17.

c) Sales under ES Resolution No. 21/2016

Through ES Resolution No. 21/2016 dated March 22, interested generating, co-generating and self-generating agents are called for to offer new thermal generation capacity and associated energy production, with the commitment to be available at WEM during the summer periods of (2016/2017 and 2017/2018) and for the winter season of 2017.

Through EES Note No. 161/2016 the Energy Secretariat made public the bidding process whereby 1000 MW of thermoelectric power was expected to be installed. Power to be installed must arise from new generation projects. Offers cannot commit, at each connection point proposed, a generation capacity lower than 40 MW total and, in turn, the net power of each generating unit forming the offer for location may not be lower than 10 MW. Equipment committed in the offers must have dual capacity of fuel consumption to operate interchangeably and consumption must not exceed 2,500 kilocalories per kWh.

Finally, through ES Resolution No. 155/2016 the first projects awarded by ES Resolution No. 2172016 were reported among which were CTE and the enlargement of CTI.

These Supply Contracts are entered into between generating agents and CAMMESA, with a duration of 10 years or a shorter term that may exceptionally be established. The valuable consideration arises from availability of power and energy generated as established in each contract based on the costs accepted by the ES. Sales under this modality are denominated in US dollars and paid by CAMMESA.

The agreements set forth a remuneration made up of 5 components:

i) fixed charge for power hired, affected by monthly average availability; the remunerated price is:

Thermal power plants	Fixed charge for power hired USD/MW-month	Hired power MW
CTE TG 1 and 2	USD 21,900	93
CTE TG 3	USD 20,440	46
CTI TG 3	USD 21,900	46
CTI TG 4	USD 20,440	46

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

c) Sales under ES Resolution No. 21/2016 (Cont'd)

ii) the fixed charge recognizes transportation costs plus other costs inherent to the generating agents;
iii) the variable charge associated with the energy effectively prescribed under the contract and which purpose is to remunerate the operation and maintenance of the Plant

Thermal power plants	Variable charge in USD/MWh	
	Gas	Diesel
CTE TG 1, 2 and 3	USD 8.50	USD 10.00
CTI TG 3 and 4	USD 8.50	USD 10.00

iv) a variable charge for repayment of fuel costs, all of them at reference price; and
v) a discount for penalties. These penalties are applied to the hours in which 92% of the agreed upon power has not been reached and are valued on a daily basis and according to the operating condition of the machine and the market situation.

Revenue recognition from power under Resolution No. 21/16 has been performed according to the guidelines of IAS 17.

d) Sales under ES Resolution No. 19/2017

On March 22, 2013 the Energy Secretariat published ES Resolution No. 95/13 that aimed at adapting the system for the remuneration of the power generation plants not subject to special regimes, such as Energía Plus and WEM Supply Contracts.

ES Resolution No. 529/14 was published on May 20, 2014, amending and extending application of ES Resolution No. 95/13. The main change was the increase in the remuneration payable to the generators, implemented through a price increase, as well as the creation of a new item, called Remuneration for Non-recurring Maintenance.

ES Resolution No. 529/14 established that as from February 2014, commercial management and fuel dispatch would be centralized in the Dispatch Management Agency (CAMMESA). Costs associated with the operation were no longer recognized as the contractual relationships between the WEM Agents and their suppliers of fuels and related inputs became extinguished. ES Resolution No. 1281/06 (Energía Plus) was excluded from these regulations.

ES Resolution No. 482/15 was published on July 10, 2015, amending and extending application of ES Resolution No. 529/14. The main change was the increase in the remuneration payable to the generators, implemented through a price increase, as well as the creation of two new items, called "Resource for FONINVEMEM investments 2015-2018" and "Incentives for energy production and operational efficiency".

The balance not recognized for this item is $ 31,708,050.

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

d) Sales under ES Resolution No. 19/2017 (Cont'd)

On March 30, 2016, ES Resolution No. 22/16 was published amending ES Resolution No. 482/15 mentioned above. The main change was the increase in the remuneration payable to the generators, implemented through a price increase.

There was a 70% increase in the fixed charge remunerating available power and of 40% in the variable cost for the energy generated.

Thermal power plants	Classification	Fixed cost as per Res. No. 22 $/MWhrp
CTLB / CTRi	TG Units with Power (P) < 50 MW (small)	152.30
CTMM CC 1 and CC 2	CC Units with Power (P) < 150 MW (small)	101.20

MinEyM ES Resolution 19-E/17 was published on January 27, 2017, replacing ES Resolution No. 22/16. This resolution adapts certain remuneration criteria to economic conditions that are reasonable, foreseeable and efficient, through medium-term commitments.

The Generating Agents are excluded from this system within the framework of contracts governed by Resolutions Nos. 1281/2006, 220/2007, 21/2016, as well as any other type of WEM contract having a differential remuneration established or authorized by WEM competent authority.

Among the main changes, the remuneration is based on the Available Power and Energy generated, valued in US Dollars, simplifying their calculation.

The new resolution is effective from February 1, 2017.

The remuneration system basically comprises the following items:

1. Remuneration per power: this is proportional to the available monthly power and a price in USD/MW-month that varies according to different conditions.

   - MINIMUM price of power per technology and scale.
   - BASE price according to the Offered Guaranteed Power. Valued as from May 2017 until October 2017 at 6,000 USD/MW-month and as from November 2017 onwards, 7,000 USD/MW-month.
   - ADDITIONAL price with maximum in accordance with additional availability Offered and allocated. Valued as from May 2017 until October 2017 at 1,000 USD/MW-month and as from November 2017 onwards, 2,000 USD/MW-month.

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

d) Sales under ES Resolution No. 19/2017 (Cont'd)

2. Remuneration per Energy: It is comprised by:

2.1 Energy generated: The remuneration received for the energy actually generated, valued according to the type of fuel at 5USD/MWh for Natural Gas and 8 USD/MWh for diesel or fuel oil.

2.2 Energy operated: The generators will receive an additional remuneration of 2 USD/MWh, irrespective of the type of fuel, for the Energy Operated, represented by the integration of hourly powers in the period.

2.3 Additional remuneration incentive for efficiency:

2.3.1 Additional remuneration variable cots efficient thermal power generation: The generating agent may receive an additional remuneration if the fuel consumption objectives are accomplished.

2.3.2 Additional remuneration for thermal power generators of little use: An additional remuneration is established according to the frequency of starts based on the energy generated.

2.3.2.1 This price will be valued at 2.6 USD/MWh. It will be multiplied by the energy generated during the pertinent month, by the Use Factor (which is defined as the use factor of the nominal power recorded over the last twelve-month period. It will have a value of 0.5 for thermal units with Use factor < 30% and 1.0 for those with Use factor < 15%. For the rest of the cases it will be 0.

2.3.2.2 This price will be valued at 2.6 USD/MWh. It will be multiplied by the energy generated during the pertinent month, by the Start Factor (which is determined based on the starts recorded over the last twelve-month period. It will have a value of 0 for <= 74, 0.1 between 75 and 149 and 0.2 for more than 150 starts).

e) Gas supply by RGA

The natural gas used by CTMM, CTI and CTR for the turbo generators assigned to Energía Plus and resolution 220, in accordance with the supply requirements for those units in the Energía Plus market created by ES Resolution 1281/2006, is provided by RGA through an offer for gas supply.

NOTE 3: BASIS FOR PRESENTATION

These condensed interim consolidated financial statements for the six- and three-month periods ended June 30, 2018 and 2017 were prepared in accordance with IAS 34 "Interim Financial Reporting". These condensed interim consolidated financial statements should be read in conjunction with the Company's financial statements at December 31, 2017.

The presentation in the condensed interim consolidated statement of financial position segregates current and non-current assets and liabilities. Current assets and liabilities are those which are expected to be recovered or settled within the twelve months after the end of the reporting period, and those held for sale. In addition, the Company reports on the cash flows from operating activities using the indirect method. The fiscal year commences on January 1 and ends December 31 of each year. Economic and financial results are presented on the basis of the fiscal year.

NOTE 3: BASIS FOR PRESENTATION (Cont'd)

These condensed interim consolidated financial statements are stated in pesos. They have been prepared under the historical cost convention, modified by the measurement of financial assets and financial liabilities at fair value through profit or loss.

The preparation of these condensed interim consolidated financial statements in accordance with IFRS requires making estimates and assessments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of issue of these condensed interim consolidated financial statements, as well as the income and expenses recorded in the period. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

The condensed interim consolidated financial statements for the six- and three-month periods ended June 30, 2018 and 2017 have not been audited. Company Management considers that they include all the necessary adjustments to reasonably present the results for each period.

The results for the six and three-month periods then ended do not necessarily reflect a proportionate percentage of the Company's/Group's results for the full years.

These condensed interim consolidated financial statements for the six and three-month periods ended June 30, 2018 and 2017 were approved for issuance by the Company's Board of Directors on August 9, 2018.

Comparative information

Balances at December 31, 2017 and for the six- and three-month periods ended June 30, 2017 disclosed for comparative purposes in the financial statements arise from financial statements at that date. Certain reclassifications have been included in the financial statement figures presented for comparative purposes to conform them to the current period presentation.

Financial reporting in hyperinflationary economies

IAS 29 "Financial Reporting in hyperinflationary economies" requires that the financial statements of an entity that reports in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current at the closing of the reporting period, irrespective of whether they are based on the historical cost or current cost methods. To this end, in general terms, the inflation rate should be computed in the non-monetary items as from the acquisition date or the revaluation date, as applicable.

NOTE 3: BASIS FOR PRESENTATION (Cont'd)

To determine the existence of a hyperinflationary economy under the terms of IAS 29, the standard details a series of factors to consider, including a cumulative inflation rate over three years that is close to or exceeds 100%. Considering that the downward trend of inflation recorded last year has reversed, with a significant increase during 2018, and that it is also expected that the cumulative inflation rate over the last three years will exceed 100% and the rest of the indicators do not contradict the conclusion that Argentina should be considered as a hyperinflationary economy for accounting purposes, the Company Management understands that there is sufficient evidence to conclude that Argentina is a hyperinflationary economy under the terms of IAS 29 as from July 1, 2018.

No criteria have been applied at June 30, 2018 for the restatement of financial information, as established by IAS 29. However, over the last few years certain macroeconomic variables affecting the Company's business, such as the salary cost and the prices of inputs, have experienced significant annual variations. This circumstance should be considered in the evaluation and interpretation of the Company's financial situation and results disclosed in these financial statements.

NOTE 4: ACCOUNTING POLICIES

The accounting policies adopted for these condensed interim consolidated financial statements are consistent with those used in the audited financial information corresponding to the last fiscal year, which ended on December 31, 2017, except for those mentioned below.

There are no new IFRS or IFRIC applicable as from the current period which have a material impact on the Company's condensed interim consolidated financial statements.

These condensed interim consolidated financial statements should be read in conjunction with the audited financial statements at December 31, 2017 prepared under IFRS.

The Group measures facilities, machinery and buildings at fair value less accumulated depreciation and impairment losses, if any, recognized at the revaluation date (See accounting policy for property, plant and equipment in Note 4 to the December 31, 2017 financial statements. Revaluations are made with sufficient regularity to ensure that the fair value of a revalued asset does not differ significantly from its carrying amount.

On June 30, 2018, the Group revalued the facilities, machinery and buildings for there have been important changes in the fair values of those assets caused by macroeconomic fluctuations.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.1 New accounting standards, amendments and interpretations issued by the IASB

The Company has applied the revised IFRS 9 retrospectively as from January 1, 2018, with the practical resources allowed by the standard, without restatement of the comparative periods.

The Company has reviewed the financial assets currently measured and classified at fair value through profit or loss or at amortized cost, and it has concluded that the conditions to maintain this classification are fulfilled; therefore, initial adoption of IFRS 9 has not affected the classification and measurement of financial assets.

Further, in connection with the new hedge accounting model, the Company has not opted for designating any hedging relationship at the date of initial adoption of the revised IFRS 9; therefore, this adoption did not have an impact on the Company's financial position or the results of its operations.

Lastly, in relation to the change in methodology for the calculation of impairment of financial assets based on expected credit losses, the Company has applied the simplified approach of IFRS 9 for trade receivables and other receivables with similar risk characteristics. To measure expected credit losses, receivables are grouped by segment, on the basis of shared credit risk characteristics and the days past after due date.

The Group's expected loss at January 1, 2018 was determined based on the following ratios calculated for the days past due:

RATIO PCE	Not yet due	30 days	60 days	90 days	120 days	150 days	180 days	+180 days
CAMMESA	-							-
Interco	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	11%

No adjustment has been made to the impairment allowance at January 1, 2018 as compared with the allowance at December 31, 2017 due to the application of the expected credit losses model in connection with trade receivables. Further, in the six-month period ended June 30, 2018, no allowance for impairment was set up.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.1) New accounting standards, modifications and interpretations issued by the IASB (Cont'd)

At the date of these condensed interim consolidated financial statements, the Company carries an allowance for trade receivables of $2,750,107.

Trade receivables are derecognized when there is no reasonable expectation of their recovery. The Company understands that these are indicators of defaulted payment: i) reorganization proceedings, bankruptcy or litigation; ii) a situation of insolvency implying a high degree of impossibility of collection, and iii) unpaid balances for a period over 180 business days since the original due date of the invoice.

In addition, in the face of contextual and/or exceptional situations, the Company's Management may redefine the amounts to be covered by an allowance, always sustaining and providing the rationale for the criteria applied.

NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim consolidated financial statements requires Company Management to make estimates and assessments concerning the future, apply critical judgments and establish premises that affect application of the accounting policies and the reported amounts of assets, liabilities, income and expenses.

These estimates and judgments are continually evaluated and are based on historical experience and other factors that are believed to be reasonable under the 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, certain critical judgments made by the Management when applying Company's accounting policies and sources of information used for the pertinent estimates are the same as those applied to the financial statement for the year ended December 31, 2017.

NOTE 6: FINANCIAL RISK MANAGEMENT

The Group's activities are disclosed under sundry financial risks: market risk (including the foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

No changes have been made to risk management policies since the annual closing.

Albanesi S.A.

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Captions	ORIGINAL VALUE						DEPRECIATION						NET VALUE		
	Value at beginning of period/year	Addition due to merger	Increases (1)	Decreases / transfers	Revaluation of original values	Value at the end of period/year	Accumulated at beginning of period/year	Addition due to merger	For the year/period (2) and (3)	Decreases	Revaluation Depreciation	Accumulated at the end of period/year	06.30.2018	12.31.2017	06.30.2017
Land	218,229,699	8,422,700	-	-	123,978,800	350,631,199	-	-	-	-	-	-	350,631,199	218,229,699	186,758,094
Buildings	507,841,701	24,619,100	1,792,464	68,722,538	17,310,897	620,286,700	-	-	6,331,201	-	(6,331,201)	-	620,286,700	507,841,701	113,989,414
Facilities	1,108,218,402	139,544,000	702,000	33,152,531	315,800,335	1,597,417,268	-	-	34,694,433	-	(34,694,433)	-	1,597,417,268	1,108,218,402	276,452,514
Machinery and turbines	8,568,231,100	673,816,700	7,482,044	578,099,498	3,638,986,859	13,466,616,201	-	-	221,295,146	-	(221,295,146)	-	13,466,616,201	8,568,231,100	3,564,533,400
Computer and office equipment	11,506,267	1,365,772	5,451,254	128,800	-	18,452,093	6,095,626	527,330	2,185,443	-	-	8,808,399	9,643,694	5,410,641	3,982,572
Vehicles	8,855,068	1,480,032	-	-	-	10,335,100	3,001,717	688,484	1,019,044	-	-	4,709,245	5,625,855	5,853,351	4,841,167
Tools	3,783,611	-	-	3,342,602	-	7,126,213	1,685,356	-	916,823	-	-	2,602,179	4,524,034	2,098,255	2,072,427
Furniture and fixtures	528,760	-	-	-	-	528,760	328,646	-	33,641	-	-	362,287	166,473	200,114	233,755
Works in progress	331,243,841	1,834,344,801	1,606,897,006	(679,974,567)	-	3,092,511,081	-	-	-	-	-	-	3,092,511,081	331,243,841	4,387,812,892
Civil constructions on third party property	15,402,242	-	-	10,050,037	-	25,452,279	9,833,139	-	2,574,551	-	-	12,407,690	13,044,589	5,569,103	6,468,647
Installations on third party property	138,977,727	-	-	17,175,799	-	156,153,526	81,150,665	-	12,393,338	-	-	93,544,003	62,609,523	57,827,062	67,357,767
Machinery and turbines on third party property	63,119,883	-	1,611,921	65,028,506	-	129,760,310	35,186,861	-	15,751,384	-	-	50,938,245	78,822,065	27,933,022	32,577,668
Leasehold improvements in progress	91,560,506	(7,367,099)	376,425,199	(95,725,744)	-	364,892,862	-	-	-	-	-	-	364,892,862	91,560,506	70,165,853
Inputs and spare parts	23,064,554	8,859,819	4,248,851	-	-	36,173,224	-	-	-	-	-	-	36,173,224	23,064,554	32,000,000
Total at 06.30.2018	**11,090,563,361**	**2,685,085,825**	**2,004,610,739**	-	**4,096,076,891**	**19,876,336,816**	**137,282,010**	**1,215,814**	**297,195,004**	-	**(262,320,780)**	**173,372,048**	**19,702,964,768**	-	-
Total at 12.31.2017	**5,469,311,119**	-	**5,771,191,318**	**(16,395,015)**	**(133,544,061)**	**11,090,563,361**	**102,698,684**	-	**300,441,166**	-	**(265,857,840)**	**137,282,010**	-	**10,953,281,351**	-
Total at 06.30.2017	**5,469,311,119**	-	**3,504,685,018**	-	-	**8,973,996,137**	**102,698,684**	-	**122,051,283**	-	-	**224,749,967**	-	-	**8,749,246,170**

(1) Includes the acquisition of assets of the project for the start-up and enlargement of the electricity generation plant.
(2) Depreciation was allocated to the cost of sales.
(3) Depreciation charges for the six-month period ended June 30, 2018 and 2017 and for the year ended December 31, 2017 were allocated to the cost of sales including $ 91,940,209, $ 72,917,753 and $ 154,551,168, respectively, due to a higher value for technical revaluation.

Information required by Appendix A, in compliance with Section 1, Chapter III, Title IV of the restated text of the CNV.

NOTE 8: EQUITY INTEREST IN ASSOCIATE

At June 30, 2018 and 2017 and December 31, 2017, the Group's associate is Solalban Energía S.A.

In 2008, ASA, with a 42% interest, together with Solvay Indupa S.A.I.C. created Solalban Energía S.A. aimed at building a power plant with a generation capacity of 165 MW located in the petrochemical area of the city of Bahia Blanca, Province of Buenos Aires.

Changes in the investments in the Group's associates for the six-month period ended June 30, 2018 and 2017:

	06.30.2018	06.30.2017
At the beginning of the period	**373,737,083**	**293,807,569**
Other comprehensive income	150,125,420	-
Allocated dividends	(6,557,138)	(5,880,000)
(Loss) from interests in associates	(7,238,180)	(1,620,569)
Period end	**510,067,185**	**286,307,000**

Below is a breakdown of the investments and the value of interests held by the Group in the associate at June 30, 2018 and December 31, 2017, as well as the Group's share in the income/loss of the associate for the periods ended on June 30, 2018 and 2017:

Name of issuing entity	Main business activity	% share interest		Equity value		Participation of the Company in the results	
		06.30.2018	12.31.2017	06.30.2018	12.31.2017	06.30.2018	06.30.2017
Associates							
Solalban Energía S.A	Electricity	42%	42%	510,067,185	373,737,083	(7,238,180)	(1,620,569)
				510,067,185	**373,737,083**	**(7,238,180)**	**(1,620,569)**

Information required by Appendix C, in compliance with Section 1, Chapter III, Title IV of the restated text of the CNV.

Financial information corresponding to the associate Solalban Energía S.A. is summarized below.

	06.30.2018	12.31.2017
Total non-current assets	1,451,619,603	1,013,105,900
Total current assets	534,526,515	273,270,786
Total Assets	**1,986,146,118**	**1,286,376,686**
Total equity	**1,214,445,686**	**889,850,196**
Total non-current liabilities	345,611,097	233,377,671
Total current liabilities	426,089,335	163,148,819
Total liabilities	**771,700,432**	**396,526,490**
Total liabilities and shareholders' equity	**1,986,146,118**	**1,286,376,686**

NOTE 8: INVESTMENT IN ASSOCIATE (Cont'd)

Summarized statement of income and statement of comprehensive income:

	06.30.2018	06.30.2017
Sales revenue	893,100,266	508,306,218
Income for the period	(17,233,762)	(3,858,500)
Other comprehensive income	357,441,475	-
Total comprehensive income for the period	**340,207,713**	**(3,858,500)**

Summarized cash flow statement

	06.30.2018	06.30.2017
Cash flows used in operating activities	(36,984,162)	(7,953,889)
Cash flows used in investment activities	(3,188,393)	(4,993,926)
Cash flows provided by (used in) financing activities	1,638,197	(14,000,000)
Decrease in cash for the period	**(38,534,358)**	**(26,947,815)**

The information above shows the balances recorded in the financial statements of the associate (not the share of the Group in those amounts) adjusted by differences in accounting policies for valuation of property, plant and equipment under the revaluation model.

NOTE 9: CASH AND CASH EQUIVALENTS

	06.30.2018	12.31.2017
Cash	608,668	466,472
Checks to be deposited	-	149,850
Banks	301,107,972	51,782,287
Mutual funds	893,437,298	45,898,183
Cash and cash equivalents (bank overdrafts excluded)	**1,195,153,938**	**98,296,792**

For the purposes of the cash flow statement, cash, cash equivalents and bank overdraft facilities include:

	06.30.2018	06.30.2017
Cash and cash equivalents	1,195,153,939	267,117,357
Cash and cash equivalents (bank overdrafts included)	**1,195,153,939**	**267,117,357**

NOTE 10: CHANGES IN SHARE CAPITAL

Share capital at June 30, 2018 is comprised of:

Capital	Amount $	Date	Approved by Body	Date of registration with the Public Registry of Commerce:
Total at 12.31.2017	**62,455,160**			
Capitalization due to merger (Note 29)	1,996,585	10/18/2017	Extraordinary Shareholders' Meeting	2/23/2018
Total at 06.30.2018	**64,451,745**			

NOTE 11: DISTRIBUTION OF PROFITS

Dividends

According to Law No. 25063, the payment of dividends in excess of the taxable profits accumulated at the end of the year immediately preceding the date of this payment (or, if this be the case, distribution of profits), creates an obligation to withhold 35% income tax on the exceeding amount, as sole and final payment. This withholding will no longer apply to dividends (profits) attributable to profits accrued in the fiscal years beginning on or after January 1, 2018.

As from the Tax Reform implemented by Law 27430, the declared dividends on accounting profits for the fiscal years 2018 and 2019 will be subject to a 7% withholding rate, while for dividends on profits from the fiscal year 2020 onwards, the applicable withholding rate will be 13%. The withholding will be made when such profits are distributed and paid as dividends to shareholders based in abroad.

Pursuant to General Companies Law No. 19550, 5% of the profit reported in the statement of comprehensive income for the year, net of prior year adjustments, transfers of other comprehensive income to unappropriated retained earnings and prior year accumulated losses, is to be allocated to the legal reserve, until it reaches 20% of the capital stock.

Due to the issuance of the International Negotiable Obligation, co-issued by GMSA and CTR and guaranteed by ASA, the Companies must comply with ratios on a consolidated basis to be allowed to distribute dividends.

NOTE 12: LOANS

Non-Current	06.30.2018	12.31.2017
CAMMESA	-	193,854,659
Finance lease debts	76,941,363	49,445,832
Negotiable Obligations	2,872,095,329	1,792,069,588
International bond	9,692,546,504	4,967,124,269
Foreign loan debt	2,339,679,145	-
Other bank debts	152,701,011	21,202,224
	15,133,963,352	**7,023,696,572**

NOTE 12: LOANS (Cont'd)

Current	Note	06.30.2018	12.31.2017
Finance lease debts		27,017,820	17,340,907
Other bank debts		1,716,076,483	62,175,039
Foreign loan debt		453,564,864	-
Negotiable obligations		845,164,756	417,488,574
International bond		391,115,576	226,424,245
CAMMESA		9,164,503	8,908,160
		3,442,104,002	**732,336,925**

The due dates of Group loans and their exposure to interest rates are as follow:

	06.30.2018	12.31.2017
Fixed rate		
Less than 1 year	2,412,919,254	295,778,901
Between 1 and 2 years	1,124,953,799	25,115,553
Between 2 and 3 years	888,157,829	1,065,684,618
More than 3 years	9,694,893,548	4,912,119,268
	14,120,924,430	**6,298,698,340**
Floating rate		
Less than 1 year	1,029,184,748	436,558,024
Between 1 and 2 years	415,780,908	432,014,029
Between 2 and 3 years	514,658,579	82,316,004
More than 3 years	2,495,518,689	506,447,100
	4,455,142,924	**1,457,335,157**
	18,576,067,354	**7,756,033,497**

The fair value of Company's international negotiable obligations at June 30, 2018 and December 31, 2017 amounts to approximately $10,165 and $ 7,285 million, respectively. This value was calculated based on the estimated market price of the Company's international negotiable obligations at the end of each fiscal year/period. The applicable fair value hierarchy would be Level 1.

The other loans at floating rates are measured at fair value. Loans at a fixed rate do not differ significantly from their fair value, as they were issued at a near date.

Fair values are based on the present value of the contractual cash flows, using a discount rate derived from observable market prices of other similar debt instruments plus the corresponding credit risk.

Group loans are denominated in the following currencies:

	06.30.2018	12.31.2017
Argentine pesos	1,883,019,791	1,410,113,431
US dollars	16,693,047,563	6,345,920,066
	18,576,067,354	**7,756,033,497**

NOTE 12: LOANS (Cont'd)

The evolution of Group's loans during the period was the following:

	06.30.2018	06.30.2017
Loans at beginning of year	**7,756,033,497**	**4,642,521,657**
Loans received	4,738,258,195	2,431,645,316
Loans paid	(1,877,987,907)	(1,200,328,580)
Waiver of debt with CAMMESA (Note 12.D)	(190,480,000)	-
Accrued interest	984,557,740	367,140,477
Interest paid	(656,526,821)	(318,413,495)
Exchange difference	5,714,982,367	199,055,651
Bank overdraft	-	(14,657,864)
Addition due to merger	2,275,143,290	-
Capitalized expenses	(167,913,007)	(46,708,333)
Loans at year end	**18,576,067,354**	**6,060,254,829**

Total financial debt at June 30, 2018 amounts to $ 18,576.1 million. The following table shows the total debt at that date.

	Borrower	Principal	Balances at 06.30.2018	Interest rate	Currency	Date of issuance:	Maturity date:
			(Pesos)	(%)			
Loan Agreement							
Cargill	GMSA	USD 25,000,000	738,849,997	LIBOR + 4.25%	USD	2/16/2018	1/29/2021
BAF	GMSA	USD 10,000,000	288,038,895	6.75%	USD	4/6/2018	12/28/2018
UBS	GECEN	USD 65,000,000	1,766,355,117	LIBOR + 12.93%	USD	4/25/2018	4/25/2024
Subtotal			**2,793,244,009**				
Debt securities							
International Bond	GMSA / CTR	USD 336,000,000	10,083,662,080	9.625%	USD	7/27/2016	7/27/2023
Class VI NO	GMSA	USD 34,696,397	1,004,987,017	8.0%	USD	2/16/2017	2/16/2020
Class VII NO	GMSA	$ 553,737,013	617,010,729	BADLAR + 4%	ARS	2/16/2017	2/16/2019
Class VIII NO	GMSA	$ 312,884,660	327,487,892	BADLAR + 5%	ARS	8/28/2017	8/28/2021
Class III NO (GFSA[(1)])	GMSA	$ 1,662,000	1,752,177	BADLAR + 5.6%	ARS	7/6/2016	7/6/2018
Class I NO co-issuance	GMSA/CTR	USD 30,000,000	875,456,267	6.68%	USD	10/11/2017	10/11/2020
Class II NO	CTR	$ 270,000,000	291,574,272	BADLAR + 2%	ARS	11/17/2015	11/17/2020
Class IV NO	CTR	$ 291,119,753	314,455,412	BADLAR + 5%	ARS	7/24/2017	7/24/2021
Class II NO	ASA	$ 18,074,000	19,262,661	BADLAR + 4%	ARS	10/25/2016	10/25/2018
Class III NO	ASA	$ 255,826,342	265,273,658	BADLAR + 4.25%	ARS	6/15/2017	6/15/2021
Subtotal			**13,800,922,165**				
Other debts							
CAMMESA	GMSA		9,164,503				
ICBC loan	GMSA	USD 15,000,000	432,861,448	4.70%	USD	6/28/2018	6/28/2019
Banco Hipotecario loan	GMSA	USD 14,444,444	415,015,914	6.75%	USD	1/3/2018	7/2/2019
Citibank loan	GMSA	USD 10,000,000	293,033,773	3.50%	USD	1/17/2018	1/17/2019
Banco Ciudad loan	CTR	USD 7,527,273	219,196,595	6.00%	USD	8/4/2017	8/4/2020
BAPRO loan	CTR	USD 10,600,000	306,647,836	4.00%	USD	2/5/2018	1/3/2019
ICBC loan	CTR	USD 7,000,000	202,021,928	6.50%	USD	6/28/2018	6/28/2019
Finance lease	GMSA/CTR		103,959,183				
Sub-total			**1,981,901,180**				
Total financial debt			**18,576,067,354**				

(1) Company absorbed by GMSA as from January 1, 2017.

NOTE 12: LOANS (Cont'd)

The main financial debts are described below.

A) INTERNATIONAL BOND ISSUE

On July 7, 2016, under CNV Resolution No. 18110, GMSA, GFSA and CTR obtained authorization for the co-issuance in the domestic and international markets of simple guaranteed unsubordinated NO, not convertible for shares. On July 27, 2016, NO were issued for USD 250 million, maturing in 7 years. The NO are unconditionally and fully guaranteed by ASA.

The Bonds have a Fitch B+ rating and a Moody's B3 rating.

This issuance has permitted financing investments under the Company's expansion plans, by reason of the award by the Energy Secretariat of Wholesale Demand Contracts under Resolution No. 115/2016 dated June 14, 2016, as well as the Group's projects under way, totalizing works for the installation of a 460-MW nominal capacity. In addition, it allows for improving the Group's financial profile with the early repayment of existing loans, obtaining a financing term according to the projects under financing and also a considerable decrease in related costs, which implies greater financial efficiency and release of guarantees.

On November 8, 2017, under RESFC-2017-19033-APN-DIR#CNV Resolution, GMSA and CTR obtained authorization from the CNV for the reopening of the International Bond. On December 5, 2017, NO were issued for USD 86 million, with a nominal value of USD 336 million. The NO have the same conditions as the originally issued ones.

International Bond:

Principal: Nominal value: USD 336,000,000; amount assigned to GMSA: USD 266,000,000 (Considering the effect of the merger with GFSA) and to CTR: USD 70,000,000

Interest: Fixed rate of 9.625%

Amortization term and method: Interest on the International Bond will be paid semi-annually in arrears, on the following dates: January 27 and July 27 of each year, commencing on January 27, 2017 to maturity.

Principal on the NO shall be amortized in a lump sum payment at maturity, that is, on July 27, 2023.

Principal balance on those International NO at June 30, 2018 is USD 336,000,000.

As a result of the issue of International Bonds, GMSA and CTR have undertaken standard commitment for this type of issue, whose specific conditions are detailed in the pertinent public prospect. At the date of these condensed interim consolidated financial statements, ASA and its subsidiaries are in compliance with all their commitments undertaken under the loan agreements.

In late April 2018, the Group arranged for hedging on the US dollar exchange rate, which gave it certainty as to the dollar exchange rate applicable to interest paid on the international bond on July 27, 2018 and payable on January 28, 2019.

NOTE 12: LOANS (Cont'd)

B) Class I NO (GMSA and CTR co-issuance):

Class I NO were issued on October 11, 2017 and were fully subscribed in cash.

Principal: total nominal value USD 30,000,000; amount assigned to GMSA: USD 20,000,000, and to CTR USD 10,000,000.

Interest: 6.68% annual nominal rate, payable quarterly as from January 11, 2018 to maturity.

Amortization term and method: one-off payment 36 months following disbursement of funds.

The NO were paid up in cash.

The proceeds from the issue of the Class I NO will be destined mainly to investments in property, plant and equipment on the various expansion projects at GMSA and CTR and, to a lesser extent, to working capital and refinancing liabilities.

Principal balance on those NO outstanding at June 30, 2018 is USD 30,000,000.

C) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A.

C.1) Negotiable obligations

With the purpose of improving the financial profile of the company, on October 17, 2012 GMSA obtained, under Resolution 16942 of the CNV, authorization for: (i) incorporation of GMSA to the public offering system; and (ii) creation of a global program to issue simple NO (non-convertible into shares), for a total outstanding nominal value of up to USD 100,000,000 (one hundred million US dollars) or its equivalent in other currencies, in one or more classes or series.

In line with the preceding paragraph, on September 26, 2017, GMSA and CTR obtained under RESFC-2017-18947-APN-DIR#CNV Resolution authorization from the CNV for the creation of a program for the co-issuance in the local market of simple NO, not convertible into shares, for a total outstanding nominal value of up to USD 100 million (one hundred million United States dollars) or its equivalent in other currencies.

At June 30, 2018 there are Class VI, Class VII and Class VIII NO outstanding, issued by GMSA, and Class III NO issued by GFSA, for the amounts and under the following terms and conditions:

Class V NO:

Principal: Nominal value: $ 200,000,000

Interest: Private Banks BADLAR rate plus a 4% margin.

Amortization term and method: Interest on Class V NO will be paid quarterly in arrears, on the following dates: September 30, 2016, December 30, 2016, March 30, 2017, June 30, 2017, September 30, 2017, December 30, 2017, March 30, 2018 and June 30, 2018.

NOTE 12: LOANS (Cont'd)

C) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A. (Cont'd)

C.1) Negotiable obligations (Cont'd):

Class V NO (Cont'd):

Principal on Class V NO shall be amortized in 3 quarterly installments, the first two equivalent to 30% of nominal value of the NO and the last installment to 40% of nominal value, payable on December 30, 2017, March 30, 2018 and June 30, 2018, respectively.

The proceeds from the issuance of Class V NO were applied to the repurchase of the remaining balance of GISA Class III NO, investments and working capital.

On February 16, 2017, Class VI and VII NO were issued, a portion in cash and the remainder through a voluntary swap of Class IV and V (GMSA) and Class II and III (GFSA) NO, improving the GMSA's indebtedness profile (term and rate). The amount paid of Class V NO was $64,838,452.

On August 29, 2017, Class VIII NO were issued and fully subscribed through a voluntary swap of Class V (GMSA) and Class II and III (GFSA) NO, improving GMSA indebtedness profile (term and rate). The amount paid of Class V NO was $132,777,453, with a principal balance outstanding of $2,384,100.

At the date of these condensed interim consolidated financial statements, the negotiable obligation had been repaid in full.

Class VI NO:

Principal: Nominal value: USD 34,696,397

Interest: 8% annual nominal, paid quarterly as from May 16, 2017 to maturity.

Amortization term and method: one-off payment once 36 months have elapsed from disbursement of funds.

The NO were paid up in cash and in kind, in the latter case through a swap of Class V NO for USD 448,262.

The proceeds from the issuance of the Class VI NO were destined to investments in physical assets on the various expansion projects at GMSA and to refinancing liabilities, improving GMSA's financial profile.

Principal balance on those NO outstanding at June 30, 2018 is USD 34,696,397.

NOTE 12: LOANS (Cont'd)

C) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A. (Cont'd)

C.1) Negotiable obligations (Cont'd):

Class VII NO

Principal: Nominal value: $ 553,737,013

Interest: Private Banks BADLAR rate plus a 4% margin. Payable quarterly from May 16, 2017 to maturity.

Amortization term and method: in three payments, 18 (30%), 21 (30%) and 24 (40%) months following disbursement of funds.

The amount was paid in cash and in kind, through the swap of Class II NO (GFSA) for $55,876,354, Class III NO (GFSA) for $51,955,592, Class IV NO for $1,383,920 and Class V NO for $60,087,834. The proceeds from the issuance of the Class VII NO were destined to investments in physical assets on the various expansion projects at GMSA and to refinancing liabilities, improving GMSA's financial profile.

The remaining balance of principal on the NO at June 30, 2018 is $ 553,737,013.

Class VIII NO:

Class VIII NO were issued on August 28, 2017 and were fully subscribed in kind.

Principal: Nominal value: $ 312,884,660

Interest: Private Banks BADLAR rate plus a 5% margin. Payable quarterly from November 29, 2017 to maturity.

Amortization term and method: one-off payment once 48 months have elapsed from disbursement of funds.

The proceeds from the issuance of Class VIII NO were fully applied to the refinancing of liabilities, improving GMSA indebtedness profile.

Principal balance on that Negotiable Obligation amounted to $312,884,660 at June 30, 2018.

NOTE 12: LOANS (Cont'd)

C) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A. (Cont'd)

C.1) Negotiable obligations (Cont'd):

Class III NO (GFSA):

Principal: nominal value: $ 160,000,000 (pesos one hundred and sixty million)

Interest: private banks BADLAR rate plus 5.6 %

Amortization term and method: Interest will be paid quarterly in arrears, on the following dates: (i) October 6, 2016; (ii) January 6, 2017; (iii) April 6, 2017; (iv) July 6, 2017; (v) October 6, 2017; (vi) January 6, 2018; (vii) April 6, 2018, and (viii) July 6, 2018; if other than a business day, or if such day does not exist, the interest payment date will be the immediately following business day.

Principal shall be amortized in 3 (three) consecutive quarterly installments, the first two equivalent to 30% of nominal value of Class III NO and the remaining installment, equivalent to 40% of nominal value of Class III NO, on the dates on which 18, 21 and 24 months have elapsed counted as from the issue and settlement, (i) January 6, 2018; (ii) April 6, 2018; (iii) July 6, 2018; if other than a business day or if that day does not exist, the interest payment date will be the immediately following business day.

Maturity of Class III Negotiable Obligation: July 6, 2018.

The proceeds from the issue of Class III NO were applied to the repayment of the loan from Puente Hnos. S.A., to the repurchase of the remaining balance of Class I (GFSA) NO, working capital and investment in property, plant and equipment; with the process to formalize the release of the guarantees previously provided having been complied with.

On February 16, 2017, Class VI and VII NO were issued, a portion in cash and the remainder through a voluntary swap for Class III NO (GFSA), improving the Company's indebtedness profile (term and rate). The amount amortized on Class III Negotiable Obligation was $ 49,540,493.

On August 29, 2017, Class VIII NO were issued and fully subscribed through a voluntary swap of Class V (GMSA) and Class II and III (GFSA) NO, improving the Company's indebtedness profile (term and rate). Principal paid on Class III NO was $106,304,507.

Principal balance on that Negotiable Obligation at June 30, 2018 is $1,662,000.

C.2) Loan from CAMMESA (GRISA)

At June 30, 2018, GMSA holds financial debts with CAMMESA for $9,164,503, guaranteed by the assignment of 100% of the present and future credit rights for the sale of electricity in the spot market of the WEM, from the implementation of a trust agreement in accordance with Law No. 24441.

<u>NOTE 12:</u> LOANS (Cont'd)

C) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A. (Cont'd)

C.2) Loan from CAMMESA (GRISA) (Cont'd)

This debt was incurred to finance the program for repairing the gas turbines, and for the control systems of turbines and generators, improving the protection system, adapting the natural gas feeding system and other ancillary works.

This loan has a repayment period set in 48 monthly and consecutive installments, to which interest must be added applying the rate equivalent to the return obtained by the Dispatch Management Agency (CAMMESA) on financial placements in the WEM. At the closing date of these condensed interim consolidated financial statements, 35 installments have been paid, totaling $19,685,513.

Principal balance on that debt at June 30, 2018 is $9,164,503.

C.3) Cargill loan

On February 16, 2018, GMSA obtained a loan from Cargill Limited for USD 25,000,000 repayable in 36 installments, with a grace period of 12 months. Amortization will be in half-yearly installments of principal and interest at LIBOR 360 + 4.25%.

C.4) BAF Latam Trade Finance Funds B.V. loan

On April 6, 2018, GMSA obtained a 9-month loan from BAF Capital for USD 10,000,000, with bullet principal and interest amortization in two installments falling due on 7/2/2018 and 12/28/2018 and accruing interest at a fixed rate of 6.75%.

D) FINANCING BY CAMMESA – GENERACION ROSARIO S.A.

On March 13, 2012, GMSA executed a new mutuum agreement with CAMMESA, through which they formalized the financing of the second stage of the repair of the Sorrento Power Plant, with the purpose of extending energy generation to 140 MW, for an amount equivalent to $ 190,480,000.

The Wholesale Electricity Market will be in charge of the payment of the installments, as established in ES Note 6157/10 and Note 7375/10, and distribution among the demanding agents will be according to the criteria to be informed by the Energy Secretariat.

As 18 months have elapsed since the start of commercial operation of the unit TV13 with 130 MW of available power, and considering the frequent dispatches the unit had during this period, mostly with fuel oil, delivering 65,000 MWh per month on the average, on June 19, 2015 GROSA submitted to CAMMESA a request for funding to make additional investments on the boiler, steam turbine, transformers and ancillary equipment, so as to continue having availability and dispatch as required by the WEM.

NOTE 12: LOANS (Cont'd)

D) FINANCING BY CAMMESA – GENERACION ROSARIO S.A. (Cont'd)

It is worth pointing out that in the operation period mentioned above specific consumption decreased significantly, which resulted in 15% savings in fuel as compared with the situation at the moment when GROSA took over the Sorrento Power Plant, as a result of the maintenance works and improvements made in the last few years.

On May 30, 2016, GROSA signed a new mutuum agreement with CAMMESA whereby the financing of the Third Stage for the Repair of the Unit TV13 was formalized for an amount of up to USD 10,406,077 plus VAT. The financing will be repaid by applying the accumulated credit rights, or those to be accrued, for the Remuneration of Non-Recurring Maintenance set forth by Section 2 of ES Resolution No. 529/2014.

Between June 15, 2016 and May 4, 2018, GROSA sent twenty four notes to CAMMESA for a total amount of $ 82,095,515 (with taxes), corresponding to the payments to suppliers of materials and services for the period between November 2015 and April 2018. At March 31, 2018, the total amount of disbursements received from CAMMESA is $ 66,921,596.

On August 29, 2017, through Note NO -2017-18461114, the Undersecretariat for Thermal Energy, Transportation and Distribution of Electricity gave its consent to the request by GROSA to apply the receivables corresponding to the Additional remuneration for trust funds (created by Section 5 of Resolution No. 95/2013 of the former Energy Secretariat), and the receivables from LVFVD (Sale Settlements with Maturity Dates to be Determined) still pending payment to repay the loans for major maintenance.

On November 16, 2017, CAMMESA issued debit notes which wrote off the LVFVD for remuneration of non-recurring maintenance (for the February 2014-December 2015 period) for a total of $ 40,465,823 and, in addition, issued the sales settlements of that remuneration for non-recurring maintenance, with a defined due date for a total of $ 66,921,596 (including interest on receivables). On December 12, 2017, the balance on the mutuum dated May 30, 2016 was offset against the LV for non-recurring maintenance remuneration, and the debt with CAMMESA was fully offset.

At June 30, 2018, the receivables from CAMMESA amount to 85,320,913, including interest, and are recorded under current trade receivables.

On January 26, 2018, GROSA filed a report with CAMMESA to establish that, according to the interpretation by GROSA, the mutuum agreement between GROSA and CAMMESA, entered into on March 13, 2012 and its subsequent addendum dated February 14, 2014, could be terminated. The facts that strengthen this interpretation are that the TV13 unit of the Sorrento Power Plant was available with a 130 MW capacity to burn natural gas and fuel oil, with an average availability of 120 Mw. In addition, the dispatch of the unit meant quite important economic benefits to the Electric System as a whole, as a result of the generation with fuel oil in replacement of equivalent diesel. These economic benefits for the MEM were sufficient to compensate, consequently, the financing of the work carried out in the unit under the responsibility of the MEM. However, considering that the maximum availability reached has been somewhat lower than the power to be supplied under the mutuum agreement, GROSA would return to the Stabilization Fund the amount arising from the difference between the power to be supplied and the power actually reached between 2014 and 2016 in order to compensate for the lack of availability that would have been verified over the life of the Mutuum Agreement referred to above.

NOTE 12: LOANS (Cont'd)

D) FINANCING BY CAMMESA – GENERACION ROSARIO S.A. (Cont'd)

On February 8, 2018, CAMMESA agreed on the interpretation made by GROSA related to the return of the financing, thus imposing a penalty due to the maximum power reached in relation to that to be supplied.

CAMMESA has made the deduction of the penalty for $13,972,509 in the transactions for the January 2018 period, and terminated the Mutuum Agreement, putting an end to the commitments assumed by the parties thereunder.

The net income of $176,687,491 at June 30, 2018 for the repayment of the financing has been disclosed under other income.

E) PROGRAM FOR THE ISSUE OF NEGOTIABLE OBLIGATIONS OF ALBANESI S.A.

With the purpose of improving the financial profile of the company, on November 20, 2015, ASA obtained, under Resolution 17887 of the CNV, authorization for: (i) incorporation of ASA to the public offering system; and (ii) creation of a global program to issue simple negotiable obligations (non-convertible into shares), for a total outstanding nominal value of up to USD 100,000,000 (one hundred million US dollars) or its equivalent in other currencies, in one or more classes or series.

Class II NO:

On October 25, 2016, ASA issued Class II Negotiable Obligations under the conditions described below:

Principal: Nominal value: $ 220,000,000

Interest: Private Banks BADLAR rate plus a 4% spread.

Amortization term and method: interest on Class II Negotiable Obligations will be paid on a quarterly basis, in arrears, on the following dates: January 25, 2017, April 25, 2017, July 25, 2017, October 25, 2017, January 25, 2018, April 25, 2018, July 25, 2018 and October 25, 2018.

Principal on the Class II Negotiable Obligations will be repaid in three (3) consecutive quarterly installments, the first two equivalent to 30% of the nominal value of the Negotiable Obligations and the last one to 40%, on the dates on which 18, 21 and 24 months are completed, counted as from the date of issuance; i.e., on April 25, 2018, July 25, 2018 and October 25, 2018.

The proceeds from the issuance of the Class II Negotiable Obligations were destined in full to the partial repayment of current liabilities that ASA holds with the related company RGA.

On June 15, 2017, Class III Negotiable Obligations were issued, subscribed through paying in Class I and Class II Negotiable Obligations, improving the ASA's indebtedness profile (term and rate) and working capital. The amount paid was $ 194,180,000.

Principal balance on that class of negotiable obligation outstanding at June 30, 2018 is $ 18,074,000.

NOTE 12: LOANS (Cont'd)

E) PROGRAM FOR THE ISSUE OF NEGOTIABLE OBLIGATIONS OF ALBANESI S.A. (Cont'd)

Class III NO:

On June 15, 2017 the Company issued Class III NO under the conditions described below:

Principal: Nominal value: $ 255,826,342

Interest: Private Banks BADLAR rate plus a 4.25% spread.

Amortization term and method: interest on Class III NO will be paid on a quarterly basis, in arrears, on the following dates: September 15, 2017; December 15, 2017; March 15, 2018; June 15, 2018; September 15, 2018; December 15, 2018; March 15, 2019; June 15, 2019; September 15, 2019; December 15, 2019; March 15, 2020; June 15, 2020; September 15, 2020; December 15, 2020; March 15, 2021, and June 15, 2021; if other than a business day, or if such day does not exist, the interest payment date will be the immediately following business day.

Principal of the Class III NO will be paid in three (3) consecutive installments, on a quarterly basis, the first two equivalent to 30% of the nominal value of the NO and the last one to 40%, on the dates on which 42, 45 and 48 months are completed, counted as from the date of issuance; i.e., on December 7, 2020, March 15, 2021 and June 15, 2021; if other than a business day, or if such day does not exist, the interest payment date will be the immediately following business day.

The issuance of Class III NO was fully paid up with in-kind contributions as follows: a partial payment of Class I NO for $ 52,519,884 and of Class II NO for $ 203,306,458.

Principal balance on that class of NO outstanding at June 30, 2018 is $ 255,826,342.

F) LOAN AGREEMENTS - CENTRAL TERMICA ROCA S.A.

F.1) Negotiable obligations

To improve the Company's financial profile, on August 8, 2014 CTR obtained, under Resolution 17413 of the CNV, authorization for: (i) the incorporation of CTR into the public offering system; and (ii) creation of a global program to issue simple (non-convertible) negotiable obligations for a total nominal value outstanding of USD 50,000,000 (fifty million US dollars) or its equivalent in other currencies, in one or more classes or series.

In line with the preceding paragraph, on September 26, 2017, GMSA and CTR obtained under RESFC-2017-18947-APN-DIR#CNV Resolution authorization from the CNV for the creation of a program for the co-issuance in the local market of simple negotiable obligations, not convertible into shares, for a total outstanding nominal value of up to USD 100 million (one hundred million United States dollars) or its equivalent in other currencies.

At June 30, 2018 there are Class II and Class IV NO outstanding, issued by CTR for the amounts and under the following conditions:

Class II NO:

On November 17, 2015, CTR issued Class II NO. Class II NO were considered a productive investment within the scope of subsection k) of section 35.8.1 of the General Rules of the Insurance Activity (SSN Resolution 21523/1992), pursuant to communication No. 4841 of the National Insurance Superintendency dated November 6, 2015.

NOTE 12: LOANS (Cont'd)

F) LOAN AGREEMENTS – CENTRAL TERMICA ROCA S.A. (Cont'd)

F.1) Negotiable obligations (Cont'd)

Class II NO (Cont'd)

Principal: nominal value: $ 270,000,000 (pesos two hundred and seventy million).

Interest on Class II NO will be paid quarterly, in arrears. The first payment date is August 17, 2017, and the last payment date will be November 17, 2020.

Interest: Private Banks BADLAR rate plus a 2% margin.

Payment term and method:
Amortization: Principal on NO will be amortized in ten (10) consecutive installments payable on a quarterly basis, equivalent to 10% of the nominal value of the NO, on the following dates: August 17, 2018, November 17, 2018, February 17, 2019, May 17, 2019, August 17, 2019, November 17, 2019, February 17, 2020, May 17, 2020, August 17, 2020 and November 17, 2020. At the date of issue of these financial statements, principal amount due under Class II NO was $ 270,000,000.

The remaining balance of principal corresponding to the NO at June 30, 2018 amounts to $ 270,000,000.

Class III NO:

On June 10, 2016, CTR issued Class III NO in the amount and under the conditions described below:

Principal: nominal value: $ 170,262,333 (pesos one hundred and seventy million, two hundred and sixty two thousand three hundred and thirty three).

Interest: Private Banks BADLAR rate plus 5.76% Under the issuance terms, a minimum rate of 36% has been set for the first quarter, and 35% for the second quarter.

Interest on Class III NO will be paid quarterly in arrears, on the following dates: (i) September 10, 2017; (ii) December 10, 2017, (iii) March 10, 2018 and (iv) June 10, 2018.

Payment term and method: Principal on Class III NO will be amortized in three installments, equivalent to 30%, 30% and 40%, respectively, of the nominal value of Class III NO, on the following dates: (i) December 10, 2017; (ii) March 10, 2018, and; (iii) June 10, 2018.

Maturity date of Class III NO: June 10, 2018. The NO were paid up in cash and in kind, in the latter case through a swap of Class I NO for $41,743,233. The proceeds from the issuance of Class III NO were applied to the repurchase of the outstanding balance of Class I NO for $ 11,856,767, to investments and working capital. The swap and subsequent repurchase of Class I NO improved CTR's financial profile.

Class IV NO were issued on July 24, 2017, and were partially paid up in kind through the delivery of Class III NO. The amount swapped of Class III NO was $159 million.

Principal and interest balances were paid at June 30, 2018.

NOTE 12: LOANS (Cont'd)

F) LOAN AGREEMENTS – CENTRAL TERMICA ROCA S.A. (Cont'd)

F.1) Negotiable Obligations (Cont'd)

Class IV NO:

On July 24, 2017, CTR issued Class IV NO in the amount and under the conditions described below:

Principal: nominal value: $ 291,119,753 (pesos two hundred ninety one million one hundred nineteen thousand seven hundred and fifty three).

Interest: Private Banks BADLAR rate plus 5%

Interest on Class IV NO will be paid quarterly in arrears, starting October 24, 2017 and until maturity.

Payment term and method: The principal of Class IV NO will be fully settled within 48 months from the date of issuance.

The NO were paid up in cash and in kind, in the latter case through a swap of Class III NO for $ 161,119,753. The remaining balance was fully paid in cash.

The proceeds from the issuance of Class IV NO were applied to investment in fixed assets, debt refinancing and working capital. The swap of Class III NO improved CTR financial profile.

The remaining balance of principal corresponding to the NO at June 30, 2018 amounts to $ 291,119,753.

F.2) Loan from Banco Ciudad

On August 4, 2017, CTR obtained a loan from Banco Ciudad de Buenos Aires for USD 9,200,000 payable in 36 installments, with a grace period of 6 months. Amortization will be made in quarterly principal installments and interest will accrue at a 6% fixed rate, payable quarterly, with the contracts entered into between Rafael G. Albanesi, Vidriería Argentina, San Miguel, Danone, OPP Film, Bopp and Chevron being assigned as collateral. At June 30, 2018, principal due amounts to USD 7,527,273.

F.3) Loan from Banco Provincia de Buenos Aires

On January 3, 2018, CTR obtained a loan from Banco de la Provincia de Buenos Aires for USD 10,600,000, for a term of 12 months, with bullet amortization of principal and monthly interest payments at a rate of 4%. At June 30, 2018, principal due amounts to USD 10,600,000.

F.4) ***Loan from ICBC***

On June 28, 2018, CTR obtained from Banco ICBC Argentina S.A. an unsecured 12-month loan for USD 7,000,000, with quarterly principal and interest amortization, at a 6.5% rate. At June 30, 2018, principal due amounts to USD 7,000,000.

NOTE 12: LOANS (Cont'd)

G) LOAN AGREEMENTS – GENERACIÓN CENTRO S.A.

On April 4, 2018, the Board of Directors of GECEN resolved to approve the request for a loan for (i) the early repayment of UBS AG Stamford Branch loan (jointly with its amendments, the "Existing Loan"); (ii) the construction, implementation and operation of a power plant of approximately 133 MW in Arroyo Seco, Province of Santa Fe, which comprises the acquisition by GECEN of, among other assets, two Siemens gas turbines of approximately 54 MW and all related ancillary systems and equipment, two boilers for recovery of residual heat and a steam turbine of approximately 25 MW and all related ancillary systems and equipment; and (iii) the construction, implementation and operation of the 170 MW project in the Timbúes region, Province of Santa Fe.

To that end, on April 23, 2018 Generación Centro S.A., together with Albanesi Energía S.A., as borrowers, Credit Suisse AG, London Branch, as administrative agent, Credit Suisse Securities (USA) LLC and UBS Securities LLC, as joint lead arrangers, UBS AG Stamford Branch, Banco Hipotecario S.A., BACS Banco de Crédito y Securitización S.A., Banco de Inversión y Comercio Exterior S.A. and Credit Suisse AG Cayman Islands Branch entered into a loan agreement for up to three hundred and ninety five million United States dollars (USD 395,000,000).

Principal will be disbursed in two tranches: Tranche A and Tranche B, and repaid over a term of up to 5 (five) years (Tranche A) and up to 6 (six) years (Tranche B). Principal will accrue compensatory interest as set forth in the Agreement.

On April 25, 2018, the amount of USD 65,000,000 was disbursed under Tranche B of the loan. The remaining balance of USD 330,000,000 will be disbursed in different stages until April 2019.

At the date of these condensed interim consolidated financial statements, GECEN is in compliance with the covenants related to financial ratios.

To secure the loan, the following guarantees were set up:

(i) RGA suretyship, which shall be governed by the laws of the State of New York, to secure compliance with the obligations assumed by the Issuer under the loan, until the commissioning of the projects being developed by AESA and GECEN.

(ii) Assignment in trust: The Issuer and GECEN, the Administrative Agent and TMF Trust Company (Argentina) S.A., as trustee (the "Trustee"), entered into an agreement for the assignment in trust and trust guarantee to secure the obligations undertaken by the Issuer with the Creditors and/or the Trustee ("Agreement for assignment in trust") whereby, until full compliance with the secured obligations, the following have been assigned in guarantee: (a) the funds receivable by the Issuer and GECEN under the Supply Contract; (b) the contractual position of the Issuer and GECE under the main contracts of the Project; and (c) the insurance policies taken out by the Issuer and GECE in relation to the Project.

(iii) Chattel mortgage: The Issuer and GECEN shall create a chattel mortgage on the Gas Turbine and Recovery Steam Boiler, once all those assets have been imported and cleared through customs.

(iv) Pledge on shares: The shareholders of the Issuer and GECEN created a senior pledge on all of their shares in favor of the creditors under the loan.

(v) Reserve account: The Issuer and GECEN have created a reserve account which shall be funded by the Issuer with an amount in US dollars equivalent to the following two interest services.

In the case of the Issuer, the guarantees shall be made effective after the repayment of the UBS AG Stamford Branch loan.

NOTE 12: LOANS (Cont'd)

G) LOAN AGREEMENTS – GENERACIÓN CENTRO S.A. (Cont'd)

Principal: Nominal value: USD 395,000,000, to be disbursed in two tranches. Tranche B has already fully disbursed in the amount of USD 65,000,000. The remaining balance of USD 330,000,000 will be disbursed in different stages until April 2019.

Interest: Tranche B accrues interest until April 2020 at a fixed rate of 15.45%, payable in full in that month. Thereafter, the applicable rate is LIBOR plus a 9.5% spread, payable on a quarterly basis. Tranche A accrues interest at a rate equivalent to LIBOR plus an 8% spread, payable on a quarterly basis.

Amortization term and method: Total principal amount disbursed by the Lenders will be repaid over a term of up to 5 (five) years for Tranche A and of up to 6 years for Tranche B. In the first case, it will be payable in quarterly installments, after the grace period of 24 months following the financial closing date. Tranche B will be payable over 12 months following repayment of Tranche A.

The outstanding balance of $ 1,766,355,117 on that loan at June 30, 2018, disclosed under non-current financial liabilities, includes interest of $ 48,510,563, net of transaction costs pending amortization.

NOTE 13: ALLOWANCES AND PROVISIONS

Provisions cover contingencies arising in the ordinary course of business and other sundry risks that could create obligations for the Company. In estimating the amounts and probabilities of occurrence, the opinion of the Company's legal advisors has been considered.

	For trade receivables	For other receivables	For contingencies
Balances at 12.31.2016	**2,826,976**	**1,859,200**	**9,135,552**
Decreases	(76,869)	-	(1,730,483)
Balance at December 31, 2017	**2,750,107**	**1,859,200**	**7,405,069**
Decreases	-	-	(2,014,581)
Balance at June 30, 2018	**2,750,107**	**1,859,200**	**5,390,488**

Information required by Appendix E, in compliance with Section 1, Chapter III, Title IV of the restated text by the CNV.

NOTE 14: SALES REVENUE

	06.30.2018	06.30.2017
Sale of electricity Res. Nos. 95/529/482/22/19 plus spot market	295,694,760	138,130,441
Energía Plus sales	590,747,614	541,371,014
Sale of electricity Res. No. 220	1,093,414,100	518,385,170
Sale of electricity Res. No. 21	568,181,154	-
	2,548,037,628	**1,197,886,625**

NOTE 15: COST OF SALES

	06.30.2018	06.30.2017
Cost of purchase of electric energy	(482,378,367)	(408,338,921)
Cost of gas and gasoil consumption at the plant	(19,114,060)	(129,878,018)
Salaries and social security charges	(91,886,875)	(78,093,469)
Defined benefit plan	(11,881,436)	(302,094)
Other employee benefits	(6,269,208)	(3,090,356)
Rental	(4,457,775)	(1,973,192)
Fees for professional services	(9,437,357)	(1,482,313)
Depreciation of property, plant and equipment	(297,195,004)	(122,051,283)
Insurance	(23,419,509)	(12,352,720)
Maintenance	(188,991,877)	(88,034,199)
Electricity, gas, telephone and postage	(3,921,973)	(2,867,757)
Rates and taxes	(11,254,755)	(10,091,488)
Travel and per diem	(2,380,800)	(1,742,701)
Security guard and cleaning service	(4,370,481)	(768,006)
Miscellaneous expenses	(4,006,517)	(2,395,230)
	(1,160,965,994)	**(863,461,747)**

NOTE 16: SELLING EXPENSES

	Note	06.30.2018	06.30.2017
Duties and taxes		(6,672,184)	(2,275,410)
Recovery of turnover tax	32	-	19,643,732
Bad debts		-	15,459
		(6,672,184)	**17,383,781**

NOTE 17: ADMINISTRATIVE EXPENSES

	06.30.2018	06.30.2017
Other employee benefits	(249,425)	(182,039)
Rental	(3,460,200)	(2,309,000)
Fees for professional services	(80,709,728)	(17,130,628)
Insurance	(20,609)	(122,755)
Directors' fees	(1,254,869)	-
Electricity, gas, telephone and postage	(2,317,502)	(1,764,821)
Duties and taxes	(1,678,341)	(442,711)
Travel and per diem	(1,315,440)	(623,437)
Miscellaneous expenses	(839,874)	(265,541)
	(91,845,988)	**(22,840,932)**

NOTE 18: OTHER OPERATING INCOME

Other operating income	06.30.2018	06.30.2017
Incident Recovery	-	442,354
Sundry income	3,984,258	447,599
Waiver of debt (Note 12.D)	176,687,491	-
Total Other operating income	**180,671,749**	**889,953**

NOTE 19: OTHER OPERATING EXPENSES

	06.30.2018	06.30.2017
Penalty imposed by CAMMESA	(226,116,440)	-
Total Other operating expenses	**(226,116,440)**	**-**

NOTE 20: FINANCIAL RESULTS

	06.30.2018	06.30.2017
Financial income		
Interest on loans granted	2,295,225	8,304,403
Commercial interest	15,883,375	10,567,044
Total financial income	**18,178,600**	**18,871,447**
Financial expenses		
Interest on loans	(676,870,683)	(172,541,459)
Commercial and other interest	(9,987,493)	(7,845,775)
Bank expenses and commissions	(4,322,845)	(3,470,284)
Total financial expenses	**(691,181,021)**	**(183,857,518)**
Other financial results		
Exchange difference, net	(5,863,666,772)	(35,492,526)
Changes in the fair value of financial instruments	502,325,731	41,067,235
Other financial results	(82,206,221)	(25,744,267)
Total other financial results	**(5,443,547,262)**	**(20,169,558)**
Total financial results, net	**(6,116,549,683)**	**(185,155,629)**

NOTE 21: EARNINGS PER SHARE

Basic

The basic earnings per share are calculated by dividing the income attributable to the holders of the Company's equity instruments by the weighted average number of ordinary shares outstanding during the period.

	06.30.2018	06.30.2017
(Loss) income for the period attributable to the owners:	(3,385,227,940)	74,939,487
Weighted average of outstanding ordinary shares	63,439,777	62,455,160
Basic and diluted (losses) earnings per share	**(53.36)**	**1.20**

There are no differences between the calculation of the basic earnings per share and the diluted earnings per share.

NOTE 22: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) Transactions with related parties and associates

		06.30.2018	06.30.2017
		$	
		Profit / (Loss)	
Purchase of gas			
RGA (1)	Related company	(2,015,380,547)	(763,498,317)
Purchase of energy			
Solalban Energía S.A.	Related company	(76,000)	-
Purchase of wines			
BDD	Related company	(454,987)	(125,181)
Purchase of flights			
AJSA	Related company	(21,829,384)	(10,396,473)
Sale of energy			
RGA	Related company	33,002,915	26,144,376
Solalban Energía S.A.	Related company	5,335,802	61,042,811
Leases and services agreements			
RGA	Related company	(141,247,319)	(14,914,684)
Recovery of expenses			
CTR (2)	Related company	-	6,791,188
RGA	Related company	(40,473,220)	380,957
AESA	Related company	-	3,393,805
Pipeline works			
RGA	Related company	(46,288,918)	(80,206,785)
Interest generated due to loans granted			
AISA	Related company	-	5,665,689
Directors	Related party	2,295,225	2,638,714
Guarantees provided/received			
CTR (2)	Related company	-	447,600
AJSA	Related company	146,590	-

NOTE 22: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

b) Remuneration of key managerial staff

The senior management includes directors (executive and non-executive). Their remunerations at June 30, 2018 and 2017 amounted to $ 18,900,394 and $ 7,217,104, respectively.

	06.30.2018	06.30.2017
Salaries	18,900,394	(7,217,104)
	18,900,394	**(7,217,104)**

c) Balances at the date of the consolidated statements of financial position

Captions	Type	06.30.2018	12.31.2017
NON-CURRENT ASSETS			
Other receivables			
TEFU S.A.	Related company	18,154,808	-
		18,154,808	-
CURRENT ASSETS			
Other receivables			
Minority shareholders' accounts	Related parties	191,441,118	171,602,918
AJSA	Related company	-	841
AISA [3]	Related company	-	80,862,002
AESA	Related company	151,140,980	-
CTR [2]	Related company	-	936,085
Solalban Energía S.A.	Related company	6,557,134	-
Loans to Directors	Related parties	35,445,988	25,285,532
Advances to directors	Related parties	-	170,200
		384,585,220	**278,857,578**
CURRENT LIABILITIES			
Trade payables			
AJSA	Related company	1,622,505	674,260
RGA	Related company	424,372,002	247,625,440
		425,994,507	**248,299,700**
Other debts			
RGA	Related company	97,660,850	108,559,450
BDD	Related company	-	584,380
Directors' fees	Related parties	-	32,392,009
Shareholders' private accounts	Minority interest	970,213	-
		98,631,063	**141,535,839**

(1) (*) Correspond to gas purchases, which are partly assigned to CAMMESA within the framework of the Natural Gas Dispatch Procedure for power generation.
(2) Company included in the consolidation as from January 1, 2018 as a result of the merger through absorption by ASA (Note 29).
(3) Company absorbed by ASA as from January 1, 2018 under a merger through absorption (Note 29).

NOTE 22: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

d) Loans granted to related parties

	06.30.2018	06.30.2017
Loans to Albanesi Inversora S.A. (1)		
Opening balance	80,862,002	66,798,695
Loans granted	-	-
Loans collected	-	-
Loans added as a result of the merger, and eliminated in the consolidation (Note 29)	(80,862,002)	-
Accrued interest	-	5,665,689
Closing Balance	**-**	**72,464,384**

(1) Company merged with ASA as from January 1, 2018 under a merger through absorption.

	06.30.2018	06.30.2017
Loans to Directors		
Opening balance	25,285,532	17,343,215
Loans granted	22,542,799	12,660,001
Loans added as a result of the merger (Note 29)	10,152,683	-
Assignment (2)	-	(20,785,080)
Loans repaid	(24,830,251)	-
Accrued interest	2,295,225	2,638,714
Closing balance	**35,445,988**	**11,856,850**

The loans are governed by the following terms and conditions:

Receivables from related parties arise mainly from transactions of services provided and fall due in the month following the transaction date. No allowances have been recorded for these receivables from related parties in any of the periods covered by these condensed interim consolidated financial statements. Trade payables with related parties arise mainly from transactions of purchases of gas and fall due in the month following the transaction date. Transactions with related parties are conducted in conditions similar to those carried out with independent parties.

NOTE 23: WORKING CAPITAL

The Company reported a deficit of $341,937,838 in its working capital at June 30, 2018, calculated as current assets less current liabilities. The deficit is mainly due to the application of funds, in view of the progress in the investment projects being developed by the Group.

With the aim of reversing the current deficit in its working capital, ASA and its shareholders are planning to execute a plan for refinancing liabilities in the short term.

NOTE 24: SEGMENT REPORTING

The information on operating segments is presented in accordance with the internal information furnished to the chief operating decision maker (CODM). The Board of Directors of the Company has been identified as the highest authority in decision-making, responsible for allocating resources and assessing the performance of the operating segments.

Management has determined the operating segment based on reports reviewed by the Board of Directors and used for strategic decision making.

The Board of Directors considers the business as a single segment: the electricity segment. It comprises the generation and sale of electricity and the development of energy projects, execution of projects, advisory, service delivery, management and execution of works of any nature.

The information used by the Board of Directors for decision-making is based primarily on operating indicators of the business. Considering that the adjustments between the prior accounting standards and IFRS refer to non-operating items, such information is not substantially affected by the application of the new standards.

NOTE 25: RESTRICTED ASSETS AND OTHER COMMITMENTS

A. GMSA

Other commitments

Certain contractual obligations in connection with the supply of electricity to large customers of the Forward Market at June 30, 2018 and the periods to fulfill those obligations are detailed below. These commitments are originated in supply contracts (energy and power) entered into between the Company and large users on the Forward Market in accordance with regulations set forth by the Energy Secretariat under Resolution 1281/06 (Energía Plus). They are contracts denominated in United States dollars, entered into with private customers.

	Total	Up to 1 year	From 1 to 3 years
Sale Commitments (1)			
Electric energy and power - Plus	1,278,965,044	579,944,260	699,020,784

(1) Commitments are denominated in pesos and have been valued considering estimated market prices, based on the particular conditions of each contract. They reflect the valuation of the contracts with private customers in force at June 30, 2018, under ES Resolution No. 1281/06.

NOTE 25: RESTRICTED ASSETS AND OTHER COMMITMENTS (Cont'd)

B. GROSA

On April 27, 2011 the Ordinary Shareholders' Meeting of Central Térmica Sorrento S.A. unanimously approved a lease contract with GROSA; the purpose of the agreement is to rent both the building and the assets added to the Power Plant, including the generator, equipment and other available fixed assets and spare parts. The contract was effectively valid as from November 15, 2010 (with a 9-month grace period) and has a set term of 10 years, with a renewal option for 7 additional years. The first fee installment was invoiced on August 1, 2011.

On December 23, 2015 the reorganization proceeding of Central Térmica Sorrento S.A. was initiated. This situation does not affect the lease agreement mentioned above or the electric power generation business.

On November 10, 2016, a mediation hearing was closed without reaching an agreement in connection with the eviction of the property under a lease agreement mentioned in the preceding paragraph. GROSA estimates that it is highly unlikely that the eviction will take place as Central Térmica Sorrento S.A. has no right to be granted this order.

In addition, in the case "Central Térmica Sorrento S.A. c/ Generación Rosario S.A. s/Medidas Precautorias" "Central Térmica Sorrento S.A. v. Generación Rosario S.A. on precautionary measures), an attachment was levied on the funds that CAMMESA should settle with GROSA for $ 13,816,696.37, plus interest for $ 6,900,000, which was recorded by CAMMESA in the settlement dated December 12, 2017. In reply to this resolution, on April 17, 2018 the attachment decreed against GROSA was replaced with a bond insurance policy. The sums subject to the court-ordered attachment were returned to the Company on June 28, 2018.

Furthermore, payment of monthly rentals through judicial consignment was requested in re. "Generación Rosario S.A. c/ Central Térmica Sorrento s/ Consignación" ("Generación Rosario S.A. v. Central Térmica Sorrento on Consignment").

NOTE 26: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY

BLC Asset Solutions B.V.

On February 21, 2018, GMSA signed an agreement with BLC Asset Solutions B.V. (BLC) for the purchase of 2 (two) gas turbines, 3 (three) steam turbines and 7 (seven) steam recovery boilers. Such equipment will be installed at the electric power generation plants located in Río Cuarto, Province of Córdoba, and in Ezeiza, Province of Buenos Aires, for expansion through cycle closures at the two power plants. The purchase agreement sets forth financing by BLC of the total price of the equipment agreed at USD150.671.217, for a term of 5 years and 5 months.

Siemens Industrial Turbomachinery AB

On June 14, 2016 a Deferred Payment Agreement was entered into with Siemens Industrial Turbomachinery AB, by means of which, upon compliance of the preceding conditions set forth in the agreement, the Company obtained commercial financing for 50% of the amount of the contract signed for the CTMM plant enlargement, equivalent to SEK 177,000,000 (approximately USD 21 million).

NOTE 26: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY (Cont'd)

Siemens Industrial Turbomachinery AB Cont'd)

The commercial financing granted will be repaid in 24 equal and consecutive monthly installments of 4.17% of the total amount of each, with the first installment being payable in August 2017. Payments shall be made in SEK (Swedish Crown).

On September 13, 2016, four Deferred Payment Agreements were executed with Siemens Industrial Turbomachinery AB for the turbines to be installed in CTE and CTI whereby, once fulfilled the preceding conditions fixed in the agreements, the Company will be granted a commercial financing of 50% of the amount of the agreement signed for the enlargement of CTI and the work of Ezeiza, equivalent to SEK 438,960,000 (approximately USD 50.7 million).

The commercial financing to be granted will be repaid in 24 monthly installments, with the first installment of two agreements being payable in September 2017 and the rest in April 2018. Payments shall be made in SEK (Swedish Crown).

Future contractual obligations related to the contract with Siemens Industrial Turbomachinery AB are shown below by calendar year:

Commitments (1)		SEK	Total	2018	2019	2020
			USD			
Siemens Industrial Turbomachinery AB for the acquisition of two turbines Siemens SGT 800	CTMM	*177,000,000*	**10,773,891**	4,972,565	5,801,326	-
Siemens Industrial Turbomachinery AB for the acquisition of three turbines Siemens SGT 800	CTE	*263,730,000*	**20,130,600**	7,409,122	11,503,200	1,218,278
Siemens Industrial Turbomachinery AB for the acquisition of two turbines Siemens SGT 800	CTI	*175,230,000*	**14,329,274**	4,922,839	8,188,157	1,218,278

(1) The commitment is stated in US dollars, on the basis of the time of payment according to the particular conditions of the contract.

Pratt & Whitney Power System Inc

GFSA signed an agreement with Pratt & Whitney Power System Inc. for the purchase of the FT4000™ SwiftPac® 60 turbine, including whatever is necessary for its installation and start-up. The purchase agreement sets out 4-year financing for USD 12 million by PWPS, upon provisional acceptance by GFSA. This amount is disclosed under non-current trade payables for the equivalent to $346,200,000.

Financing will accrue interest at an annual rate of 7.67% and will be calculated on a monthly basis of 30 days/360 days annual, with interest capitalized on a quarterly basis.

NOTE 26: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY (Cont'd)

Pratt & Whitney Power System Inc (Cont'd)

Future contractual obligations under the contract with PWPS by calendar year are as follows:

	Total	2,018	2,019	2,020	2,021	2,022	2,023
Commitments (1)	USD						
PWPS for the purchase of the turbine FT4000™ SwiftPac®	**16,100,401**	375,000	750,000	3,743,495	3,743,495	3,743,495	3,744,916

(1) The commitment is stated in US dollars, on the basis of the time of payment according to the particular conditions of the contract.

NOTE 27: LONG TERM MAINTENANCE SERVICE AGREEMENT

a) CTMM, CTI, CTF and CTE POWER PLANTS

GMSA and PWPS entered into a global service agreement (Long Term Service Agreement), for the power plants CTMM, CTI and CTF. As set forth in the agreement, PWPS must provide on-site technical assistance on a permanent basis, a remote monitoring system to follow up on the efficient performance of the turbines, 24-hour assistance from the engineering department in the USA, original spare parts in a timely manner and repairs for planned and unplanned maintenance. In addition, GMSA entered into an equipment lease agreement whereby PWPS must make available to GMSA under EXW conditions replacement equipment (Gas Generator/Power Turbine) for 72 hours, in case of unplanned placing of equipment out of service. PWPS thus guarantees availability of not less than ninety five percent (95%) to the Power Plants for a contractual year. Also, the Power Plants have their own repair shop with tools and stocks of spare parts to perform on-site repairs without having to send the equipment to the shop in the USA. The gas turbine equipment can be sent by plane, thus reducing the transportation time.

GMSA signed with Siemens SA and Siemens Industrial Turbomachinery AB a global service and spare part agreement for the CTRi, CTMM, CTI and CTE power plants. As set forth in the agreements, Siemens must provide on-site technical assistance on a permanent basis, a remote monitoring system to follow up on the efficient performance of the turbines, 24-hour assistance from the engineering department, original spare parts in a timely manner and repairs for planned and unplanned maintenance. In addition, the agreement establishes that Siemens will make available to GMSA for CTRi, CTMM, CTI and CTE replacement equipment (engine gas generator) if necessary. Siemens thus guarantees an average availability of not less than ninety six percent (96%) on average to the Power Plants for each biannual measurement period. In addition, the Power Plants have their own repair shop with tools and spare parts in stock to make on-site repairs. Compliance with the energy sale agreement with CAMMESA under Resolution No. 220/07 (for power plants CTRi and CTMM) and Resolution No. 21/16 (for power plants CTI and CTE) is thus guaranteed.

Compliance with the energy sale agreements is thus guaranteed.

NOTE 27: LONG-TERM MAINTENANCE CONTRACT (Cont'd)

b) CTR

CTR signed a global Long Term Service Agreement for the power plant with the companies GE International INC and GE Energy Parts International, LLC. As set forth in the agreement, GE must provide on-site technical assistance on a permanent basis, a remote monitoring system to follow up on the efficient performance of the turbines, 24-hour assistance from the engineering department, original spare parts in a timely manner and repairs for planned and corrective maintenance. GE thus guarantees the Power Plant average availability of not less than ninety five percent (95%) per contractual year. In addition, the Power Plant has its own repair workshop with tools and spare parts in stock to make on-site repairs. Compliance with the power sale agreement with CAMMESA under Resolution 220/07 is thus guaranteed.

NOTE 28: BUSINESS INTERRUPTION INSURANCE COVERAGE

All-risk insurance with business interruption insurance coverage

The Group has taken out all-risk insurance coverage for all the risks of loss or physical damage, whether it is accidental or unforeseeable, including machinery failures and loss of benefits as a result, up to 12 months, directly and totally attributable to any cause. The aim of this policy is to cover the losses caused by the interruption of the activities as a result of the accident, both as regards the profit that is no longer obtained and the expenses the Group continues to bear despite its inactivity, such that the insured may be in the same financial situation as if the accident had not occurred.

This insurance covers all physical assets of any type and description, not expressly excluded from the text of the policy, belonging to the insured or in his/her care, custody or control, for which the insured has assumed a responsibility for insuring against any damage, or for which the insured may acquire an insurable interest.

On October 15, 2017, the all-risk insurance policy of all generators of Albanesi Group was renewed for a further 18 months, with a reduction of 16% in the annual premium rate, an increase in the compensation limit from USD 150 MM to USD 200 MM and a 5% bonus for no loss ratio upon renewal.

Contractors' all-risk and assembly insurance

Works for installation or enlargement of the capacity developed by the Company are insured by a Contractors' all-risk and assembly insurance, which covers all accidental or unforeseeable damages occurred during the execution of a civil work, including damages caused by acts of God, provided that they are not expressly excluded from the policy.

The policy includes delay in start-up (DSU) or advance loss of profit (ALOP) insurance of up to 12 months, providing coverage for the expected commercial profit margin for sales of energy and power, discounting the variable costs during the period of repair or replacement of the damaged equipment.

Once all pieces of equipment are in operation, the new assets will be covered by the all-risk insurance that Albanesi Group has taken out, and which covers all power plants in operation.

NOTE 29: ASA-AISA MERGER THROUGH ABSORPTION

On October 18, 2017, ASA and AISA held the respective Extraordinary Shareholders' Meetings, at which the shareholders of those companies approved the corporate reorganization process by which ASA absorbed AISA ("ASA – AISA merger"), as well as the respective documentation. In addition, at the AISA meeting in particular, the early dissolution without liquidation of AISA as a result of the merger was also approved, and its de-registration as a corporation in due course. Further, the shareholders' meeting of ASA approved, within the framework of the merger process, among other issues, an increase in ASA capital from $62,455,160 to $64,451,745, by issuing 1,996,585 new ordinary registered non-endorsable shares in ASA, of $1 par value each and entitled to 1 (one) voting right per share, considering the respective swap ratio, as from the effective merger date (January 1, 2018), delegating to the Board of Directors the power to decide when the new shares will be issued. Furthermore, as a result of that capital increase, it was resolved to approve the amendment to section 4 of the corporate bylaws.

The Corporate Reorganization allows to enhance and optimize the performance of the economic activities and the operating, administrative and technical structures of the Participating Companies to achieve synergies and operating efficiency through only one operating unit. Considering that the main line of business of the participating companies is the investment activity and that the companies controlled by them are electric power generating agents in the WEM, their main line of business being the generation and sale of electric power, the Merger will be beneficial for the following reasons: a) the type of business activity of the participating companies, which enables integration and complementation for greater operating efficiencies; b) a simplification of the participating companies' corporate structure by consolidating the companies' activities in only one entity; c) the synergy of the union of the different Group companies will make the exercise of control, management and administration of the energy business more effective; d) the obtainment of a larger scale, permitting to increase the financial ability to develop new projects; e) a better allocation of existing resources; f) benefiting from a centralized administration, unifying the political and strategic decision-making processes in relation to the business, thus eliminating multiple costs (legal, accounting, administrative, financial and other costs); and g) the creation of more career opportunities for the employees of the participating companies. Furthermore, the above-mentioned benefits will be obtained without incurring tax costs, as the Corporate Reorganization will be tax free under the terms of Section 77 and following provisions of the Income Tax Law No. 26839.

On January 11, 2018, through RESFC- 2018–19281-APN-DIR#CNV Resolution, the CNV approved the merger through absorption under the terms of Section 82 of the General Companies Law No. 19550 and the capital increase with the amendment to the bylaws as decided within the framework of the merger. Both procedures were registered with the Superintendency of Commercial Companies on February 23, 2018 under No. 3452 of Book 88, Volume: -, Companies by Shares. Also on that date, the dissolution without liquidation of AISA was registered with the IGJ and its deregistration under No. 3453 of Book 88, Volume: -, Companies by Shares.

NOTE 30: GMSA – PRESENTATION TO CAMMESA

On June 19, 2015 the Company submitted to CAMMESA a request for recognition of the remuneration for maintenance and investments, as set forth by Resolution No. 529/14 for CTMM. Since the effective date of that Resolution, in February 2014 and until June 2015, GMSA has generated a total of 540,614 MWh, equivalent to the amount of $ 14,268,553.

On August 26, 2015, GMSA made a new presentation to CAMMESA updating the amount in the request mentioned in the preceding paragraph under Resolution No. 529/14.

On September 7, 2015, GMSA provided, at the request of CAMMESA, further information and an update of the amounts to be invested, including a brief description of the work to be performed to accomplish the objectives in each case and a work schedule.

NOTE 30: GMSA - PRESENTATION TO CAMMESA (Cont'd)

On January 27, 2016 the ES partially accepted the request submitted by GMSA, through the notes mentioned in the above paragraphs, and authorized financing for up to USD 6,888,920 plus VAT. This financing will be repaid applying the accumulated receivables in favor of GMSA and the receivables to which it is entitled by application of the Remuneration for Non-Recurring Maintenance..

On June 10, 2016 GMSA submitted to CAMMESA a request for recognition of the remuneration for maintenance and investments, as set forth by Resolution No. 529/14 for CTLB and CTRi. Since the effective date of that Resolution, in February 2014 up to and including April 2016, GLB generated a total of 60,166MWh, equivalent to $2,935,346 and GR generated a total of 51,564MWh, equivalent to $3,068,853.

In addition, a note about non-recurring maintenance was filed with CAMMESA by both CTLB and CTRi, for a total amount of USD 953,000 plus VAT. The technical team from CAMMESA completed the visits to the power plants and issued a report on CTLB and CTRi which is under economic assessment.

On August 9, 2016, GMSA executed a new mutuum agreement with CAMMESA whereby the financing of the execution of several maintenance works in the MMARCC01 and MMARCC02 units was formalized for an amount of up to USD 6,888,920 plus VAT. The most important tasks to be performed include the Overhaul, the replacement of DB20 Brown Boveri switches due to obsolescence, the replacement of the CC excitation system (EX2000 through EX2100e DFE), and the reengineering of the fire protection network.

The new work plan for CTMM was submitted to CAMMESA on December 2, 2016. The work schedule included in the plan is as follows:

	Total 2015		Total 2016		Total 2017		Total 2018	
USD without VAT	311,142	5%	195,007	3%	5,242,017	76%	1,140,754	17%

Between November 2016 and December 2017, GMSA made ten filings through note to CAMMESA for $44,681,566.

On August 29, 2017, through Note B-117397-1, the Undersecretariat for Thermal Energy, Transportation and Distribution of Electricity gave its consent to the request by the Company to apply the receivables corresponding to the Additional remuneration for trust funds (created by Section 5 of Resolution No. 95/2013 of the former ES), and the receivables from LVFVD (Sale Settlements with Maturity Dates to be Determined) still pending payment to settle the loans for major maintenance that GMSA is currently performing.

At June 30, 2018, the total amount disbursed and received from CAMMESA was $19,626,033 and has been offset against receivables for the Remuneration of Non-recurring Maintenance and the Trust Additional Remuneration.

NOTE 31: SUPPLY CONTRACT WITH CAMMESA: AGREED UPON DATE FOR COMMERCIAL OPERATION FOR THE POWER PLANTS

On June 30, 2016, GMSA, as seller, and CAMMESA, as buyer--, on behalf of the WEM, entered into the Supply Contracts for the available power and energy supplied by CTE and CTI. July 1, 2017 was the Agreed upon Date set for the commercial operation of the two power plants.

Authorization for commercial operation of CTE and CTI was granted on September 29 and August 10, 2017, respectively.

On June 28, 2017 GMSA made a filing before CAMMESA and the ES, to inform them that CTE and CTI had suffered certain facts that could be considered as a force majeure event or an act of God, which in turn adversely affected the possibility of obtaining the authorization for commercial operation by the Agreed upon Date set on the Supply Contract. In this regard, GMSA explained, argued, and produced the pertinent evidence supporting the existence of certain factors, not attributable to GMSA, which implied that the authorization for commercial operation was not obtained at the Agreed upon Date as set forth in the Supply Contract.

Under Resolution 264/2018 dated June 6, 2018, the Energy Ministry established that the penalties shall be discounted from the sum receivable by the penalized Generating Agent in 12 equal and consecutive monthly installments, and that the Generating Agent may opt to discount the penalty amount in up to 48 equal and consecutive installments, applying to the balance an effective annual rate of 1.7% in United States dollars, and the number of installments shall not exceed the contract term.

Without prejudice to the above, CAMMESA has rejected GMSA's arguments and has set the penalties in the amounts of USD 12,580,090 for CTE and USD 3,950,212 for CTI, equivalent to $409,078,403, net of the present value, as disclosed under trade payables.

In this respect, July 11, 2018 CAMMESA notified through Note B.127925-7 the penalty amount mentioned above and urged GMSA to inform if it would make use of the option set out by Resolution 264/2018.

In view of the foregoing, on July 10 and July 23, 2018 GMSA made the pertinent presentations to CAMMESA making use of the option to discount the penalty amount in up to 48 monthly and consecutive installments, applying to the balance the effective annual rate of 1.7% in United States dollars; the number of installments should not exceed the contract term and the first installment payable shall be discounted as from the July 2018 transaction, maturing in September 2018.

The results of this transaction, as disclosed under other operating expenses, in the Statement of Comprehensive Income, are exceptional, unique and do not relate to GMSA's main line of business, therefore they are not considered to be within EBITDA.

NOTE 32: EXEMPTION GRANTED BY THE GENERAL REVENUE BOARD OF TUCUMÁN

On March 3, 2017, the General Revenue Board of Tucuman resolved to exempt revenue generated by the electricity generation activity from Turnover Tax in that jurisdiction. This exemption is retroactive to the commencement of activities by the Company; therefore, an action has been filed for refund of the amounts of $ 19,643,732 deposited into the provincial tax authorities for this item. In addition, this request exempted from Public Health Tax only the staff assigned to the generation of electricity, and from stamp tax the works and power stations directly affecting performance of GMSA activity.

NOTE 33: STORAGE OF DOCUMENTATION

On August 14, 2014, the CNV adopted General Resolution No. 629 that introduces amendments to its regulations involving storage and preservation of corporate books, accounting records and business documents. To this end, it is informed that the Company stores its work papers and information at its principal place of business, located at Av. L.N. Alem 855, Floor 14, City of Buenos Aires.

NOTE 34: SUBSEQUENT EVENTS

a) Borrowings

In July 2018, GMSA entered into a loan agreement with the aim of applying the funds received to investments.

Entity	Principal	Interest rate	Falling due
Banco Macro	USD 5,000,000	7.0%	Jan-19

In July 2018, CTR executed a loan agreement with the aim of applying the funds received to investments.

Entity	Principal	Interest rate	Falling due
Banco Macro	USD 5,000,000	7.0%	Jan-19

b) Authorization for commercial operation of a CC steam turbine at CTR

On August 4, 2018, CTR obtained from the WEM authorization for commercial operation of the GE steam turbine as combined cycle, increasing the Power Station's generation capacity by 60 MW.

c) Armando R. Losón's resignation

On August 1, 2018, Mr. Armando R. Losón was personally involved in a judicial investigation that has recently come to the public's attention, and requested leave of absence for 6 months in his role as Director and Chairman of the Company. Mr. Armando Losón (Jr) has assumed these positions as his replacement.

NOTE 34: SUBSEQUENT EVENTS (Cont'd)

c) Armando R. Losón's resignation (Cont'd)

Subsequently, on August 7, 2018, Mr. Armado R. Losón formally resigned as Director, and Mr. Armando Losón (Jr.) took office as Chairman of the Company.

Neither the Company nor any of the entities of the Albanesi Group is undergoing any process in relation to that investigation. Management of the Company understands that its acts are fully in compliance with applicable laws and regulations. Without prejudice to this, the Company Board of Directors is conducting internal investigations and actions to reaffirm its standards of good corporate governance practices within the Organization.

Summary of Activity at June 30, 2018 and 2017

1. Brief description of the activities of the issuing company, including reference to relevant circumstances subsequent to the closing date.

In accordance with the provisions of CNV General Resolution No. 368/01, and subsequent amendments, we present below an analysis of the results of operations of the Company and its net worth and financial position, which must be read together with the attached condensed interim consolidated financial statements.

	Six-month periods ended June 30,			
	2018	**2017**	**Variation**	**Variation %**
	GWh			
Sales by type of market				
Sale of electricity Res. 95/529/482/22/19 plus Spot	155	419	(264)	(63%)
Sales under Energía Plus	352	348	4	1%
Sales to CAMMESA Res. No. 220	378	353	26	7%
Sale of electricity Res. 21	118	-	118	100%
	1,003	**1,120**	**(116)**	**(10%)**

The sales for each market (in millions of pesos) are shown below:

	Six-month periods ended June 30,			
	2018	**2017**	**Variation**	**Var. %**
	(in millions of pesos)			
Sales by type of market				
Sale of electricity Res. No. 95/529/482/22/19 plus Spot	295.7	138.1	157.6	114%
Sales under Energía Plus	590.7	541.4	49.3	9%
Sales to CAMMESA Res. No. 220	1,093.4	518.4	575.0	111%
Sale of electricity Res. 21	568.2	-	568.2	100%
Total	**2,548.0**	**1,197.9**	**1,350.1**	**113%**

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

Summary of Activity at June 30, 2018 and 2017

Profit/Loss for the six-month period ended June 30, 2018 and 2017 (in millions of pesos):

	Six-month periods ended June 30,			
	2018	**2017**	**Variation**	**Variation %**
Sale of energy	2,548.0	1,197.9	1,350.1	113%
Net sales	**2,548.0**	**1,197.9**	**1,350.1**	**113%**
Purchase of electric energy	(482.4)	(408.3)	(74.1)	18%
Gas and diesel consumption at the plant	(19.1)	(129.9)	110.8	(85%)
Salaries and social security charges	(91.9)	(78.1)	(13.8)	18%
Pension plans	(11.9)	(0.3)	(11.6)	3,867%
Maintenance services	(189.0)	(88.0)	(101.0)	115%
Depreciation of property, plant and equipment	(297.2)	(122.1)	(175.1)	143%
Insurance	(23.4)	(12.4)	(11.0)	89%
Sundry	(46.2)	(24.4)	(21.8)	89%
Cost of sales	**(1,161.0)**	**(863.5)**	**(297.5)**	**34%**
Gross profit	**1,387.1**	**334.4**	**1,052.7**	**315%**
Taxes, rates and contributions	(6.7)	(2.3)	(4.4)	191%
Recovery of Turnover Tax	-	19.6	(19.6)	100%
Selling expenses	**(6.7)**	**17.3**	**(24.0)**	**(139%)**
Fees and compensation for services	(80.7)	(17.1)	(63.6)	372%
Director's fees	(1.3)	-	(1.3)	(100%)
Per diem, travel and entertainment expenses	(1.3)	(0.6)	(0.7)	117%
Duties and taxes	(1.7)	(0.4)	(1.3)	325%
Sundry	(6.8)	(4.6)	(2.2)	48%
Administrative expenses	**(91.8)**	**(22.8)**	**(69.0)**	**303%**
(Loss) from interest in associates	(7.2)	(1.6)	(5.6)	350%
Other operating income	180.7	0.9	179.8	19,978%
Other operating expenses	(226.1)	-	(226.1)	(100%)
Operating income	**1,235.9**	**328.2**	**907.7**	**277%**
Commercial interest	5.9	2.7	3.2	119%
Interest on loans, net	(674.6)	(164.2)	(510.4)	311%
Exchange differences, net	(5,863.7)	(35.5)	(5,828.2)	16,417%
Bank expenses	(4.3)	(3.5)	(0.8)	23%
Other financial results	420.1	15.3	404.8	2,646%
Financial results, net	**(6,116.6)**	**(185.2)**	**(5,931.4)**	**3,203%**
(Loss)/income before taxes	**(4,880.7)**	**143.1**	**(5,023.7)**	**(3,511%)**
Income tax	1,191.7	(62.5)	1,254.2	(2,007%)
Net (loss)/profit for the period	**(3,688.9)**	**80.5**	**(3,769.4)**	**(4,682%)**

	Six-month periods ended June 30,			
	2018	**2017**	**Variation**	**Variation %**
Other Comprehensive (loss)/Income for the year				
Revaluation of property, plant and equipment in subsidiaries	4,358.4	-	4,358.4	100%
Impact on income tax	(1,089.6)	-	(1,089.6)	100%
Revaluation of property, plant and equipment in associates	150.1	-	150.1	100%
Other comprehensive income for the period	**3,418.9**	**-**	**3,418.9**	**0%**
Total comprehensive (loss)/income for the period	**(270.0)**	**80.5**	**(350.5)**	**(435%)**

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Summary of Activity at June 30, 2018 and 2017

Sales:

Net sales for the period ended June 30, 2018 reached $2,548.0 million, compared with $1,197.9 million for the same period of 2017, showing a decrease of $1,350,1 million (113%).

In the period ended June 30, 2018, energy sales reached 1,003 GWh, representing a 10% drop compared with the 1,120 GWh for the same period of 2017.

Below we discuss the major income sources of the Company and their performance in the six-month period ended June 30, 2018 as compared with the same period of the prior year:

(i) $590.7 million from sales under Energía Plus, up 9% from the $541.4 million sold in the same period in 2017. This variation is explained by the favorable effect on the price as a result of the increase in the exchange rate.

(ii) $1,093.4 million for sales of electricity in the forward market to CAMMESA under the framework of Resolution No. 220/07, which represented an increase of 111% from the $581.4 million for the same period in 2017. This variation is explained by the favorable effect on the price as a result of the increase in the exchange rate.

(iii) $295.7 million for sales of energy under Resolutions Nos. 95/529/482/22/19 and spot market, accounting for a 114% increase with regard to the $ 138.1 million for the same period of 2017. This variation is attributed to the management of surplus volumes of electricity generation carried out by CAMMESA.

(iv) $586.2 million for sales of energy under Resolutions No. No. 21, which represented an increase of 100%. That variation is due to the putting into operation of the new turbines during the third quarter of fiscal year 2017.

Cost of sales:

The total cost of sales for the six-month period ended June 30, 2018 reached $1,161.0 million, compared with $863.5 million for the same period in 2017, reflecting a $297.5 million (34%) increase.

Below is a description of the main costs of sales of the Company, in millions of pesos, and their performance during the year, compared with the previous fiscal year:

(i) $482.4 million for purchases of electricity, up 18% from the $408.3 million in the same period in 2017, as a result of the price effect due to exchange rate variation and merger.

(ii) $19.1 million for the cost of gas and diesel consumed at the plant, reflecting a 85% drop from the $129.9 million for the same period in 2017. This variation was due to a change in the calculation of gas consumption by CAMMESA.

(iii) $189.0 million in maintenance services, up 115% from the $88.0 million in the same period in 2017. This increase is explained by the higher dollar exchange rate and the start-up of the new turbines.

Summary of Activity at June 30, 2018 and 2017

(iv) $297.2 million for depreciation of PP&E, up 143% from the $122.1 million for the same period of 2017. This variation was mainly due to the higher depreciation value of buildings, installations and machinery as a result of their revaluation at December 31, 2017, and the start-up of new projects.

(v) $91.9 million in salaries, wages and social security contributions, which represented an increase of 18% with respect to the $78.1 million for the same period of 2017. This increase was mainly attributable to higher salaries and new hires.

(vi) $23.4 million in insurance, up 89% from the $12.4 million for the same period of 2017 as a result of the exchange rate variation and the start-up of new turbines.

Gross profit:

The gross profit for the six-month period ended June 30, 2018 was a profit of $1,387.1 million, compared with a profit of $334.4 million for the same period of 2017, representing an increase of 315%. This was attributable to the exchange rate variation and the start-up of the new turbines.

Selling Expenses:

Selling expenses for the six-month period ended June 30, 2018 amounted to a $6.7 million loss, compared with $17.3 million profit for the same period in 2017, representing a decrease of $ 24.0 million (or 139%). On March 3, 2017, the revenue department of the General Revenue Board of Tucuman resolved to exempt GMSA from payment of Turnover Tax in that jurisdiction, amending the tax determined as from the period December 2011.#

Administrative Expenses:

The administrative expenses for the six-month period ended June 30, 2018 amounted to $91.8 million, compared with $22.8 million for the same period of 2017, reflecting an increase of $69.0 million (or 303%).

The main components of the Company's administrative expenses are listed below:

(i) Fees and compensation for services for $80.7 million, which represented an increase of 372% from the $17.1 million amount recorded in the same period in the previous fiscal year.

(ii) Sundry expenses for $6.8 million, accounting for a 48% increase from the $4.6 million recorded in the same period of 2017. The main variations are due to the captions taxes and rates and insurance.

Operating income:

Operating income for the six-month period ended June 30, 2018 was $1,235.9 million, compared with an income of $328.2 million for the same period of 2017, accounting for a 277% increase. The increase was mainly due to the effect of a higher exchange rate on the operating activities of the controlled companies and the start-up of new projects.

Summary of Activity at June 30, 2018 and 2017

In addition, in Other operating income for 2018, net profit is included for the repayment of financing by CAMMESA to GROSA corresponding to the second stage of repair of the TV13 unit, for $ 176.7 million. In Other operating expenses, a loss is included for a penalty from CAMMESA for $226,116,440.

Financial results:

Financial results for the six-month period ended June 30, 2018 were a loss of $6,116.5 million, compared with a loss of $185.2 million for the same period of 2017, which accounted for an increase of $5,931.3 million.

The most salient aspects of this variation are as follows:

(i) $674.6 million loss corresponding to financial interest, up 311% from the $164.2 million loss for the same period of 2017 as a result of an increase in the financial debt generated by investment projects.

(ii) $420.1 million for other financial gains, compared with a $15.3 million gain for the same period of 2017.

(iii) $5,863.7 million exchange loss, net, which accounted for an increase of $5,828.2 million compared with the $ 35.5 million in the same period of 2017.

(Loss)/income before tax:

The Company reported a loss before tax of $4,880.7 million for the six-month period ended June 30, 2018, as against the $ 143.1 million profit for the same period of 2017, which accounted for a decrease of 5,023.6 million.

The Company reported profit before tax for $1,191.7 million for the three-month period ended June 30, 2018 compared to $ 62.5 million loss for the same period of the prior year.

Net (loss)/income:

The net profit/(loss) for the six-month period ended June 30, 2018 was a loss of $3,688.9 million, compared with the profit of $ 80.5 million reported for the same period of 2017, accounting for a 3,769.4 million decrease.

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Summary of Activity at June 30, 2018 and 2017

Adjusted EBITDA

	Six-month periods ended June 30:			
	2018	2017 (*)	Variation	Variation %
	(in thousands of pesos)			
Operating profit/(loss) excluding non-recurring profit/(loss)	965,559	427,012	538,547	126%
Depreciation and amortization	297,195	141,817	155,378	110%
Non-recurring profit/(loss) (***)	176,687	-	176,687	100%
Income/(Loss) from interest in associates	327,239	1,621	325,618	20,087%
Dividends	-	5,880	(5,880)	(100%)
Adjusted EBITDA in thousands of pesos (**)	**1,766,680**	**576,330**	**1,190,350**	**207%**
Adjusted EBITDA in thousands of US dollars (**)	**82,168**	**36,679**	**45,489**	**124%**

	Twelve-month periods ended June 30:			
	2018	2017 (*)	Variation	Variation %
	(in thousands of pesos)			
Operating profit/(loss) excluding non-recurring profit/(loss)	1,818,936	838,616	980,320	117%
Depreciation and amortization	495,485	245,788	249,697	102%
Non-recurring profit/(loss) (***)	176,687	-	176,687	100%
Income/(Loss) from interest in associates	332,602	9,839	322,763	3,280%
Dividends received	-	5,880	(5,880)	100%
Adjusted EBITDA in thousands of pesos (**)	**2,823,710**	**1,100,123**	**1,723,587**	**157%**
Adjusted EBITDA in thousands of US dollars (**)	**142,800**	**71,114**	**71,686**	**101%**

(*) CTR accounting information and related deletions are included.

(**) Amounts not covered in the Review Report.

(***) Corresponds to the end of the term and commitments undertaken under the mutuum agreement between GROSA and CAMMESA. See Note 12.D) to the condensed interim consolidated financial statements

EBIDTA calculation does not consider the loss for the penalty from CAMMESA, since it is exceptional and unique and does not apply to the Company's main business activity (See Note 31).

Adjusted EBITDA corresponding to the six-month period ended June 30, 2018 increased $1,190.4 million (207%), from $576.3 million for the six-month period ended June 30, 2018 to $1,766.7 million reported for the same period of 2018. This increment was mainly due to the following factors: i) the start-up of the TG6 and 7 of CTMM, of the TG3 of CTI, of the TG24 of CTRi, and of the power plant CTE during 2017; and ii) the simplification of the calculation of remunerations and their value in US dollars since February 2017, established by Resolution ES 19/17, superseding Resolution ES 22/16, thus increasing the company's operating income.

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Summary of Activity at June 30, 2018 and 2017

2. Equity figures comparative with the previous fiscal year:
(in millions of pesos)

	06.30.2018	06.30.2017	06.30.2016	06.30.2015
Non-Current Assets	20,459.8	9,172.6	3,774.7	2,412.5
Current Assets	5,881.3	2,102.6	1,533.1	572.1
Total Assets	**26,341.1**	**11,275.2**	**5,307.8**	**2,984.6**
Equity attributable to the owners	2,816.2	1,999.5	1,302.6	671.9
Equity of non-controlling interest	218.8	106.5	70.1	46.9
Total Equity	**3,034.9**	**2,106.0**	**1,372.7**	**718.8**
Non-current Liabilities	17,082.9	6,688.3	3,005.3	1,228.0
Current Liabilities	6,223.2	2,480.9	929.8	1,037.8
Total Liabilities	**23,306.2**	**9,169.2**	**3,935.1**	**2,265.8**
Total Equity and Liabilities	**26,341.1**	**11,275.2**	**5,307.8**	**2,984.6**

3. Breakdown of results comparative with the previous fiscal year:
(in millions of pesos)

	06.30.2018	06.30.2017	06.30.2016	06.30.2015
Ordinary operating income	1,235.9	328.1	307.2	139.1
Financial results	(6,116.6)	(185.1)	(267.9)	(95.6)
Ordinary net (loss)/profit	**(4,880.7)**	**143.0**	**39.3**	**43.5**
Income tax	1,191.7	(62.5)	(22.0)	(8.1)
Net loss/income for the year	**(3,688.9)**	**80.5**	**17.3**	**35.4**
Discontinued operations	-	-	-	(13.6)
(Loss)/Profit for the period	**(3,688.9)**	**80.5**	**17.3**	**21.8**
Other comprehensive income	3,418.9	-	(0.1)	(2.5)
Total comprehensive (loss)/income	**(270.0)**	**80.5**	**17.2**	**19.3**

4. Cash flow figures comparative with the previous fiscal year:
(in millions of pesos)

	06.30.2018	06.30.2017	06.30.2016	06.30.2015
Cash flows (used in) provided by operating activities	(86.4)	638.0	(421.5)	178.1
Cash flows applied to investment activities	(1,120.9)	(1,841.8)	(360.8)	(156.8)
Cash flow generated by (used in) financing activities	2,203.7	912.9	1,064.0	(14.3)
Net increase/(decrease) in cash and cash equivalents	**996.4**	**(290.9)**	**281.7**	**7.0**

Summary of Activity at June 30, 2018 and 2017

5. Ratios compared with the previous period:

	06.30.2018	06.30.2017	06.30.2016	06.30.2015
Liquidity (1)	0.95	0.85	1.65	0.55
Solvency (2)	0.12	0.22	0.33	0.30
Tied-up capital (3)	0.78	0.81	0.71	0.81
Indebtedness ratio (4) (*)	7.19	6.88	3.77	2.58

(1) Current assets / Current liabilities

(2) Equity / Total Liabilities

(3) Non-current assets / Total assets

(4) Financial debt / annual EBITDA

(*) Amounts not covered in the Review Report.

6. Brief comment on the outlook for fiscal year 2018

Company Outlook for Fiscal Year 2018

Commercial and operating sector

The Company expects that the various generating units will continue to operate normally in line with dispatches and fuel allocations defined by CAMMESA. The Company's main objective is to maintain high availability of its units. This ensures that the Company will remain profitable. For this purpose, a thorough preventive maintenance plan is carried out of the generation units to ensure the high availability of the Power Plants' turbo generators.

Under SEE Resolution 287 - E/2017 dated May 10, 2017, the Energy Secretariat instructed CAMMESA to call for tenders for new thermal generation and co-generation with closed combined cycle technology, with a commitment to be available to satisfy demand in the WEM.

GMSA participated in that call and was awarded two projects for the closure of combined cycles under ES Resolution 926 – E/2017.

One of those projects is the closure of the combined cycle of the TG06 and TG07 units at CTMM, located in Río Cuarto. The project consists in the installation of a new 50 MW Siemens SGT800 gas turbine (with a guaranteed power of 47.5 MW) and the conversion into combined cycle of the three gas turbines (3x1 configuration). For such conversion, a recovery boiler will be installed at the gas turbines exit, which will produce steam in two pressures to feed a SST-600 steam turbine that will deliver a further 65 MW to the network; also, the necessary infrastructure will be installed for its operation and maintenance. The project for the closure of CTMM combined cycle will enable contributing a further 112.5 MW to SADI. The addition of a new gas turbine will cause an additional demand for fuel to the system. The addition of the turbo steam machine will contribute 65 MW, without additional consumption of fuel, with the complete cycle recording a specific consumption of 1590 Kcal/kWh in the closure of the combined cycle.

Summary of Activity at June 30, 2018 and 2017

Another awarded project was the closure of combined cycle of CTE TG01, TG02 and TG03 units, located in the province of Buenos Aires. The project related to this bidding process consists in i) the installation of a fourth Siemens SGT-800 gas turbine of 50 MW and ii) the conversion into combined cycle of the four gas turbines. For the conversion into combined cycle, a steam recovery boiler will be installed at the gas exhaust of each of the gas turbines, which will produce steam in two pressures to feed two steam turbines (2x1 configuration) that will deliver 44 MW each to the network. The project for the closure of CTE combined cycle will enable contributing a further 138 MW to SADI. Although the new gas turbine to be installed will consume additional fuel, the inclusion of two steam turbines will contribute a further 88 MW without additional fuel consumption, and the two full cycles will have a specific consumption of 1,590 Kcal/KWh.

The two projects were awarded under ES Resolution 926 – E/2017 on October 17, 2017, and are expected to become operative by mid-2020.

GMSA and CAMMESA signed the Wholesale Demand contract on December 14, 2017.

On August 4, 2018, CTR obtained from the WEM authorization for commercial operation of the GE steam turbine as combined cycle, increasing the Power Station's generation capacity by 60 MW. Not only will this project increase power but will also be significant in environmental and energy efficiency terms, as the extra power to be generated will not require additional fuel.

CTR entered into a new WEM Supply Contract with CAMMESA for 55 MW in October 2015, under Energy Secretariat Resolution 220/07.

Financial Position

During the year, the main objective of the controlled companies is to improve their financing structure and ensure the progress of the investment projects described under the agreed schedules and budgets.

Bonds for USD 250 million were co-issued by GMSA, CTR and GFSA on July 27, 2016 , and they fall due within 7 years. The international bond is secured by ASA. From the total issued, USD 173 million were allocated to GMSA, and USD 7 million to GFSA, to prepay financial debts and the financing of investment projects. On November 8, 2017, GMSA and CTR obtained the authorization for the reopening of the International Bonds. On December 5, 2017, NOs were issued amounting to USD 86 million for the advance settlement of financial debts.

At the date these condensed interim consolidated financial statements were signed, the Group obtained loans for the new investment projects .

These measures have contributed to improving working capital and the financial debt profile, extending maturities and reducing the Group's financial cost, thus securing the financing of investment projects.#

Summary of Activity at June 30, 2018 and 2017

7. Additional Information (*)

For the purpose of providing information in the context of the transaction of the international Negotiable Obligation issue, a summarized statement of financial position and income statement deconsolidating the subsidiary Generación Centro SA, known as "Project Finance", as per Minutes of the Board of Directors meeting dated November 23, 2017 is detailed below.

Statement of Financial Position (in thousands of pesos)	Consolidated Albanesi S.A.	Deletion GECE	Deletion balances of related parties and equity value	Total
Assets				
Non-current assets	20,459,817	(859,550)	(319,619)	19,280,648
Current Assets	5,881,308	(763,188)	3,421	5,121,540
Total Assets	**26,341,125**	**(1,622,738)**	**(316,199)**	**24,402,188**
Equity				
Equity attributable to the owners	2,816,165	336,441	(336,441)	2,816,165
Non-controlling interest	218,781	-	16,822	235,603
Total Equity	**3,034,946**	**336,441**	**(319,619)**	**3,051,768**
Liabilities				
Non-current Liabilities	17,082,934	(1,766,355)	-	15,316,579
Current Liabilities	6,223,246	(192,825)	3,421	6,033,842
Total liabilities	**23,306,179**	**(1,959,180)**	**3,421**	**21,350,420**
Total liabilities and shareholder's equity	**26,341,125**	**(1,622,738)**	**(316,199)**	**24,402,188**

Statement of Income (in thousands of Pesos)	Consolidated Albanesi S.A.	Deletion GECE	Deletion equity value	Total
Sales revenue	2,548,038	-	-	2,548,038
Cost of sales	(1,160,966)	-	-	(1,160,966)
Gross income	**1,387,072**	-	-	**1,387,072**
Selling expenses	(6,672)	-	-	(6,672)
Administrative expenses	(91,846)	260	-	(91,586)
Income from interests in associates	(7,238)	-	(320,001)	(327,239)
Other operating income	180,672	-	-	180,672
Other operating expenses	(226,116)	-	-	226,116
Operating profit/(loss)	**1,235,871**	**260**	**(320,001)**	**916,130**
Financial results, net	**(6,116,550)**	**454,950**	-	**(5,661,600)**
Profit/(loss) before taxes	**(4,880,679)**	**455,210**	**(320,001)**	**(4,745,470)**
Income tax	1,191,734	(118,367)	-	1,073,367
(Loss) income for the period	**(3,688,945)**	**336,843**	**(320,001)**	**(3,672,103)**
Comprehensive loss for the period attributable to:				
Owners of the company	(3,385,228)	320,001	(320,001)	(3,385,228)
Non-controlling interest	(303,717)	16,842	-	(286,875)
	(3,688,945)	**336,843**	**(320,001)**	**(3,672,103)**

(**) Information not covered in the Review Report.

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REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Albanesi S.A.
Legal address: Av. L.N. Alem 855, 14th Floor
Autonomous City of Buenos Aires
Tax Code No. 30-68250412-5

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Albanesi S.A. (hereinafter, "the Company") which comprise the consolidated statement of financial position at June 30, 2018 and the consolidated statement of comprehensive income for the six and three-month period ended June 30, 2018, the consolidated statements of changes in equity and of consolidated cash flows for the six-month period then ended, and the selected explanatory notes.

The balances and other information corresponding to the fiscal year 2017 and to its interim periods are an integral part of the financial statements mentioned above; therefore, they must be considered in connection with these financial statements.

Board's responsibility

The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and included by the National Securities Commission (CNV) in its regulations, as approved by the International Accounting Standards Board (IASB), and is therefore responsible for the preparation and presentation of the interim condensed consolidated financial statements mentioned in the first paragraph, in accordance with International Accounting Standard 34 "Interim Financial Information" (IAS 34).

Scope of our review

Our review was limited to the application of the procedures established by International Standards on Review Engagements ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity", adopted as a review standard in Argentina through Technical Pronouncement No. 33 of the FACPCE, as approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries of the Company's personnel responsible for preparing the information included in the interim condensed consolidated financial statements and performing analytical and other review procedures. This review is substantially less in scope than an audit examination conducted in accordance with international standards on auditing and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated financial position, the consolidated comprehensive income and the consolidated cash flows of the Company.

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Conclusion

On the basis of our review, nothing has come to our attention that make us to believe that the interim condensed consolidated financial statements mentioned in the first paragraph of this report have not been prepared, in all material respects, in accordance with International Accounting Standard 34.

Report on compliance with regulations in force

In accordance with current regulations, we report that:

a) the interim condensed consolidated financial statements of Albanesi S.A. are transcribed into the "Inventory and Balance Sheet" book and as regards those matters that are within our competence, they comply with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;

b) the interim condensed separate financial statements of Albanesi S.A. arise from accounting records carried in all formal aspects in accordance with legal requirements;

c) we have read the summary of activity, on which we have no observation to make insofar as concerns matters within our field of competence;

d) as of June 30, 2018, there is no debt accrued in favor of the Argentine Integrated Social Security System;

City of Buenos Aires, August 9, 2018

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Raúl Leonardo Viglione

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Report of the Syndics' Committee

To the Shareholders of
Albanesi S.A.

1. Pursuant to the provisions of section 294 of the Law 19550 and National Securities Commission regulations, we have reviewed the accompanying interim condensed consolidated financial statements of Albanesi S.A. (hereinafter, "the Company") which comprise the statement of financial position at June 30, 2018, the statement of comprehensive income for the six and three-month period ended June 30, 2018, the statements of changes in equity and of cash flows for the six-month period then ended, and the selected explanatory notes. The balances and other information corresponding to the fiscal year 2017 are an integral part of the financial statements mentioned above; therefore, they must be considered in connection with these financial statements.

2. The Board of Directors of the Company is responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and included by the National Securities Commission (CNV) in its regulations, as approved by the International Accounting Standards Board (IASB), and is therefore responsible for the preparation and presentation of the interim condensed financial statements mentioned in paragraph 1, in accordance with International Accounting Standard 34 "Interim Financial Information" (IAS 34). Our responsibility is to express a conclusion based on the review performed with the scope detailed in paragraph 3.

3. Our review was carried out in accordance with standards applicable to syndics. Those standards require that the procedures established in Technical Pronouncement No. 33 of the Argentina Federation of Professional Councils in Economic Sciences for limited reviews of interim financial statements be performed, and include verifying the consistency of the documents reviewed with the information on corporate decisions disclosed in minutes and the conformity of those decisions to the law and by-laws insofar as concerns formal and documentary aspects. To fulfill our professional duties, we have reviewed the work done by the external auditors, Price Waterhouse & Co. S.R.L., who issued their unqualified review report on the interim condensed consolidated financial statements on August 9, 2018. A review of interim financial information consists of making inquiries of the Company's personnel responsible for preparing the information included in the interim condensed financial statements and performing analytical and other review procedures. This review is substantially less in scope than an audit examination conducted in accordance with international standards on auditing and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the financial position, the comprehensive income and the cash flows of the Company. We have not assessed the administrative, financing, marketing or operating business criteria as these matters fall within the exclusive competence of the Board of Directors and Shareholders' meeting.

4. As indicated in Note 3, the interim condensed consolidated financial statements mentioned in paragraph 1 have been prepared in accordance with International Accounting Standard 34.

5. Based on our review, we are not aware of any significant modification to be introduced to the interim condensed consolidated financial statements mentioned in paragraph 1, for their presentation in accordance with the pertinent regulations of Law No. 19550, the National Securities Commission and standards mentioned in paragraph 2.

6. The provisions of Section 294 of the Law No. 19550 have been duly fulfilled.

Autonomous City of Buenos Aires, August 9, 2018

Enrique O. Rucq
Full Syndic
For the Syndics' Committee

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ALBANESI

Albanesi S.A.

Condensed interim separate financial statements

At June 30, 2018 and for the six- and three-month periods
ended June 30, 2018 and 2017
presented in comparative format

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Albanesi S.A.

CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
At June 30, 2018

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GLOSSARY OF TECHNICAL TERMS

The following are not technical definitions, but they are helpful for the reader's understanding of some terms used in the notes to the condensed interim separate financial statements of the Company.

Terms	Definitions
/day	Per day
AESA	Albanesi Energía S.A.
AFIP	Federal Administration of Public Revenue
AISA	Albanesi Inversora S.A. (a company absorbed by ASA)
AJSA	Alba Jet S.A.
ASA	Albanesi S.A.
AVRC	Alto Valle Río Colorado S.A.
BADCOR	Adjusted BADLAR rate
BADLAR	Average interest rate paid by financial institutions on time deposits for over one million pesos.
BCRA	Central Bank of the Argentine Republic
BDD	Bodega del Desierto S.A.
CAMMESA	Wholesale Electricity Market Management Company (Compañía Administradora del Mercado Mayorista Eléctrico S.A.)
CC	Combined cycle
IFRIC	International Financial Reporting Interpretations Committee
CNV	National Securities Commission
CTE	Central Térmica Ezeiza (Ezeiza Thermal Power Plant)
CTI	Central Térmica Independencia, located in San Miguel de Tucumán, Tucumán
CTLB	Central Térmica La Banda, located in La Banda, Santiago del Estero
CTMM	Central Térmica Modesto Maranzana, located in Río Cuarto, Córdoba
CTR	Central Térmica Roca S.A.
CTRi	Central Térmica Riojana, located in La Rioja
CVP	Variable Production Cost
Dam^3	Cubic decameter Volume equivalent to 1,000 (one thousand) cubic meters
DH	Historical Availability
Availability	Percentage of time in which the power plant or machinery, as applicable, is in operation (generating power) or available for power generation, but not called by CAMMESA
DMC	Minimum Availability Committed
DO	Target Availability
DR	Registered Availability
ENARSA	Energía Argentina S.A.
Energía Plus	Plan created under ES Resolution No. 1281/06
ENRE	National Electricity Regulatory Authority
EPEC	Empresa Provincial de Energía de Córdoba
FACPCE	Argentine Federation of Professional Councils in Economic Sciences
FONINVEMEM	Fund for investments required to increase the electric power supply in the WEM
GE	General Electric
GECEN	Generación Centro S.A.
GLSA	Generación Litoral S.A.

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Terms	Definitions
GF	Central Térmica Frías, located in Frías, Santiago del Estero
GFSA	Generación Frías S.A. (absorbed by GMSA)
GISA	Generación Independencia S.A. (absorbed by GMSA)
GLBSA	Generación La Banda S.A. (absorbed by GMSA)
GMSA	Generación Mediterránea S.A.
Large Users	WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs
GRISA	Generación Riojana S.A. (absorbed by GMSA)
GROSA	Generación Rosario S.A.
GUDIs	Large Demand from Distributors, with declared or demanded supply of over 300kW
GUMAs	Major Large Users
GUMEs	Minor Large Users
GUPAs	Large Users - Individuals
GW	Gigawatt. Unit of power equivalent to 1,000,000,000 watts
GWh	Gigawatt-hour Unit of energy equivalent to 1,000,000,000 watts hour
IASB	International Accounting Standards Board
IGJ	Superintendency of Commercial Companies
kV	Kilovolt Unit of electromotive force equivalent to 1,000 (one thousand) volts
kW	Kilowatt Unit of power equivalent to 1,000 watts
kWh	Kilowatt-hour Unit of energy equivalent to 1,000 watts hour
The Company/The Group	Albanesi S.A. and its subsidiaries
LGS	General Companies Law
LVFVD	Sales liquidations with maturity date to be defined
MAPRO	Major Scheduled Maintenance
MAT	Futures market
WEM	Wholesale Electric Market
MMm3	Million cubic meters
MVA	Mega-volt ampere, unit of energy equivalent to 1 volt x 1 ampere x 106
MW	Megawatt Unit of power equivalent to 1,000,000 watts
MWh	Megawatt hour Unit of energy equivalent to 1,000,000 watts hour
ARG GAAP	Argentine Generally Accepted Accounting Principles
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ON	Negotiable Obligations
PWPS	Pratt & Whitney Power System Inc
Resolution No. 220/07	Regulatory framework for the sale of energy to CAMMESA through the "WEM Supply Contract" under Energy Secretariat Resolution No. 220/07
RG	General Resolution
RGA	Rafael G. Albanesi S.A.
RT	Technical Pronouncements
SADI	Argentine Interconnection System
ES	Energy Secretariat
TRASNOA S.A.	Empresa de Transporte de Energía Eléctrica por Distribución Troncal del Noroeste Argentino S.A.
CGU	Cash Generating Unit
USD	US dollars

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Albanesi S.A.

Composition of the Board of Directors and Syndics' Committee

President
Armando Losón (h)

1st Vice-President
Guillermo G. Brun

2nd Vice-President
Julián P. Sarti

Full Directors
Carlos A. Bauzas
Sebastián A. Sánchez Ramos
Oscar C. De Luise

Alternate Directors

José L. Sarti
Juan G. Daly
María de los Milagros D. Grande
Ricardo M. Lopez
Romina S. Kelleyian

Full Syndics
Enrique O. Rucq
Francisco A. Landó
Marcelo P. Lerner

Alternate Syndics
Carlos I. Vela
Juan Cruz Nocciolino
Johanna M. Cárdenas

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Albanesi S.A.

Corporate name:	**Albanesi S.A.**
Legal address:	855 L.N. Alem 855 Ave., 14th floor - City of Buenos Aires
Main business activity:	Investing and financial activities
Tax Registration Number:	30-68250412-5

DATES OF REGISTRATION WITH THE PUBLIC REGISTRY OF COMMERCE:

Bylaws or incorporation agreement:	June 28, 1994
Latest amendment:	February 23, 2018
Registration with the Superintendency of Commercial Companies under number:	6,216 of Book 115, Volume A of Corporations
Expiration of bylaws or incorporation agreement:	June 28, 2093

CAPITAL STATUS (see Note 15)			
Shares			
Number	**Type**	**Number of votes per share**	**Subscribed, paid-in and registered**
			$
64,451,745	Ordinary, registered, non-endorsable FV $1	1	64,451,745

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Albanesi S.A.

Condensed interim Separate Statement of Financial Position

At June 30, 2018 and December 31, 2017

Stated in pesos

	Notes	06.30.2018	12.31.17
ASSETS			
NON-CURRENT ASSETS			
Investments in subsidiaries and associates	6	3,274,997,034	2,935,370,434
Deferred tax assets		11,990,793	11,245,167
Other receivables	7	24,885,100	4,006,288
Total non-current assets		**3,311,872,927**	**2,950,621,889**
CURRENT ASSETS			
Other receivables	7	217,677,361	184,150,078
Cash and cash equivalents	8	1,952,895	455,563
Total current assets		**219,630,256**	**184,605,641**
Total Assets		**3,531,503,183**	**3,135,227,530**
EQUITY			
Share capital	15	64,451,745	62,455,160
Legal reserve		13,289,666	4,381,440
Optional reserve		455,011,046	101,010,691
Technical revaluation reserve		5,554,958,124	2,063,110,832
Other comprehensive income		(4,636,682)	(4,636,682)
Unappropriated retained earnings		(3,266,909,315)	352,742,465
TOTAL EQUITY		**2,816,164,584**	**2,579,063,906**
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	10	251,803,733	250,754,356
Other debts	9	21,923,334	24,386,058
Total non-current liabilities		**273,727,067**	**275,140,414**
CURRENT LIABILITIES			
Loans	10	121,945,583	28,471,850
Other debts	9	302,978,317	232,783,368
Tax payables		2,615	2,809,605
Trade payables		16,685,017	16,958,387
Total current liabilities		**441,611,532**	**281,023,210**
Total liabilities		**715,338,599**	**556,163,624**
Total liabilities and shareholders' equity		**3,531,503,183**	**3,135,227,530**

The accompanying notes form an integral part of these condensed interim separate financial statements.

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Albanesi S.A.

Condensed Interim Separate Statement of Comprehensive Income

For the six- and three-month periods ended June 30, 2018 and 2017

Stated in pesos

		Six months at		Three months at	
	Notes	06.30.18	06.30.17	06.30.18	06.30.17
Loss/Gain on investment in subsidiaries and associates	6	(3,326,482,501)	104,692,604	(3,236,696,630)	(3,971,838)
Selling expenses	11	(139,280)	(161,189)	(69,640)	(43,960)
Administrative expenses	12	(1,002,250)	(1,029,211)	(453,257)	(601,974)
Other operating income	13	2,532,365	1,598,571	1,266,183	799,285
Operating income		**(3,325,091,666)**	**105,100,775**	**(3,235,953,344)**	**(3,818,487)**
Financial expenses	14	(61,622,622)	(34,540,198)	(37,673,641)	(17,359,956)
Other financial results	14	1,904,410	13,172	1,893,752	13,624
Financial results, net		**(59,718,212)**	**(34,527,026)**	**(35,779,889)**	**(17,346,332)**
(Loss)/Income before taxes		**(3,384,809,878)**	**70,573,749**	**(3,271,733,233)**	**(21,164,819)**
Income tax		(418,062)	4,365,738	(1,112,529)	2,232,212
Net (loss) / income for the period		**(3,385,227,940)**	**74,939,487**	**(3,272,845,762)**	**(18,932,607)**
Other comprehensive income					
Other comprehensive income from interests in subsidiaries and associates		3,196,680,589	-	3,196,680,589	-
Other comprehensive income for the period		**3,196,680,589**	**-**	**3,196,680,589**	**-**
Comprehensive (loss) income for the period		**(188,547,351)**	**74,939,487**	**(76,165,173)**	**(18,932,607)**
Earnings (losses) income share					
Basic and diluted (loss) income earnings per share	17	**(53.36)**	**1.20**		

The accompanying notes form an integral part of these condensed interim separate financial statements.

Albanesi S.A.

Condensed Interim Separate Statement of Changes in Equity

For the six-month periods ended June 30, 2018 and 2017
Stated in pesos

	Shareholders' contributions	Attributable to shareholders					
		Retained earnings					
	Share capital (Note 15)	Legal reserve	Optional reserve	Technical revaluation reserve	Other comprehensive income	Unappropriated retained earnings	Total equity
Balances at December 31, 2016	**62,455,160**	**1,942,908**	**-**	**1,760,090,123**	**(3,397,653)**	**103,449,223**	**1,924,539,761**
As resolved by Ordinary Shareholders' Meeting held on April 18, 2017.							
- Legal reserve	-	2,438,532	-	-	-	(2,438,532)	-
- Optional reserve	-	-	101,010,691	-	-	(101,010,691)	-
Reversal of technical revaluation reserve	-	-	-	(50,725,204)	-	50,725,204	-
Income for the six-month period	-	-	-	-	-	74,939,487	74,939,487
Balances at June 30, 2017	**62,455,160**	**4,381,440**	**101,010,691**	**1,709,364,919**	**(3,397,653)**	**125,664,691**	**1,999,479,248**
Reversal of technical revaluation reserve	-	-	-	(72,542,869)	-	72,542,869	-
Other comprehensive income for the period	-	-	-	426,288,782	(1,239,029)	-	425,049,753
Income for the supplementary six-month period	-	-	-	-	-	154,534,905	154,534,905
Balances at December 31, 2017	**62,455,160**	**4,381,440**	**101,010,691**	**2,063,110,832**	**(4,636,682)**	**352,742,465**	**2,579,063,906**
Addition due to merger through absorption as from January 1, 2018 (Note 22)	1,996,585	399,317	9,766,799	366,543,301	-	46,942,027	425,648,029
As resolved by the Ordinary Shareholders' Meeting held on April 19, 2018:							
- Legal reserve	-	8,508,909	-	-	-	(8,508,909)	-
- Optional reserve	-	-	344,233,556	-	-	(344,233,556)	-
Reversal of technical revaluation reserve	-	-	-	(71,376,598)	-	71,376,598	-
Other comprehensive income for the six-month period	-	-	-	3,196,680,589	-	-	3,196,680,589
Loss for the six-month period	-	-	-	-	-	(3,385,227,940)	(3,385,227,940)
Balances at June 30, 2018	**64,451,745**	**13,289,666**	**455,011,046**	**5,554,958,124**	**(4,636,682)**	**(3,266,909,315)**	**2,816,164,584**

The accompanying notes form an integral part of these condensed interim separate financial statements.

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Albanesi S.A.

Condensed Interim Separate Statement of Cash Flows

For the six-month periods ended June 30, 2018 and 2017
Stated in pesos

	Notes	06.30.18	06.30.17
Cash flow from operating activities:			
(Loss) income for the period		(3,385,227,940)	74,939,487
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax		418,062	(4,365,738)
Interest, exchange differences and other financial results		59,718,212	34,527,026
Gain/Loss on investment in subsidiaries and associates	6	3,326,482,501	(104,692,604)
Changes in operating assets and liabilities:			
Increase in other receivables		(9,851,924)	(2,339,117)
Decrease in trade payables		(309,401)	1,663,754
Decrease in tax payables		(3,490,829)	(1,430,213)
Increase in other liabilities		1,136,358	19,449,286
Net cash flow (used in) provided by operating activities		**(11,124,961)**	**17,751,881**
Cash flow from investment activities:			
Collection of dividends		-	5,880,000
Increase net in other liabilities with subsidiaries		68,836,220	11,779,467
Addition of cash as a result of the merger		57,938	-
Net cash flow provided by investment activities		**68,894,158**	**17,659,467**
Cash flow from financing activities:			
Payment of interest	10	(39,531,675)	(29,765,110)
Payment of principal		(7,746,000)	(334,800)
Decrease in other liabilities with related companies		(10,898,600)	(5,144,000)
Net cash flow used in financing activities		**(58,176,275)**	**(35,243,910)**
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(407,078)**	**167,438**
Cash and cash equivalents at the beginning of the period		455,563	151,644
Exchange difference of cash and cash equivalents		1,904,410	-
Cash and cash equivalents at the end of the period	8	1,952,895	319,082
		(407,078)	**167,438**

The accompanying notes form an integral part of these condensed interim separate financial statements.

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Albanesi S.A.

Condensed interim Separate Statement of Cash Flows (Cont'd)
For the six-month periods ended June 30, 2018 and 2017
Stated in pesos

Significant transactions not representing changes in cash and cash equivalents:	**06.30.18**	**06.30.17**
Issuance of Negotiable Obligations paid up in kind	-	255,826,342
Other debts with subsidiaries offset against other receivables from subsidiaries	-	-
Directors' fees offset against other receivables	(12,076,384)	
Other comprehensive income on investment in subsidiaries and associates	3,196,680,589	-
Dividends announced but not collected	24,991,190	-
Addition of balances due to merger through absorption (Note 22)		
Assets		
Deferred tax assets	1,163,688	-
Investments in subsidiaries	494,419,702	-
Other receivables	18,465,286	-
Income tax credit balance, net	1,097,695	-
Total assets	515,146,371	-
Liabilities		-
Other liabilities	(8,658,247)	-
Loans	(80,862,002)	-
Trade payables	(36,031)	-
Total liabilities	(89,556,280)	-
Added equity	(425,648,029)	-
Cash added as a result of the merger	**(57,938)**	-

The accompanying notes form an integral part of these condensed interim separate financial statements.

Stated in pesos

NOTE 1: GENERAL INFORMATION

The Company was established in 1994 as investment and financing company. Through its subsidiaries and related entities, ASA has invested in the energy market, in the power generation and commercialization segment.

The Albanesi Group, through ASA and its related company AESA, is engaged in the generation and sale of electricity and has focused on the gas transportation and sale business through RGA.

In recent years, the main strategy of The Albanesi Group has been focused on achieving vertical integration, drawing on its vast experience and reputation in the natural gas sale market (obtained through RGA), with the subsequent addition of the electric power generation business. This approach seeks to capitalize the value added from the purchase from large gas producers in all the basins in the country to its transformation and sale as electric power.

Below is a detail of the participation of ASA in each company.

Companies	Country of creation	Main activity	% participation	
			06.30.2018	12.31.17
CTR (1)	Argentina	Electric power generation	75%	-
GECEN	Argentina	Electric power generation	95%	95%
GLSA	Argentina	Electric power generation	95%	95%
GMSA	Argentina	Electric power generation	95%	95%
GROSA	Argentina	Electric power generation	95%	95%
Solalban Energía S.A.	Argentina	Electric power generation	42%	42%

(1) Company merged under the merger through absorption process, as described in Note 22.

At the date these financial statements were signed, The Albanesi Group had a total installed capacity of 1,410 MW, representing 6.2% of the total installed thermoelectric capacity in Argentina, it being expanded with additional 435 MW with all the new projects awarded and currently under way.

RGA, in turn, is the leading company engaged in the sale of gas and the provision of energy supply services to industries and thermal power plants.

Furthermore, in 2017 ASA (merging and continuing company) has been part of a merger process in which AISA was merged. The final merger agreement was signed on November 21, 2017, which set January 1, 2018 as the effective date of the merger. The merger was approved by the CNV on January 11, 2018 and registered with the Superintendency of Commercial Companies on February 23, 2018 (See Note 22).

<u>NOTE 1:</u> GENERAL INFORMATION (Cont'd)

In 2015, ASA entered the capital markets. On November 20, 2015, it obtained authorization to enter the public offering system and create a program of Simple Negotiable Obligations (not convertible into shares) of up to USD 100,000,000 or its equivalent in other currencies, in one or more classes or series. Thus, the Company issued Class I Negotiable Obligations for $ 70 million on December 29, 2015; Class II Negotiable Obligations for $ 220 million on October 25, 2016; and Class III Negotiable Obligations for $ 256 million on June 15, 2017.

Below is a detail of the most important information for each of the thermal power plants operated by the subsidiaries of ASA:

Central Térmica Modesto Maranzana

GMSA is the owner of the power plant Central Térmica Modesto Maranzana (CTMM), located in Río Cuarto, Province of Córdoba. The Power Plant originally had a combined cycle in operation with a capacity of 70 MW, in two blocks of 35 MW each, and each block with a Frame Gas Turbine 5, a Generator and a Steam Turbine in a single axis system.

In October 2008, GMSA completed the first stage of the project to enlarge the Power Plant. To this end, two new FT8-3 SwiftPac 60 PWPS aero-derivative gas turbines of 60 MW were installed and put into operation. Each has two aero-derivative gas turbines of 30MW that transmit their power to a single generator thus offering great flexibility in the operation.

Continuing with its expansion process, CTMM installed a third PWPS FT8-3 SwiftPac 60 turbine of 60 MW in 2010, which became operative in September of that year, thus reaching an installed capacity of 250 MW at the Power Plant.

On March 28, 2016, GMSA signed an agreement with Siemens Industrial Turbomachinery AB for CTMM for the provision and assembly of two Siemens SGT-800 turbines of 50MW nominal each. This enlargement was made under an agreement signed pursuant to a Resolution of the Energy Secretariat. On July 6, 2017, the two Siemens SGT-800 turbines were put into commercial operation in the WEM. Thus, the installed capacity of the Power Plant increased from 250 MW to 350 MW.

Through EES Resolution No. 287/2017 dated May 10, 2017, the Electric Energy Secretariat instructed CAMMESA to call for tenders for new thermal generation of closure of the combined cycle technology and co-generation, with the commitment to be available to meet the demand in WEM. GMSA participated in the invitation and was awarded with two projects for the closure of the combined cycle through EES Resolution No. 926 – E/2017.

NOTE 1: GENERAL INFORMATION (Cont'd)

Central Térmica Modesto Maranzana (Cont'd)

One of those projects is the closure of the combined cycle of the TG06 and TG07 units at CTMM, located in Río Cuarto. The project consists in the installation of a new 50 MW Siemens SGT800 gas turbine (with a guaranteed power of 47.5 MW) and the conversion into combined cycle of the three gas turbines (3x1 configuration). For such conversion, a recovery boiler will be installed at the gas turbines exit, which will produce steam in two pressures to feed a SST-600 steam turbine that will deliver a further 65 MW to the network; also, the necessary infrastructure will be installed for its operation and maintenance. The project for the closure of CTMM combined cycle will enable contributing a further 112.5 MW to SADI. The addition of a new gas turbine will cause an additional demand for fuel to the system. The addition of the turbo steam machine will contribute 65 MW, without additional consumption of fuel, with the complete cycle recording a specific consumption of 1590 Kcal/kWh in the closure of the combined cycle.

This project was awarded by EES Resolution No. 926 - E/2017 on October 17, 2017 and is expected to become operative in mid-2020.

GMSA and CAMMESA signed the Wholesale Demand contract on December 14, 2017.

Central Térmica Independencia

GMSA is the owner of the power plant Central Térmica Independencia (CTI) which is located in the city of San Miguel de Tucumán, Province of Tucumán. CTI was out of service, and in 2011 Albanesi Group executed all the works necessary to install 120 MW with PWPS technology, and to refurbish the existing ancillary facilities. It obtained authorization for commercial operation on November 17, 2011.

On June 30, 2016, within the framework of the bidding process called for by the Energy Secretariat through Resolution ES No. 21, GMSA signed a Contract for Wholesale Demand for CTI for the installation of the new thermal generation capacity. The project consists of the installation of 100 MW (92 MW undertaken) in two stages.

To that end, on April 30, 2016, a contract was executed with Siemens Industrial Turbomachinery AB for the purchase of the first SGT-800 turbine of 50 MW, paying on December 2016 50% and financing the remaining 50% in 24 installments as from September 2017. On August 10, 2017, in compliance with the Contract for Wholesale Demand, authorization for commercial operation was obtained for the first stage, for a maximum power of 49.6 MW while operated with natural gas, and 46.5 MW while operated with diesel. It is connected to SADI at the transformer station (ET for its acronym in Spanish) Independencia 132 kv of Transnoa, province of Tucumán.

NOTE 1: GENERAL INFORMATION (Cont'd)

Central Térmica Independencia (Cont'd)

For this purpose, on August 9, 2016, a contract was executed with Siemens Industrial Turbomachinery AB for the purchase of a second SGT-800 turbine of 50 MW, paying on March 2017 50% and financing the remaining 50% in 24 installments as from April 2018. The parts belonging to the second turbine and chimneys are already at the plant. The price of the turbine is USD 20 million.

On February 1, 2018, authorization for commercial operation was obtained for the second stage, for a maximum power of 49 MW while operated with NATURAL GAS and 47 MW while operated with DIESEL.

Central Térmica Riojana

GMSA is the owner of Central Térmica Riojana (CTRi), which is located in the province of La Rioja and has 4 power generation units: Turbomachinery Fiat TG21 of 12MW, Turbomachinery John Brown TG22 of 16MW, Turbomachinery Fiat TG23 of 12MW and Turbomachinery Siemens SGT 800 TG24 of 50 MW, for which an addenda was executed with CAMMESA for the increase in the installed capacity by 50MW under ES Resolution No. 220/07.

The Turbomachinery Siemens was acquired through a contract with Siemens Industrial Turbomachinery AB signed on September 7, 2015. On May 20, 2017, the authorization for commercial operation was obtained for a maximum power of 46.68 MW while operated with natural gas and 45 MW while operated with diesel. It is connected to SADI at the ET La Rioja.

Central Térmica La Banda

GMSA is the owner of Central Térmica La Banda (CTLB), which is located in the province of Santiago del Estero and currently has two power generation units: Turbomachinery Fiat TG21 of 16 MW and Turbomachinery Fiat TG22 of 16 MW.

Central Térmica Frías

GMSA is the owner of Central Térmica Frias (CTF), which is located in the province of Santiago del Estero and has a nominal thermal power generation capacity of 60 MW through one turbine with PWPS technology, consisting of two gas turbines that transmit their mechanical power to only one generator of 60 MW. The operation of this machine consists in transforming the chemical energy of the fuel (either liquid or gas), injected into the combustion chambers, the mechanical energy that is transmitted to the generator, which performs the last conversion into electricity.

The turbine purchase agreement contemplated financing by PWPS of USD 12 million for 4 years, as from the provisional acceptance. The debt amounts to $346,200,000 at June 30, 2018.

NOTE 1: GENERAL INFORMATION (Cont'd)

Central Térmica Ezeiza

GMSA is the owner of Central Térmica Ezeiza (CTE), situated in the province of Buenos Aires, and has 3 Siemens SGT-800 turbines of 50 MW each. This Power Plant was created under SEE Resolution 21/2016.

The commercial operation of the TG02 and TG03 units was authorized on September 29, 2017 to operate for a total of 93 MW, with tariffs denominated in US dollars, for a term of 10 years. They are connected to SADI at the ET TORRES 132 kV in the province of Buenos Aires. Both turbines form part of the first stage of a total project for 150 MW.

For this purpose, on April 30, 2016, a contract was executed with Siemens Industrial Turbomachinery AB for the purchase of the mentioned turbines, paying on September 2016 50% and financing the remaining 50% in 24 installments as from September 2017. As regards the second stage of the project, on August 9, 2016, a contract was executed with Siemens Industrial Turbomachinery AB for the purchase of a third SGT-800 turbine of 50 MW, paying on March 2017 50% and financing the remaining 50% in 24 installments as from April 2018. The price of the turbine is USD 20.3 million. Authorization for commercial operation of the second stage was obtained on February 3, 2018.

Through EES Resolution No. 287/2017 dated May 10, 2017, the Electric Energy Secretariat instructed CAMMESA to call for tenders for new thermal generation of closure of the combined cycle technology and co-generation, with the commitment to be available to meet the demand in WEM.

GMSA participated in the invitation and was awarded with two projects for the closure of the combined cycle through EES Resolution No. 926 – E/2017.

One of the awarded projects was the closure of the combined cycle of units TG01, TG02 and TG03 of Central Térmica Ezeiza, located in the province of Buenos Aires. The project consists of: i) the installation of a fourth 50 MW Siemens SGT-800 gas turbine, and ii) the conversion into combined cycle of the four gas turbines. For the conversion into combined cycle, a recovery boiler will be installed at the gas turbines exit, which will produce steam in two pressures to feed two steam turbines (2x1 configuration), each of them delivering 44 MW to the network.

The project for the closure of CT Ezeiza combined cycle will enable contributing a further 138 MW to Argentine Interconnection System (SADI). Although the new gas turbine to be installed will consume additional fuel, the inclusion of two steam turbines will contribute a further 88 MW without additional fuel consumption, and the two full cycles will have a specific consumption of 1,590 Kcal/KWh.

This project was awarded by EES Resolution No. 926 - E/2017 on October 17, 2017 and is expected to become operative in mid-2020.

GMSA and CAMMESA signed the Wholesale Demand contract on December 14, 2017.

NOTE 1: GENERAL INFORMATION (Cont'd)

Co-generation Project Arroyo Seco

At present, GECEN is developing a co-generation project in Arroyo Seco, province of Santa Fe. The project consists in the installation of two SGT800 Siemens gas turbines with a nominal capacity of 100 MW and a heat recovery steam generator which will generate steam using exhaust fumes from the turbine. The Company will thus generate (i) electricity that will be sold (a) under a contract signed with CAMMESA within the framework of a public bidding under EES Resolution No. 287/2017 and awarded under EES Resolution No.820/2017 for a term of 15 years, and (b) under an agreement with LDC Argentina S.A.; and (ii) steam, to be supplied to LDC Argentina S.A. for its plant in Arroyo Seco, by means of a steam and electric power generation contract.

GECEN and CAMMESA signed the Wholesale Demand contract on November 28, 2017.

On August 9, 2017, a contract was signed with the supplier Siemens for the purchase of the turbines for a total amount of SEK 270,216,600 million. The contract contemplates the purchase of two SGT800 Siemens gas turbines, including whatever is necessary for its installation and placement into operation.

At the date of these condensed interim financial statements, four advance payments had been made to Siemens for the gas turbines, which account for 40% of the contract.

On March 26, 2018, a contract was signed with the supplier Siemens for the purchase of a steam turbine for a total amount of USD 5,370,500. This contract contemplates the purchase of an SST-300 Siemens steam turbine, including whatever is necessary for its installation and placement into operation. At the date of these special financial statements, two advances have been paid to Siemens for the steam turbine which account for 20% of the contract.

Central Térmica Roca

In 2011 Grupo Albanesi, through CTR acquired a power plant (the "Plant") located in the outskirts of the city of General Roca, province of Río Negro, on Provincial Road No. 6, km 11.1, which was unavailable since 2009.

The Plant, built in 1995, is an open cycle power plant equipped with EGT technology (European Gas Turbines) and has a nominal power of 130 MW. In fiscal year 2012 the first stage of repair and reconditioning was completed, and the Plant was authorized for commercial operation by the end of June 2012. In late June 2013 the second stage was completed, which consisted in the conditioning and modification of facilities and infrastructure for the purposes of the conversion to dual fuel, permitting feed of the turbo generator with alternative fuel (diesel).

NOTE 1: GENERAL INFORMATION (Cont'd)

Central Térmica Roca (Cont'd)

CTR is developing a project to close the Power Plant cycle, which means expanding the current capacity by 60 MW with the installation of a steam turbine, a boiler and other equipment. Not only will this project increase power but will also be significant in environmental and energy efficiency terms, as the extra power to be generated will not require additional fuel.

Its placing into operation is scheduled for August 2018.

A new WEM Supply Contract for 55 MW was signed with CAMMESA in October 2015 under Energy Secretariat Resolution 220/07.

Central Térmica Sorrento

Central Térmica Sorrento is a thermal power plant located in Rosario, province of Santa Fe, and delivers 135 MW to the system. This capacity comprises an Ansaldo steam turbine capable of operating simultaneously with gas and fuel oil, and can be supplied by ship at the plant´s port and docking facility.

With the aim of keeping the availability and dispatch levels as required by WEM, the Company is executing the Third Stage for the Repair of the Unit TV13, performing additional investments in the boiler, steam turbine, transformers and ancillary equipment. In particular, in April 2016, scheduled maintenance tasks were conducted, including works in the boiler, the thermal cycle and the transformers. During the second half of October and first days of November 2016, new scheduled maintenance tasks were conducted, including the replacement of boiler tubes, of valves in the boiler thermal cycle and ancillary equipment, and the recovery of fuel oil pumps, among other tasks.

NOTE 2: BASIS FOR PRESENTATION

These condensed interim separate financial statements were prepared in accordance with IFRS issued by the IASB.

The condensed interim separate financial statements of the Company for the six and three-month periods ended June 30, 2018 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

These condensed interim financial statements should be read in conjunction with the Company's financial statements at December 31, 2017.

NOTE 2: BASIS FOR PRESENTATION (Cont'd)

The presentation in the condensed interim statement of financial position segregates current and non-current assets and liabilities. Current assets and liabilities are those which are expected to be recovered or settled within twelve months following the end of the reporting period. In addition, the Company reports on the cash flow from operating activities using the indirect method. The fiscal year commences on January 1 and ends December 31 of each year. Economic and financial results are presented on the basis of the fiscal year, in proportion to the elapsed period.

These condensed interim separate financial statements are stated in pesos. They have been prepared under the historical cost convention, modified by the measurement of financial assets and financial liabilities at fair value through profit or loss.

The preparation of these financial statements in accordance with IFRS requires making estimates and assessments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of issue of these financial statements, as well as the income and expenses recorded in the fiscal year.

The condensed interim separate financial statements for the six- and three-month periods ended June 30, 2018 and 2017 have not been audited. Company Management considers that they include all the necessary adjustments to reasonably present the results for each period.

The results for the six and three-month periods ended June 30, 2018 and 2017 do not necessary reflect the proportion of Company's results for full fiscal years.

These condensed interim separate financial statements for the six and three-month periods ended June 30, 2018 and 2017 were approved for issuance by the Company's Board of Directors on August 8, 2018.

Comparative information

Balances at December 31, 2017 and for the six- and three-month periods ended June 30, 2017, as disclosed in these condensed interim separate financial statements for comparative purposes, arise from financial statements at those dates. Certain reclassifications have been included in the financial statement figures presented for comparative purposes to conform them to the current period presentation.

NOTE 2: BASIS FOR PRESENTATION (Cont'd)

Financial reporting in hyperinflationary economies

IAS 29 "Financial Reporting in hyperinflationary economies" requires that the financial statements of an entity that reports in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current at the closing of the reporting period, irrespective of whether they are based on the historical cost or current cost methods. To this end, in general terms, non-monetary items include inflation from the acquisition date of the item or the restatement date, as applicable.

To determine the existence of a hyperinflationary economy under the terms of IAS 29, the standard details a series of factors to consider, including a cumulative inflation rate over three years that is close to or exceeds 100%. Considering that the downward trend of inflation recorded last year has reversed, with a significant increase during 2018, and that it is also expected that the cumulative inflation rate over the last three years will exceed 100% and the rest of the indicators do not contradict the conclusion that Argentina should be considered as a hyperinflationary economy for accounting purposes, the Company Management understands that there is sufficient evidence to conclude that Argentina is a hyperinflationary economy under the terms of IAS 29 as from July 1, 2018.

No criteria have been applied at June 30, 2018 for the restatement of financial information, as established by IAS 29. However, over the last few years certain macroeconomic variables affecting the Company's business, such as the salary cost and the prices of inputs, have experienced significant annual variations. This situation must be considered when assessing and interpreting the Company's financial situation and results disclosed in these financial statements.

NOTE 3: ACCOUNTING POLICIES

The accounting policies adopted for these condensed interim financial statements are consistent with the accounting policies used in the preparation of the audited financial statements corresponding to the last fiscal year, which ended on December 31, 2017.

There are no new IFRS or IFRIC applicable as from the current period which have a material impact on the Company's condensed interim financial statements.

These condensed interim financial statements must be read together with the audited financial statements at December 31, 2017 prepared under IFRS.

NOTE 4: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim separate financial statements requires Company Management to make estimates and assessments concerning the future, apply critical judgments and establish premises that affect application of the accounting policies and the reported amounts of assets, liabilities, income and expenses.

These estimates and judgments are continually evaluated and are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual future results may differ from those estimates and assessments made at the date these condensed interim separate financial statements were prepared.

In the preparation of these condensed interim separate financial statements, certain critical judgments made by the Management when applying Company's accounting policies and sources of information used for the pertinent estimates are the same as those applied to the financial statement for the year ended December 31, 2017.

NOTE 5: FINANCIAL RISK MANAGEMENT

The Company's activities are disclosed under sundry financial risks: market risk (including the foreign exchange risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

These condensed interim separate financial statements do not include the information required for the annual separate financial statements regarding risk management. They must be read jointly with the financial statements corresponding to the fiscal year ended December 31, 2017. No significant changes have been made to risk management policies since the last annual closing.

NOTE 6: INFORMATION ON SUBSIDIARIES AND ASSOCIATES

The Company carries its businesses through various subsidiaries and associates. The development of investments in subsidiaries and associates of the Company for the six-month periods ended June 30, 2018 and 2017 is disclosed below:

	06.30.18	06.30.17
At the beginning of the period	**2,935,370,434**	**2,210,552,404**
Addition due to merger through absorption (Note 22)	494,419,702	-
Dividends	(24,991,190)	(5,880,000)
Other comprehensive income	3,196,680,589	-
Loss/Gain on investment in subsidiaries and associates	(3,326,482,501)	104,692,604
Period end	**3,274,997,034**	**2,309,365,008**

NOTE 6: INFORMATION ON SUBSIDIARIES AND ASSOCIATES (Cont'd)

Below is a breakdown of the investments and the values of interests held by the Company in subsidiaries and associates at June 30, 2018 and December 31, 2017, as well as the Company share of profits of these companies for the six-month periods ended June 30, 2018 and 2017.

				Value of the Group's equity interest		Group share of profits		% share interest		Latest financial statement [1]		
Name of the entity	Registered office of the entity	Main activity	Ordinary shares, entitled to 1 vote	06.30.18	12.31.17	06.30.18	06.30.18	06.30.18	12.31.17	Share capital (par value)	Net income/(loss) for the period	Equity
Subsidiaries												
CTR [2]	Argentina	Electricity	54,802,853	255,297,594	-	(459,633,993)	-	75%	-	73,070,470	(612,845,330)	346,781,610
GMSA	Argentina	Electricity	131,263,543	2,669,975,574	2,508,105,135	(2,664,172,845)	107,621,257	95%	95%	138,172,150	(2,804,392,467)	2,810,500,602
GROSA	Argentina	Electricity	16,473,625	159,042,935	52,794,317	124,682,674	(1,290,651)	95%	95%	17,340,658	131,244,920	167,413,616
GLSA	Argentina	Electricity	475,000	233,092	352,402	(119,310)	(17,433)	95%	95%	500,000	(125,590)	245,358
GECE [3]	Argentina	Electricity	475,000	(319,619,350)	381,497	(320,000,847)	-	95%	95%	500,000	(336,842,987)	(336,441,411)
Associates												
Solalban Energía S.A.	Argentina	Electricity	73,184,160	510,067,189	373,737,083	(7,238,180)	(1,620,569)	42%	42%	174,248,000	(17,233,762)	1,214,445,686
				3,274,997,034	2,935,370,434	(3,326,482,501)	104,692,604					

(1) Information in the financial statements at June 30, 2018 converted to IFRS.

(2) Investment included as from January 1, 2018 as a result of the merger through absorption of AISA (Note 22).

(3) Company established on July 12, 2017.

Information required by Exhibit C, in compliance with Section 1, Chapter III, Title IV of the CNV restated text.

NOTE 7: OTHER RECEIVABLES

	Note	06.30.18	12.31.17
Non-Current			
Related parties	18	18,154,808	-
Minimum notional income tax		5,458,699	3,727,728
Other tax credits		1,271,593	278,560
		24,885,100	**4,006,288**
Current			
Related parties	18	216,432,308	182,808,845
Value added tax		330,187	-
Turnover tax		410,705	-
Advances to suppliers		35,000	-
Tax Law 25413		190,601	-
Other tax credits		278,560	1,341,233
		217,677,361	**184,150,078**

NOTE 8: CASH AND CASH EQUIVALENTS

	Note	06.30.18	12.31.17
Banks in local currency		128,761	320,649
Banks in foreign currency	23	1,824,134	134,914
Cash and cash equivalents		**1,952,895**	**455,563**

For the purposes of the cash flow statement, cash, cash equivalents and bank overdraft facilities include:

	06.30.18	06.30.17
Cash and cash equivalents	1,952,895	319,082
Cash and cash equivalents	**1,952,895**	**319,082**

NOTE 9: OTHER DEBTS

	Note	06.30.18	12.31.17
Non-Current			
Other income to be accrued		21,923,334	24,386,058
		21,923,334	**24,386,058**
Current			
In local currency			
Other income to be accrued		5,064,729	5,064,729
Related parties	18	297,913,588	227,718,639
		302,978,317	**232,783,368**

NOTE 10: LOANS

	Note	06.30.18	12.31.17
Non-current			
Negotiable obligations		251,803,733	250,754,356
		251,803,733	**250,754,356**
Current			
Negotiable obligations		32,732,586	28,471,850
Related parties (Note 18)	18	89,212,997	-
		121,945,583	**28,471,850**

Total financial debt at June 30, 2018 is worth $373.7 million. The following table shows our total debt at that date.

	Principal	06.30.18 (Pesos)	Interest rate (%)	Currency	Date of issuance:	Maturity date:
Debt securities						
Class II NO	$ 18,074,000	19,262,661	BADLAR + 4%	ARS	October 25, 2016	October 25, 2018
Class III NO	$ 255,826,342	265,273,658	BADLAR + 4.25%	ARS	June 15, 2017	June 15, 2021
Subtotal		**284,536,319**				
Other debts						
Related parties (Note 18)	$ 60,000,000	89,212,997	BADLAR + 3 %	ARS		Maturity date: 1 year, renewable
Subtotal		**89,212,997**				
Total financial debt		373,749,316				

With the purpose of improving the financial profile of the company, on November 20, 2015 ASA obtained, under Resolution 17887 of the CNV, authorization for: (i) incorporation of ASA to the public offering system; and (ii) creation of a global program to issue simple (non-convertible) NO for a total nominal value outstanding of USD 100,000,000 (one hundred million US dollars) or its equivalent in other currencies, in one or more classes or series.

Class II NO

On October 25, 2016 the Company issued Class II NO under the conditions described below:

Principal: Nominal value: $ 220,000,000

Interest: Private Banks BADLAR rate plus a 4% spread.

Amortization term and method: interest on Class II NO will be paid on a quarterly basis, in arrears, on the following dates: January 25, 2017, April 25, 2017, July 25, 2017, October 25, 2017, January 25, 2018, April 25, 2018, July 25, 2018 and October 25, 2018.

Principal on Class II NO will be paid in three (3) consecutive installments, on a quarterly basis, the first two equivalent to 30% of the nominal value of the NO and the last one to 40%, on the dates on which 18, 21 and 24 months have elapsed, counted as from the date of issuance; i.e., on April 25, 2018, July 25, 2018 and October 25, 2018.

NOTE 10: LOANS (Cont'd)

Class II NO (Cont'd)

The proceeds from the issuance of Class II NO were fully applied to the partial repayment of current liabilities that ASA holds with the related company RGA.

On June 15, 2017, Class III NO were issued, and subscribed by paying up Class I and Class II NO, improving the Company's working capital and indebtedness profile (term and rate). The amount paid was $ 194,180,000.

Principal balance on that class of negotiable obligation outstanding at June 30, 2018 is $ 18,074,000.

Class III NO:

On June 15, 2017 the Company issued Class III NO under the conditions described below:

Principal: Nominal value: $ 255,826,342

Interest: Private Banks BADLAR rate plus a 4.25% spread.

Amortization term and method: interest on Class III NO will be paid on a quarterly basis, in arrears, on the following dates: September 15, 2017; December 15, 2017; March 15, 2018; June 15, 2018; September 15, 2018; December 15, 2018; March 15, 2019; June 15, 2019; September 15, 2019; December 15, 2019; March 15, 2020; June 15, 2020; September 15, 2020; December 15, 2020; March 15, 2021, and June 15, 2021; if other than a business day, or if such day does not exist, the interest payment date will be the immediately following business day.

Principal on the Class III NO will be paid in three (3) consecutive installments, on a quarterly basis, the first two equivalent to 30% of the nominal value of the NO and the last one to 40%, on the dates on which 42, 45 and 48 months shall have elapsed from the date of issuance; i.e., on December 7, 2020, March 15, 2021 and June 15, 2021; if other than a business day, or if such day does not exist, the interest payment date will be the immediately following business day.

The issuance of Class III NO was fully paid up with in-kind contributions as follows: a partial payment of Class I NO for $ 52,519,884 and of Class II NO for $ 203,306,458.

Principal balance on that class of NO outstanding at June 30, 2018 is $ 255,826,342.

The due dates of Company loans and their exposure to interest rates are as follow:

	06.30.18	12.31.17
Floating rate		
Less than 1 year	121,945,583	28,471,850
Between 2 and 3 years	151,484,501	74,211,910
More than 3 years	100,319,232	176,542,446
	373,749,316	**279,226,206**

Company loans are denominated in the following currencies:

	06.30.18	12.31.17
Argentine pesos	373,749,316	279,226,206
	373,749,316	**279,226,206**

NOTE 10: LOANS (Cont'd)

Changes in Company loans were as follows:

	06.30.18	06.30.17
Loans at the beginning of the period	279,226,206	274,923,829
Addition due to merger through absorption (Note 22)	80,862,002	-
Loans received	-	255,826,342
Loans paid	(7,746,000)	(256,161,142)
Accrued interest	60,938,783	34,124,554
Interest paid	(39,531,675)	(29,765,110)
Capitalized expenses/present values	-	(1,935,398)
Loans at period end	**373,749,316**	**277,013,075**

NOTE 11: SELLING EXPENSES

	06.30.18	06.30.17
Duties and taxes	(139,280)	(161,189)
	(139,280)	**(161,189)**

NOTE 12: ADMINISTRATIVE EXPENSES

	06.30.18	06.30.17
Fees	(887,263)	(958,998)
Sundry	(114,987)	(70,213)
	(1,002,250)	**(1,029,211)**

NOTE 13: OTHER OPERATING INCOME AND EXPENSES, NET

Other income	Note	06.30.18	06.30.17
Income from guarantees granted	**18**	2,532,365	1,598,571
		2,532,365	**1,598,571**

NOTE 14: FINANCIAL RESULTS

	06.30.18	06.30.17
Financial expenses		
Interest on loans	(60,938,783)	(34,124,554)
Bank expenses and taxes	(683,839)	(415,644)
Total financial expenses	**(61,622,622)**	**(34,540,198)**
Other financial results		
Exchange difference	1,904,410	13,172
Total other financial results	**1,904,410**	**13,172**
Total financial results, net	**(59,718,212)**	**(34,527,026)**

NOTE 15: CAPITAL STATUS

Share capital at June 30, 2018 is comprised of:

Capital	Amount $	Approved by Date	Approved by Body	Date of registration with the Public Registry of Commerce
Total at 12.31.17	**62,455,160**			
Capitalization due to merger (Note 22)	1,996,585	10/18/2017	Extraordinary Shareholders' Meeting	2/23/2018
Total at 06.30.18	**64,451,745**			

NOTE 16: DISTRIBUTION OF PROFITS

As provided for by Law 25063, payment of dividends in excess of taxable profits accumulated at the end of the fiscal year immediately preceding such payment date (distribution of profits, as the case may be) imposes an obligation to withhold from such excess a 35% rate for income tax as a sole and final payment. This withholding will no longer apply to dividends (profits) attributable to profits accrued in the fiscal years beginning on or after January 1, 2018.

As from the Tax Reform implemented by Law 27430, the declared dividends on accounting profits for the fiscal years 2018 and 2019 will be subject to a 7% withholding rate, while for dividends on profits from the fiscal year 2020 onwards, the applicable withholding rate will be 13%. The withholding will be made when such profits are distributed and paid as dividends to shareholders based in abroad.

Pursuant to General Companies Law No. 19550, 5% of the profit reported in the statement of comprehensive income for the year, net of prior year adjustments, transfers of other comprehensive income to unappropriated retained earnings and prior year accumulated losses, is to be allocated to the legal reserve, until it reaches 20% of the capital stock.

Due to the issuance of the International Negotiable Obligation, co-issued by GMSA and CTR and guaranteed by ASA, the Company must comply with ratios on a combined basis to be allowed to distribute dividends.

NOTE 17: EARNINGS (LOSSES) PER SHARE

Basic

The basic earnings per share are calculated by dividing the income attributable to the holders of the Company's equity instruments by the weighted average number of ordinary shares outstanding during the period.

	06.30.18	06.30.17
(Loss) income for the period attributable to the owners:	(3,385,227,940)	74,939,487
Weighted average of outstanding ordinary shares	63,439,777	62,455,160
Basic and diluted (losses) earnings per share	**(53.36)**	**1.20**

There are no differences between the calculation of the basic earnings per share and the diluted earnings per share.

NOTE 18: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) *Operations for the period*

	Relationship nature	06.30.18	06.30.17
		Gain / (loss)	
Interest paid			
GMSA		(8,350,995)	-
		(8,350,995)	-
Income from guarantees granted			
CTR	Related parties	447,600	447,600
AJSA	Subsidiary	146,590	-
GMSA	Subsidiary	1,938,175	1,150,971
		2,532,365	**1,598,571**
Recovery of expenses			
GECEN (1)	Subsidiary	25,816	-
GLSA	Subsidiary	25,816	-
		51,632	-

NOTE 18: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

b) Balances at the date of the statements of financial position

	Relationship nature	06.30.18	12.31.17
Other receivables			
Non-current			
TEFU S.A. (1)	Related company	18,154,808	-
		18,154,808	**-**
Current			
Shareholders' accounts	Related parties	191,441,118	171,584,168
GROSA - Dividends receivable	Subsidiary	18,434,056	-
Advances to directors	Related parties	-	170,200
GECEN	Subsidiary	-	10,985,688
GLSA	Subsidiary	-	68,789
SOLALBAN - Dividends receivable	Related company	6,557,134	-
		216,432,308	**182,808,845**
Trade payables			
Current			
RGA	Related parties	16,245,830	16,245,830
		16,245,830	**16,245,830**
Current			
CTR	Subsidiary	6,733,872	-
GMSA	Subsidiary	193,343,561	106,726,555
Directors' fees	Related parties	-	12,076,384
GLSA - Capital to be paid-in	Subsidiary	-	356,250
RGA	Related parties	97,660,850	108,559,450
GLSA	Subsidiary	175,305	-
		297,913,588	**227,718,639**
Loans			
Current			
GMSA (1)	Subsidiary	89,212,997	-
		89,212,997	**-**

NOTE 18: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

c) *Loans received from related parties*

Entity	Amount	Interest rate	Conditions
At 06.30.18			
GMSA	60,000,000	BADLAR + 3 %	Maturity date: 1 year, renewable automatically up to 5 years
Total in pesos	**60,000,000**		

	06.30.18	06.30.17
Loans from GMSA		
Opening balance	-	-
Loans added as a result of the merger (Note 22)	80,862,002	-
Accrued interest	8,350,995	-
Closing balance	**89,212,997**	-

(1) Balance added as a result of the merger through absorption of AISA (Note 22).

NOTE 19: GUARANTEES GRANTED FOR FINANCIAL OPERATIONS WITH SUBSIDIARIES AND RELATED PARTIES

Below is a detail of guarantees granted by ASA for financial transactions of subsidiaries and related parties:

In favor of	Type of guarantee	Entity	Asset/Destination	From	Until	Amount secured	Balances at 06.30.18
AJSA	Surety bond	SFG Equipment Leasing Corporation	Leasing aircraft Jet Lear 45XR	11/14/2008	1/21/2019	USD 7,330,000	USD 635,733
GMSA	Surety bond	CAMMESA	Repair of machinery	12.31.12	5/30/2019	$ 26,997,275	$ 9,164,495
GMSA	Guarantor	Siemens Industrial Turbomachinery AB	Acquisition of two Siemens SGT 800 turbines for CTMM	6/14/2016	7/14/2019	SEK 177,000,000	SEK 177,000,000
GMSA	Guarantor	Siemens Industrial Turbomachinery AB	Acquisition of two Siemens SGT 800 turbines for CTI	9/13/2016	3/13/2020	SEK 175,230,000	SEK 175,230,000
GMSA	Guarantor	Siemens Industrial Turbomachinery AB	Acquisition of three Siemens SGT 800 turbines for CTE	9/13/2016	3/13/2020	SEK 263,730,000	SEK 263,730,000
GMSA-GFSA(2)-CTR	Guarantor (1)	International bond	Project financing	7/27/2016	7/27/2023	USD 250,000,000	USD 250,000,000
GMSA-CTR	Guarantor (1)	International bond	Project financing	12/5/2017	7/27/2023	USD 86,000,000	USD 86,000,000
GFSA(2)-	Guarantor	PW Power Systems, Inc.	Turbine financing	3/30/2016	12/2023	USD 12,000,000	USD 12,000,000
AJSA(3)-	Guarantor	Export Development Canadá	Leasing aircraft Bombardier Inc. Model BD-100-1A10 (Challenger 350 Variant)	7/19/2017	7/19/2027	USD 16,480,000	USD 15,244,000
GMSA	Guarantor	Cargill Limited	Project financing	2/15/2018	1/29/2021	USD 25,000,000	USD 25,000,000

(1) The Guarantee granted by ASA to the Co-Issuers of the International Bond GMSA, GFSA (absorbed by GMSA) and CTR was approved by the Board of Directors on June 6, 2016. The fees agreed upon as consideration for the services and responsibilities assumed for the issuance at July 27, 2016, are $ 22,380,000 and for the issuance at December 5, 2017 were $ 8,921,640.

(2) Company absorbed by GMSA as from January 1, 2017.

(3) The Guarantee provided to AJSA by ASA on July 13, 2017 and the fees agreed upon as consideration for the services and responsibilities assumed were worth $ 2,931,792.

NOTE 20: MANDATORY REDUCTION OF CAPITAL AND DEFICIT IN WORKING CAPITAL

Accumulated losses at June 30, 2018 exceed more than 50% of the corporate capital and reserves, so the Company falls within the assumption contemplated in Section 94, sub-sect. 5 and Section 206 of Law No. 19550. Section 206 of the General Companies Law establishes the mandatory reduction of capital when this circumstance arises.

ASA has also reported a deficit of $221,981,276 in its working capital at that date (calculated as current assets less current liabilities).

With the aim of reducing the current shortfall of working capital, ASA and its shareholders expect to execute the following action plan to pay the debt held by the Company with RGA, according to the following detail:

i) Approximately $ 91.7 million corresponding to dividends expected to be received from subsidiaries and associates in 2017 and 2018.

NOTE 21: BALANCE OF DEBT WITH RAFAEL G. ALBANESI S.A.

At June 30, 2018 the balance of trade payables and other debts with RGA amounted to $ 113,906,680.

To continue reducing the debt with the related party RGA, the Board of Directors and shareholders expect to execute the action plan detailed in Note 20 with the aim of partially settling it.

NOTE 22: ASA-AISA MERGER THROUGH ABSORPTION

On October 18, 2017, ASA and AISA held the respective Extraordinary Shareholders' Meetings, at which the shareholders of the two companies approved the corporate reorganization process between ASA and AISA ("ASA – AISA merger"), as well as the respective documentation. In addition, at the AISA meeting in particular, the early dissolution without liquidation of AISA as a result of the merger was also approved, and its de-registration as a corporation in due course. The Shareholders' Meeting of ASA approved, within the framework of the merger process, among other issues, an increase in ASA capital from $62,455,160 to $64,451,745, by issuing 1,996,585 new ordinary registered non-endorsable shares in ASA, of $1 par value each and entitled to 1 (one) voting right per share, considering the respective swap ratio, as from the effective merger date (January 1, 2018), delegating to the Board of Directors the power to decide when the new shares will be issued. Furthermore, as a result of that capital increase, it was resolved to approve the amendment to section 4 of the corporate bylaws.

NOTE 22: ASA-AISA MERGER THROUGH ABSORPTION (Cont'd)

The Corporate Reorganization allows to enhance and optimize the performance of the economic activities and the operating, administrative and technical structures of the Participating Companies to achieve synergies and operating efficiency through only one operating unit. Considering that the main line of business of the participating companies is the investment activity and that the companies controlled by them are electric power generating agents in the WEM, their main line of business being the generation and sale of electric power, the Merger will be beneficial for the following reasons: a) the type of business activity of the participating companies, which enables integration and complementation for greater operating efficiencies; b) a simplification of the participating companies' corporate structure by consolidating the companies' activities in only one entity; c) the synergy of the union of the different Group companies will make the exercise of control, management and administration of the energy business more effective; d) the obtainment of a larger scale, permitting to increase the financial ability to develop new projects; e) a better allocation of existing resources; f) benefiting from a centralized administration, unifying the political and strategic decision-making processes in relation to the business, thus eliminating multiple costs (legal, accounting, administrative, financial and other costs); and g) the creation of more career opportunities for the employees of the participating companies. Furthermore, the above-mentioned benefits will be obtained without incurring tax costs, as the Corporate Reorganization will be tax free under the terms of Section 77 and following provisions of the Income Tax Law No. 26839.

On January 11, 2018, through RESFC- 2018--19281-APN-DIR#CNV Resolution, the CNV approved the merger through absorption under the terms of Section 82 of the General Companies Law No. 19550 and the capital increase with the amendment to the bylaws as decided within the framework of the merger. Both procedures were registered with the Superintendency of Commercial Companies on February 23, 2018 under No. 3452 of Book 88, Volume: -, Companies by Shares. Also on that date, the dissolution without liquidation of AISA and its deregistration were registered with the IGJ under No. 3453 of Book 88, Volume: -, Companies by Shares.

NOTE 23: FOREIGN CURRENCY ASSETS AND LIABILITIES

Breakdown of balances in foreign currency of monetary assets and liabilities is as follows:

	06.30.18				12.31.17
	Class and amount in foreign currency		Exchange rate (1)	Amount recorded in pesos	Amount recorded in pesos
				$	
ASSETS					
CURRENT ASSETS					
Banks	USD	63,448	28.75	1,824,134	134,914
Total current assets				1,824,134	134,914
Total Assets				**1,824,134**	**134,914**

(1) Prevailing exchange rate at closing
Information required by Exhibit G, in compliance with Section 1, Chapter III, Title IV of the restated text by the CNV.

NOTE 24: CLASSIFICATION OF RECEIVABLES AND DEBTS BY DUE DATES AND INTEREST ACCRUAL

The breakdown of receivables and debts at June 30, 2018, according to their collection or payment term and restatement clauses, is detailed in the table below:

	Other receivables	Deferred tax assets	Trade payables	Tax payables	Other liabilities	Loans
				$		
To be due						
First quarter	199,034,385	-	439,187	2,615	1,266,182	17,387,504
Second quarter	18,503,696	-	-	-	1,266,182	15,345,082
Third quarter	69,640	-	-	-	1,266,182	-
Fourth quarter	69,640	-	-	-	8,175,360	89,212,997
More than 1 year	24,885,100	11,990,793	-	-	21,923,334	251,803,733
Sub-total	242,562,461	11,990,793	439,187	2,615	33,897,240	373,749,316
No stated from term	-	-	16,245,830	-	291,004,410	-
Total	**242,562,461**	**11,990,793**	**16,685,017**	**2,615**	**324,901,650**	**373,749,316**
Non-interest bearing	242,562,461	11,990,793	16,685,017	2,615	324,901,650	-
At floating rate	-	-	-	-	-	373,749,316
Total at 06.30.18	**242,562,461**	**11,990,793**	**16,685,017**	**2,615**	**324,901,650**	**373,749,316**

NOTE 25: STORAGE OF DOCUMENTATION

On August 14, 2014, the CNV issued General Resolution No. 629 that introduces amendments to its regulations involving storage and preservation of corporate books, accounting records and business documents. The Company keeps and preserves its corporate books, accounting records and relevant business documents at its principal place of business located at Av. L.N. Alem 855, Floor 14, City of Buenos Aires.

Furthermore, it is informed that the Company sent its working papers and non-sensitive information for fiscal years not yet statute-barred to its storage services supplier:

Entity responsible for warehousing of information - Domicile
Iron Mountain Argentina S.A. – Av. Amancio Alcorta 2482, City of Buenos Aires
Iron Mountain Argentina S.A. – San Miguel de Tucumán 601, Spegazzini, Ezeiza.

A detail of the documentation sent for preservation is available at the registered office of that entity, as well as the documentation referred to by article 5, clause a.3), Section I of Chapter V, Title II, of the REGULATIONS (N.T. 2013 as amended).

NOTE 26: SUBSEQUENT EVENTS

On August 1, 2018, Mr. Armando R. Losón was personally involved in a judicial investigation that has recently come to the public's attention, and requested leave of absence for 6 months in his role as Director and Chairman of the Company. Mr. Armando Losón (Jr) has assumed these positions as his replacement.

Subsequently, on August 7, 2018, Mr. Armado R. Losón formally resigned as Director, and Mr. Armando Losón (Jr.) took office as Chairman of the Company.

Neither the Company nor any of the entities of the Albanesi Group is undergoing any process in relation to that investigation. Management of the Company understands that its acts are fully in compliance with applicable laws and regulations. Without prejudice to this, the Company Board of Directors is conducting internal investigations and actions to reaffirm its standards of good corporate governance practices within the Organization.

Additional information required by Section 12, Chapter III, Title IV, of the National Securities Commission regulations, for the three and six-month period ended June 30, 2018

General matters referred to the activity of Albanesi S.A. (the Company)

1. Significant specific legal systems entailing the lapsing or rebirth of contingent benefits set forth by those regulations.

   None.

2. Significant changes in the company business activities or similar circumstances that took place during the fiscal years covered by the financial statements, which affect their comparability with those presented in prior periods, or which could affect comparability with those to be presented in future years.

   None.

3. Breakdown of balances receivable and debts according to their age and due date

   See Note 24 to the condensed interim separate financial statements at June 30, 2018.

4. Breakdown of receivables and liabilities according to the financial impact of maintaining the balances.

   See Note 24 to the condensed interim separate financial statements at June 30, 2018.

5. Companies encompassed by Section 33 of Law 19550:

   Percentage of equity interest in companies encompassed by Sect. 33 of Law No. 19550:

   See Note 6 to the condensed interim separate financial statements at June 30, 2018.

   Interccompany payables and receivables:

   See Note 18 to the condensed interim separate financial statements at June 30, 2018.

6. Trade receivables or loans to directors, syndics, members of the surveillance committee or their relatives in the second degree inclusive.

   See Note 18 to the condensed interim separate financial statements at June 30, 2018.

7. Frequency and scope of the physical inventory of materials and spare parts.

   The Company has no physical inventory of materials and spare parts.

Current values

8. Source of the data used in calculating the current values for the valuation of inventories, property, plant and equipment, and other significant assets.

   Not applicable.

Property, plant and equipment

9. Release of the Reserve for technical revaluation when part of it had been previously reduced to absorb losses.

   None.

10. Value of unused Property, plant and equipment due to obsolescence.

   None.

Equity interest in other companies

11. Interests in other companies in excess of the limit authorized by Section 31 of Law No. 19550.

   See Note 6 to the condensed interim separate financial statements at June 30, 2018.

Recoverable values

12. Criteria followed to determine significant recoverable values of Property, plant and equipment and Material and spare parts, applied as a limit to their accounting valuation.

   None.

Insurance

13. Insured items:

Below is a detail of insured amounts by Albanesi S.A. and its subsidiaries

Kind of risk	Insured amount 06-2018	Insured amount 12-2017
Operational all risks - Material damage	USD 796,945,092	USD 675,345,092
Operational all risk - Loss of profit	USD 191,793,143	USD 150,237,090
Contractors' all-risk - enlargement of power plants - material damages	USD 246,355,269	USD 179,937,714
Contractors' all-risk - Enlargement of power plant - advance loss of profit (ALOP)	USD 91,811,755	USD 69,400,838
Civil Liability (primary)	USD 11,000,000	USD 10,000,000
Civil Liability (excess coverage)	USD 18,000,000	USD 9,000,000
Directors and Officers (D&O) liability insurance	USD 30,000,000	USD 15,000,000
Transport Argentine and international market	USD 20,000,000	USD 10,000,000
Automobile	$ 4,389,140	$ 2,056,000
Personal accidents	$ 1,050,000	$ 1,050,000
Personal accidents	USD 500,000	USD 500,000
Directors' bond	$ 1,900,000	$ 1,950,000
Customs bond	$ 463,852,406	$ 512,335,306
Financial advances bond	$ 175,150,000	$ 175,150,000
Contract execution bond	$ 900,000	$ 11,266,549
ENES Bond	$ 688,680,926	$ 900,109,665
Bond for commercial authorization of projects	$ 1,103,290,250	$ 1,183,048,020
Bond to secure offer maintenance in projects	-	$ 81,998,045
Judicial bond	$ 31,421,169	$ 10,705,473
Environmental insurance	$ 63,201,808	$ 18,262,245
Technical equipment insurance	USD 345,665	USD 256,683
Life insurance - mandatory life insurance	$ 110,000	$ 44,330
Life - mandatory group life insurance (LCT, employment contract law)	Disability: 1 salary per year Death: 1/2 salary per year	Disability: 1 salary per year Death: 1/2 salary per year
Life - Additional group life insurance	24 salaries	24 salaries

Insurance is bought at market values, which widely cover accounting values.

Operational all-risk:

All-risk insurance covers all the risks of loss or physical damage caused to property owned by or under the charge of the insured while situated in the place(s) described in the policy, provided that such damage occurs accidentally, suddenly or unexpectedly, and makes it necessary to repair and/or replace such property as a direct consequence of any of the risks covered by the policy. This policy includes coverage for loss of profit, with the aim of covering the losses caused by the interruption of the activities as a result of the accident, both as regards the profit that is no longer obtained and the expenses the Company continues to bear despite its inactivity, such that the insured may be in the same financial situation as if the accident had not occurred.

Contractors' all-risk and ALOP:

Contractors' all-risk insurance covers all accidental or unforeseeable damages occurred during the execution of a civil work, including damages caused by acts of God, provided they are not expressly excluded in the policy.

Regarding coverage for delay in start-up (Alop), the expected margin of the business for the sale of energy and power is insured, discounting variable costs during the period of repair or replacement of the event occurred.

Civil liability:

The Company has taken out insurance coverage for underlying civil liability of the insured, as a result of injuries and/or death of third parties and/or damages to property of third parties, caused and /or derived from the development of the insured activity, subject to the terms, conditions, limitations and exclusions contained in the policy.

Said coverage is structured as follows:

Individual policies were taken out for each of Albanesi Group companies, with a maximum compensation of USD 1,000,000 per event and two reinstatement clauses over the life of the policy.

In addition, an insurance policy common to all Group companies has been taken out with a compensation limit of USD 9,000,000 per event and over the life of the policy in excess of USD 1,000,000 (individual policies), with two limit reinstatements.

Directors and Officers (D&O) liability insurance

This policy covers all actions or decision-making of directors and/or executives as such, outside the professional service or company where they work; for example, dismissal of employees, hirings, financial, advertising and marketing decisions, mergers or acquisitions, shareholders' statements, accounting records, which may be performed with negligence or fault, error or imprudence and cause an economic damage to an employee, shareholder or third party. It does not cover fraudulent activities.

The policy also provides coverage to the company against claims related to stocks or securities or claims filed by the holders of its shares or bonds.

It covers the personal equity of present, past or future directors and/or executives, and the company's exposure to capital market issues.

Transport insurance:

The Company has an insurance policy that covers transportation of all generators of Albanesi Group under the modality of sworn statement to be presented monthly in arrears. It covers losses or damages of goods of the insured as a result of its mobilization during transportation, which may be international, national or urban, either by land, air or sea.

Personal accidents insurance:

Covers death and disability risks and medical attention and pharmaceutical expenses resulting from work-related accidents.

Automobile insurance:

This insurance covers the damage to own vehicles as well as extra-contractual civil liability of the owner, user or driver of the automobile involved in an accident where third parties are injured or die.

Directors' qualification bond:

It is the guarantee required by the General Companies Law (Law 19550, Section 256, paragraph 2) from directors of corporations and members of the administrative bodies of other companies (LLC, joint stock company). This bond protects the Company against non-compliance with obligations by Directors or Managing partners while performing their duties.

Customs Guarantees:

Temporary imports: this guarantee avoids the payment of pertinent duties for the entry of goods into the country, provided that they are exported in a term determined, at which time the guarantee is released.

Temporary export: the amount of pertinent duties are guaranteed for the export of those exported goods which will be re-imported.

Financial bond:

It guarantees that the money received by the customer on account of advance, will be applied to the effective compliance with the contract agreed upon .

Contract execution bond:

It guarantees the compliance with all the obligations established in the contract and in the specifications of the call for bids. This policy has unlimited duration; it is released when returned or upon the provisional reception of the work without observations.

Environmental bond:

The environmental bond for damage with group incidence covers the environmental bond established by the General Environmental Law No. 25675, Section 22, as required by the enforcement authorities.

Bond to secure offer maintenance in projects:

It guarantees the offer maintenance and signing of the contract in the time and manner required by law and bidding rules.

Judicial bond:

Insurance bond for judicial guarantees provides litigants with an appropriate means to guarantee their procedural obligations when the respective Code so requires.

These coverages apply both in cases in which the judge hearing the case has ordered the lock of a provisional remedy, and in those in which the constitution of a counterbond has been arranged: replacement of provisional remedies : the provisional remedy can be substituted by the defendant in a lawsuit through this policy, thereby releasing the equity affected by such measure.

Counterbond: it is the guarantee that must be provided by the person who has requested the lock of a provisional remedy to guarantee the damages that may arise in case of having requested it without right.

Mandatory life insurance:

The employer must take out mandatory life insurance coverage for its employees. It covers the risk of death of worker in an employment relationship, for any cause, without limitations of any kind, 24 hours a day, in or outside the country. The insured amount is $33,330, as established by the National Insurance Superintendency.

Life insurance (LCT, employment contract law):

This insurance covers underlying obligations from the Employment Contract Law, if the company has to pay compensation in case of a total and permanent disability or death of the employee, whichever the cause.

Group Life insurance:

The Company has taken out a group life insurance policy, on behalf of all Albanesi Group employees. It grants compensation in case of death, double severance pay in case of accidental death, partial losses due to accident, advances for terminal diseases, organ transplant and birth of child after the employee's death.

<u>Positive and negative contingencies</u>

14. Elements considered to calculate provisions whose balances, considered individually or in the aggregate, exceed 2% of the equity.

    There have not been changes in the issues previously reported.

15. Contingent situations not accounted for at the date of the financial statements.

    None.

<u>Irrevocable advances on account of future subscriptions</u>

16. Status of the capitalization procedure.

    None.

17. Unpaid cumulative dividends on preferred shares.

    None.

18. Conditions, circumstances or terms for the removal of restrictions on the distribution of unappropriated earnings.

    See Note 16 to the condensed interim separate financial statements at June 30, 2018.

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REVIEW REPORT ON THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Albanesi S.A.
Legal address: Av. L.N. Alem 855, 14th Floor
Autonomous City of Buenos Aires
Tax Code No. 30-68250412-5

Introduction

We have reviewed the accompanying interim condensed separate financial statements of Albanesi S.A. (hereinafter, "the Company") which comprise the separate statement of financial position at June 30, 2018 and the separate statement of comprehensive income for the six and three-month period ended June 30, 2018, the separate statements of changes in equity and of separate cash flows for the six-month period then ended, and the selected explanatory notes.

The balances and other information corresponding to the fiscal year 2017 and to its interim periods are an integral part of the financial statements mentioned above; therefore, they must be considered in connection with these financial statements.

Board's responsibility

The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and included by the National Securities Commission (CNV) in its regulations, as approved by the International Accounting Standards Board (IASB), and is therefore responsible for the preparation and presentation of the interim condensed separate financial statements mentioned in the first paragraph, in accordance with International Accounting Standard 34 "Interim Financial Information" (IAS 34).

Scope of our review

Our review was limited to the application of the procedures established by International Standards on Review Engagements ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity", adopted as a review standard in Argentina through Technical Pronouncement No. 33 of the FACPCE, as approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries of the Company's personnel responsible for preparing the information included in the interim condensed separate financial statements and performing analytical and other review procedures. This review is substantially less in scope than an audit examination conducted in accordance with international standards on auditing and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the separate financial position, the separate comprehensive income and the separate cash flows of the Company.

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Conclusion

On the basis of our review, nothing has come to our attention that make us to believe that the interim condensed separate financial statements mentioned in the first paragraph of this report have not been prepared, in all material respects, in accordance with International Accounting Standard 34.

Report on compliance with regulations in force

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

a) the interim condensed separate financial statements of Albanesi S.A. are transcribed into the "Inventory and Balance Sheet" book and as regards those matters that are within our competence, they comply with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;

b) the interim condensed separate financial statements of Albanesi S.A. arise from accounting records carried in all formal aspects in accordance with legal requirements;

c) we have read the informative report additional information to the notes to the interim condensed individual financial statements required by article 12,Chapter III, Title IV of the regulation of the National Securities Commission, on which we have no observation to make insofar as concerns matters within our field of competence;

d) as of June 30, 2018, there is no debt accrued in favor of the Argentine Integrated Social Security System;

City of Buenos Aires, August 9, 2018

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Raúl Leonardo Viglione

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Report of the Syndics' Committee

To the Shareholders of
Albanesi S.A.

1. Pursuant to the provisions of section 294 of the Law 19550 and National Securities Commission regulations, we have reviewed the accompanying interim condensed separate financial statements of Albanesi S.A. (hereinafter, "the Company") which comprise the statement of financial position at June 30,2018, the statement of comprehensive income for the six and three-month period ended June 30,2018, the statements of changes in equity and of cash flows for the six-month period then ended, and the selected explanatory notes. The balances and other information corresponding to the fiscal year 2017 are an integral part of the financial statements mentioned above; therefore, they must be considered in connection with these financial statements.

2. The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and included by the National Securities Commission (CNV) in its regulations, as approved by the International Accounting Standards Board (IASB), and is therefore responsible for the preparation and presentation of the interim condensed separated financial statements mentioned in paragraph 1, in accordance with International Accounting Standard 34 "Interim Financial Information" (IAS 34). Our responsibility is to express a conclusion based on the review performed with the scope detailed in paragraph 3.

3. Our review was carried out in accordance with standards applicable to syndics. Those standards require that the procedures established in Technical Pronouncement No. 33 of the Argentina Federation of Professional Councils in Economic Sciences for limited reviews of interim financial statements be performed, and include verifying the consistency of the documents reviewed with the information on corporate decisions disclosed in minutes and the conformity of those decisions to the law and by-laws insofar as concerns formal and documentary aspects. To fulfill our professional duties, we have reviewed the work done by the external auditors, Price Waterhouse & Co. S.R.L., who issued their limited review report on the condensed interim statements at the same date as this report without observations. A review of interim financial information consists of making inquiries of the Company's personnel responsible for preparing the information included in the interim condensed separate financial statements and performing analytical and other review procedures. This review is substantially less in scope than an audit examination conducted in accordance with international standards on auditing and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the financial position, the comprehensive income and the cash flows of the Company. We have not assessed the administrative, financing, marketing or operating business criteria as these matters fall within the exclusive competence of the Board of Directors and Shareholders' meeting.

4. As indicated in Note 2, the interim condensed separate financial statements mentioned in paragraph 1 have been prepared in accordance with International Accounting Standard 34.

5. Based on our review, we are not aware of any significant modification to be introduced to the interim condensed separate financial statements mentioned in paragraph 1, for their presentation in accordance with the pertinent regulations of Law No. 19550, the National Securities Commission and standards mentioned in paragraph 2.

6. The provisions of Section 294 of the Law No. 19550 have been duly fulfilled.

Autonomous City of Buenos Aires, August 9, 2018

Enrique O. Rucq
Full Syndic
For the Syndics' Committee