TRANSPORTADORA
DE GAS DEL NORTE S.A.

Financial statements as of December 31, 2014 presented in thousands of pesos and in a comparative format

Transportadora de Gas del Norte S.A.

INDEX

Transportadora de Gas del Norte S.A.

Legal address: Don Bosco 3672 - 3rd floor - Autonomous City of Buenos Aires.

FINANCIAL STATEMENTS for the fiscal year ended on December 31, 2014, presented in a comparative format.

Main activity of the Company: provision of the natural gas carriage utility service.

Date of registration with the Public Registry of Commerce: December 1st, 1992.

Registration number with the Superintendency of Corporations: 11,667 - Book 112 - Tome A of Corporations.

Amendments to by-laws registered with the Public Registry of Commerce: March 7, 1994; June 9, 1994; July 5, 1994; February 14, 1995; August 9, 1995; June 27, 1996; December 23, 1996; September 20, 2000; July 7, 2004; August 24, 2005 and August 18, 2006.

Date of expiry of Company's by-laws: December 1st, 2091

Controlling shareholder: Gasinvest S.A.
Legal address: Roque Sáenz Peña Av., 938 - 3rd floor - Autonomous City of Buenos Aires.
Main activity: investments in securities, real estate and financial activities.
Percentage of shares held by the controlling shareholder: 56.354%.
Percentage of votes held by the controlling shareholder: 56.354%.

Capital status (Note 14)

Type of shares	Subscribed and paid in	
	12.31.14	**12.31.13**
	Thousands of $	
Ordinary, book-entry class A shares, of $ 1 par value each and entitled to one vote per share	179,264	179,264
Ordinary, book-entry class B shares, of $ 1 par value each and entitled to one vote per share	172,235	172,235
Ordinary, book-entry class C shares, of $ 1 par value each and entitled to one vote per share	87,875	87,875
Total	**439,374**	**439,374**

TRANSPORTADORA DE GAS DEL NORTE S.A.

To the Shareholders of Transportadora de Gas del Norte S.A.

In compliance with the legal and by-law provisions in force, the Board of Directors of Transportadora de Gas del Norte S.A., hereinafter called “TGN” or “the Company”, submits for the shareholders' consideration the Annual report, the Report on the Code of Corporate Governance, Summary of Information, Balance Sheet, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Statement of Cash Flow, Notes and the Additional information to the notes required by Section 68 of the Buenos Aires Stock Exchange Listing Rules, by Title IV, Chapter III, Sections 1st and 12 of the National Securities Commission (“CNV”) regulations corresponding to the twenty-third fiscal year beginning on January 1st, 2014 and ending on December 31, 2014, whose information must be read, analyzed and interpreted jointly so as to have a comprehensive vision of the relevant corporate issues for the fiscal year.

BOARD OF DIRECTORS AND STATUTORY AUDITORS´ COMMITTEE

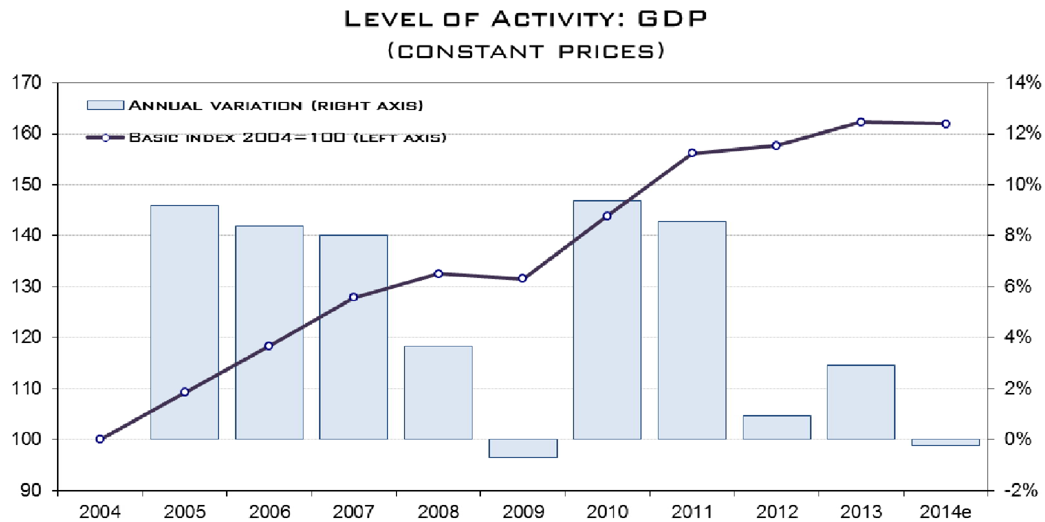
Regular directors:	**Alternate directors:**
Santiago Marfort (President)	Bernardo Andrews
Emilio Daneri	Carlos Firpo
Néstor Raffaeli	Juan Pablo Freijó
Ricardo Markous	Ignacio Casares
Eduardo Calvo	Diego Bueno
Héctor Page	Carlos Rabuffetti
Jorge Casagrande	Philippe Dupuis
Marisa Basualdo	Mathieu Malichecq
Rubén Nasta	Nicolas Poulteney
Fernando Bonnet	Héctor Sergio Falzone
Marcelo Brichetto	Leonardo Fernández
Pablo Lozada	Marco Quiroga Cortínez
Claudio Hirschler	Gustavo Kopyto
Pablo Benchimol	-

Regular statutory auditors´ committee:	**Alternate statutory auditors´ committee:**
Juan José Valdez Follino	Andrea Barbagelata
Julio César Abínzano	Alberto Luis Tessadro
Juan Carlos Pitrelli	-

ANNUAL REPORT OF TRANSPORTADORA DE GAS DEL NORTE S.A. CORRESPONDING TO THE TWENTY-THIRD FISCAL YEAR BEGINNING ON JANUARY 1ST, 2014 AND ENDING ON DECEMBER 31, 2014.

1 - ECONOMIC CONTEXT

During 2014, international economy recorded a growth level of approximately 3.3%[1]. High-income countries grew at an average of 1.8%, while emerging countries reached an average growth of 4.4%. In this context, official estimates for Argentine Republic for 2014 project a variation in the Gross Domestic Product ("GDP") close to 0%.



Source: Prepared by the Company, based on INDEC data.

Data for 2014 regarding the trade balance show a drop of the commercial surplus of approximately around 17%. The decrease in exports reached 12%, mainly in the sectors of manufactured goods of industrial origin and primary products. Lower imports (11%) correlate with a decline in those related to accessories for capital goods.

2014 ends with a marked decrease in oil price, accumulating 36.4% in the last quarter and reaching 59.3 US$/barrel as of December 31, 2014, which will have a strong impact on both global economy and local industry during 2015.

As to the evolution of prices, the National Institute of Statistics and Census ("INDEC") reported for 2014 an increase of 23.9% in consumer prices and 28.3% in wholesale prices. Meanwhile, the salary index recorded an increase of 32.3%. The exchange rate was devalued by 22.8% in January 2014, while along the remainder of the year there were minor adjustments that took the exchange rate to 8.55 $/US$ at the end of 2014, thus recording an annual depreciation of 31.1%[2].

In the first half of the year, the National Government continued with actions aimed at approaching international markets. Thus, having certain differences been settled before the International Centre for Settlement of Investment Disputes ("CIADI") in 2013, in February 2014 an agreement was entered into with the Spanish company Repsol, to determine the compensation for the expropriation of YPF S.A. ("YPF") executed in April 2012. Further, in May 2014 a payment agreement was achieved with the Paris Club, related to the defaulted debt. However, in June 2014 a ruling from the United States Supreme Court of Justice was confirmed (in connection with the creditors that had not entered into the sovereign debt swap performed in 2005), which provided that payment to bond holders that entered into the swap is restricted until the plaintiffs are paid the adjusted amount of principal and interest. As a result, and in spite of the fact that Argentine Republic issued a payment order for all the debt falling due, the payments were not received by most of the bond holders (with certain exceptions determined by the judge of the case).

The increase in the prices and salaries indexes and the devaluation of the exchange rate, as mentioned above, had a strong impact on the results of TGN, to the point that fiscal year 2014 records a negative gross margin of $ 47 million. Operating costs of TGN increased an average 30% in 2014, as compared with fiscal year 2013.

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[1] *World Economic Outlook (FMI).*
[2] *According to data from Banco de la Nación Argentina.*

2 - THE GAS INDUSTRY IN ARGENTINE REPUBLIC

In Argentina, natural gas, unlike it occurs in other countries in the region, is the main source of energy for consumers and it accounts for over 50% of the power grid.

Prime energy supply by source (2013) [%]

	Oil	Natural gas	Coal	Nuclear energy	Hydro-electricity	Renewable sources	TOTAL [%]
USA	36.7	29.6	20.1	8.3	2.7	2.6	100
Canada	31.1	28.0	6.1	6.9	26.6	1.3	100
Mexico	47.7	39.6	6.6	1.4	3.3	1.4	100
Total North America	**36.8**	**30.1**	**17.5**	**7.7**	**5.6**	**2.3**	**100**
Argentina	34.8	51.1	0.8	1.6	10.9	0.8	100
Brazil	46.7	11.9	4.8	1.2	30.7	4.7	100
Chile	50.7	11.3	21.3	-	12.8	3.9	100
Colombia	36.5	25.4	11.3	-	26.4	0.4	100
Ecuador	78.8	3.7	-	-	17.0	0.5	100
Peru	46.0	27.2	3.8	-	21.9	1.1	100
Trinidad & Tobago	8.4	91.6	-	-	-	-	100
Venezuela	43.7	33.2	0.3	-	22.8	-	100
Others South & cent. America	64.2	7.8	2.3	-	23.0	2.7	100
Total South & Cent. America	**46.3**	**22.5**	**4.3**	**0.7**	**23.5**	**2.7**	**100**

Source: BP Statistical Review of World Energy.

In late 2013 (latest published data) the proven natural gas reserves amounted approximately to 328 thousand MMm3 and, as of that date, the reserve horizon was 7.9 years, considering the production of that year.

NATURAL GAS – Reserves as of December 2013 and production as of December 2014 [MMm3**]**

Basin	Proved reserves	Probable reserves	Proved +50% Probable	Production
Austral	110,655	66,336	143,823	10,015
San Jorge Gulf	47,849	18,653	57,176	5,302
Neuquén	138,960	53,853	165,887	23,217
Northwest	30,052	2,978	31,540	2,893
TOTAL ARGENTINA	**327,516**	**141,820**	**398,426**	**41,427**

Source: National Secretariat of Energy

Since the privatization of the natural gas utility in late 1992 and until 2014, an accumulated growth of approximately 109% in the domestic consumption of the fluid was recorded, with a relevant 265% growth in the demand for compressed natural gas (“CNG”) and 67% growth in industrial consumption. The electric generation segment also recorded an important growth of 148%, due to the intensification of electric energy consumption and to the growth of the thermoelectric park.

Domestic gas consumption (1) – [MMm3/day]

	1993 to 1997 (5)	1998 to 2002 (5)	2003 to 2007 (5)	2008 to 2012 (5)	2013	2014 (6)
Residential (2)	16.4	18.9	22.0	27.2	31.6	30.6
Commercial	2.5	2.8	3.1	3.5	3.9	3.6
Industrial (3)	20.9	23.0	27.7	29.4	30.0	30.4
Electric generators	19.8	25.6	29.2	35.6	39.6	40.4
CNG	2.8	4.7	8.1	7.4	7.6	7.6
Official entities	0.9	0.9	1.1	1.2	1.2	1.2
RTP + Patagonian gas pipelines (4)	8.5	10.7	18.9	18.1	15.7	17.2
Subtotal for commercial use	**71.8**	**86.6**	**110.1**	**122.4**	**129.6**	**131.0**
Consumption at field and withheld at gas pipeline	8.4	13.3	15.7	17.7	17.1	17.3
Total consumption	**80.2**	**99.9**	**125.8**	**140.1**	**146.7**	**148.3**

(1) Includes: Off System, commercial by-pass and physical by-pass.
(2) Includes Sub-distributors.
(3) Does not include Cerri Plant included in In-plant Thermal Reduction (“RTP”).
(4) Considers consumption of RTP (Mega, Refinor, Cerri, Tierra del Fuego, etc.) and Patagonian gas pipelines.
(5) Five-year average.
(6) Year 2014, estimated with actual values until October.

Sources: ENARGAS and National Secretariat of Energy.

Residential and commercial consumption of natural gas increased at a yearly average of 4.0% during the last five years. For the industrial sector, consumption showed ups and downs until 2012, and there was a recovery of 5.8% and 1.4% in 2013 and 2014, respectively. As for CNG, consumption has been growing in an average 0.3% a year since 2011. Gas consumption for the generation of power recorded variations until 2012 and minimal increases of around 1.6% and 1.8% in 2013 and 2014, respectively, mainly due to a higher temperature in winter and lesser demand of electric power in the residential customer segment.

The National Government entered into agreements for importing natural gas from the Plurinational State of Bolivia, which represent 10.6% of the total volume consumed in 2013 and 11.1% for 2014. In addition, in 2008 a regasification ship for liquefied natural gas (LNG) was connected at the Bahía Blanca node (Province of Buenos Aires) and its supply of gas injections during all these years contributed to a certain extent to cover for the decrease in domestic supply. In order to reinforce the supply to the winter peak demand in the areas of Greater Buenos Aires and Autonomous City of Buenos Aires, a second regasification ship was installed in the district of Escobar (Province of Buenos Aires) in 2011, which injects gas into premises operated by YPF, which in turn connected to Argentine Republic´s main gas pipeline system. Both regasification operations in Escobar and Bahía Blanca represented 11.3% and 11.0% of the total volume of gas consumed in Argentina in 2013 and 2014, respectively.

3 - REGULATORY ASPECTS

The Public Emergency Law

As provider of an essential utility, TGN is subject to state regulation based on Law No. 24,076 ("Natural Gas Act"), which is enforced by ENARGAS. In January 2002, the Public Emergency and Exchange Regime Reform Law N° 25,561 (“LEP”) unilaterally modified the rate regime established in the license agreements executed in 1992 between the National Government and the licensees providing natural gas carriage services and distribution within the framework of the Natural Gas Act, by establishing the rates in pesos and ceasing the twice-yearly adjustment by the Producer Price Index. The LEP authorized the National Executive Branch (“PEN”) to renegotiate public utility contracts, taking into account the following criteria: 1) the impact of the rates on the economy's competitiveness and on the distribution of income; 2) the quality of the services and the investment plans, when contractually established; 3) the interest of the users and the accessibility of the services; 4) the safety of the systems included, and 5) company profitability. The LEP also established that utility companies could not suspend or alter the fulfillment of their obligations. The National Congress postponed putting LEP into effect until December 2015.

Renegotiation of the License

In 2002, the PEN created an ad-hoc Committee and started the renegotiation process, for which it set a work schedule that was to be completed in June 2002 with the execution of renegotiation agreements. Although TGN submitted all the information that was requested, the committee failed to meet its objectives, and was replaced by the Unit for the Renegotiation and Analysis of Public Utility Contracts, known as UNIREN, in July 2003.

Since then and up to the end of fiscal year 2014, no relevant progress was made in this process. The temporary rate increase of 20% agreed upon by TGN with the national authorities in October 2008 and ratified by presidential Decree in April 2010 only started to apply in gradual steps, with an 8% in April 2014 to reach 20% in August of that year. Although this rise (the first one since July 1999) is favorable, it is far from complying with the rate standards of current legislation, it does not revert the continuous operating losses recorded by the Company for the last sixteen consecutive quarters and it is discriminatory when compared with the rises allowed for other gas licensees. In contrast, since 2001 the average costs have increased by more than 870% for TGN. While TGN was able to keep up providing the public utility service, this was at the expense of its decapitalization. The present condition is not sustainable; it urges that the National Executive Branch restores the economic and financial equation for the License.

No assurance can be provided that the outcome of the renegotiation will effectively restore the License to balance through a fair and reasonable rate which would indemnify TGN for the damages suffered as a consequence of the LEP.

TGN considered that the main obstacle that prevented a comprehensive License renegotiation agreement to date was the National Governmet's requirement on adding an indemnity clause in its favor, which would transfer to TGN the effects of judgments or arbitration awards which, with regard to its License, shall condemn Argentine Republic to pay indemnifications based on the effects of LEP. However, in 2004 a gas distribution licensee that did not accept giving such indemnity was granted a significant rate adjustment.

Compensation for damages

In 2011, TGN filed an administrative claim with the national authorities for damages it considers to have suffered as a consequence of the pesification of rates established by LEP and the subsequent freezing of rates that persists since the enactment of this law. The claim filed was aimed at protecting TGN's rights, which may otherwise be affected during the period of limitation. Given the silence of the national authorities and the termination of the claim due to time elapsed, in October 2012 TGN filed a suit against the National Government seeking compensation for damages suffered by it from January 1, 2006 through December 31, 2011 (reserving its right to extend the period) as a consequence of the pesification of rates established by LEP and the subsequent freezing of rates (see Note 18.1.7 to the financial statements as of December 31, 2014). However, TGN intends to continue to participate in the License renegotiation process, in accordance with the procedure established by Decree 311/03 and complementary regulations.

Intervention ordered by ENARGAS

The intervention in TGN established by ENARGAS in December 2008 (limited to an oversight through a provisional relief issued in March 2009) as a consequence of the Board of Directors' decision to postpone payment of the principal and interest installments of the Company´s financial loans that came due in December 2008 and the subsequent maturity dates still continues. Throughout this period, TGN continued to provide the public utility service for which it is responsible in a fully normal manner and without affecting its customers. The Company, having restructured its financial liabilities, considers that there would be no grounds to maintain the mentioned oversight.

4 - FINANCIAL SITUATION

In view of the continuing deterioration of the Company's economic and financial equation as a result of the freezing of rates, the fall in revenues from gas carriage for export and the increase in operating costs, in December 2008 TGN suspended the payment of its financial debt to prioritize the safe and reliable provision of its public utility natural gas carriage service, to adhere to the going concern principle and to ensure the equal treatment of all its financial creditors.

As from that moment, the Company started a process of restructuring its financial liabilities, which concluded in March 2014 with a repurchase of the Class A and B negotiable obligations for a nominal value of US$ 5.8 million. However, and taking into account the rate situation, the restructured liabilities of TGN were rated as "*CCC (arg)*" because they imply a highly vulnerable credit risk as compared with other issuers or corporate bonds issued in Argentine Republic.

5 - TGN'S ACTIVITY

With a 6,683-km gas pipeline network, TGN provides the service of natural gas carriage via high-pressure gas pipelines in the northern and central-western regions of Argentine Republic.

Through its two trunk gas pipelines, the *North*ern and *Central West*, TGN supplies eight of the nine gas distributors and many electricity generators and industries across fifteen Argentine provinces. The TGN system connects to the "*GasAndes*" and "*NorAndino*" gas pipelines, opportunely built in order to carry gas to the center and north of Chile, respectively; to the Entre Ríos Gas Pipeline, which carries gas to the Province of Entre Ríos and the Uruguayan coastal zone; and to the gas pipeline of Transportadora de Gas del Mercosur S.A.

Since the beginning of its operations in 1992, TGN has expanded its carrying capacity, with own and third-party contributions, from the gas pipeline intake from 22.6 MMm3/d to 57.6 MMm3/d, which is an increase of 155%. These expansions, as well as numerous system maintenance and reliability works, required investments by TGN of approximately US$ 1,240 million.

In physical terms, the expansions by TGN required the installation of 1,323 km of new gas pipelines, the construction of five new compressor plants, and the installation of fourteen turbo-compressor units, which added an installed power of 150,000 HP.

Resolution N° 185/04 of the Ministry of Federal Planning, Public Investment and Services ("MPFIPyS"), issued under Decree N° 180/04, established a Gas Trust Program organized by the National Secretariat of Energy for the purpose of financing infrastructure works for the carriage and distribution of natural gas. Under this program, TGN currently and solely acts as Technical Manager of the project for works defined by the National Energy Secretariat and ENARGAS. Up to December 31, 2014, works were placed in service under this program, attaining a total incremental capacity displacement in the Northern gas pipeline from the gas pipeline intake at Campo Durán for 6.0 MM3/d to the designed points of delivery. At present, certain works approved by ENARGAS for some milestones are being performed which will enable, first, to complete the total of the incremental capacity to 7.0 MMm3/d and also to add 4.5 MMm3/d above the previous amount to the Northern gas pipeline on the same transport route.

As to the Central Western gas pipeline, the works approved and adaptations at the Beazley compressor plant will soon be placed into service, which will enable to increase by 2.337 MMm3/d the carrying capacity from the La Mora compressor plant to the La Dormida measurement station. These works complement those timely placed into service during 2008 (28.4 km of 24"), that allowed to increase the carriage volume in 1.404 MMm3/d between Beazley compressor Plant and La Dormida measurement station.

At fiscal year-end, the Company's firm carriage contracts from the gas pipeline intakes totaled 51.58 MMm3/d, 23.23 MMm3/d of which corresponded to the Northern gas pipeline and 28.35 MMm3/d to the Central Western gas pipeline. Due to the demanding operating conditions that have characterized the last years, it is worth mentioning the Company's role in the modernization and enhancement of its assets, which contributed to the quality and reliability of the natural gas carriage service for large sectors of the economy.

6 - MAIN OPERATIONAL ISSUES

Gas carriage

The annual volume received by TGN in the Northern and Central Western gas pipelines was lower than in 2013, reaching an approximate value of 15,000 MMm3 during fiscal year 2014. Average injection in the Neuquén basin was similar to that of 2013, reaching a daily average of 18.77 MMm3/d. In the case of the Northern gas pipeline, injection by local producers decreased from 6.92 MMm3/d to approximately 6.0 MMm3/d, while the gas injection from the Plurinational State of Bolivia reached an average of 16.5 MMm3/d with a daily peak of 19.6 MMm3/d. LNG injection at the town of Escobar (Province of Buenos Aires) reached an average of 7.3 MMm3/d during 2014.

In 2014 the volume carried for export injected to the "Gas Andes", "Gas Pacífico" and "Colón-Paysandú" gas pipelines was 5.5 MMm3, which represents a marked decrease as compared with the 33.2 MMm3 recorded in 2013. As for the "Norandino" gas pipeline, there was no transport for export during 2014. Between March and May, 2014, carriage towards Transportadora de Gas del Mercosur S.A.´s gas pipeline intake (located in Aldea Brasilera, Province of Entre Ríos) was approved and totalized 67.6 MMm3 during that period.

As occurred since 2007, the main feature of gas dispatch operations has been the active presence and participation of the ENARGAS' officers in making decisions. During 2014 the "Procedure for Gas Requests, Confirmations and Control" issued by the ENARGAS through Resolution I 1410 – 2010 continued.

Integrity of installations

The most relevant aspects related to the integrity of installations carried out in 2014 were as follows:

- The annual cathodic protection indicator required by ENARGAS was met, with positive results in two audits conducted in 2014.

- The programs for in-line inspection of gas pipelines were complied with. Within the *Stress Corrosion Cracking program* ("SCC"), the Company continued using a new technology for in-line inspection: EMAT (Electromagnetic Acoustic Transducer), developed to detect this phenomenon inside gas lines, and used in other gas carriage companies around the world. This tool for in-line inspection allows for determining the existence of cracks due to stress corrosion and also other in-plane defects (delaminations, lack of fusion in welds, etc.) and the features and adherence of the gas pipeline coating in all places. In 2014, in-line inspection was performed for Sections 4, 9 and 12 of the 24" Northern trunk gas pipeline (on the first 60 km of each section). With the findings from the inspection and the pertinent field evaluations, the presence of cracks due to stress corrosion was detected in section 4 of the gas pipeline, which was corrected by changing the pipes.

- Implementation of the Damage Prevention Program based on the API 1162 standard continued, with emphasis on public diffusion by means of informative meetings for different audiences, and also strengthening the mutual relationship with other companies in this sector.

- Due to two gas pipeline breakages in 2014, one in the town of Lumbreras (Province of Salta) and another in the town of Pilar (Province of Córdoba), some extraordinary actions were taken in addition to the routine for maintenance and technical-operative control, together with preventative limitation to the operating pressure in certain sections of the system, until the specific studies are completed.

Gas pipeline engineering

The most significant developments in the area of gas pipeline engineering carried out in 2014 were as follows:

- At the request of ENARGAS and exercising technical police powers for the placement in service of the Vuelta de Obligado thermoelectric station in the town of Timbúes, Province of Santa Fe, TGN made it possible for this power station to be incorporated into the Argentina interconnected electricity network.

- Progress was made in the fire detection and extinguishing system fitting project at several compressor plants.

Operation and maintenance

The most relevant aspects related to the operation and maintenance carried out in 2014 were as follows:

- Insourcing of activities increased and others started during the previous fiscal year were consolidated, thus achieving important savings in some tasks. Among these tasks, the most outstanding is that the Company's own personnel took part in the in-line inspection of certain sections of the Northern gas pipeline, the development of "*overhauls*" for the *Ruston* equipment, the cushions replacement in a *Solar Mars 100* turbine, the updating of equipment control panels and maintenance of gas pipeline in certain Sections.

- Other tasks also performed with Company´s own personnel were: (i) the upgrade of the control boards of six motor compressors at the Miraflores plant; and (ii) in the area of communications, the deployment and put into service of 70% of the "Western Connection".

- Regarding the availability and reliability of gas pipelines and compressor plants, TGN has been complying with the pertinent quality indicators.

- An intense revision and training program in relation to "*Internal procedures"* for execution of operation and maintenance activities was developed for the personnel.

7 – COMPROMISE AND SETTLEMENT AGREEMENTS WITH CUSTOMERS – PENDING CONTROVERSIES WITH EXPORT CUSTOMERS

In 2004 and considering the increase in domestic demand for gas and the simultaneous drop in production and reserves, the National Government adopted measures that are still in force to ensure that the natural gas supply is first allocated to meet local demand. This involved restrictions on gas exports, which significantly affected the sales of gas carriage services for foreign destinations and caused a continuing fall in the utilization of the related firm gas carriage.

Although TGN was able to enter into agreements with some foreign customers for the early termination of carriage contracts in exchange for economic compensation (which nevertheless have an ultimate negative effect on its expected cash flows), two legal actions against YPF and the Chilean gas distributor Metrogas S.A., which are described in Note 18 to the Company's financial statements as of December 31, 2014, remain unsettled.

8 - QUALITY, SAFETY AND ENVIRONMENT

TGN's commitment to quality, safety and environment was reflected in prevention activities and training programs included in the "Quality, Safety, Health and Environmental Plan" covering all sectors of the corporate organization. These are the most important activities carried out during fiscal year 2014:

- Works were carried out in relation to the improvement of safety programs, demanding a high level of improvement in the working methods.

- Regarding hygiene and health matters, a broad communication campaign was implemented to create awareness about resources, comprising the following issues: "Road safety"; "Men's health"; "Reduce, reuse and recycle waste"; "Women's health care"; "Cardiovascular risk"; "Health care and well being"; "First aids and CPR"; "Labor stress"; "Health and sports"; "Ergonomics at the office" and "Fire fighting and prevention".

- As to environmental matters, there was compliance with environmental protection indicators, including measurement of gas and noise emissions at compressor plants and metering and regulating stations. This program is carried out in compliance with TGN's "Integrated Quality, Safety, Health and Environmental Policy" and in accordance with ENARGAS requirements within the framework of regulations in force on "*Service Quality*" indicators. In connection with these indicators, compliance was 100% from 2009 to 2014, with a measurement of noise at metering and regulating stations and at compressor plants and measurement of gas emissions.

- The integrated auditors training program was completed for coordinators in the areas of safety and health and environment and for employees in the areas of maintenance and quality, thus gaining twelve new auditors that will join the team performing the audits of the Integrated Management System.

9 - HUMAN RESOURCES

Salary increases

In May 2014, the Company granted a scaled salary increase of 31% to its personnel covered by the Collective Bargaining Agreement, and an extraordinary fixed amount, of $ 9,104 for each employee, paid in January 2015. The employees not covered by the Collective Bargaining Agreement received an equivalent wage increase.

Development activities

The Company continued with its activities aimed at promoting personnel integration, improving their quality of life and contributing to their personal and professional development. The most relevant points of fiscal year 2014 are presented below:

- In November the "Work Climate Survey 2014" was conducted, and the level of participation attained was significantly higher than in 2012. Based on its outcome, Managers and Assistant Managers of each sector will define the thematic focus to work on during 2015 and 2016. These thematic focus and the actions to be taken regarding each issue will comprise a program that each sector will submit to General Management for approval.

- The "Integration Sessions" were held in March and November, led by General Management. The matters discussed included an analysis of the various organizational aspects and of context, and also sharing experiences and challenges.

- An annual training coverage rate of 87% of staff was recorded, with a total of 17,800 hours. Within this framework, the "Knowledge Transfer Center" managed programs and training carried out by in-house instructors that applied several methodologies and promoted a learning network within the organization.

Evaluation activities

The process of performance assessment was conducted, with a scope that reached the whole organization. Its methodology included developing assessment committees by areas, where the evaluators compared and integrated their diverse perceptions. This process ends with feedback interviews, where boss and employer are open to dialogue and can plan the objectives for next fiscal year.

Internal communication

To continue with the "*Spaces for Integration*" guideline, informative meetings were held about health, well-being and matters of general interest. We also continued with recreational activities such as "*La visita del año*", performances of the "De Norte a Sur" choir, etc.

Development of in-house publications "*Enlace Digital*" and "*Al pasar"* continued, as well as the "*Intranet"*, with the purpose of including new subject matters to achieve more dynamism and reach the different audiences within TGN.

Welfare activities

We continued with our campaigns to promote the blood donation to Hospital Fernández and "Christmas Eve for Everybody" to gather food baskets for poverty-striken families.

10 - CORPORATE SOCIAL RESPONSIBILITY

Through its corporate social responsibility actions, TGN promotes a commitment to contributing to sustainable development, aimed at generating a climate that promotes a better coexistence and mutually creating value. The items that follow are the most relevant aspects of the performance during fiscal year 2014:

- The corporate volunteering program "*RONDA, voluntades en movimiento*" extended the participation of volunteers through programs that were implemented at the Company's Headquarters and also at plants and bases. Some actions to highlight are:

    a. Accident prevention network in the Province of Mendoza (cities of La Paz and General Alvear).
    b. Damage prevention and safety at the town council of Tartagal, Province of Salta.
    c. Training for instructors of the "Rational Use of Electric Power" Program.
    d. Participation in the "International Volunteering Week - Give and Gain day", jointly with Green Helmets and *Fundación Compromiso*.
    e. Projects oriented to environmental protection in the locality of Recreo, Province of Catamarca, through the "Expo Ambiente Catamarca".

- The 2014 edition of the "*Cadena de Valor*" program was held; the goal of this program is to allow the development of local suppliers in several locations in the Provinces of Jujuy and Salta. The "*Cadena de Valor*" program was published by the Regional Support Center for Latin America and the Caribbean for the United Nations Global Compact and in alliance with *Universidad Externado* in Colombia.

- The "*Proyecto Libro Abierto*" (Open Book project) was implemented, jointly with *Fundación Leer*, at the Don Bosco day care center in San Pedro de Jujuy, Province of Jujuy. The objective of creating a special place within this institution for children to take an interest in books and promoting reading was fulfilled.

- TGN was awarded recognition from "*Red Argentina del Pacto Global*" for its commitment to the ten principles of the Global Compact.

11 - REMUNERATIONS POLICY

The remuneration of the Board of Directors is set up by the Shareholders' Meeting for each fiscal year. The salary chart of the management level of the Company establishes a basic, fixed monthly remuneration, and an additional amount, annually payable, consisting of a fixed and a variable part. While the fixed parts are established in accordance with the responsibility level inherent to the position and market values, the variable part consists of an additional amount associated to performance and achievement of yearly objectives. The Company's policy does not establish options or other plans for staff.

12 - DECISION-MAKING POLICY

The Company Bylaws establish that the Board of Directors of the Company shall consist of 14 regular directors and the same number of alternates, and shall be in charge of the direction and administration of TGN. The directors' term of office is of one year, since from their appointment by the Shareholders' Meeting. Of the 14 directors: (i) nine regular directors and their respective alternates are elected by the Class A shares in a Class Meeting of said class; (ii) four regular directors and their respective alternates are elected by the Class B shares in a Class Meeting of said class, and (iii) one regular director and the respective alternate are elected by the Class C shares in a Class Meeting of said class. Of these, at least one Class A director and one Class B director shall be independent, as per Law N° 26,831 and applicable provisions of the CNV. The director appointed by Class C shall not possess this feature.

The controlling company of TGN, Gasinvest S.A. (“Gasinvest”) has the right to appoint the majority of the regular and alternate directors. The shareholders of Gasinvest have executed a Shareholders' Agreement ("the Agreement") to regulate certain aspects related to their indirect equity in TGN, such as the number of directors that each shareholder may appoint, and the decisions and actions that must be unanimously agreed upon.

The Agreement establishes that the following actions and decisions must be unanimously agreed upon by Compañía General de Combustibles S.A., Techint Compañía Técnica Internacional S.A.C.I. and Total Gas y Electricidad Argentina S.A.:

- i. amendments to TGN's Bylaws or other equivalent documents,
- ii. any consolidation or merger of TGN with another company,
- iii. the adoption of annual activity plans, investment plans and financial plans,
- iv. budgets and any amendment to the same,
- v. increase or decrease in the Board of Directors of TGN and/or any other Company committee,
- vi. the issuance or redemption of TGN shares,
- vii. dissolution, liquidation or bankruptcy proceedings of TGN,
- viii. a declaration or payment of dividends or another distribution by TGN which is not consistent with the dividends policy established in the activity plan,
- ix. any investment by TGN in another company,
- x. the execution of any agreement to which TGN is a party and which involves total payments or the purchase or sale by TGN of assets which, valued at their book value, exceeding US$ 3 million in one or more operations within a six-month period,
- xi. any material change in TGN's direction, and
- xii. the selection of TGN's independent auditor.

Additionally, a complementary shareholders’ agreement establishes that all contracting for the supply of assets and/or services must be done in accordance with mechanisms which guarantee the necessary participation of several technically and economically able bidders, to ensure that contracting is done on arm’s-length terms, following TGN's organization and management provisions and policies.

It is also established that contracts for the acquisition of assets and/or services with a company and/or its controlling and/or controlled companies, which as a whole exceeds the amount of US$ 4 million, must be approved by the Board of Directors.

The Company's internal surveillance is in charge of the Statutory Auditors' Committee consisting of three regular and three alternate statutory auditors, of which: (i) two regular members and their alternates are appointed at a Class Meeting of class A and B shares acting jointly, of which at least one regular member must be independent; and (ii) an regular member and his or her alternate are appointed at a Class meeting of class B shares. The Statutory Auditors' Committee holds its meetings with an absolute majority of members in attendance, and decisions are adopted by a majority of present votes, without affecting the rights of the dissenting statutory auditor. The members of the Statutory Auditors' Committee have the duty and the right to attend Board and Shareholders’ Meetings, call them, demand the inclusion of items on the agenda and, in general, supervise all the Company’s issues and the Company’s compliance with the law and the Bylaws.

13 - AUDIT COMMITTEE

As per the provisions of the Public Offering Transparency Regime envisaged in Capital Market Law No. 26,831 and its regulation, companies who publicly offer their shares must set up an Audit Committee, which will act as a body, with no less than three members of the Board of Directors, whose majority must be independent, as per the terms of CNV regulations.

During the fiscal year 2014, TGN's Audit Committee performed the duties assigned to it under the law and its internal regulations, in line with an Annual Plan reported to the Board of Directors and the Statutory Auditors' Committee, and whose results are included in the report issued upon presenting and publishing the annual financial statements of the Company.

14 - INTERNAL CONTROL OF THE COMPANY

The Internal Audit Management, as the Board of Director´s consulting body, is responsible for the regular evaluation of the internal control systems to optimize the quality of the processes carried out, their documentation and reporting. Internal control is a process performed by the Management and the rest of the personnel and designed to provide reasonable assurance that the objectives of the organization will be accomplished, considering the effectiveness and efficiency of the operations, as well as the reliability of the financial information and the compliance with applicable laws and regulations.

In this regard, the Internal Audit Management carries out procedures to comply with the "Annual Internal Audit Plan", which is oriented to monitoring critical and relevant operating, equity, legal, regulatory and IT-related risks. TGN'S Audit Committee is assisted by the Internal Audit Management to raise awareness of the identified control weaknesses, as well as of corrective measures to be adopted.

15 - DISCLOSURE OF THE COMPANY'S BALANCES AND TRANSACTIONS WITH ITS CONTROLLING SHAREHOLDER, FOREIGN RELATED PARTIES, OTHER RELATED PARTIES AND KEY MANAGEMENT PERSONNEL.

Balances and transactions between the Company and its controlling shareholder, foreign related parties, other related parties and key management personnel are presented in Note 26 to the Company´s financial statements as of December 31, 2014. The persons and companies encompassed in Section 72 of Law No. 26,831 have been included as related parties.

16 – FUTURE PERSPECTIVES

As explained in section 3), in 2014 ENARGAS implemented an increase in the carriage rates, which did not modify the continuous operating losses recorded by the Company for the last sixteen quarters. TGN trusts that this will be a first step towards the normalization of its rates, which were frozen since 1999.

The Natural Gas Act states that rates must be sufficient to cover reasonable operating costs, taxes and depreciation and also to obtain a reasonable profit margin. This idea, in turn, is reinforced in the LEP, which mentions the "company profitability" as an element to be considered, among others, to renegotiate rates. As mentioned in the above paragraph, current TGN income is not sufficient to cover its operating costs, to the point that fiscal year 2014 records a negative gross margin of $ 47 million.

Should the current rate policy and the price and salaries levels mentioned in section 1) persist, in the next fiscal year TGN would be exposed to a more difficult situation of economic and financial unbalance, accumulating further gross and operating losses. This situation, in addition to the operating losses accumulated by the Company during the last sixteen quarters, might take TGN to a mandatory reduction of capital in accordance with Section 206 of the Argentine Corporations Law.

17 - PROPOSAL FOR THE ALLOCATION OF RESULTS

In fiscal year 2014, a loss of $ 256,625 thousand was reported. The Company's Board of Directors submits the following proposal to the Shareholders' Meeting, in order to absorb this loss:

a. The amount of $ 67,556 thousand against the Optional Reserve which, considering the balance at the end of the prior fiscal year, will be left with a zero balance.

b. The amount of $ 73,201 thousand against the Legal Reserve which, considering the balance at the end of the prior fiscal year, will be left with a zero balance.

c. The amount of $ 115,868 thousand against the account “Inflation adjustment of common stock” which, considering the balance at the end of the prior fiscal year and after this absorption, will be left with a balance of $ 390,185 thousand.

Additionally, the Board of Directors proposes to the Company Shareholders’ Meeting the payment of $ 2,722 thousand in technical-administrative service fees to the President, independent directors, directors who are members of the Audit Committee and the director appointed by Class C shareholders; and $ 1,452 thousand in fees to the members of the Statutory Auditors' Committee.

The Board of Directors is thankful for the support and consideration given by customers, suppliers, third parties in general and personnel of the Company during the fiscal year.

Autonomous City of Buenos Aires, March 6, 2015

Santiago Marfort
President

REPORT ON THE CODE OF CORPORATE GOVERNANCE

	Compliance		Non-compliance [1]	Report [2] or Explain [3]
	Full [1]	Partial[1]		
PRINCIPLE I. MAKE CLEAR THE RELATIONSHIP BETWEEN THE ISSUER, THE ECONOMIC GROUP THAT THE ISSUER HEADS AND/OR IS PART OF AND ITS RELATED PARTIES				
Recommendation I.1: Ensure the disclosure by the Board of Directors of the policies applicable to the relationship between the Issuer and the Economic Group that the Issuer heads and/or is part of and its related parties.				
Answer whether: the Issuer has an internal regulation or policy to authorize transactions between related parties pursuant to section 73 of Law 17,811, transactions with shareholders and members of the Board of Directors, senior managers and statutory auditors and/or members of the surveillance committee, within the economic group that the issuer heads and/or is part of. Make the main guidelines of the regulation or internal policy explicity.	X			TGN transactions with related parties are in accordance with current legal provisions, including their review by the Audit Committee. Transactions carried out with Company's administrators are subject to and comply with section 271 of Law 19,550. Internal procedures include compliance with regulations.
Recommendation I.2: Ensure the existence of mechanisms preventing conflicts of interest.				
Answer whether: the Issuer, notwithstanding current regulations, has clear policies and specific procedures to identify, manage and solve conflicts of interest that might occur among the members of the Board of Directors, senior managers and statutory auditors and/or members of the surveillance committee in their relationship with the Issuer or with related parties. Describe their relevant aspects.	X			Notwithstanding section 271 of Law 19,550, to which TGN is subject, the Company's Code of Ethics has specific provisions intended to prevent, manage and resolve any conflict of interest that might occur between the members of the Board of Directors, senior managers and statutory auditors in their relation with TGN and other related parties of TGN.

	Compliance		Non-compliance (1)	Report (2) or Explain (3)
	Full (1)	Partial(1)		
Recommendation I.3: Prevent the improper use of proprietary information.				
Answer whether: the Issuer, notwithstanding current regulations, has reasonable policies and mechanisms to prevent the improper use of proprietary information by the members of the Board of Directors, senior managers, statutory auditors and/or members of the surveillance committee, controlling shareholders or shareholders exerting significant influence, attending professionals and other persons listed in Section 72 of the Capital Markets Act. Describe their main aspects.	X			In accordance with TGN´s Code of Ethics, those who, according to their position in the Company, possess information regarding facts not disclosed to the public and that, considering its importance, might affect the trading of the Company´s securities, should maintain strict confidentiality, refraining from sharing it with others as well as from trading until such information is disclosed to the public.
<u>PRINCIPLE II. PROVIDE THE BASIS FOR A SOLID ADMINISTRATION AND SUPERVISION OF THE ISSUER</u>				
Recommendation II. 1: Ensure that the Board of Directors takes over the administration and supervision of the Issuer and its strategic orientation.				
Answer whether: II.1.1 the Board of Directors approves:				
II.1.1.1 the strategic or business plan, as well as the management objectives and annual budget,	X			As the body responsible for the Company's administration, the Board of Directors approves (within the annual budget) and supervises the compliance with TGN policies and strategies, subject to the management control exerted by the Shareholders meeting. For this purpose, through the annual budget, the Board of Directors approves the business plan of TGN and the management objectives for each fiscal year.

	Compliance		Non-compliance (1)	Report (2) or Explain (3)
	Full (1)	Partial(1)		
II.1.1.2 the investment policy (in financial assets and capital expenditure) and financing policy,	X			TGN has an investment policy approved by the Board of Directors, the execution of which is in charge of a Financial Committee (including an external independent expert) and whose compliance is monitored by the Board of Directors and the Internal Audit Management.
II.1.1.3 corporate governance policy (compliance with the Corporate Governance Code),	X			As the body responsible for the Company's administration, the Board of Directors approves the company's policies relating to corporate governance.
II.1.1.4 the recruitment, evaluation and remuneration policy for senior managers,		X		Policies relating to the selection, evaluation and training of senior managers are developed by the General Management together with the Human Resources Management. Remunerations for these positions are approved by the Board of Directors within the annual budget and compensations are reviewed by the Audit Committee afterwards.
II.1.1.5 the policy for the assignment of responsibilities to senior management,			X	Policies relating to the assignment of responsibilities to senior managers are developed by the General Management together with the Human Resources Management, and reported to the President of the Board of Directors.
II.1.1.6: the supervision of the replacement planning of top management,		X		The President of the Board of Directors, the General Manager and the Human Resources Manager are in charge of the replacement of top managers and they are also obliged to report to the Board of Directors. The Board of Directors approves the appointment of the CEO, CFO and COO.
II.1.1.7 the policy for corporate social responsibility,			X	The Corporate Social Responsibility policy is designed by the General Management.

	Compliance		Non-compliance (1)	Report (2) or Explain (3)
	Full (1)	Partial(1)		
II.1.1.8 the policies for the integral risk management and internal control, and fraud prevention,			X	The Company has procedures to fully manage business risks, the compliance of which is controlled by the Internal Audit Management. The risk control system (including frauds) has the purpose of planning ahead for the events typical of a gas carriage transaction and acting in a proactive way, establishing the operational risk profile, decreasing the occurrence of events and fulfilling regulatory requirements. As for the internal control management, the Company has established as framework for the evaluation of the internal control environment the methodology issued by the Committee of Sponsoring of the Treadway Commission (“COSO”).
II.1.1.9 the policy for ongoing training for the members of the Board of Directors and senior management. If available, please describe the main aspects of such policy.		X		Most of the members of the Board of Directors of TGN have broad professional and academic backgrounds and a proven track record in executive positions in local and international companies of the energy sector. Based on the above, the Board of Directors does not consider it necessary to implement a training and development plan for its members. Senior management training is developed in the framework of the general training policy of TGN designed by the Human Resources Management and monitored by the General Management.
II.1.2 If relevant, add other policies followed by the Board of Directors which have not been mentioned and describe their main aspects.	X			The Board of Directors approved a procedure for ensuring the complete and timely publication of relevant information.

	Compliance		Non-compliance (1)	Report (2) or Explain (3)
	Full (1)	Partial(1)		
II.1.3 The Issuer has a policy aimed at ensuring the availability of relevant information for the decision making process of the Board of Directors and for direct consultation at management level, which is even for all members (executives, external and independent) and with enough anticipation allowing for an appropriate analysis of its contents. Specify.	X			Directors, managers and statutory auditors are informed on an ongoing basis about all relevant business issues, the knowledge of which is necessary to carry out their duties. The Company issues a monthly management control report, apart from the reports sent to the Board of Directors as a result of the publication of the financial statements. Further, reports are also released on specific issues as a result of the initiative of Management or at the request of the Board of Directors.
II.1.4. Issues subject to the consideration of the Board of Directors are accompanied by a risk analysis associated to the decisions that may be adopted, taking into account the corporate risk level defined as acceptable by the Issuer. Specify.	X			When making any decision, the Board of Directors firstly identifies associated risks, assesses their probability of occurrence and potential impact.
Recommendation II.2: Ensure an effective Control over the Issuer administration.				
Answer whether the Board of Directors verifies:				
II.2.1 compliance with annual budget and business plan,	X			The Company's Board of Directors verifies compliance with the annual budget and business plan, based on Management control reports issued every month and other reports issued at the time of considering the quarterly and annual financial statements.

	Compliance		Non-compliance (1)	Report (2) or Explain (3)
	Full (1)	Partial(1)		
II.2.2 the performance of senior managers and the compliance with the objectives set for them (level of profit foreseen versus profit made, financial rating, quality of accounting report, market share, etc.). Describe the main aspects of the Management Control policy of the Issuer by detailing the techniques used and frequency of monitoring by the Board of Directors.		X		The Board of Directors controls the performance of Management when controlling Company's administration. The internal control is a process aimed at providing reasonable assurance as to whether the organization objectives are met, considering the efficiency and effectiveness of transactions, reliability of financial information and compliance with standards and applicable laws.
Recommendation II.3: Disclose the evaluation process of the performance of the Board of Directors and its impact.				
Answer whether: II.3.1 Each member of the Board of Directors complies with the By-laws and, if applicable, with the Operation Regulations of the Board of Directors. Detail the main provisions of the Regulations. State the degree of compliance with By-laws and Regulations.	X			Each member of the Board of Directors complies with the provisions of the By-laws of TGN and legal standards that govern the operation of that body. The Board of Directors has no internal regulations.

	Compliance		Non-compliance [1]	Report [2] or Explain [3]
	Full [1]	Partial[1]		
II.3.2 The Board of Directors discloses the results of its administration considering the objectives set at the beginning of the period, so that the shareholders may evaluate the degree of compliance with those objectives, containing both financial and non-financial aspects. Additionally, the Board of Directors assesses the degree of compliance with policies mentioned in Recommendation II, items II.1.1 and II.1.2. Detail the main aspects of the assessment of the General Shareholders' Meeting of the degree of compliance by the Board of Directors with the objectives set and the policies mentioned in Recommendation II, items II.1.1 and II.1.2, stating the date of the Meeting when the assessment was submitted.	X			Every year, the Board of Directors submits to the Ordinary Shareholders' Meeting the annual report and financial statements that reflect the results of their administration. The Board of Directors´ administration has been approved by the General Shareholders' Meeting on a constant basis.
Recommendation II.4: That the number of external and independent members be significant in the Board of Directors of the Issuer.				

<table>
<tr><th rowspan="2"></th><th colspan="2">Compliance</th><th rowspan="2">Non-compliance [1]</th><th rowspan="2">Report [2] or Explain [3]</th></tr>
<tr><th>Full [1]</th><th>Partial[1]</th></tr>
<tr><td>Answer whether: II.4.1 the proportion of executive, external and independent members (as defined by the regulations of this Committee) of the Board of Directors is related to the capital structure of the Issuer. Explain.</td><td>X</td><td></td><td></td><td>The Company Bylaws establish that the Board of Directors of the Company shall consist of 14 regular directors and the same number of alternates. Of the 14 directors: (i) nine regular directors and their respective alternates are elected by the Class A shares in a Class Meeting of said class (at least one shall be independent); (ii) four regular directors and their respective alternates are elected by the Class B shares in a Class Meeting of said class (at least one shall be independent), and (iii) one regular director and the respective alternate are elected by the Class C shares in a Class Meeting of said class. Currently, TGN has 3 independent directors and, therefore, complies with Recommendation II.4.2 (at least 20% of the members are independent). All of them are appointed for one year.</td></tr>
<tr><td>II.4.2 In the current year, the shareholders have agreed in the General Meeting on a policy to maintain a proportion of at least 20% of independent members on the total number of members of the Board of Directors. Please describe the relevant aspects of such policy and any agreement of shareholders that clarifies the way members of the Board of Directors are appointed and their term. State whether the independence of the members of the Board of Directors has been questioned during the year or if any abstentions or conflicts of interest have occurred.</td><td></td><td>X</td><td></td><td>See response to II.4.1. The independence of directors has never been challenged. Directors who were subject to a conflict of interest acted in accordance with Section 272 of Law 19,550.</td></tr>
<tr><td colspan="5">Recommendation II.5: Require the existence of regulations and procedures intended to select and propose members of the Board of Directors and senior management of the Issuer.</td></tr>
<tr><td colspan="5"></td></tr>
</table>

	Compliance		Non-compliance [1]	Report [2] or Explain [3]
	Full [1]	Partial[1]		
Answer whether: II.5.1. the Issuer has a Committee for Appointments:			X	There is no such committee.
II.5.1.1 formed by at least three members of the Board of Directors, most of them independent,				n/a
II.5.1.2 chaired by an independent member of the Board of Directors,				n/a
II.5.1.3: with proficient members and with experience in human capital issues,				n/a
II.5.1.4 meets at least twice a year.				n/a
II.5.1.5 its decisions are not necessarily binding for the Shareholder's Meeting but they are considered as consultations for the selection of members of the Board of Directors.				n/a
II.5.2 In case there is a Committee for Appointments, it shall:				n/a
II.5.2.1 verify the annual review and evaluation of its regulations and propose modifications to the Board of Directors modifications for its approval,				n/a
II.5.2.2 propose the development of criteria (qualifications, experience, professional and ethical reputation, among others) for the selection of new members of the Board of Directors and the senior management,				n/a
II.5.2.3: identify the candidates for the Board of Directors to be proposed by the Committee to the General Shareholders' Meeting,				n/a

	Compliance		Non-compliance [1]	Report [2] or Explain [3]
	Full [1]	Partial[1]		
II. 5.2.4 suggest those members of the Board of Directors that will be part of several Committees of the Board of Directors, according to their professional background,				n/a
II. 5.2.5 recommend that the President of the Board of Directors is not the General Manager of the Issuer as well,				n/a (However, the President of TGN´s Board of Directors is not the General Manager).
II. 5.2.6 ensure the availability of the curriculum vitae of the members of the Board of Directors and senior management in the website of the Issuer, with their terms of office explicitly stated in the first case,				n/a (However, this information is disclosed in the CNV's web site, within the prospects for the placement of securities).
II.5.2.7 verify the existence of a replacement plan for the Board of Directors and the senior management.				n/a
II.5.3 If relevant, add any policies implemented by the Issuer's Appointments Committee not mentioned in the previous section.				n/a

	Compliance		Non-compliance (1)	Report (2) or Explain (3)
	Full (1)	Partial(1)		
Recommendation II.6: Evaluate the convenience that the members of the Board of Directors and/or statutory auditors and/or members of the surveillance committee perform functions at several Issuers.				
Answer whether: The Issuer sets a limit for the members of the Board of Directors and/or statutory auditors and/or members of the surveillance committee to perform functions in other entities not belonging to the economic group that the Issuer heads or is part of. Specify this limit and state if any infringement to the restriction was verified in the course of the year.			X	Based on the experience gathered in previous years, the Board of Directors considers that the fact that its members and/or statutory auditors perform such functions in several entities does not affect the Company; notwithstanding what is established by Section 272 of Law 19,550. Additionally, any limitations in this regard should be made by the Shareholders' Meeting.
Recommendation II.7: Ensure training and career development for the members of the Board of Directors and the senior management of the Issuer.				
Answer whether:				
II.7.1 The Issuer has continuous training programs related to the necessities existing at the Issuer for the members of the Board of Directors and senior management, including contents about their role and responsibilities, integral corporate risk management, specific knowledge of the business and its regulations, the dynamics of corporate governance, and corporate social responsibility matters. In the case of the members of the Audit Committee, international accounting, audit and internal control standards, and specific regulations for the capital market. Describe the programs developed in the course of the year and their degree of compliance.		X		See answer to II.1.1.9. Additionally, the members of the Audit Committee took part in training activities on subjects concerning the functions of that Committee and especially on topics related to the International Financial Reporting Standards.

	Compliance		Non-compliance (1)	Report (2) or Explain (3)
	Full (1)	Partial(1)		
II.7.2 The Issuer, through other means than those mentioned in II.7.1, encourages the members of the Board of Directors and senior management to maintain a continuous training that supplements their educational level in such way that adds value to the Issuer. Describe the ways in which this is done.		X		See answer to II.1.1.9.
PRINCIPLE III. ENDORSE AN EFFECTIVE POLICY FOR IDENTIFYING, MEASURING, MANAGING AND COMMUNICATING CORPORATE RISK				
Recommendation III: The Board of Directors must have a policy on integral corporate risk management and monitor its correct implementation. Answer whether:				
III.1 The Issuer has policies on integral corporate risk management (fulfillment of strategic, operational, financial, reporting, accounting, law and regulations goals and others). Describe the most relevant aspects of those policies.		X		The Company has internal rules implementing risk controls with the purpose of (i) anticipate the events that are typical of gas carriage operations by acting in a proactive way, (ii) establishing the operational risk profile, (iii) decreasing the occurrence of events and (iv) considering regulatory requirements. Internal audit verifies the application of those rules. Also, the Company has external certifications for the standards ISO 9001 (quality management for operations), ISO 14001 (environmental management) and OHSAS 18001 (occupational health and safety).

	Compliance		Non-compliance (1)	Report (2) or Explain (3)
	Full (1)	Partial(1)		
III.2 There is a Risk Management Committee within the Board of Directors or the General Management. Report on the existence of procedures manuals and detail the main risk factors specific to the Issuer or its activity and the actions implemented for mitigation. If there is no such Committee, then describe the supervision role performed by the Audit Committee in connection with risk management. Also, specify the degree of interaction between the Board of Directors or its Committees and the Issuer's General Management regarding integral corporate risk management.			X	Each Department is in charge of managing the risks inherent to its own functions, under the supervision of the General Management. The Audit Committee defines its annual plan considering the nature of the Company´s main activity and the environment in which the business takes place (including the inherent risks to the Company's activity and those related to the operations).
III.3 Within the Issuer's General Management there is an independent function in charge of implementing the policies for integral risk management (the function of the Risk Management Officer or equivalent). Specify.		X		TGN does not have the position of "risk officer", but it has an Internal Audit Manager that evaluates the compliance with the procedures applicable in the different areas. This Department reports hierarchically to the General Manager and functionally to the Board of Directors, and directly reports to the President of the Board of Directors and to the Audit Committee.
III.4 The policies for integral risk management are constantly updated, in accordance with recommendations and well-known methodologies. Mention which ones (Enterprise Risk Management, according to the conceptual framework of COSO – Committee of sponsoring organizations of the Treadway Commission –, ISO 31000, standard IRAM 17551, section 404 of Sarbanes-Oxley Act, other).		X		Each Department performs a review of its procedures according to the changes in regulations and internal operations and updates them, if applicable. See II.1.1.8

	Compliance		Non-compliance (1)	Report (2) or Explain (3)
	Full (1)	Partial(1)		
III.5 The Board of Directors informs on the results of the risk management oversight performed jointly with the General Management in the financial statements and the annual report. Specify the main points of the statements made.		X		The financial statements for publication and the annual report include references to both the risks inherent to the business segment in which TGN operates and their effect on the results of its operations.
PRINCIPLE IV. SAFEGUARD THE INTEGRITY OF FINANCIAL INFORMATION THROUGH INDEPENDENT AUDITS				
Recommendation IV: Guarantee independence and transparency in the functions entrusted to the Audit Committee and the External Auditor. Answer whether:				
IV.1. The Board of Directors, at the time of selecting the members of the Audit Committee and taking into account that the majority of them must be independent, assesses whether it is convenient that the Committee is chaired by an independent member.	X			The Audit Committee is formed by three full directors and three alternate directors, and the majority of them are independent. The Board of Directors considers it convenient that the Audit Committee is chaired by an independent director, and this is the criterion applied.

	Compliance		Non-compliance (1)	Report (2) or Explain (3)
	Full (1)	Partial(1)		
IV.2 There is an internal audit function that reports to the Audit Committee or to the President of the Board of Directors and that is responsible for evaluating the internal control system. State if the Audit Committee or the Board of Directors performs a yearly evaluation of the performance of the internal audit area and the degree of independence of their professional work, meaning that the professionals responsible for that function are independent on the other operating areas and that they also fulfill the independence requirements with respect to the controlling shareholders or the related entities that exercise significant influence on the Issuer. Also, specify if the internal audit function performs its work in accordance with the international standards for the professional practice of internal audit, issued by the *Institute of Internal Auditors* (IIA).	X			TGN has an Internal Audit Management, independent of the other operating areas and of the shareholders or related entities, that reports hierarchically to the General Manager and functionally to the Board of Directors and is directly reports to the President of the Board of Directors and to the Audit Committee, which evaluate its performance. This Department applies the IIA standards and, in accordance with three-year plans, supervises the compliance with the procedures related to internal control. This manager is independent as stated in Recommendation IV.2.
IV.3 The members of the Audit Committee perform a yearly evaluation of the competence, independence and performance of the External Auditors appointed by the Shareholders' Meeting. Describe the relevant aspects of the procedures applied to perform the evaluation.	X			The Audit Committee, on a yearly basis, evaluates the fulfillment of the conditions of independence required to the External Auditors by the National Securities Commission, and also their competence, based on the performance of duties and report on the independence condition required to the External Auditors by the CNV each year.

	Compliance		Non-compliance (1)	Report (2) or Explain (3)
	Full (1)	Partial(1)		
IV.4 The Issuer has a policy on the rotation of the members of the Statutory Audit Committee and/or the External Auditor; and in connection with the latter, if the rotation includes the external audit firms or only the individuals.		X		Pursuant to the Corporate By-laws, the staturory auditors that make up the Statutory Audit Committee are appointed by the Shareholders, so it is understood that establishing the rotation policies of the members of the Statutory Audit Committee exceeds the competence of this Board of Directors. Nevertheless, the Statutory Audit Committee of TGN has historically changed its composition and chairmanship with a reasonable frequency, in full compliance with the usual rules and practices. As far as the appointment and rotation of External Auditors are concerned, the same consideration applies, with the exception that the firm exercising the Company's external accounting audit follows procedures to ensure the competence, independence and performance of its members (including the mandatory rotation of the engagement partner in pre-established periods), which is in turn controlled by the Audit Committee of TGN. The Company, in turn, controls the compliance with the regulations issued by the National Securities Commission. TGN statutory auditors do not carry out external audit activities for the Company; neither do they participate in nor are they associated with the firm that provides the external audit service. They participate in the Board of Directors, Audit Committee's and Shareholders' meetings, as prescribed by law and the Company's by-laws.

PRINCIPLE V OBSERVE THE RIGHTS OF SHAREHOLDERS

Recommendation V.1: Ensure that the shareholders have access to the Issuer information.

Answer whether:

	Compliance		Non-compliance (1)	Report (2) or Explain (3)
	Full (1)	Partial(1)		
V.1.1 The Board of Directors promotes periodical informative meetings with the shareholders, in coincidence with the presentation of the interim financial statements. Explicitly state the number and frequency of meetings held during the course of the year.		X		The Board of Directors considers that the suitable means of ensuring that all the shareholders receive the same information in terms of quality, quantity and timing is the CNV´s web site and the Bulletin of the Buenos Aires Stock Exchange. For the time being, the Board of Directors does not have it as a practice to hold periodical informative meetings with the shareholders, except for the Shareholders' Ordinary Annual Meeting.
V.1.2 The Issuer has mechanisms for providing information to investors and a specialized sector for handling their queries and consultations. Furthermore, it has a website that can be accessed by shareholders and other investors, a channel of access that enabled to contact among themselves. Give details.	X			In addition to what is mentioned in V.1.1., the Board of Directors considers that all the relevant information of the Company, which in accordance with the Regulations is to be provided to the market, is made public at the time of its disclosure. The Company has a website with free access which includes varied information about the Company and its activities, as well as to the information available to investors through the CNV´s web site. This site has a link to the web page of the National Securities Commission and another link to the web page of the National Gas Regulatory Entity. The Company replies to queries from investors on specific matters through the Representative for Market Relations.

Recommendation V.2: Promote active participation of all the shareholders.

Answer whether:

	Compliance		Non-compliance [1]	Report [2] or Explain [3]
	Full [1]	Partial[1]		
V.2.1 The Board of Directors takes measures to promote the participation of all the shareholders in the General Shareholders' Meetings. Specify, distinguishing between the measures required by law and those offered by the Issuer to its shareholders voluntarily.	X			In order to promote the participation of the shareholders, TGN strictly observes all the regulatory requirements to publicize its Shareholders' Meetings.
V.2.2 The General Shareholders' Meeting has Regulations on its functioning to ensure that the information is available for the shareholders sufficiently in advance for decision-making. Describe the main guidelines of those regulations.			X	The General Shareholders' Meeting does not have specific regulations on its functioning. However, it functions in compliance with the provisions of Law No. 19,550 and with regulations issued by the National Securities Commission and those established in the corporate By-laws.
V.2.3 The mechanisms implemented by the Issuer for minority shareholders to propose issues to be discussed in the General Shareholders' Meeting in line with the regulations in force apply. State the results.	X			The Board of Directors considers that the regulations in force ensure the right of minority shareholders to participate in meetings, if interested, and propose issues to be discussed, and complies with such regulations. The Board of Directors of TGN considers that the participation of minority shareholders in meetings is healthy. The Board of Directors believes that all shareholders attending Shareholders' Meetings have their right to participate in deliberations and to vote guaranteed. From 1992 to date, no decision adopted by a TGN Shareholders' Meeting has been objected to.
V.2.4 The Issuer has policies in place to encourage the participation of prominent shareholders, such as institutional investors. Specify.			X	The Board of Directors considers that the institutional investor is qualified enough to resolve *per se* the desired level of participation in the company business.

	Compliance		Non-compliance (1)	Report (2) or Explain (3)
	Full (1)	Partial(1)		
V.2.5 In Shareholders' Meetings where the appointment of members of the Board of Directors is decided, prior to the voting, candidates must state: (i) their position regarding the adoption or non-adoption of a Corporate Governance Code; and (ii) the grounds for such position.			X	The candidates to become members of the Board of Directors are elected by the shareholders. To date, the shareholders have not issued their opinion on the Corporate Governance Code. The Board of Directors of TGN formalizes its position regarding the Corporate Governance Code through this Exhibit to the Annual Report.
Recommendation V.3: Ensure the principle of equality between shares and votes.				
Answer whether the Issuer has a policy to encourage the principle of equality between shares and votes. State how the composition of capital by class of shares has changed over the last three years.	X			The Board of Directors of TGN establishes the equality between shares and votes since all shares, irrespective of their class, carry the right to one vote. Over the last three years, there have been no changes in the percentage of participation of class A, B, and C shares in the capital.
Recommendation V.4: Establish mechanisms to protect all shareholders from takeovers.				
Answer whether the Issuer abides by the System of Public Offering for Mandatory Purchase. Otherwise, state if there are other mechanisms included in the by-laws, such as tag along rights or others.		X		The by-laws establish the requirements for exercising the tag along right in favor of Class C shares.
Recommendation V.5: Encourage the share dispersion of the Issuer.				
Answer whether the Issuer has a share dispersion of at least 20 per cent of its ordinary shares. Otherwise, whether the Issuer has a policy to increase its share dispersion in the market. State the percentage of share dispersion as a percentage of the Issuer's capital and the changes in that percentage over the last three years.	X			The by-laws break down capital into three classes of shares, with class C shares representing 20% of the capital and being traded in the Buenos Aires Stock Exchange.

	Compliance		Non-compliance (1)	Report (2) or Explain (3)
	Full (1)	Partial(1)		
Recommendation V.6: Ensure there is a clear dividend policy in place. Answer whether:				
V.6.1 The Issuer has a policy for distributing dividends set forth in the by-laws and approved by the Shareholders' Meeting, which establishes the conditions to distribute dividends in cash or in shares. If any, state the criteria and conditions for and frequency of the distribution of dividends.			X	Considering the context in which the company runs its business since the passing of Public Emergency Law No. 25,561, TGN does not envisage to pay dividends neither does it consider wise nor feasible to establish a policy for the distribution of dividends.
V.6.2 The Issuer has documented processes for the preparation of a proposal to allocate the Issuer's accumulated losses/profits, which may lead to setting up legal, statutory or voluntary reserves, carrying them forward to the new fiscal year and/or paying dividends. Mention such processes and detail in which Minutes of Shareholders' Meeting the distribution or non-distribution of dividends (in cash or in shares) was approved, in case the by-laws do not state it.		X		Preparing the proposal to allocate retained earnings is part of the process of issuance of financial statements and annual report. The latest allocation of retained earnings, corresponding to fiscal year 2013, was approved by the Annual General Meeting held on April 25, 2014.

	Compliance		Non-compliance (1)	Report (2) or Explain (3)
	Full (1)	Partial(1)		
PRINCIPLE VI. KEEP A DIRECT AND RESPONSIBLE RELATIONSHIP WITH THE COMMUNITY				
Recommendation VI: Provide information on the Issuer to the community as well as a direct communication channel between the community and the company. Answer whether:				
VI.1 The Issuer has an updated web site of public access, that not only contains relevant information about the company (by-laws, economic group, composition of the Board of Directors, financial statements, annual report, etc.) but also allows users to make inquiries.	X			TGN has an updated web site that shows relevant information on the company and allows users to make inquiries through the different forms created for such purpose. See information provided in point VIII.2.
VI.2 The Issuer presents a Social Responsibility and Environmental Report annually, audited by an independent external auditor. If any, state the scope or legal or geographical coverage and where it is available. Specify rules or initiatives adopted to carry out its corporate social responsibility policy (Global Reporting Initiative and/or United Nations Global Agreement, ISO 26.000, SA8000, Millennium Development Goals, SGE 21-Foretica, AA 1000, Ecuador Principles, among others).		X		TGN issues an Annual Report on Sustainability that follows the international standards of G3 Guide for GRI ("Global Reporting Initiative"). This report is published on an annual basis in the website of the United Nations and is supervised by an external consultant that makes improvement recommendations. The Sustainability Report is also available in the website of TGN and includes, among other topics, tasks performed in connection with greater transparency of social responsibility actions and summarizes the actions related to environmental protection, stating each of the actions carried out during the year.

	Compliance		Non-compliance (1)	Report (2) or Explain (3)
	Full (1)	Partial(1)		
PRINCIPLE VII. FAIR AND RESPONSIBLE REMUNERATION				
Recommendation VII: Establish clear remuneration policies for the members of the Board of Directors and senior managers of the Issuer, taking into account conventional or statutory limitations in terms of the existence or non-existence of profits. Answer whether:				
VII.1. The Issuer has a Remuneration Committee:			X	TGN has no Remuneration Committee
VII.1.1 made up of at least three members of the Board of Directors, mostly independent,				n/a
VII.1.2 chaired by an independent member of the Board of Directors,				n/a
VII.1.3 with members who prove to be proficient and have experience in human resources policies,				n/a
VII.1.4 holding meetings at least twice a year,				n/a
VII.1.5 whose decisions are not necessarily mandatory for the General Shareholders' Meeting or Surveillance Committee, but consultative in connection with the remuneration of the Board of Directors.				n/a

	Compliance		Non-compliance [1]	Report [2] or Explain [3]
	Full [1]	Partial[1]		
VII. 2 There is a Remuneration Committee, It:				
VII.2.1 ensures there is a clear relationship between the performance of key employees and their fixed and variable remuneration, considering the risks involved and their administration,				n/a
VII.2.2 supervises that the variable part of the remuneration of the members of the Board of Directors and senior managers is connected with the Issuer's medium and/or long term performance,				n/a
VII.2.3 reviews the competitive position of the Issuer's policies and practices in connection with the remuneration and benefits of similar companies and recommends changes, if necessary,				n/a
VII.2.4 defines and communicates the policies on retention, promotion, dismissal and suspension of key employees,				n/a
VII.2.5 announces the guidelines to determine retirement plans of the members of the Issuer's Board of Directors and senior managers,				n/a
VII.2.6 regularly reports to the Board of Directors and the Shareholders' Meeting on the tasks performed and topics discussed in its meetings,				n/a

	Compliance		Non-compliance [1]	Report [2] or Explain [3]
	Full [1]	Partial[1]		
VII.2.7 ensures the presence of the President of the Remuneration Committee in the General Shareholders' Meeting approving remunerations to the Board of Directors so that he/she can explain the Issuer's remuneration policy of the members of the Board of Directors and senior managers.				n/a
VII. 3 If relevant, mention the policies applied by the Issuer's Remuneration Committee that have not been mentioned in the previous point.				n/a
VII. 4 If there is no Remuneration Committee, explain how the tasks mentioned in VII.2 are carried out within the Board of Directors.		X		Some of the tasks described in VII.2 are carried out by the General Manager, with the support of the Human Resources Manager, and reported to the President of the Board of Directors. The Audit Committee reviews the remuneration of managers.
<u>PRINCIPLE VIII. ENCOURAGE BUSINESS ETHICS</u>				
Recommendation VIII: Ensure ethical conduct by the Issuer. Answer whether:				
VIII.1 The Issuer has a Business Conduct Code. State main guidelines and if the Code is known to all. The Code is signed at least by the members of the Board of Directors and senior managers. State whether suppliers and customers are encouraged to apply it.	X			TGN has a Code of Ethics published in its website which includes Social Responsibility, Corporate Principles, Ethical Values and Behaviour Guidelines. The Code of Ethics contains the values that must be taken into account when making decisions and taking actions related to the Company and its employees. It is also a reference when assessing conducts within the Company. The Code of Ethics applies to the Board of Directors and the personnel of TGN and its subsidiaries. Furthermore, it applies to relations with contractors, subcontractors, suppliers, customers, public officers, shareholders and investors and third parties in general.

	Compliance		Non-compliance (1)	Report (2) or Explain (3)
	Full (1)	Partial(1)		
VIII.2 The Issuer has mechanisms to receive complaints of any illicit or unethical conduct, either personally or electronically, ensuring that the information provided meets high standards of confidentiality and integrity and has been properly recorded. State if the reception and assessment of complaints are performed by the Issuer's employees or by external and independent professionals for greater protection of the complainant.	X			TGN has a communication channel by means of which the employees, suppliers, customers and third parties in general can report any potential irregularity or infringement of the Code of Ethics. The public may communicate by using the TRANSPARENT LINE available at the website of TGN or by dialing the toll free number 0800-122-8464. The complaints received are treated as strictly confidential as long as the applicable legislation allows it. The Committee of Conduct Evaluation of the Company will determine the course of action.
VIII.3 The Issuer has policies, processes and systems for the management and resolution of complaints mentioned in point VIII.2. Describe the most relevant aspects and state the level of participation of the Audit Committee in such resolutions, particularly those complaints related to internal control issues to report accounting matters and those related to the conduct of the Board of Directors and senior managers.	X			See VIII.2. The Audit Committee becomes immediately aware of any event made known to the Company through any of the channels detailed in VIII.2.

	Compliance		Non-compliance [1]	Report [2] or Explain [3]
	Full [1]	Partial[1]		
PRINCIPLE IX: ENHANCE THE SCOPE OF THE CODE				
Recommendation IX: Encourage the incorporation of good governance practices in the by-laws.				
Answer whether the Board of Directors assesses if the provisions of the Corporate Governance Code must be shown, totally or partially, in the By-laws, including the general and specific responsibilities of the Board of Directors. State which provisions are actually included in the by-laws since the Code took effect up to date.			X	The Board of Directors of TGN shares the principles that inspire the Corporate Governance Code and considers that the performance of the Board of Directors meet the provisions of the Code, even when the manner in which such provisions are implemented may differ in some cases. We believe the by-laws are compatible with the Corporate Governance Code and do not conflict with any of the recommendations of the Code. As a result, the Board of Directors does not consider it appropriate to introduce changes in the by-laws at this moment. Additionally, Laws 19,550 and 26,831, jointly with the Code of Ethics, provide the legal framework for the performance of the Company's directors, statutory auditors, managers and employees.

(1) Mark with a cross where applicable.
(2) In case of full compliance, inform how the Issuer complies with the principles and recommendations of the Corporate Governance Code.
(3) In case of partial compliance or non-compliance justify why and state the actions foreseen by the Board of Directors of the Issuer, if any, to be adopted in the next fiscal year or following fiscal years.

Autonomous City of Buenos Aires, March 6, 2015

Santiago Marfort
President

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE FISCAL YEARS ENDED DECEMBER 31, 2014 AND 2013

In accordance with the terms of the National Securities Commission ("CNV") regulations, an analysis of the results of Transportadora de Gas del Norte S.A. ("TGN" or "the Company") is detailed below, as well as its financial situation, its business prospects and other economic-financial indicators, which should be read in conjunction with the attached financial statements, the additional information to the Notes required by Section 68 of the Buenos Aires Stock Exchange Listing Rules, by Title IV, Chapter III, Sections 1st and 12 of the CNV regulations and the press releases opportunely notified to the CNV.

I) ANALYSIS OF COMPREHENSIVE RESULT AND FINANCIAL SITUATION

- *Comprehensive result for the fiscal year:*

(in million of pesos)

	Fiscal year ended 12.31.					
	2014	***2013***	***Variation***	***2012***	***2011***	***2010***
Revenues						
Gas carriage service	*586.5*	*476.7*	*109.8*	*439.1*	*415.2*	*560.1*
Allowances for disputed amounts and others	*(89.0)*	*(59.3)*	*(29.7)*	*(48.8)*	*(42.6)*	*(104.9)*
Subtotal gas carriage service	***497.5***	***417.4***	***80.1***	***390.3***	***372.6***	***455.2***
Other services:						
Gas pipeline operation and maintenance services	*55.9*	*48.0*	*7.9*	*31.4*	*28.7*	*28.8*
Management fees – Gas Trust Program	*18.6*	*18.5*	*0.1*	*70.0*	*5.7*	*11.2*
Subtotal other services	***74.5***	***66.5***	***8.0***	***101.4***	***34.4***	***40.0***
Total revenues	***572.0***	***483.9***	***88.1***	***491.7***	***407.0***	***495.2***
Cost of services						
Operation and maintenance costs	*(483.1)*	*(333.9)*	*(149.2)*	*(260.3)*	*(223.3)*	*(218.2)*
Property. plant and equipment depreciation	*(135.9)*	*(132.7)*	*(3.2)*	*(134.0)*	*(131.2)*	*(129.6)*
Subtotal	***(619.0)***	***(466.6)***	***(152.4)***	***(394.3)***	***(354.5)***	***(347.8)***
Gross (loss) profit	***(47.0)***	***17.3***	***(64.3)***	***97.4***	***52.5***	***147.4***
Administrative and selling expenses	*(201.0)*	*(163.4)*	*(37.6)*	*(155.0)*	*(115.3)*	*(94.8)*
(Loss) income before other net income and expenses	***(248.0)***	***(146.1)***	***(101.9)***	***(57.6)***	***(62.8)***	***52.6***
Other net income and expenses	*29.6*	*170.8*	*(141.2)*	*(12.4)*	*110.4*	*306.3*
(Loss) income before financial results	***(218.4)***	***24.7***	***(243.1)***	***(70.0)***	***47.6***	***358.9***
Net financial results	*(175.7)*	*(258.9)*	*83.2*	*(177.9)*	*(260.0)*	*(221.8)*
Result from loans restructuring	*-*	*280.7*	*(280.7)*	*575.2*	*-*	*-*
Results from investments in affiliate companies	*5.6*	*2.8*	*2.8*	*1.5*	*(0.4)*	*1.3*
Result before income tax	***(388.5)***	***49.3***	***(437.8)***	***328.8***	***(212.8)***	***138.4***
Income tax	*131.9*	*(20.4)*	*152.3*	*(114.1)*	*73.7*	*(48.6)*
(Loss) income for the fiscal year	***(256.6)***	***28.9***	***(285.5)***	***214.7***	***(139.1)***	***89.8***
Other comprehensive results	*-*	*-*	*-*	*-*	*-*	*-*
Comprehensive (loss) income for the fiscal year	***(256.6)***	***28.9***	***(285.5)***	***214.7***	***(139.1)***	***89.8***
EBITDA (1)	***(73.7)***	***161.3***	***(235.0)***	***70.8***	***183.5***	***495.5***

(1) Result before income tax, financial results, result from loans restructuring, property, plant and equipment depreciation and charges for consumable assets not entailing outlays of cash.

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE FISCAL YEARS ENDED DECEMBER 31, 2014 AND 2013

I) ANALYSIS OF COMPREHENSIVE RESULT AND FINANCIAL SITUATION (Cont.)

(in million of pesos)

	12.31.2014	***12.31.2013***	***12.31.2012***	***12.31.2011***	***12.31.2010***
Total assets	*3,259*	*3,138*	*2,836*	*3,246*	*3,137*
Total liabilities	*2,429*	*2,052*	*1,779*	*2,403*	*2,157*
Shareholders´equity	*830*	*1,086*	*1,057*	*843*	*980*

The following paragraphs describe the reasons for the main variations in the comprehensive result and cash flows of the Company, and some economic-financial indicators are disclosed in connection with the Company's equity.

- *Revenues*

Revenues´ variation of $ 88.1 million between the fiscal years ended December 31, 2014 and 2013 is explained by the following causes:

i. increase of $ 75.2 million in carriage service's billings denominated in foreign currency principally as a result of the increase in the US dollar exchange rate;

ii. decrease of $ 22.9 million due to the early termination of firm carriage contracts with export customers, during 2013 (see Note 19);

iii. decrease of $ 29.7 million due to higher allowances for disputed amounts registered during the fiscal year ended December 31, 2014, compared to the previous fiscal year;

iv. increase of $ 33.3 million in billings due to the rise in the domestic carriage rates since April, 2014 (with specific assignment to an investment plan approved by the ENARGAS);

v. higher income for $ 24.2 million in interruptible services and exchange and displacement services for local and export destination, higher firm carriage and others; and

vi. increase of $ 7.9 million in "*Gas pipeline operation and maintenance services*" billings as a result of the increase in the US dollar exchange rate.

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE FISCAL YEARS ENDED DECEMBER 31, 2014 AND 2013

I) ANALYSIS OF COMPREHENSIVE RESULT AND FINANCIAL SITUATION (Cont.)

- *Cost of services*

(in million of pesos)

Accounts	Fiscal year ended 12.31.									
	2014	%	2013	%	2012	%	2011	%	2010	%
Fees for professional services	9.2	1.5	6.5	1.4	4.5	1.1	1.9	0.5	2.8	0.8
Salaries, wages and other personnel benefits and social security contributions	192.2	31.1	149.7	32.1	111.9	28.4	90.1	25.4	79.5	22.9
Technical assistance fee	9.5	1.5	15.9	3.4	13.8	3.5	12.4	3.5	26.6	7.6
Foreign staff residence	-	-	-	-	-	-	1.2	0.3	2.8	0.8
Consumption of materials and spare parts	33.2	5.4	23.8	5.1	18.0	4.6	17.9	5.0	16.2	4.7
Gas imbalance	-	-	-	-	-	-	-	-	(1.9)	(0.5)
Maintenance and repair of property, plant and equipment and third–party services and supplies	187.7	30.3	101.8	21.8	76.0	19.3	65.1	18.4	58.3	16.7
Post, telecommunications, transportation, freight, and travel expenses	28.3	4.4	19.3	4.1	14.7	3.7	11.7	3.3	9.9	2.8
Insurance	9.4	1.5	6.6	1.4	6.1	1.5	5.2	1.5	5.5	1.6
Rentals and office supplies	4.9	0.8	3.7	0.8	3.0	0.8	2.8	0.8	2.6	0.7
Easements	4.8	0.8	5.5	1.2	10.1	2.6	11.9	3.4	12.0	3.5
Taxes, rates and contributions	1.0	0.2	0.7	0.2	0.7	0.2	0.6	0.2	0.5	0.1
Property, plant and equipment depreciation	135.9	22.0	132.7	28.4	134.0	34.0	131.2	37.0	129.6	37.3
Slow-moving and obsolete materials and spare parts	0.5	0.1	(1.8)	(0.4)	0.6	0.1	1.6	0.4	2.5	0.7
Others	2.4	0.4	2.2	0.5	0.9	0.2	0.9	0.3	0.9	0.3
Total	**619.0**	**100.0**	**466.6**	**100.0**	**394.3**	**100.0**	**354.5**	**100.0**	**347.8**	**100.0**
% of Costs of services on revenues	**108.2**		**96.4**		**80.2**		**87.1**		**70.2**	

Accounts recording the most relevant variations between both fiscal years are as follows:

i. $ 42.5 million increase in *Salaries, wages and other personnel benefits and social security contributions* as a result of pay increases, principally corresponding to inflation adjustment; and

ii. $ 85.9 million increase in *Maintenance and repair of property, plant and equipment and third-party services and supplies*, mainly due to the fact that during fiscal year 2014 higher expenses were made in cleaning and weeding of facilities ($ 8.6 million), river and erosions remediation ($ 5.3 million), repair of pipelines ($ 26.9 million), internal inspection of gas pipelines ($ 15.9 million), anti-corrosive protection, repair by class tracking and integrity ($ 10.6 million), gas pipelines and compressor plants maintenance ($ 12.0 million), safety and security ($ 5.8 million), and other works.

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE FISCAL YEARS ENDED DECEMBER 31, 2014 AND 2013

I) ANALYSIS OF COMPREHENSIVE RESULT AND FINANCIAL SITUATION (Cont.)

- *Administrative and selling expenses*

(in million of pesos)

Accounts	***Fiscal year ended 12.31.***									
	2014	***%***	***2013***	***%***	***2012***	***%***	***2011***	***%***	***2010***	***%***
Salaries, wages and other personnel benefits and social security contributions	*83.7*	*41.6*	*65.7*	*40.2*	*48.9*	*31.6*	*43.9*	*38.2*	*35.9*	*37.8*
Property, plant and equipment depreciation	*1.9*	*0.9*	*1.9*	*1.2*	*1.9*	*1.2*	*1.9*	*1.6*	*1.8*	*1.9*
Fees for professional services	*14.0*	*7.0*	*13.1*	*8.0*	*7.8*	*5.0*	*5.7*	*4.9*	*4.7*	*5.0*
Taxes, rates and contributions	*65.5*	*32.6*	*57.6*	*35.3*	*49.8*	*32.1*	*42.2*	*36.6*	*33.0*	*34.8*
Post, telecommunications, transportation, freight, and travel expenses	*5.3*	*2.6*	*3.0*	*1.8*	*2.4*	*1.5*	*1.9*	*1.6*	*1.5*	*1.6*
Maintenance and repair of property, plant and equipment and third–party services and supplies	*4.7*	*2.3*	*3.7*	*2.3*	*3.2*	*2.1*	*2.3*	*2.0*	*3.1*	*3.3*
Rentals and office supplies	*3.1*	*1.5*	*2.2*	*1.3*	*2.1*	*1.4*	*1.5*	*1.3*	*1.1*	*1.2*
Doubtful accounts	*10.2*	*5.1*	*9.9*	*6.1*	*17.5*	*11.3*	*8.3*	*7.2*	*8.3*	*8.8*
Contingencies	*4.4*	*2.2*	*1.3*	*0.8*	*3.9*	*2.5*	*4.4*	*3.8*	*3.4*	*3.6*
Statutory auditors committee´s fees	*1.5*	*0.7*	*1.2*	*0.7*	*1.0*	*0.6*	*0.9*	*0.8*	*0.6*	*0.6*
Board of directors' fees	*2.7*	*1.3*	*2.0*	*1.2*	*1.7*	*1.1*	*0.9*	*0.8*	*0.7*	*0.7*
Compensation for damages	*1.2*	*0.8*	*0.1*	*0.1*	*13.4*	*8.7*	-	-	-	-
Others	*2.8*	*1.4*	*1.7*	*1.0*	*1.4*	*0.9*	*1.4*	*1.2*	*0.7*	*0.7*
Total	***201.0***	***100.0***	***163.4***	***100.0***	***155.0***	***100.0***	***115.3***	***100.0***	***94.8***	***100.0***
% of Administrative and selling expenses on revenues	***35.1***		***33.8***		***31.5***		***28.3***		***19.1***	

Accounts recording the most relevant variations between both fiscal years are as follows:

i. $ 7.9 million increase in *Taxes, rates and contributions* principally due to higher charges for the verification and control rate in favor of the ENARGAS, turnover tax and tax on bank transactions;

ii. $ 18 million increase in *Salaries, wages and other personnel benefits and social security contributions* as a result of pay increases, principally corresponding to inflation adjustment; and

iii. $ 3.1 million increase in *Contingencies* as a result of the adjustment of the provisions for contingencies to the current status of lawsuits and complaints in which the Company is involved.

- *Other net income and expenses*

(in million of pesos)

Accounts	***Fiscal year ended 12.31***				
	2014	***2013***	***2012***	***2011***	***2010***
Income from commercial indemnifications	*7.6*	*163.9*	*47.6*	*108.4*	*301.9*
Compensation for damages adjustment	*21.5*	-	-	-	-
Court fees	-	-	*(63.9)*	-	-
Net result from disposal of property, plant and equipment	*0.2*	*1.9*	*(1.0)*	*(1.3)*	*(0.6)*
Net income from sundry sales and others	*0.3*	*5.0*	*4.9*	*3.3*	*5.0*
Total	*29.6*	***170.8***	***(12.4)***	***110.4***	***306.3***

Note 19 describes certain agreements reached with export customers. Those agreements, among others, have generated incomes amounting to $ 7.6 million and $ 163.9 million during the fiscal years ended December 31, 2014 and 2013, respectively, on account of income from commercial indemnifications. Those agreements result in the Company no longer collecting agreed future income in exchange for economic compensation, which actually generate a negative effect on TGN's expected cash flows.

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE FISCAL YEARS ENDED DECEMBER 31, 2014 AND 2013

I) ANALYSIS OF COMPREHENSIVE RESULT AND FINANCIAL SITUATION (Cont.)

In addition, on March 10, 2014, the Company entered into an *addendum* to the compromise and settlement agreement signed with AES Argentina Generación S.A. on March 13, 2012, whereby the volume available for expansion is modified to 958,100 m^3/day. This *addendum* generated income for $ 21.5 million in fiscal year ended December 31, 2014.

- *Net financial results*

(in million of pesos)

Accounts	***Fiscal year ended 12.31.***				
	2014	***2013***	***2012***	***2011***	***2010***
Generated by exchange rate differences:					
Income on exchange rate variations	*337.5*	*253.3*	*146.5*	*78.1*	*22.0*
Expenses on exchange rate variations	*(456.6)*	*(393.9)*	*(237.1)*	*(146.5)*	*(70.5)*
Total financial results generated by exchange rate differences	***(119.1)***	***(140.6)***	***(90.6)***	***(68.4)***	***(48.5)***
Financial income:					
Interest	*38.8*	*28.9*	*15.2*	*8.7*	*9.7*
Holding results	*108.7*	*52.7*	*6.3*	*4.1*	*4.1*
Result from loans repurchase	*19.6*	*5.9*	-	-	-
Allowances recovered and others	*0.9*	*6.4*	*0.5*	*0.3*	*0.2*
Results on discounting at present value	-	-	*101.6*	-	-
Total financial income	***168.0***	***93.9***	***123.6***	***13.1***	***14.0***
Financial expenses:					
Interest	*(118.3)*	*(79.4)*	*(138.7)*	*(179.4)*	*(138.2)*
Holding results	*(2.3)*	-	-	-	-
Expenses from loans restructuring	-	-	*(44.7)*	-	-
Results from hedging transactions	-	-	-	-	*(3.3)*
Results on discounting at present value	*(101.5)*	*(130.6)*	*(24.4)*	*(22.6)*	*(43.1)*
Commissions, taxes, expenses on banking and financial operations and others	*(2.5)*	*(2.2)*	*(3.1)*	*(2.7)*	*(2.7)*
Total financial expenses	***(224.6)***	***(212.2)***	***(210.9)***	***(204.7)***	***(187.3)***
Total net financial results	***(175.7)***	***(258.9)***	***(177.9)***	***(260.0)***	***(221.8)***

Net financial results for the fiscal year ended December 31, 2014 presented lower losses for $ 83.2 million compared to the fiscal year 2013. Accounts showing the most significant variations between both fiscal years were:

i. higher losses for $ 62.7 million resulting from exchange rate differences generated by liabilities denominated in US dollars;

ii. higher profits from loans repurchase for $ 13.7 million, as a consequence of the situation described in Note 15;

iii. lower losses for $ 29.1 million related to the reversal of the net present value associated to the settlement of the Claim Protection Notes during the fiscal year ended December 31, 2013, partially offset by the non-current accounts receivable valuation at their net present value;

iv. $ 38.9 million increase in interest accrued on financial loan balances;

v. $ 56.0 million of higher profit due to yields accrued in relation to short-term investments and other holding results; and

vi. higher profits for $ 84.2 million resulting from exchange rate differences generated by assets denominated in US dollars;

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE FISCAL YEARS ENDED DECEMBER 31, 2014 AND 2013

I) ANALYSIS OF COMPREHENSIVE RESULT AND FINANCIAL SITUATION (Cont.)

- *Result from loans restructuring*

On August 22, 2013 the Claim Protection Notes were automatically settled, as explained in Note 15. This settlement generated a $ 280.7 million profit during the fiscal year ended December 31, 2013.

- *Summary of the statement of cash flows*

(in million of pesos)

	Fiscal year ended 12.31				
	2014	***2013***	***2012***	***2011***	***2010***
Cash generated by the operations	*33.8*	*178.9*	*65.7*	*93.6*	*333.9*
Income tax	*(131.9)*	*20.4*	*114.1*	*(73.7)*	*48.6*
Accrued interest generated by liabilities	*118.2*	*79.4*	*138.7*	*170.6*	*(137.2)*
Net cash flow generated by the operations	***20.1***	***278.7***	***318.5***	***190.5***	***245.3***
Purchase of property, plant and equipment	*(120.7)*	*(82.9)*	*(48.2)*	*(61.1)*	*(78.0)*
Collection of dividends	*-*	*0.8*	*0.7*	*1.6*	*2.1*
Variation of short-term investments granted as guarantee	*-*	*-*	*-*	*-*	*11.5*
Variation of short-term investments (non-cash equivalents)	*(30.4)*	*7.8*	*101.5*	*(240.8)*	*(186.9)*
Net cash flow (used in) generated by the investing activities	***(151.1)***	***(74.3)***	***54.0***	***(300.3)***	***(251.3)***
Decrease (increase) in attachments and guarantee deposits	*4.8*	*(16.7)*	*(13.1)*	*-*	*(0.2)*
Loans payment	*(62.2)*	*(10.1)*	*(485.3)*	*-*	*-*
Net cash flow used in financing activities	***(57.4)***	***(26.8)***	***(498.4)***	***-***	***(0.2)***
Net (decrease) increase in cash and cash equivalents	***(188.4)***	***177.6***	***(125.9)***	***(109.8)***	***(6.2)***
Cash and cash equivalents at the beginning of the fiscal year	***350.2***	***123.9***	***208.2***	***282.1***	***272.3***
Financial results generated by cash	***88.7***	***48.7***	***41.6***	***35.9***	***16.0***
Cash and cash equivalents at the end of the fiscal year	***250.5***	***350.2***	***123.9***	***208.2***	***282.1***

- *Breakdown of cash and cash equivalents*

(in million of pesos)

	Fiscal year ended 12.31				
	2014	***2013***	***2012***	***2011***	***2010***
Cash and banks	*66.8*	*90.3*	*11.5*	*6.0*	*64.0*
Time deposits in US$	*153.8*	*177.3*	*64.4*	*121.9*	*125.1*
Time deposits in $	*-*	*12.2*	*-*	*30.0*	*31.2*
US Treasury bills	*-*	*-*	*-*	*-*	*15.7*
Mutual funds in US$	*29.9*	*32.6*	*-*	*28.8*	*-*
Government bonds in $	*-*	*-*	*3.4*	*-*	*-*
Mutual funds in $	*-*	*36.6*	*44.6*	*18.3*	*18.7*
Stock exchange securities in $	*-*	*1.2*	*-*	*3.2*	*27.4*
Cash and cash equivalents at the end of the fiscal year	***250.5***	***350.2***	***123.9***	***208.2***	***282.1***

SUMMARY OF INFORMATION CORRESPONDING TO THE FISCAL YEARS ENDED DECEMBER 31, 2014 AND 2013

II) BUSINESS PROSPECTS (*not covered by the Report of Independent Auditors)*

This section, related to the Company's business, operating, financial and regulatory prospects must be complemented with the notes to the financial statements, the additional information required by Section 68 of the Buenos Aires Stock Exchange Listing Rules and by Title IV, Chapter III, Sections 1st and 12 of the CNV regulations as of December 31, 2014. This information should be jointly read, analyzed and interpreted to have a full vision of the significant corporate matters.

Business prospects for the next fiscal year:

Upon enactment of the Public Emergency Law N° 25,561 ("LEP") in early 2002 and the extension of its effectiveness since then, the gas carriage rates were pesified and frozen. Since the regulation issued after the enactment of the LEP did not establish any alternative mechanism for the adjustment of rates, the economic-financial equation of the License (as defined in Note 1) was broken.

The freezing of rates that was in force between July, 1999 and March, 2014, prevented and keep preventing the Company from continuing making investments to expand the system. Public trusts organized by the National Secretariat of Energy replaced the Company in that role. The trusts are financed through rates that largely exceed (3.75 times) the rate collected by TGN.

On the other hand, a strong upward pressure on prices materially impacts on the Company's expenses and, despite the constant efforts to use resources efficiently, operational costs have significantly increased.

The joint effect of the rate freezing that was in force for almost fifteen years and the sharp increase in costs, have materially affected the operating results of TGN, which has recorded losses since 2011. The Company has recorded operating losses over the last sixteen quarters as regards the natural gas carriage utility. TGN has not received and is not receiving any subsidy from the National State and, since the year 2000, it subsidizes consumers through its rate, which does not even allow the Company to recover its operational costs.

In April 2014, the ENARGAS implemented a Temporary Agreement for rate adjustment entered into in 2008, and ratified by the National Executive Branch in 2010, which approved an increase in transportation rates of 8% as from April 1st, 2014; 14% accumulated as from June 1st, 2014, and 20% accumulated as from August 1st, 2014. The incremental collection will have to be applied to carry out investments approved by the ENARGAS. Although TGN believes that this would be the first step towards to the regularization of its rates, the effect of such increase does not modify the operating losses tendency recorded by the Company during the last sixteen quarters.

The provision of the gas carriage public service is considered as a capital-intensive activity; therefore, income must be sufficient not only to bear the operating costs and property, plant and equipment depreciation charges, but also the cost of capital -whether arising from the shareholders' contributions, reinvestment of profits, or debts with third parties-. This position has also been reinforced in the LEP, which includes "company profitability", among other aspects, as an element to be considered for the renegotiation of rates. As mentioned in the previous paragraph, current TGN revenues are not sufficient to cover its operating costs.

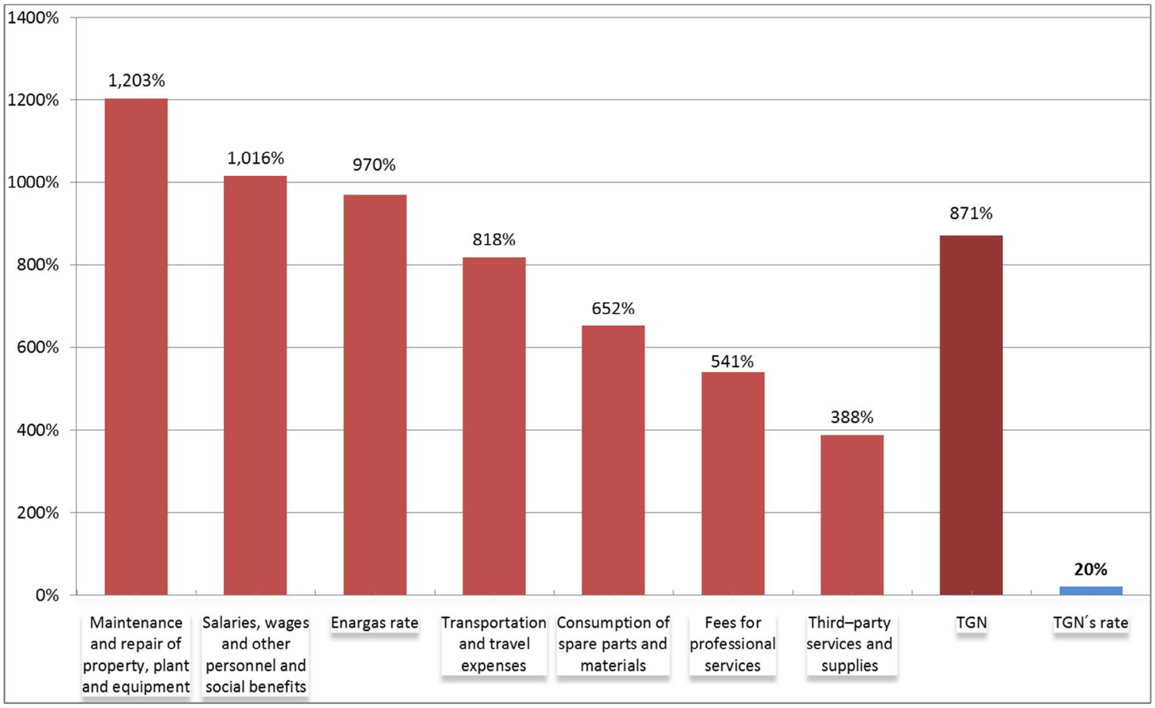
Both Law N° 24,076 and the LEP establish that the rate must be sufficient to cover operational costs and to provide reasonable profitability. Additionally, the License mentions that the National State must pay a compensation to TGN, in case of applying –as it actually occurred and it still occurs– rate freezing or prices control. However, none of these points have been fulfilled. Additionally, it should also be mentioned that fiscal year 2014 generated $ 47 million gross loss. In case of persisting, rate freezing will expose TGN during the next fiscal year to a situation of financial imbalance, accumulating new gross and operational losses, which could lead the Company to an mandatory reduction of capital, in accordance with Section 206 of the Argentine Corporations Law.

TRANSPORTADORA DE GAS DEL NORTE S.A.

<u>SUMMARY OF INFORMATION CORRESPONDING TO THE FISCAL YEARS ENDED DECEMBER 31, 2014 AND 2013</u>

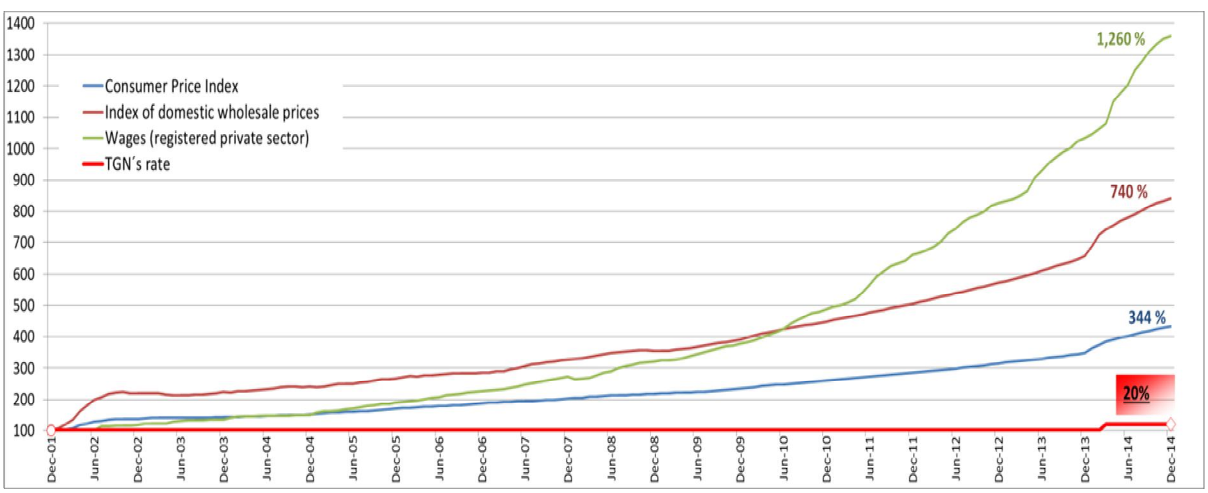
<u>II) BUSINESS PROSPECTS (*not covered by the Report of Independent Auditors)* (Cont.)</u>

Changes in main costs of TGN vs. Rate (period: 2001 – 2014)



Source: Company’s internal information.

Changes in main macroeconomic indicators vs. Rate



Source: INDEC

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE FISCAL YEARS ENDED DECEMBER 31, 2014 AND 2013

III) COMPARATIVE BALANCE SHEET STRUCTURE AT DECEMBER 31, 2014, 2013, 2012, 2011 and 2010

(in million of pesos)

	At 12.31				
	2014	2013	2012	2011	2010
Non-current assets	2,535	2,329	2,197	2,268	2,404
Current assets	724	809	639	978	733
Total	**3,259**	**3,138**	**2,836**	**3,246**	**3,137**
Shareholders´equity	830	1,086	1,057	843	980
Non-current liabilities	1,859	1,654	1,434	265	328
Current liabilities	570	398	345	2,138	1,829
Subtotal liabilities	2,429	2,052	1,779	2,403	2,157
Total	**3,259**	**3,138**	**2,836**	**3,246**	**3,137**

IV) COMPARATIVE STRUCTURE OF COMPREHENSIVE RESULTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2014, 2013, 2012, 2011 and 2010

(in million of pesos)

	At 12.31				
	2014	2013	2012	2011	2010
(Loss) income before other net income and expenses	**(248.0)**	**(146.1)**	**(57.6)**	**(62.8)**	**52.6**
Other net income and expenses	29.6	170.8	(12.4)	110.4	306.3
(Loss) income before financial results	**(218.4)**	**24.7**	**(70.0)**	**47.6**	**358.9**
Net financial results	(175.7)	(258.9)	(177.9)	(260.0)	(221.8)
Result from loans restructuring	-	280.7	575.2	-	-
Results from investments in affiliate companies	5.6	2.8	1.5	(0.4)	1.3
Result before income tax	**(388.5)**	**49.3**	**328.8**	**(212.8)**	**138.4**
Income tax	131.9	(20.4)	(114.1)	73.7	(48.6)
(Loss) income for the fiscal year	**(256.6)**	**28.9**	**214.7**	**(139.1)**	**89.8**
Other comprehensive results	-	-	-	-	-
Comprehensive (loss) income for the fiscal year	**(256.6)**	**28.9**	**214.7**	**(139.1)**	**89.8**

V) COMPARATIVE STATISTICAL DATA CORRESPONDING TO THE FISCAL YEARS ENDED DECEMBER 31, 2014, 2013, 2012, 2011 and 2010

Volume dispatched in million of cubic meters:

According to the type of carriage agreement

	At 12.31				
	2014	2013	2012	2011	2010
Firm carriage	15,789	14,918	14,394	13,581	13,653
Interruptible carriage and Exchange and displacement	7,633	6,902	6,670	5,766	4,541
Total	**23,422**	**21,820**	**21,064**	**19,347**	**18,194**

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE FISCAL YEARS ENDED DECEMBER 31, 2014 AND 2013

V) COMPARATIVE STATISTICAL DATA CORRESPONDING TO THE FISCAL YEARS ENDED DECEMBER 31, 2014, 2013, 2012, 2011 and 2010 (Cont.)

According to the type of source

	At 12.31				
	2014	***2013***	***2012***	***2011***	***2010***
Norte Gas pipeline	*10,698*	*8,687*	*8,415*	*8,044*	*7,589*
Centro-Oeste Gas pipeline	*12,724*	*13,133*	*12,649*	*11,303*	*10,605*
Total	***23,422***	***21,820***	***21,064***	***19,347***	***18,194***

According to its destination

	At 12.31				
	2014	***2013***	***2012***	***2011***	***2010***
Domestic market	*23,345*	*21,755*	*21,047*	*19,291*	*17,930*
Foreign market	*77*	*65*	*17*	*56*	*264*
Total	***23,422***	***21,820***	***21,064***	***19,347***	***18,194***

VI) COMPARATIVE INDICATORS AT DECEMBER 31, 2014, 2013, 2012, 2011 and 2010

	At 12.31				
	2014	***2013***	***2012***	***2011***	***2010***
Current liquidity (1)	*1.27*	*2.03*	*1.85*	*0.46*	*0.40*
Solvency (2)	*0.34*	*0.53*	*0.59*	*0.35*	*0.45*
Freezing capital (3)	*0.78*	*0.74*	*0.77*	*0.70*	*0.77*
Result on investment (4)	*(0.27)*	*0.03*	*0.23*	*(0.15)*	*0.10*

(1) Current assets over current liabilities
(2) Shareholders' equity over total liabilities
(3) Non-current assets over total assets
(4) Result for the fiscal year over average shareholders´ equity

Autonomous City of Buenos Aires, March 6, 2015

Santiago Marfort
President

Transportadora de Gas del Norte S.A.

BALANCE SHEET AT DECEMBER 31, 2014 COMPARATIVE WITH THAT AT DECEMBER 31, 2013 (in thousands of pesos)

	Note	12.31.2014	12.31.2013
ASSETS			
Non-current assets			
Property, plant and equipment	**6**	1,776,447	1,794,381
Investments in affiliate companies	**7**	10,807	4,038
Other assets – gas stock		54,054	41,760
Materials and spare parts	**10**	39,904	36,898
Other accounts receivable	**11**	88,278	70,139
Trade accounts receivable	**12**	528,769	345,542
Investments at amortised cost	**9**	36,445	36,194
Total non-current assets		2,534,704	2,328,952
Current assets			
Materials and spare parts		14,510	11,591
Other accounts receivable	**11**	44,855	56,890
Trade accounts receivable	**12**	80,853	86,618
Investments at amortised cost	**9**	110,488	197,442
Investments at fair value	**9**	223,259	106,154
Cash and cash equivalents	**13**	250,489	350,237
Total current assets		724,454	808,932
Total assets		3,259,158	3,137,884

Transportadora de Gas del Norte S.A.

BALANCE SHEET AT DECEMBER 31, 2014 COMPARATIVE WITH THAT AT DECEMBER 31, 2013 (in thousands of pesos)

	Note	12.31.2014	12.31.2013
SHAREHOLDERS´ EQUITY			
Common stock	**14**	439,374	439,374
Inflation adjustment of common stock		506,053	506,053
Legal reserve	**14.2**	73,201	71,757
Optional reserve		67,556	46,495
Retained earnings		(256,625)	22,505
Total shareholders´ equity		829,559	1,086,184
LIABILITIES			
Non-current liabilities			
Contingencies	**18**	-	49,585
Loans	**15**	1,685,930	1,273,044
Deferred tax liability	**8**	119,609	251,514
Other debts	**16**	34,440	37,670
Trade accounts payable	**17**	19,255	41,946
Total non-current liabilities		1,859,234	1,653,759
Current liabilities			
Contingencies	**18**	93,980	33,958
Loans	**15**	83,548	58,200
Salaries and social security contributions		61,663	45,632
Taxes payable		16,109	12,928
Other debts	**16**	28,305	37,886
Trade accounts payable	**17**	286,760	209,337
Total current liabilities		570,365	397,941
Total liabilities		2,429,599	2,051,700
Total liabilities and shareholders´ equity		3,259,158	3,137,884

The accompanying notes 1 to 30 are an integral part of these financial statements.

Transportadora de Gas del Norte S.A.

STATEMENT OF COMPREHENSIVE INCOME AT DECEMBER 31, 2014 AND 2013 (in thousands of pesos)

	Note	12.31.2014	12.31.2013
Revenues	**20**	571,944	483,907
Cost of services	**21**	(619,000)	(466,586)
Gross (loss) profit		**(47,056)**	**17,321**
Selling expenses	**21**	(40,310)	(27,544)
Administrative expenses	**21**	(160,708)	(135,887)
Loss before other net income and expenses		**(248,074)**	**(146,110)**
Other net income and expenses	**22**	29,555	170,820
(Loss) income before financial results		**(218,519)**	**24,710**
Financial results			
Generated by exchange rate differences	**23**	(119,093)	(140,583)
Financial income	**23**	168,000	93,880
Financial expenses	**23**	(224,565)	(212,233)
Net financial results		**(175,658)**	**(258,936)**
Results from investments in affiliate companies	**7**	5,647	2,828
Result from loans restructuring	**15**	-	280,732
Result before income tax		**(388,530)**	**49,334**
Income tax			
Current		-	(8,941)
Deferred		131,905	(11,517)
Subtotal income tax	**8**	**131,905**	**(20,458)**
Loss (income) for the fiscal year		**(256,625)**	**28,876**
Other comprehensive results		-	-
Comprehensive (loss) income for the fiscal year		**(256,625)**	**28,876**
Net result per share	**24**	(0.5841)	0.0657

The accompanying notes 1 to 30 are an integral part of these financial statements.

Transportadora de Gas del Norte S.A.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE FISCAL YEARS ENDED DECEMBER 31, 2014 AND 2013 (in thousands of pesos)

Item	Common stock	Inflation adjustment of common stock	Legal reserve	Optional reserve	Retained earnings	Total shareholders´ equity
Balances at December 31, 2012	**439,374**	**506,053**	**60,869**	**139,372**	**(88,360)**	**1,057,308**
Resolution of Ordinary Shareholders' Meeting held on April 18, 2013:						
Set up of the Legal reserve	-	-	10,888	-	(10,888)	-
Set up of the Optional reserve	-	-	-	206,877	(206,877)	-
Allocation of the deferred tax liability generated by the inflation adjustment of property, plant and equipment against the Optional reserve	-	-	-	(299,754)	299,754	-
Income for the fiscal year	-	-	-	-	28,876	28,876
Balances at December 31, 2013	**439,374**	**506,053**	**71,757**	**46,495**	**22,505**	**1,086,184**
Resolution of Ordinary Shareholders' Meeting held on April 25, 2014:						
Set up of the Legal reserve	-	-	1,444	-	(1,444)	-
Set up of the Optional reserve	-	-	-	27,432	(27,432)	-
Absorption of negative remaining balance of Retained earnings against the Optional reserve	-	-	-	(6,371)	6,371	-
Loss for the fiscal year	-	-	-	-	(256,625)	(256,625)
Balances at December 31, 2014	**439,374**	**506,053**	**73,201**	**67,556**	**(256,625)**	**829,559**

The accompanying notes 1 to 30 are an integral part of these financial statements.

Transportadora de Gas del Norte S.A.

STATEMENT OF CASH FLOWS AT DECEMBER 31, 2014 AND 2013 (in thousands of pesos)

	Note	12.31.2014	12.31.2013
Cash generated by the operations	**25**	33,758	178,855
Income tax	**8**	(131,905)	20,458
Accrued interest generated by liabilities	**23**	118,269	79,353
Net cash flow generated by the operations		**20,122**	**278,666**
Purchase of property, plant and equipment	**6**	(120,733)	(82,864)
Changes in short-term investments (non-cash equivalents)		(30,402)	7,770
Collection of dividends	**26**	-	768
Net cash flow used in investing activities		**(151,135)**	**(74,326)**
Decrease (increase) in attachments and guarantee deposits		4,758	(16,743)
Loans payment		(62,168)	(10,033)
Net cash flow used in financing activities		**(57,410)**	**(26,776)**
Net (decrease) increase in cash and cash equivalents		**(188,423)**	**177,564**
Cash and cash equivalents at the beginning of the fiscal year		350,237	123,903
Financial results generated by cash		88,675	48,770
Cash and cash equivalents at the end of the fiscal year	**13**	**250,489**	**350,237**

The accompanying notes 1 to 30 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

1 - GENERAL INFORMATION

1.1 - Incorporation of the Company

Transportadora de Gas del Norte S.A. ("the Company" or "TGN") was incorporated on November 24, 1992 as a result of the enactment of Laws Nos. 23,696 and 24,076 ("Natural Gas Act") and the issuance of National Executive Branch ("PEN") Decree No. 1,189/92, whereby the privatization of the natural gas carriage and distribution services and the setting up of the companies that would receive the licenses to operate those services were established. The Company was granted a license (the "License") pursuant to which TGN is authorized to provide the public service of gas carriage through the exclusive utilization of its two pipelines in the northern and central-western regions of Argentina.

1.2 - Argentine economic context, energy crisis and its impact on the economic and financial position of the Company

In view of the major changes in the main macroeconomic variables that Argentina has recorded since the end of 2001, as from January 2002 the National State issued laws, executive orders and regulations that involved a deep change to the then prevailing economic model, which produced the material effects on the Company's economic and financial equation, its business and the regulatory framework. The most significant changes are mentioned below:

(i) The Public Emergency Law 25,561 ("LEP") established the pesification of the rates of carriage of natural gas destined for the domestic market and the repeal of the semi-annual adjustment mechanism based on the Producer Price Index ("PPI"). Furthermore, the LEP authorized the PEN to renegotiate the public works and services contracts and rates. At the date of issuance of these financial statements, and considering the transitory agreement mentioned in Note 1.3.3, no substantial progress has been made regarding rates renegotiation.

Note 1.3 details several issues relating to the rates, the License and the implications of the amendments introduced by the LEP within the Company's regulatory framework.

(ii) As from 2004 the National State adopted a series of measures to redistribute the effects of the energy sector crisis derived from a natural gas and electricity shortage. The National Energy Secretariat, the Fuel Under-secretariat and the National Gas Regulatory Entity ("ENARGAS") have issued a series of rules establishing precautionary measures to prevent a shortfall in domestic natural gas supply and its effects on the wholesale electricity supply, including measures that led to almost cessation of exports of natural gas to first ensure the supply of domestic consumption. The creation of trust funds was also established to finance investments in the expansion of the capacity of the natural gas carriage and distribution systems and gas imports.

These government measures, that ultimately did not prevent that Argentina returned to depend on fuel importation, have produced negative results regarding TGN´s gas carriage agreements. In that sense, material controversies have arisen in relation to certain export customers, as mentioned in Note 19.

(iii) As indicated in Note 1.3.6, on December 22, 2008 the Board of Directors of the Company decided to postpone the payment of the principal and interest installments on the negotiable obligations that would fell due since that date. In that context, on December 29, 2008, through Resolution I/587 the ENARGAS established an intervention in TGN for 120 days, as well as a comprehensive audit in charge of the intervener. Upon expiration of such term, the intervention was repeatedly extended by ENARGAS resolutions up to May 2015.

(iv) The characteristics of the economic environment and the legal and regulatory framework in which the Company is currently operating and the current status of the renegotiation of the License, give rise to uncertainty as to the future cash flows´ sufficiency to recover non-current assets, the re-payment of the financial debts, the future development of the Company's business and the normal continuity of its operations.

The impact generated by all the measures adopted so far by the National State on the balance sheet and financial position of the Company as of December 31, 2014 was calculated on the basis of evaluations and estimates used by the Board of Directors at the date these financial statements were issued. The future development of the economy might require that the National State modify some measures adopted or issue additional regulations. However, it is important to remark that actual future results could differ from the evaluations and estimates made at the date of issuance of these financial statements and these differences could be significant.

1.3 - Regulatory framework

1.3.1 - General

The Natural Gas Act and its regulations, together with the License, the Transfer Agreement, the Bidding Terms and Conditions for the privatization of Gas del Estado S.E. ("GdE") and the resolutions adopted by the ENARGAS establish the legal framework within which the Company carries out its business activities. The License was granted for an original term of 35 years, which expires in December 2027. However, the Natural Gas Act and the License provide that TGN may apply to ENARGAS for a renewal of the License for an additional ten-year term. ENARGAS is required at that time to evaluate the Company's performance and make a recommendation to the PEN.

1.3.2 - Rates

Gas carriage service's rates were established by the License and are regulated by the ENARGAS. The Natural Gas Act establishes that rates must cover reasonable operating costs, taxes and depreciations charges, enable obtaining reasonable profit margins similar to those derived from other comparable or equivalent risky activities and must be related to the degree of efficiency in the providing of the services. In accordance with the original conditions of the License, and up to the enactment of the LEP, rates were subject to the following until expiration thereof:

(i) adjustments for the five-yearly review of rates by the ENARGAS, which affect as far as possible the "X" efficiency factor and "K" investment factor, where "X" reduces the rate as a counterpart for increased efficiency and "K" increases rates to encourage unprofitable investments;

(ii) semi-annual adjustments to reflect PPI variations;

(iii) non-recurring adjustments to reflect the variations in the costs resulting from changes in tax regulations (except in the case of variations in income tax); and

(iv) unplanned adjustments for other objective and justifiable reasons at the discretion of the ENARGAS.

As mentioned in Note 1.2, the LEP established the pesification of natural gas carriage rates of gas destined for the domestic market and the repeal of the semi-annual adjustment mechanism based on the PPI.

1.3.3 - License

Under the provisions of LEP, the PEN is entitled to renegotiate the terms of the licenses granted for the provision of public services based on the following criteria: (i) the impact of the rates on the competitiveness of the economy and the distribution of people's income; (ii) the quality of the services and the investment plans, as contractually agreed; (iii) the customers´ interests and accessibility to the services; (iv) the safety of the systems; and (v) the profitability of the companies.

In 2002, the PEN created an ad-hoc Committee and started the renegotiation process, for which it set a work schedule that was to be completed in June 2002 with the execution of renegotiation agreements. Although TGN submitted all the information that was requested, the committee failed to meet its objectives, and was replaced by the Unit for the Renegotiation and Analysis of Public Utility Contracts ("UNIREN") in July 2003.

Law No. 25,790 dated October 2003 established that the decisions to be made by the PEN throughout the renegotiation process would not be limited to or conditioned by the stipulations contained in the regulatory frameworks for the concession or license contracts involving the respective public utility services.

TGN considered that the main obstacle to reach a complete renegotiation agreement at that time was the National State's requirement on adding an indemnity clause for its benefit, under which the effects of judgments or arbitration awards requiring Argentina to pay indemnifications supported by the LEP on the License would be transferred to TGN. However, in 2004 a gas distribution licensee that did not accept giving such indemnity, was granted a significant rate adjustment.

On October 2008, the Company entered into a temporary agreement ("the Temporary Agreement") that does not involve an indemnity clause for the benefit of the National State, and envisage a transition rates regime as from September 1, 2008 on which a 20% increase would be applied to the remuneration of the ruled domestic activity of TGN in force at August 31, 2008. The Temporary Agreement establishes that TGN will assign the rights of the resulting incremental revenue to a specific fund that will be set up as a trust for the payment of works and/or tasks detailed in a document attached to the Temporary Agreement. The Temporary Agreement assumed that on December 31, 2008 the LEP would no longer be effective, which did not occur since that law will actually be in force until December 31, 2015. Consequently, by that date the parties had to agree on the methodology, term and time of the execution of an Overall Contractual Renegotiation Minute. Otherwise, the PEN, if it deems it convenient, would rule on the enforcement of the Temporary Agreement and, in turn, UNIREN would make the necessary recommendations to the PEN pursuant to section 1 subsection e) of Decree No. 311/03 and section 11 of the Joint Resolution No. 188/03 and No. 44/03 of the MEP and MPFIPyS. Although the Temporary Agreement was ratified by the PEN through Decree N° 458 of April 5, 2010, the rate increase could not be invoiced by TGN because the ENARGAS did not approved the new rate schedules at that time. However, TGN performed the foreseen works at its expense. Recently, on April 7, 2014, the ENARGAS implemented the Temporary Agreement, which approved an increase in transportation rates of 8% as from April 1st, 2014; 14% accumulated as from June 1st, 2014, and 20% accumulated as from August 1st, 2014. The incremental collection will have to be applied to carry out investments approved by the ENARGAS.

At the date of issuance of these financial statements, no significant progress had been made to ensure compliance with the objective to sign a comprehensive agreement in the short term. Furthermore, it cannot be assured that the final outcome of the renegotiation will effectively restore the balance of the License and award a fair and reasonable rate in order to redress TGN for the damage suffered as a result of the LEP. Refer to Note 18.1.7.

1.3.4 - Technical assistance agreement

According to its regulatory framework, TGN receives technical assistance from certain indirect controlling shareholders. Such assistance covers, among others, issues relating to system performance, security, environment, preventive maintenance, in-house procedures, training, information technology systems and compliance with certain international standards governing the gas carriage industry. Since October 2013, contractual compensation amounts to $ 5 million.

The technical assistance agreement will expire on December 31, 2017. In consideration of the decision to postpone the due dates of TGN financial debt adopted on December 22, 2008, the Board of Directors resolved to temporarily suspend effective December 31, 2008 the payments of fees envisaged in the technical assistance agreement. Furthermore, those payments are subject to the fulfillment of certain requirements established by financial agreements currently in force. Payments were resumed in December 2014.

1.3.5 - Decrease in revenues from carriage of gas for export

Effective February 2004, the National State adopted a series of measures, still in force, to ensure a natural gas supply sufficient to satisfy domestic demand, considerably limiting gas exportation. Dispatched export volume has systematically decreased from 2006 until the end of this year. In that context, YPF S.A. (“YPF”) ceased to pay and initiated administrative and judicial actions to obtain the rescission without negligence of the gas carriage contract, and the Chilean distributor Metrogas S.A. (“Metrogas”) attempted to unilaterally rescind the agreement and claimed compensation. YPF and Metrogas recorded unpaid balances of $ 632.5 million and $ 919 million, respectively, as of December 31, 2014, so the Company has set up an allowance of $ 775.8 million to cover the uncollectible past due balance for the carriage service. Disputes with these customers are described in Notes 18.1.4 and 18.1.6.

Other customers entered into compromise and settlement agreements replacing and/or rescinding the contracts previously in force (as described in Note 19). Although the abovementioned compromise and settlement agreements contemplated the collection of compensation amounts, TGN shall cease to collect revenues in the future, which will eventually produce a negative net effect on its future cash flows.

1.3.6 - Loan payments postponement and intervention established by the ENARGAS

On December 22, 2008, the Board of Directors of TGN decided that it was necessary for the Company to postpone the negotiable obligations´ principal and interest payments that would fall due since that date. Although this decision was made to explicitly maintain the safe and reliable provision by TGN of the public utility natural gas carriage service, as called for by the Natural Gas Act and Section 10 of the LEP, on December 29, 2008, through Resolution I/587 the ENARGAS established the intervention in TGN for 120 days and designated an intervener with powers of “*co-administration, surveillance and control of all the usual acts of administration and disposition that may affect the normal provision of the public utility gas carriage service by TGN under the License*”. By this resolution, the ENARGAS also established that a comprehensive audit should be conducted at TGN.

TGN challenged the legality of Resolution I/587 as regards the corporate joint management and in March 2009, Room I of the Federal Court of Appeals in administrative litigation matters resolved as follows: (i) to stay the effects of ENARGAS Resolution I/587 which had established an intervention in TGN and appointed an intervener with powers of company co-administration; (ii) to maintain the control and superintending powers vested in the officer appointed by the ENARGAS with respect to all the acts that may reasonably affect the normal provision of the public utility service by TGN; and (iii) to order the ENARGAS to return to TGN the meeting minutes books that had been withdrawn by the intervener from TGN’s principal place of business.

The aforementioned appeal filed by TGN was declared "insubstantial" by the Federal Court of Appeals in administrative litigation matters on August 5, 2013. This was due to the fact that the successive extensions of Resolution I/587 did not consider the power of company co-administration. The Company filed an extraordinary appeal against the decision of the Federal Court of Appeals on the grounds that the case is a current issue. The appeal was granted and the case is now set for the National Supreme Court to issue a decision.

Resolution I/587 was successively extended until May, 2015, term over which TGN will continue to be subject to surveillance and control of the usual acts of administration and disposition that may affect the normal provision of the gas carriage public utility service under its charge. The Company considers that having restructured its financial liabilities, there would be no grounds to maintain the above-mentioned surveillance.

2 - PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

These financial statements have been issued in accordance with the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB").

The National Securities Commission ("CNV") through its General Resolution N° 622/13, established the implementation of the Technical Resolutions N° 26 and 29 of the Federación Argentina de Consejos Profesionales de Ciencias Económicas, which adopt IFRS, issued by the IASB, for the entities encompassed by the public offering regime, either because of their capital or negotiable obligations, or because those entities have requested authorization to be encompassed by this regime.

Furthermore, the provisions of ENARGAS Resolution No. 1,660/00 (as amended by Resolution No. 1,903/00) regulating certain valuation and disclosure criteria for the regulated natural gas carriage and distribution activity have been applied. These criteria are similar to those established by IFRS.

2.1 - Accounting estimates

The preparation of these financial statements requires the Company´s Board of Directors to make estimates and assessments that affect the reported valuation of assets and liabilities at the date of issuance of these financial statements as well as income and expenses recorded for the fiscal year. However, actual results and amounts may significantly differ from the estimations used to prepare these financial statements.

Such estimates are affected by uncertainties related to changes in the economic environment, and the legal and regulatory framework in which the Company is currently operating, as well as by the current status of the License renegotiations and the consequences of the gas supply shortage (mentioned in Note 1). In this context, there is uncertainty as to the generation of future cash flows sufficient to recover non-current assets, the re-payment of financial debts, the future development of the Company's business and the normal continuity of its operations.

The aspects involving a higher degree of complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.2 – Main accounting policies

2.2.1 - Interpretations and standards issued but not yet adopted

At the date of issuance of these financial statements we are not aware of IFRS issued and applicable to the Company or to its affiliates, that has not been properly considered.

2.3 - Investments in affiliate companies

Affiliate companies are all entities over which the Company exerts significant influence. Investments in affiliate companies are valued using the equity method of accounting. Investments in affiliate companies Comgas Andina S.A. ("COMGAS") and Companhia Operadora do Rio Grande do Sul ("COPERG") have been valued at equity value, on the basis of the financial statements of these companies (see Note 7). TGN keeps an allowance to fully cover its investment in the Brazilian company COPERG, due to the fact that the expectations on which the business was made have not been fulfilled. As a result, it is estimated that the reduced level of activity of that company will not allow recovering the value of the investment.

2.4 - Functional currency

(a) Functional and presentation currency

Items included in the Company's financial statements are stated using the currency of the primary economic environment in which the entity operates ("functional currency").

(b) Transactions and balances

Foreign currency transactions are converted into the functional currency based on the exchange rate prevailing at the dates of the transactions or at the date of the financial statements in the case of receivable or payable balances. Income and expenses from exchange rate difference resulting from the settlement of such transactions and from the translation at year-end exchange rates of assets and liabilities denominated in foreign currency are recognized in the statement of comprehensive income.

Exchange rate differences (income or expenses) are shown in the statement of comprehensive income under "Net financial results".

2.5 - Property, plant and equipment

Fixed assets received from GdE at the start of the Company's operations have been valued at their global transfer price stated in the Transfer Agreement. The assets acquired or built after the takeover date have been valued at acquisition or construction cost, including the costs of materials, labor and overheads until they were placed into service.

The Company has considered as elements forming part of the value of property, plant and equipment the net financial costs generated by third parties' capital, referred to fixed assets whose construction extends over time and until they are placed into service. The values mentioned above are shown net of accumulated depreciation. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Accounting and tax depreciation charges are calculated according to the straight line method at annual depreciation rates sufficient to extinguish the original values at the end of their useful lives. In determining the useful life, the ENARGAS regulations have been considered, among other parameters. Considering the economic and financial projections prepared by the Company on the basis of the best estimate in accordance with the guidelines stated in Note 4 and the resolution of the uncertain situations mentioned in Notes 1.2 and 1.3, the aggregate property, plant and equipment book value does not exceed its recoverable value. In this regard, the Company monitors the performance of the variables considered in those projections when there is evidence that the net book value of property, plant and equipment items might not be recoverable.

2.6 - Financial instruments

2.6.1 - Recognition and valuation

All financial instruments have been recognized and derecognized on the trade date, i.e. the date on which the Company purchases or sells the instruments. Financial assets are initially measured at fair value, net of transaction costs, except for those financial assets classified as at fair value through profit or loss. As for these financial assets, transaction costs are recognized as a financial expense in the statement of comprehensive income.

Investments are derecognized when the rights to receive their cash flows expire or are transferred and the Company no longer possesses substantially all the risks and rewards of ownership. Trade accounts receivable and other accounts receivable are valued at amortised cost applying the effective interest rate method. Profits and losses from changes in the fair value of financial assets at fair value through profit or loss are included in the statement of comprehensive income under “Net financial results”, in the fiscal year in which the aforementioned changes take place.

2.6.2 - Classification

The Company classifies its financial instruments into the following categories: financial assets at fair value through profit or loss, financial assets at amortised cost and financial liabilities at amortised cost. This classification depends on the way the Company manages its financial assets and the characteristics of the contractual cash flows thereof.

The Company has a policy approved by the Board of Directors, which describes the criteria to value its investments in financial assets and establishes the General Director’s monitoring mechanisms, related to the adequate implementation of those criteria.

2.6.2.1 - Financial assets at fair value through profit or loss

Financial assets at fair value included within this category are mutual funds and certain government bonds.

2.6.2.2 - Financial assets at amortised cost

The following items have been included in this category: time deposits, stock exchange securities, US Treasury bills, other investments, certain government bonds, trade accounts receivables and certain balances classified as other accounts receivables.

2.6.2.3 - Financial liabilities at amortised cost

The Company has determined that all financial liabilities are valued at amortised cost using the effective interest rate method.

2.6.3 - Impairment

The Company assesses at each date of issuance of its financial statements if there is objective evidence of impairment or deterioration of a financial asset valued at amortised cost. A financial asset is impaired and an impairment loss is recognized if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and such event, or events, have an impact on the estimated future cash flows from the financial asset.

2.7 - Materials and spare parts

Materials and spare parts are recorded at their historical cost. This cost is calculated according to the "Weighted Average Price" method. The breakdown of materials and spare parts into current and non-current has been performed based on the estimated consumption plan. An allowance for slow-moving and obsolete materials and spare parts is determined for those slow-moving or obsolete assets. Considering the economic and financial projections prepared by the Company on the basis of the best estimate, in accordance with what it is mentioned in Note 4 and the resolution of the uncertainties mentioned in Notes 1.2 y 1.3, the book value of materials and spare parts does not exceed their recoverable value.

2.8 - Trade accounts receivable and other accounts receivable

Trade accounts receivable represent the amounts due from customers for services rendered by the Company in the normal course of its business. If they are expected to be collected within one year or less, they are classified as current assets. Otherwise, they are disclosed as non-current assets. Non-current trade receivables are principally related to the customers in dispute mentioned in Notes 18.1.4 and 18.1.6 and have been valued at the best possible estimate of the amounts receivable discounted at a rate reflecting the time value of money and the specific risks of the transaction, considering the estimated collection term.

The other accounts receivable have been valued at amortised cost applying the effective interest rate method, net of an allowance for doubtful accounts. The allowance for doubtful accounts and disputed amounts for trade receivables and other accounts receivables is recorded when there is objective evidence of a risk related to the collection of amounts due, according to the original terms of the receivables. Book value of trade accounts receivable and other accounts receivable does not present material differences when compared to its fair value.

2.9 - Cash and cash equivalents

This item includes available cash, bank deposits and other short-term liquid investments originally falling due within three months or less. Available cash and bank deposits are measured at nominal value. Time deposits and stock exchange securities are valued at their amortised cost. Mutual funds are valued at their fair value. Note 13 provides a breakdown of cash and cash equivalents.

2.10 - Common stock

The ordinary shares are recorded at its nominal value. The difference between common stock stated in constant currency and its historical nominal value is shown under "Inflation adjustments of common stock" in the statement of changes in shareholders' equity.

2.11 - Trade accounts payable and other debts

Trade accounts payable represent payment obligations for goods and services purchased from suppliers in the normal course of the Company's business. Trade accounts payable and other debts are classified as current or non-current liabilities depending on the date on which the Company obligation to settle these liabilities becomes due. Trade accounts payables and other debts have been valued at their amortised cost, according to the effective interest rate method. Book value of trade accounts payable and other debts do not present material differences when compared to its fair value.

2.12 - Loans

Loans have been valued at their amortised cost. Any difference between the funds received (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income, using the effective interest rate method. Loans are classified as current and non-current liabilities, depending on the date on which the obligations to make payments of principal and interest become due.

2.13 - Income tax and minimum presumed income tax

(a) Income tax

The Company has recognized the income tax charge using the deferred tax method, recognizing temporary differences between accounting and tax valuations of assets and liabilities. To calculate deferred income tax, the tax rate expected to be in effect at the time of reversal or use has been applied to temporary differences identified, considering the regulations in effect at the time of issuance of these financial statements.

(b) Minimum presumed income tax

The Company computes the minimum presumed income tax by applying the current 1% rate on computable assets at the end of each fiscal year. This tax complements income tax and the Company's tax obligation will be the higher of these two taxes. However, if in a fiscal year minimum presumed income tax obligation exceeds income tax liability, the surplus will be computable as a payment on account of income tax through the next ten fiscal years.

The Company has recognized the minimum presumed income tax paid in prior fiscal years and the amount accrued during the current fiscal year as a tax credit, because it estimates that in future fiscal years it will be computable as a payment on account of income tax. This tax credit has been measured at nominal value, net of allowance for doubtful recoverability.

2.14 - Contingencies

The provisions for labor, civil and contentious lawsuits, are recognized when the Company has a legal or constructive obligation as a result of past events, it is likely that an outflow of cash will be required to settle the obligation, and the amount can be reliably estimated. Provisions for contingencies are measured at their estimated present value of the cash required to settle the obligation.

2.15 - Revenue recognition

Firm carriage revenues are recognized based on the accrued contracted capacity reserved, regardless of actual usage. For interruptible carriage service contracts, revenues are recognized upon the delivery of natural gas. For operating and maintenance service contracts, revenues are recognized when services are provided.

The Company has recorded an allowance for differences between the total amount invoiced according to contractual conditions and the estimate of the recoverability of certain balances in contractual and regulatory dispute (Note 1.3.5). These allowances are recorded adjusting the Revenues line.

According to the basic rules of the license, turnover tax and tax on bank transactions, related to regulated services, is passed through the customers by the Company via increases in the monthly billings. Revenues from management fees relating to gas trust program (Note 28) are recognized on the basis of the work progress.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

2.15.1 - Interest

Interest income is recognized based on the proportion of time elapsed, using the effective interest rate method with the original rate of the instrument.

2.16 - Balances with related parties

Intercompany receivables and liabilities arising from sundry transactions with the controlling shareholder, affiliate companies and other related parties have been valued according to current market conditions. Individuals and companies included in Law N° 26,831, Section 72, have been considered as related parties.

2.17 - Commitments

The Company does not possess any expenses committed to but not incurred at the date of these financial statements that are not properly valued and disclosed.

2.18 - Purpose of these financial statements

These financial statements have been translated from the financial statements for the fiscal year ended December 31, 2014 including the summary of information required by the CNV, the additional information to the notes required by Section 68 of the Buenos Aires Stock Exchange Listing Rules, by Title IV, Chapter III, Sections 1st and 12 of the CNV regulations, prepared in Spanish and originally issued in Argentina. The translation into English has been made solely for the convenience of English–speaking readers, and certain notes have been rephrased to facilitate the understanding of legislation and the local economic environment.

3 - FINANCIAL RISK MANAGEMENT

3.1 - Financial risk factors

The activities of the Company expose it to various financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Company has an investment policy that provides a conceptual framework within which investments and fund placements are made, minimizing exposure to capital risk, maximizing return based on the specific characteristics of the market, and maintaining liquidity levels necessary for its ordinary operations.

3.2 – Capitalization risk administration

The following table shows the Company’s capitalization as of December 31, 2014 and 2013:

	12.31.2014	12.31.2013
Current loans	83,548	58,200
Non-current loans	1,685,930	1,273,044
Total loans	1,769,478	1,331,244
Common stock	439,374	439,374
Inflation adjustment of common stock	506,053	506,053
Legal reserve	73,201	71,757
Optional reserve	67,556	46,495
Retained earnings	(256,625)	22,505
Total shareholders´ equity	829,559	1,086,184
Total capitalization	2,599,037	2,417,428

3.3 - Market risks

3.3.1 - Currency risks

The Company is exposed to the exchange rate risk, since most of its revenues are denominated in local currency and all of its financial debt is denominated in US dollars. In the case of devaluation or significant inflation without an adequate adjustment of rates, the Company might not be able to meet its financial commitments.

Notwithstanding the above, it should be noted that part of the investments are made in financial instruments adjusted by the variation of the US dollar or is directly issued in US dollars, thus enabling the Company to partially mitigate the risk of a devaluation. The potential impact on the statement of comprehensive income and the statement of changes in shareholders' equity resulting from each percentage point of devaluation of the peso against the US dollar would account for an approximate loss of $ 6.9 million, provided that the other economic and financial variables affecting the Company remain stable. This sensitivity analysis is based on reasonable information and assumptions. Yet, actual results might differ significantly from such analysis.

3.3.2 - Price risks

The Company is exposed to the risk of fluctuations in the price of the investments held and classified in its balance sheet as at fair value through profit or loss. To manage the exposure to price risk, the Company diversifies its portfolio by instrument. Portfolio diversification is done in accordance with the limitations set forth in the TGN´s investment policy.

3.3.3 - Interest rate risks on fair value and cash flows

The Company does not record liabilities accruing interest at variable rates.

3.4 - Credit risks

Credit risk related to investments arises from the credit standing of the financial instrument and of the counterpart where such instrument is deposited. Minimum levels of credit rating are established for financial instruments and counterparts in the investment policy, which vary depending on the instrument, currency and market. Highly liquid instruments of very good credit rating are allowed, among the financial instruments authorized in Argentina and abroad. The financial institutions with which the Company is authorized to operate should have high credit ratings and/or strong presence in the market in which they operate. Lastly, limits are set to allow diversification by instrument as well as by institution.

In relation to customers, the Company uses independent risk ratings, provided that they are available, or otherwise, the Finance Department and the Commercial Department jointly assess a customer’s credit rating considering its financial situation, experience and other factors. If the analysis shows that the customer possesses certain risks related to the payment or compliance with its obligations, actions to eventually mitigate such risks are assessed (mainly payment guarantees).

Credit risk with export customers is explained in Note 1.3.5.

3.5 - Liquidity risks

Short and medium term cash flow forecasting is performed on a regular basis to ensure sufficient cash available to meet the Company’s operational and maintenance needs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

The Company's Finance Department invests cash surplus in interest-bearing accounts, time deposits, mutual funds and securities, choosing instruments with adequate maturity dates or sufficient liquidity to be able to meet the needs mentioned above. The table below includes an analysis of the financial liabilities grouped on the basis of the remaining terms, from the date of the financial statements to the date of maturity.

At December 31, 2014	Less than 3 months	Between 3 months and a year	Between 1 and 2 years	More than 2 years	Without set term
Loans	-	83,548	83,560	1,602,370	-
Trade accounts payable, other debts and taxes payable	271,390	11,319	1,594	17,661	27,552

At December 31, 2013	Less than 3 months	Between 3 months and a year	Between 1 and 2 years	More than 2 years	Without set term
Loans	-	-	68,430	1,204,614	58,200
Trade accounts payable, other debts and taxes payable	216,175	5,701	3,227	38,719	16,935

3.6 - Fair value estimation

Different valuation levels for financial instruments carried at fair value were defined as follows:

* Level 1: Quoted prices in active markets for identical assets.
* Level 2: Information different from the quotation price included in Level 1 that can be confirmed for assets, both directly (i.e., prices) or indirectly (i.e., derived from prices).
* Level 3: Information on assets not based on data that can be confirmed in the market (i.e., non-observable data).

The value of financial instruments traded in active markets is based on the quoted market prices at the date of the financial statements. The market quoted price used for financial assets held by the Company is the price offered at December 31, 2014. These instruments are included in Level 1 and comprise mainly investments in mutual funds and government bonds. The following table shows the Company's Level 1 assets measured at fair value at December 31, 2014 and 2013:

	12.31.2014	12.31.2013
Financial assets at fair value:		
Mutual funds	29,910	69,171
Government bonds	223,259	106,154
Total financial assets at fair value	253,169	175,325

4 - CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements requires the Company’s Board of Directors uses estimates that affect the valuation of contingent assets and liabilities disclosed at the date of issuance of these financial statements, as well as the incomes and expenses recorded in the pertinent fiscal year. However, future actual results may significantly differ from those estimates and assessments used in the preparation of these financial statements. The changes in the economic environment, the legal and regulatory framework in which the Company is currently operating, the current status of the renegotiation of the License and the consequences of the gas supply shortage (mentioned in Note 1) affect those estimates. In this context, there can be no assurance as to the future net cash flows sufficiency to recover non-current assets, the re-payment of financial debts, the future development of the

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

Company's business and the normal continuity of its operations. The most significant estimates and assumptions are as follows:

a. Contingencies

TGN is exposed to different claims, lawsuits and other legal proceedings in which a third party seeks for a compensation or indemnity. The valuation of the liabilities related to those claims, lawsuits and legal proceedings cannot be accurately estimated. Periodically and with its legal advisors, the Company analyzes the situation of each significant issue, and assesses the potential effect on the financial statements. If the potential loss derived from the claim or proceeding is considered probable and the amount can be reasonably estimated, a provision for contingencies is recorded.

b. Recoverable value of non-current assets

To assess the recoverability of non-current non-financial assets, these are grouped at the lowest level for which there are individually identifiable cash flows ("cash generating units"). TGN has only one cash generating unit. Main assumptions used to analyze the recoverability of the non-current non-financial assets are presented in Note 6.1.

5 - BUSINESS SEGMENT INFORMATION

Segment reporting is presented in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The Company's General Director has been identified as CODM. The management information used by the CODM in decision making is prepared on a monthly basis, in million of US dollars, and does not include any breakdown by business segment, which means that the information is presented as a single segment and corresponds to the total for the Company. It has been determined that the representative measure used for decision making by the CODM is the "management EBITDA", together with the projects for expenses and acquisitions of property, plant and equipment.

Below is the information provided to the CODM (in million of US dollars):

	12.31.2014	12.31.2013
Total income (in million of US dollars)	67.3	95.0
Technical assistance fees	(1.2)	(3.1)
Salaries, social security contributions and other personnel benefits	(33.4)	(38.6)
Operating expenses	(29.0)	(30.9)
Expenses projects	(14.9)	(10.7)
Total operating costs	(78.4)	(83.4)
Management EBITDA	(11.1)	10.0
Acquisitions of property, plant and equipment	(14.5)	(14.9)

Below is shown a reconciliation of management EBIDTA to the result before income tax and income reconciliation:

	12.31.2014	12.31.2013
Management EBITDA in millions of US dollars	(11.1)	10.0
Average exchange rate	8.125	5.48
Management EBITDA in millions of pesos	(90.2)	54,8
Property, plant and equipment depreciation	(137.8)	(134.6)
Result from loans restructuring	-	280.7
Other net income and expenses	9.6	104,5
Net financial results	(175.7)	(258.9)
Results from investments in affiliate companies	5.6	2.8
Result before income tax	(388.5)	49.3

Total income in millions of US dollars	67.3	95.0
Translation into millions of pesos	522.6	518.2
Turnover tax	25.3	14.2
Doubtful accounts	10.2	9.9
Income from commercial indemnifications and others	13.9	(58.4)
Total revenues in million of pesos	572.0	483.9

5.1 - Information on services

In millions of US dollars

Gas carriage	58.3	82.7
Gas pipelines operation and maintenance	6.6	8.3
Management fees – Gas Trust Program	2.3	3.4
Others	0.1	0.6
Total revenues	67.3	95.0

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

6 - PROPERTY, PLANT AND EQUIPMENT

	12.31.2014										Net book value	
	Original values					Depreciation						
	At the beginning of the fiscal year	Increases	Disposals	Transfers	At the end of the fiscal year	At the beginning of the fiscal year	Amount for the fiscal year	Disposals	Transfers	Accumulated at the end of the fiscal year	12.31.2014	12.31.2013
Land	3,274	-	-	127	3,401	-	-	-	-	-	3,401	3,274
Buildings and constructions	78,711	-	-	75	78,786	27,918	1,578	-	-	29,496	49,290	50,793
Installations	2,349	-	-	-	2,349	1,101	93	-	-	1,194	1,155	1,248
Gas pipelines	2,100,130	-	(96)	197	2,100,231	924,715	59,577	(29)	(66)	984,197	1,116,034	1,175,415
Investments in pipeline maintenances	174,748	-	-	20,763	195,511	47,759	14,344	-	-	62,103	133,408	126,989
High-pressure branch lines	980	-	-	-	980	407	29	-	-	436	544	573
Compressor plants	940,661	-	(176)	30,864	971,349	637,209	47,166	(118)	-	684,257	287,092	303,452
High-pressure control and/or measurement stations	72,491	-	(439)	1,143	73,195	53,391	3,120	(392)	-	56,119	17,076	19,100
Other technical installations	46,705	-	-	3,740	50,445	36,852	2,406	-	-	39,258	11,187	9,853
Machinery, equipment and tools	27,791	1,946	(102)	-	29,635	25,242	842	(103)	-	25,981	3,654	2,549
IT and telecommunication systems	75,398	8,300	(55)	-	83,643	51,986	5,110	(31)	66	57,131	26,512	23,412
Vehicles	24,134	9,372	(1,963)	-	31,543	17,311	2,535	(1,687)	-	18,159	13,384	6,823
Furniture and office supplies	11,427	519	(36)	-	11,910	9,827	269	(35)	-	10,061	1,849	1,600
Assets held at third-parties facilities	12,621	-	(6)	996	13,611	9,257	805	(6)	-	10,056	3,555	3,364
Work in process	65,936	100,596	(321)	(57,905)	108,306	-	-	-	-	-	108,306	65,936
Total as of December 31, 2014	3,637,356	120,733	(3,194)	-	3,754,895	1,842,975	137,874	(2,401)	-	1,978,448	1,776,447	-
Total as of December 31, 2013	3,556,929	82,864	(2,437)	-	3,637,356	1,709,834	134,570	(1,429)	-	1,842,975	-	1,794,381

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

A substantial portion of the assets transferred by GdE has been defined in the License as “Essential assets for the performance of the licensed service”. Pursuant to the License, the Company is required to segregate and maintain the essential assets, together with any future improvements and expansions, in accordance with certain standards defined in the License. The Company cannot, for any reason, dispose of, encumber, lease, sublease or lend essential assets for purposes other than the provision of the licensed service without ENARGAS´ prior authorization.

6.1 - Assets impairment

The Company analyzes the recoverability of its non-financial long-term assets when there are events or changes in circumstances that may be indicators of potential impairment. The recoverable value of assets is estimated by the Company as the value in use of the assets measured, based on the discounted future cash flow derived from its only cash generating unit, applying a discount rate that reflects the risks inherent to the activity and also considering that the regulatory framework establishes TGN’s right to collect a fair and reasonable rate.

Determining the discounted future cash flow implies a series of assumptions and estimates, such as the changes in the gas carriage levels, the price of the regulated rate, inflation, exchange rate, and costs and other cash expenditures. Future cash flows are projected for a period covering the term of the License, considering a sufficient rate to cover operational costs and to provide reasonable profitability, according to Law N° 24,076 and the LEP. The discount rate applied is the rate that represents the weighted average cost of capital. During the current fiscal year, no results on assets impairment were computed for property, plant and equipment, as a result of the recoverability analyses.

It should be mentioned that if changes were made to the estimates used to prepare projections of future cash flows, there would be necessary to record a significant impairment loss.

7 - INVESTMENTS IN AFFILIATE COMPANIES

	12.31.2014	12.31.2013
Balances at the beginning of the fiscal year	4,038	2,399
Dividends distribution	-	(1,189)
Reversal of the provision for dividends	1,122	-
Results from investments in affiliate companies	5,647	2,828
Balances at fiscal year-end	10,807	4,038

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

The interest held by the Company in its unlisted affiliates was as follows:

Issuer	Characteristics of the instruments		Amount	Cost value	Book value as of		Information on the issuer							
								Latest financial statements						
	Shares	Face value			12.31.14	12.31.13	Main activity	Date	Capital stock and capital adjustment	Other reserves	Retained earnings	Shareholders´ equity	Percentage of direct holding
Comgas Andina S.A.	Common	(1) 1 per share	490	246	10,807	4,038	Operation and maintenance services of gas pipelines	12.31.14	18	-	22,037	22,055	49.0
Companhía Operadora do Rio Grande do Sul	Common	(2) 1 per share	49	0.1	410	219	Operation and maintenance services of gas pipelines	12.31.14	1	458	378	837	49.0
Impairment of investment					(410)	(219)							
Total					**10,807**	**4,038**							

(1) Chilean pesos
(2) Brazilian reais

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

8 - INCOME TAX

Deferred income tax assets and liabilities are offset when it is legally possible, derive from income tax corresponding to the same entity, are subject to the same tax authority and are presented to the authorities in their net form. The deferred income tax net position is as follows:

	12.31.2014	12.31.2013
Deferred income tax assets	220,415	127,551
Deferred income tax liabilities	(340,024)	(379,065)
Deferred income tax net liability	(119,609)	(251,514)

The movement of deferred tax assets and liabilities, not considering the offsetting of balances, is as follows:

Deferred income tax assets	Trade accounts payable	Materials and spare parts	Other accounts receivable	Contingencies	Board of directors' fees	Tax-loss carryforward	Total
Balances at December 31, 2012	19,074	33,523	(4,345)	26,931	-	-	75,183
Charged to statement of comprehensive income	21,881	(4,072)	4,819	(1,994)	702	31,032	52,368
Balances at December 31, 2013	40,955	29,451	474	24,937	702	31,032	127,551
Charged to statement of comprehensive income	3,168	18,284	1,570	10,490	(421)	59,773	92,864
Balances at December 31, 2014	44,123	47,735	2,044	35,427	281	90,805	220,415

Deferred income tax liabilities	Investments at fair value	Property, plant and equipment	Trade accounts receivable	Others	Total
Balances at December 31, 2012	(14)	(303,988)	(1,726)	(9,452)	(315,180)
Charged to statement of comprehensive income	(1,463)	17,193	(76,105)	(3,510)	(63,885)
Balances at December 31, 2013	(1,477)	(286,795)	(77,831)	(12,962)	(379,065)
Charged to statement of comprehensive income	(169)	15,189	28,328	(4,307)	39,041
Balances at December 31, 2014	(1,646)	(271,606)	(49,503)	(17,269)	(340,024)

Reconciliation between income tax charged to the comprehensive result and the amounts obtained by applying the Company's statutory income tax rate to pre-tax results is presented below:

	12.31.2014	12.31.2013
Result before income tax	(388,530)	49,334
Statutory income tax rate	35%	35%
Income tax charge at statutory tax rate	135,986	(17,267)
Exceptions at statutory income tax rate:		
- Adjustment to income tax provision	(13,102)	(8,941)
- Results from investments in affiliate companies	1,976	990
- Others	7,045	4,760
Total income tax charge	131,905	(20,458)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

Below there is a detail of the breakdown of the minimum presumed income tax credits accumulated at December 31, 2014:

Fiscal year	Amount	Expiration year
2007	4,276	2017
Allowance for doubtful recoverability	(4,276)	n/a
2008	6,797	2018
2009	17,086	2019
2011	21,413	2021
2013	20,320	2023
2014 (estimated)	21,675	2024
Balance as of December 31, 2014	87,291	

The projections of future taxable income have been taken into consideration for the recoverability analysis of the tax-loss carryforwards and the credit for minimum presumed income tax. Such projections have been built on the basis of the best estimate in accordance with the guidelines pointed out in Note 4, and taking into consideration the resolution of the uncertainties mentioned in Notes 1.2 and 1.3, referring to the modifications of the Argentine economic context and of the legal and contractual framework in which the Company operates. On the basis of such projections, the book value of the credit for minimum presumed income tax and the tax-loss carryforward does not exceed its recoverable value.

9 - FINANCIAL INSTRUMENTS BY CATEGORY

	12.31.2014	12.31.2013
Financial assets		
Financial assets at fair value		
Mutual funds in $ (Note 13)	-	36,557
Mutual funds in US$ (Note 13)	29,910	32,614
Government bonds in US$	223,259	92,646
Government bonds in $	-	13,508
Total financial assets at fair value	253,169	175,325
Financial assets at amortised cost:		
Other investments in US$	3,338	3,660
Stock exchange securities in $ (Note 13)	-	1,280
US Treasury bills	-	116,422
Time deposits in $ (1)	-	12,237
Time deposits in US$ (1)	252,081	241,496
Government bonds in $	45,315	49,321
Trade accounts receivable and other accounts receivable	639,263	479,335
Total financial assets at amortised cost	939,997	903,751
Financial liabilities		
Liabilities at amortised cost:		
Loans	1,769,478	1,331,244
Trade accounts payable, other debts and taxes payable	329,516	280,757
Total financial liabilities at amortised cost	2,098,994	1,612,001

(1) Time deposits originally falling due within three months or less are classified as “Cash and cash equivalents” in the balance sheet. A breakdown of this account is presented in Note 13.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

Credit quality of the financial assets is as follows:

Cash equivalents and investments	12.31.2014
A-1	252,082
CCC+	223,259
Other financial assets without a credit quality grade	717,825
Total	1,193,166

10 - MATERIALS AND SPARE PARTS

	12.31.2014	12.31.2013
Non-current		
Spare parts and consumption materials	124,572	121,045
Allowance for slow-moving and obsolescence	(84,668)	(84,147)
Total non-current materials and spare parts	39,904	36,898

11 - OTHER ACCOUNTS RECEIVABLE

Non-current		
Minimum presumed income tax (Note 8)	87,291	69,650
Sundry	987	489
Total other accounts receivable - Non-current	88,278	70,139
Current		
Commercial indemnifications to be collected	-	5,213
Attachments and guarantee court deposits	27	5,424
VAT, net	9,424	12,805
Tax credits	1,817	3,570
Key management personnel (Note 26)	4,569	3,523
Prepaid expenses and advances	22,102	16,262
Expenses to be collected	21	2,121
Assistance fees - controlling shareholder (Note 26)	29	29
Other receivables - affiliate companies (Note 26)	604	1,141
Other receivables - related parties (Note 26)	118	243
Transactions on behalf of third parties	2,339	2,709
Allowance for doubtful accounts	(806)	(642)
Receivables from sundry sales and others	4,611	4,492
Total other accounts receivable - Current	44,855	56,890

12 - TRADE ACCOUNTS RECEIVABLE

Non-current		
Trade accounts receivable with third parties	1,588,481	1,058,492
Less: Discount at present value	(283,923)	(188,091)
Less: Allowance for doubtful accounts and disputed amounts	(775,789)	(524,859)
Total trade accounts receivable - Non-current	528,769	345,542

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

Current		
Trade accounts receivable with third parties	72,906	84,313
Trade accounts receivable with related parties (Note 26)	51,441	39,592
Less: Allowance for doubtful accounts and disputed amounts	(43,494)	(37,287)
Total trade accounts receivable - Current	80,853	86,618

At December 31, 2014 there were 40,582 in past due trade accounts receivable but not affected by an allowance. The aging of those receivables is as follows:

	12.31.2014
Balances past due from 0 and up to 3 months	16,896
Balances past due from 3 months	23,686
Total	40,582

At December 31, 2014 and 2013 the amount of the allowance for doubtful accounts and disputed amounts is 819,283 and 562,146 respectively. The variations in the allowance for doubtful accounts and disputed amounts are as follow:

	12.31.2014	12.31.2013
Balances at the beginning of the fiscal year	562,146	387,849
Increases (net of recoveries)	260,947	194,298
Usage	(3,810)	(20,001)
Balances at the end of the fiscal year	819,283	562,146

Trade accounts receivable affected by the allowance correspond to certain customers which, due to the aging of their outstanding balances, the Company estimates there might be difficulties to materialize the collection of those balances. The aging of accounts receivable at nominal value is as follows:

	12.31.2014	12.31.2013
To be due	93,113	69,618
Past due from 0 up to 6 months	121,694	143,292
Past due over 6 months	1,498,021	969,487
Total	1,712,828	1,182,397

The maximum credit risk exposure at the date of issuance of these financial statements is the book value of each type of trade receivable and other accounts receivable. The values recorded for the Company's accounts receivable at nominal value are stated in the following currencies:

	12.31.2014	12.31.2013
Argentine Peso	80,766	85,245
US Dollar	1,632,062	1,097,152
Total	1,712,828	1,182,397

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

13 - CASH AND CASH EQUIVALENTS

	12.31.2014	12.31.2013
Cash and banks	66,778	90,286
Mutual funds in $	-	36,557
Mutual funds in US$	29,910	32,614
Time deposits in $	-	12,237
Time deposits in US$	153,801	177,263
Stock exchange securities in $	-	1,280
Total cash and cash equivalents	250,489	350,237

14 - COMMON STOCK AND RESERVES

Common stock, of $ 439,373,939, is represented by 179,264,584 ordinary book-entry class A shares, of 1 peso par value each and entitled to 1 vote per share, 172,234,601 ordinary book-entry class B shares, of 1 peso par value each and entitled to 1 vote per share, and 87,874,754 ordinary book-entry class C shares, of 1 peso par value each and entitled to 1 vote per share. All the shares issued are subscribed and paid-in.

14.1 - Limitation on the transferring of the Company's shares

Gasinvest S.A. ("Gasinvest" or "the controlling shareholder"), the controlling shareholder of the Company, and Gasinvest´s shareholders, are restricted by the Bidding Terms and the Transfer Agreement as to dispose their interests in the Company and Gasinvest, respectively. Unless a prior regulatory approval from ENARGAS is obtained, Gasinvest is precluded from reducing its interest in the Company to less than 51% ("Controlling interest"). The ENARGAS will approve the transfer of the Controlling interest provided that (i) the shares are transferred in whole but not in part, or the new acquirer purchases all of the outstanding Class A shares of common stock and (ii) the quality of the service is not affected. Any transfer or cession or any action leading to a reduction below 51% of the participation of Gasinvest's original shareholders in the capital of such company, including any subscription defect by these shareholders regarding the capital increase of Gasinvest, can only be made with the ENARGAS' previous approval. The above-mentioned restrictions do not apply to transfers made between parties belonging to the same economic group, as established in the Bidding Terms and Conditions.

14.2 - Restriction on the distribution of profits

Under the Argentine Corporations Law N° 19,550, the By-laws of the Company and the CNV Regulations, a minimum of 5% of net income for the fiscal year (considering the result for the fiscal year, the restatements of prior fiscal years´ results, allocations of other comprehensive results to retained earnings and accumulated losses corresponding to prior fiscal years) must be appropriated to the Legal Reserve until such reserve reaches 20% of the Common stock and the Inflation adjustment of common stock.

Under the terms of the financial agreements currently in force, TGN shall not make dividend payments in the event of default or grounds for default and in no case in excess of the Available Basket Amount (as defined in the contract).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

15 - LOANS

In March 2014, the Company repurchased Class A and B negotiable obligations for a nominal value of US$ 5.8 million. With this transaction, TGN completed the process for restructuring its financial debts.

As of December 31, 2014 the Company had Step-up Notes and Five-Year Negotiable Obligations. The characteristics of the Step-up Notes issued by the Company in 2012 are the following:

	Step-up Notes
Amount	Nominal value US$ 150.07 million.
Due date	August 22, 2019.
Amortization	100% at the due date.
Interest	They accrue interest at an annual rate of 3.5% during the first two years, at 7% during the following 3 years and at 9% as from the fifth year and until maturity. (*)

(*) Step-up Notes may capitalize interest as per the schedule below:

From	**To**	**Maximum amount to be capitalized**
August 22, 2012	August 22, 2015	100 %
August 22, 2015	August 22, 2016	50 %
August 22, 2016	August 22, 2019	0 %

The terms and conditions of Step-up Notes are detailed in the pertinent Pricing Supplement dated August 21, 2012, which was published at the CNV.

On August 22, 2013, the Claim Protection Notes were automatically settled, since no Triggering Event (as defined in the mentioned Pricing Supplement) occurred up to that date. This settlement generated a $ 280.7 million positive result in the fiscal year ended December 31, 2013.

The measurement of the *Net Incremental Tariff Cash* (as defined in the mentioned Pricing Supplement) was made on September 30, 2014; it amounted to US$ 828 thousand and was paid by TGN on December 31, 2014.

The characteristics of the Five-Year Negotiable Obligations issued by the Company in 2012 are as follows:

	Five-Year Negotiable Obligations
Amount	Nominal value US$ 29.31 million.
Due date	December 21, 2017.
Amortization	33.33% on December 21, 2015; 33.33% on December 21, 2016 and 33.33% on December 21, 2017.
Interest	They accrue interest at a 7.0% annual rate.

The terms and conditions of the Five-Year Negotiable Obligations are described in the Pricing Supplement dated December 18, 2012, published at the CNV.

The Company's financial loans are all denominated in US dollars.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

16 - OTHER DEBTS

	12.31.2014	12.31.2013
Non-current		
Provision for easements	34,440	37,670
Total other debts - Non-current	34,440	37,670
Current		
Section 9.6.2 - Basic rules of the License	18,095	18,418
Provision for easements	2,818	2,922
Key management personnel (Note 26)	4,584	3,538
Advanced collections	2,194	6,578
Sundry debts and customer's warrants	614	6,430
Total other debts - Current	28,305	37,886

17 - TRADE ACCOUNTS PAYABLE

	12.31.2014	12.31.2013
Non-current		
AES Argentina Generación S.A.	19,255	41,946
Total trade accounts payable - Non-current	19,255	41,946
Current		
Suppliers - purchases and services	47,252	26,407
Administration trust ("Importation of natural gas") (Note 29)	4,667	2,919
Other related parties (Note 26)	145,915	114,012
Unbilled services and purchases	88,926	65,999
Total trade accounts payable - Current	286,760	209,337

18 - CONTINGENCIES

Provisions for labor, civil and contentious lawsuits	Non-current	Current
Balances at December 31, 2012	49,585	40,009
– Increases net of recoveries	-	(4,622)
– Decreases (payment / usage)	-	(1,429)
Balances at December 31, 2013	49,585	33,958
– Increases net of recoveries	4,328	6,434
– Transfers	(53,913)	53,913
– Decreases (payment / usage)	-	(325)
Balances at December 31, 2014	-	93,980

18.1 - Legal matters

The Company is party to several legal proceedings and claims that have arisen in the ordinary course of its business. Although there can be no assurance as to the ultimate disposition of these matters due to their complexity and current status, it is the opinion of the Company's Board of Directors, based upon the estimations described in Note 4.a, that the expected outcome of these claims and legal actions, individually or in the aggregate, would not have a material effect on the Company's financial position or results of operations in excess of the provisions that the Company has recorded. However, the actual future outcome of these claims could differ from the estimates and assessments performed as of the date of issuance of these financial statements. Following there is a summary of the most significant claims and legal actions, including those against TGN as well as those in which the Company acts as a claimer.

18.1.1 - Fines imposed by the ENARGAS

At the date of issuance of these financial statements, the Company was notified of twenty fines applied by the ENARGAS for a total amount of $ 9.3 million, of which ten have been appealed in the administrative orbit for $ 4.2 million and other ten for $ 5.1 million, which were confirmed by the National Court of Appeals on Federal Administrative Matters and have been appealed by TGN to the National Supreme Court of Justice through a petition in error.

18.1.2 - Tax assessments related to payments to negotiable obligation holders

Since December 2004, TGN is engaged in litigation with the Administración Federal de Ingresos Públicos ("AFIP"). The case is pending before the National Tax Court. This controversy arises from a value added tax assessment made on the interest paid to the International Finance Corporation as a result of the negotiable obligations issued by TGN in the framework of negotiable obligations issued in accordance with Law No. 23,576. According to TGN, the claim might amount to $ 21.5 million approximately.

18.1.3 - Official assessments of the tax-purpose useful lives

In late December 2005 TGN was notified of two resolutions whereby AFIP assessed differences in income tax for the fiscal periods 1999 to 2002. The total amount claimed is $ 21.2 million including interest at that date and a fine of 70% of the tax determined. These adjustments are justified by the disallowance of the useful lives assigned by TGN to its Norte gas pipeline and all of its compressor plants, which are used in calculating their depreciation for income tax purposes, as in the opinion of the tax authorities useful lives ought to be higher than those adopted by the Company. On February 2006 TGN challenged certain official assessments by filing the pertinent appeals with the National Tax Court, which are still pending resolution.

18.1.4 - Pending judicial disputes with YPF

Due to the redirection of carriage capacity established by the ENARGAS, YPF started to irregularly pay the carriage invoices alleging partial capacity unavailability. In February 2007 YPF requested a comprehensive review of the carriage contract claiming that the measures adopted by the National State regarding gas exports had unpredictably altered the economic-financial equation of such contract. TGN rejected the claim and demanded the compliance of the contract.

On April 20, 2009 TGN filed legal action against YPF in order to (i) demand compliance with the carriage contract signed with YPF; and (ii) oblige YPF to pay past-due invoices. The claim amounts to US$ 74.8 million (including subsequent extensions), based on the invoices issued by TGN for services rendered between January 2007 and December 2010, both of them plus interest accrued at each respective date, plus interest to be accrued until the sums are paid by YPF.

YPF answered the complaint alleging basically that TGN had not complied with the carriage under the terms envisaged because it was "unable to comply" as a result of the issuance of the emergency regulations and, in the alternative, in view of the impossibility to export, the peso rate should be applied.

In December 2010, TGN declared to have rescinded the contract with YPF for the firm carriage of gas for export, on the grounds of noncompliance by the loader, and in December 2012, filed a complaint for damage caused by the rescission based on negligence. The respective damages were estimated at US$ 142.15 million. Furthermore, considering the distressing financial and equity position of the Company and due to the need to apply its limited resources to the provision of a safe and reliable public utility, the Company filed a motion to proceed *in forma pauperis*.

18.1.5 - Intervention in TGN established by the ENARGAS

This issue is explained in further detail in Note 1.3.6.

18.1.6 - Pending judicial disputes with Metrogas

In April 2009 the Chilean distributor Metrogas filed a declarative action against TGN to obtain a judicial statement on the inapplicability of the rate denominated in US dollars provided for in the contract for gas carriage, if the gas is not effectively transported. As of the date of issuance of these financial statements, no court decision has been issued. Subsequently, in September 2009 Metrogas communicated its unilateral decision to rescind its firm gas carriage contract with TGN, and claimed alleged damages for approximately US$ 238 million from TGN, stating that it had suffered harm occasioned by alleged and non-existent noncompliance by TGN when the latter ceased to deliver gas which, according to Metrogas, had apparently been confirmed and injected into the intake by its producers / suppliers.

TGN rejected, on inadmissibility grounds, the unilateral declaration of contract rescission, as well as the claim for damages made by Metrogas, as TGN has complied with its obligations under the binding gas carriage contract between the parties. As it is publicly widely known, for some years the local gas production has not been enough to satisfy both, the domestic and exportation demand. This shortage led the national authorities to put in force a series of regulations that set restrictions to the exportation of natural gas with the purpose of first ensuring the supply of the domestic market.

TGN also considers that any action for damages that Metrogas could file would not be likely to be sustained, and it will take all steps necessary to protect the corporate interests. In September 2011 the Company filed a lawsuit (subsequently extended) regarding contract fulfillment, claiming a US$ 74.6 million payment (plus interests and expenses) for carriage services billed and unpaid, from September 2009 and up to May 2013. Metrogas filed the answer to the complaint in November 2012, requesting that the complaint be dismissed and that the producers that supplied it with gas be summoned as third parties; there was no counterclaim for damages.

18.1.7 - Previous administrative claim against the National State and later action for damages

In March 2011 TGN filed an administrative claim before the MPFIPyS for the damage suffered by the Company as a consequence of the pesification of its rates, established in the LEP, and the subsequent freezing of rates persisting since such law was approved. The filing of this claim was due to the necessity of protecting TGN's rights, which otherwise could be affected by the course of the statute of limitation on the legal action for damages. Nevertheless, TGN intends to continue participating in the process of renegotiation of its License according to the procedure ruled by Decree 311/03 and its supplementary rules. In the face of the silence of the Public Administration, and upon the expiration of the term prescribed by section 31 of the Administrative Procedure Law 19,549, to protect the Company's interest, on October 11, 2012 TGN brought an action against the National State for the damage caused to TGN as from January 1, 2006 and until December 31, 2011 (and reserving the right to extend the action) as a result of the pesification and freezing of its rates set forth by Law 25,561, for the amount of $ 1,436 million (including interest). Furthermore, considering the distressing financial and equity position of the Company and due to the need to apply its limited resources to the provision of a safe and reliable public utility, the Company filed a motion to proceed *in forma pauperis*.

18.1.8 - Actions for refund. Income tax – Inflation adjustment, Fiscal year 2008 and Minimum presumed income tax, Fiscal year 2008

On December 15, 2014, TGN filed with the Administración Federal de Ingresos Públicos - Dirección General Impositiva ("AFIP-DGI") an action for refund of income tax for $7,879,581 for the fiscal year 2008, overpaid for having computed the tax without applying the inflation adjustment method and without restating the fixed asset depreciation, plus interest accrued in favor of the Company. The action for refund is supported by the inapplicability of the prohibition contained in Sections 39 of Law 24,073 and 4 of Law 25,561, for it is contrary to the provisions of Title VI of the Income Tax Law, which set forth the inflation adjustment method and other restatements contemplated by the law and not repealed, such as the fixed asset depreciation. Those regulations, case law and rulings issued by National Supreme Court have made the Company pay income tax for the fiscal year 2008 at a clearly confiscatory effective rate.

Further, on December 15, 2014 TGN filed for refund with AFIP- DGI of Minimum presumed income tax for $6,796,692 for the fiscal year 2008, plus interest accrued in favor of the Company. This action for refund is supported by the fact that the Company had reported an accounting and a tax loss (the latter loss was due to the tax adjustment for inflation and other restatements mentioned in the preceding paragraph) in the mentioned fiscal year and consequently, in view of National Supreme Court precedents in this respect, there is no minimum income presumed by the income tax law.

19 - COMPROMISE AND SETTLEMENT AGREEMENTS WITH EXPORT CUSTOMERS

In October 2013, TGN entered into a compromise and settlement agreement with Gasoducto Norandino Argentina S.A., in order to early terminate two firm carriage contracts, in exchange for a US$ 18 million fixed indemnification and a contingent variable indemnification of up to US$ 30 million, which could be accrued or not in the future. This agreement results in the Company no longer collecting agreed future income in exchange for economic compensation, which actually generates a negative effect on TGN's expected cash flows. The effect of the indemnification mentioned above have been charged to "Other net income and expenses".

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

20 - REVENUES

	Fiscal year ended 12.31.2014	12.31.2013
Gas carriage service		
Gas carriage service	586,461	476,746
Allowance for disputed amounts and others	(89,025)	(59,272)
Subtotal gas carriage service	497,436	417,474
Other services		
Gas pipelines operation and maintenance	55,860	47,957
Management fees - Gas Trust Program (Note 28)	18,648	18,476
Subtotal other services	74,508	66,433
Total revenues	571,944	483,907

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

21 - EXPENSES BY NATURE

Item	Cost of services	Selling expenses	Administrative expenses	Total at 12.31.2014	Total at 12.31.2013
Board of directors' fees	-	-	2,722	**2,722**	2,007
Statutory auditors committee's fees	-	-	1,452	**1,452**	1,210
Fees for professional services	9,187	17	14,010	**23,214**	19,536
Salaries, wages and other personnel benefits	162,770	2,294	66,072	**231,136**	179,669
Social security contributions	29,476	604	14,776	**44,856**	35,698
Technical assistance fees	9,457	-	-	**9,457**	15,929
Consumption of materials and spare parts	33,159	3	235	**33,397**	23,938
Third party services and supplies	19,602	72	740	**20,414**	15,569
Maintenance and repair of property, plant and equipment	168,124	183	3,726	**172,033**	89,895
Travel expenses	23,727	47	4,216	**27,990**	18,242
Freight and transportation	3,307	-	124	**3,431**	2,296
Post and telecommunications expenses	1,269	53	874	**2,196**	1,820
Insurance	9,366	1	1,253	**10,620**	7,404
Office supplies	2,698	24	2,388	**5,110**	3,708
Rentals	2,166	52	607	**2,825**	2,245
Easements	4,831	-	-	**4,831**	5,476
Taxes, rates and contributions	1,009	25,308	40,205	**66,522**	58,263
Property, plant and equipment depreciation	135,943	276	1,655	**137,874**	134,570
Compensation for damages	-	1,166	-	**1,166**	104
Doubtful accounts	-	10,181	-	**10,181**	9,874
Contingencies	-	-	4,370	**4,370**	1,259
Slow-moving and obsolete materials and spare parts	521	-	-	**521**	(1,817)
Others	2,388	29	1,283	**3,700**	3,122
Total at December 31, 2014	**619,000**	**40,310**	**160,708**	**820,018**	**-**
Total at December 31, 2013	**466,586**	**27,544**	**135,887**	**-**	**630,017**

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

22 - OTHER NET INCOME AND EXPENSES

	Fiscal year ended	
	12.31.2014	12.31.2013
Income from commercial indemnifications (Note 19)	7,613	163,880
Compensation for damages adjustment (1)	21,534	-
Net result from disposal of property, plant and equipment	144	1,902
Impaired minimum presumed income tax credit	(4,267)	-
Net income from sundry sales and others	4,531	5,038
Total other net income and expenses	29,555	170,820

(1) On March 10, 2014, the Company entered into an *addendum* to the compromise and settlement agreement signed with AES Argentina Generación S.A. on March 13, 2012, whereby the volume available for expansion is modified to 958,100 m^3/day. This *addendum* generated income for $ 21.5 million in the fiscal year ended December 31, 2014.

23 - NET FINANCIAL RESULTS

	Fiscal year ended	
	12.31.2014	12.31.2013
Generated by exchange rate differences		
Income on exchange rate variation	337,530	253,323
Expenses on exchange rate variation	(456,623)	(393,906)
Total financial results generated by exchange rate differences	(119,093)	(140,583)
Financial income		
Interest	38,849	28,922
Holding results	108,727	52,695
Result from loans repurchase	19,615	5,939
Allowances recovered and others	809	6,324
Total financial income	168,000	93,880
Financial expenses		
Interest	(118,269)	(79,353)
Holding results	(2,299)	-
Results on discounting at present value	(101,529)	(130,604)
Commissions, expenses, taxes on banking and financial operations and others	(2,468)	(2,276)
Total financial expenses	(224,565)	(212,233)
Total net financial results	(175,658)	(258,936)

24 - NET RESULT PER SHARE

Income per ordinary share has been calculated as the quotient obtained by dividing the results for the fiscal years ended December 31, 2014 and 2013, by the weighted average of outstanding ordinary shares, which made a total of 439,373,939 shares at those dates. At December 31, 2014 and 2013 there are neither negotiable obligations nor other debt securities convertible into shares, so no diluted earnings per share have been disclosed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

Basic earnings per share are calculated by dividing the net income attributable to the Company equity holders by the weighted average number of ordinary shares outstanding during the fiscal year. The Company does not have preferred shares or debt convertible to shares, so the basic earnings per share are equal to the diluted earnings per share.

25 - CASH GENERATED BY THE OPERATIONS

	Fiscal year ended	
	12.31.2014	12.31.2013
Comprehensive (loss) income for the fiscal year	(256,625)	28,876
Adjustments to reach cash generated by the operations:		
Property, plant and equipment depreciation	137,874	134,570
Net book value of disposed property, plant and equipment	793	1,008
Increase in allowances and provisions for contingencies (net of recoveries)	276,949	185,707
Result from loans restructuring	-	(280,732)
Exchange rate differences and other net financial results	280,824	339,383
Results from investments in affiliate companies	(5,647)	(2,828)
Net changes in operating assets and liabilities:		
Increase in trade accounts receivable	(438,409)	(306,255)
(Increase) decrease in other accounts receivable	(16,703)	5,924
(Increase) decrease in materials and spare parts and other assets	(6,106)	2,401
Increase in trade accounts payable	54,732	67,093
Increase in salaries and social security contributions	16,031	16,463
Increase (decrease) in taxes payable	3,181	(13,038)
(Decrease) increase in other debts	(12,811)	1,712
Decrease in contingencies	(325)	(1,429)
Cash generated by the operations	33,758	178,855

26 - RELATED PARTIES

The transactions performed between related parties are the following:

	Fiscal year ended	
	12.31.2014	12.31.2013
Controlling shareholder		
Other net income		
Gasinvest S.A.	95	95
Total other net income	95	95
Affiliate companies		
Revenues		
Comgas Andina S.A.	561	222
Companhia Operadora do Rio Grande do Sul	128	47
Total revenues	689	269

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

	Fiscal year ended	
	12.31.2014	12.31.2013
Recovery of expenses		
Comgas Andina S.A.	225	102
Total recovery of expenses	225	102
Collection of dividends		
Comgas Andina S.A.	-	768
Total collection of dividends	-	768
Other related parties		
Revenues		
Litoral Gas S.A.	60,011	54,272
Siderar S.A.	8,146	7,107
Siderca S.A.	5,428	4,801
Transportadora de Gas del Mercosur S.A.	7,473	4,894
Total Gas Marketing Cono Sur S.A.	959	996
Gasoducto Gasandes Argentina S.A.	1,156	903
Total revenues	83,173	72,973
Cost of services		
Total Gas y Electricidad Argentina S.A.	(1,667)	(4,189)
Total Especialidades Argentina S.A.	(24)	(14)
Tecpetrol S.A.	(1,667)	(4,189)
Compañía General de Combustibles S.A.	(1,667)	(4,189)
Total cost of services	(5,025)	(12,581)
Administrative expenses		
Total Gas y Electricidad Argentina S.A.	(3,290)	(2,107)
Cainzos, Fernández & Premrou Soc. Civ.	(605)	(690)
Total administrative expenses	(3,895)	(2,797)
Other net income and expenses		
Gasoducto Gasandes Argentina S.A.	109	403
Gasoducto Gasandes S.A.	-	179
Total Austral S.A.	84	55
Tecpetrol S.A.	84	54
Compañía General de Combustibles S.A.	83	54
Total other net income and expenses	360	745
Financial income		
Transportadora de Gas del Mercosur S.A.	3,044	1,811
Total financial income	3,044	1,811
Financial expenses (interest)		
VR Global Partners L.P.	(1,714)	n/a
Total financial expenses	(1,714)	n/a

Recovery of expenses

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

Transportadora de Gas del Mercosur S.A.	18	113
Total recovery of expenses	18	113

	Fiscal year ended	
	12.31.2014	12.31.2013
Property, plant and equipment purchases		
Siat S.A.	(484)	-
Total property, plant and equipment purchases	(484)	-
Key management personnel		
Board of directors' fees	(2,722)	(2,007)
Statutory auditors committee's fees	(1,452)	(1,210)

Balances with related parties are the following:

Trade accounts receivable		
Other related parties		
Transportadora de Gas del Mercosur S.A.	40,505	32,235
Litoral Gas S.A.	9,294	5,742
Siderar S.A.	850	741
Siderca S.A.	586	484
Total Gas Marketing Cono Sur S.A.	89	315
Gasoducto Gasandes Argentina S.A.	117	75
Total other related parties	51,441	39,592
Other accounts receivable		
Assistance fees - controlling shareholder		
Gasinvest S.A.	29	29
Total assistance fees - controlling shareholder	29	29
Other receivables - affiliate companies		
Comgas Andina S.A.	343	911
Companhia Operadora do Rio Grande do Sul	261	230
Total other receivables - affiliate companies	604	1,141
Other receivables - related parties		
Litoral Gas S.A.	118	122
Transportadora de Gas del Mercosur S.A.	-	113
Siderar S.A.	-	8
Total other receivables - related parties	118	243
Key management personnel		
Fees to the Board of directors and to the statutory auditors committee paid in advance	4,569	3,523
Total key management personnel	4,569	3,523
Loans		
Other related parties		
VR Global Partners L.P.	78,281	n/a
Total other related parties	78,281	n/a

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

	Fiscal year ended	
	12.31.2014	12.31.2013
Trade accounts payable		
Other related parties		
Total Gas y Electricidad Argentina S.A.	49,547	35,708
Tecpetrol S.A.	48,114	35,498
Compañía General de Combustibles S.A.	48,254	42,806
Total other related parties	145,915	114,012
Other debts		
Key management personnel		
Provision for fees to the Board of directors and to the statutory auditors committee	4,584	3,538
Total key management personnel	4,584	3,538

Social benefits for senior management

The remuneration of the Board of Directors is set up by the Shareholders' Meeting for each fiscal year. The salary policy for the management level of the Company establishes a basic, fixed monthly remuneration, and an additional amount, annually payable, consisting of a fixed and a variable part. While the fixed parts are established in accordance with the responsibility level inherent to the position and market values, the variable part consists of an additional amount associated to performance and achievement of yearly objectives. The Company's policy does not establish options or other plans for staff.

27 - FINANCIAL TRUST FOR EXPANSION ON THE EXPORTATION MARKET

On March 8, 2004, in accordance with ENARGAS Resolution 2,877 and the Law N° 24,441, the Company (as trustor) and HSBC Bank Argentina S.A. (as trustee) entered into a Trust Agreement (the “Program”) for up to a total amount of US$ 50 million within a 5-year timeframe. The Program envisages the possibility of financial trusts being set up for the issue of securities that are authorized for their public offering or not, so as to finance the expansion of the capacity of the Company’s gas pipeline systems. The Trust Agreement also establishes that, at expiration of the trust, the enlarged assets shall be exclusively assigned to the Company only, free of charge or encumbrances. While the trust is in force, the Company shall be responsible for the operation and maintenance of those assets. Under this Program, the Company´s Board of Directors authorized the creation of the “TGN Series 01” trust currently in force, through which securities were issued for a nominal value of US$ 7.5 million that were subscribed and integrated on March 26, 2004, and were applied to the expansion of carrying capacity of 303,000 m3/d contracted by Metrogas Chile S.A. Series 01 defines September 30, 2019 as Final and Definite Payment Date or the date on which the Series 01 securities are repaid. Under the Trust Agreement, neither the Company nor the Trustee is liable with their own respective assets to pay, if principal and/or interest and/or taxes and expenses on the securities issued by the trust are dishonored. The holders of the securities will have no right to claim such difference from TGN or the Trustee and the limitation on TGN’s liability as technical operator has been established in the contract. The trust is not consolidated in the Company’s financial statement.

28 - FINANCIAL TRUSTS FOR EXPANSION ON THE LOCAL MARKET ORGANIZED BY THE NATIONAL SECRETARIAT OF ENERGY

MPFIPyS’ Resolution No. 185/04, adopted under the aegis of Decree No. 180/04, provides for a Gas Trust Program organized by the National Secretariat of Energy for the purpose of financing infrastructure works for the carriage and distribution of natural gas. On April 2006 the National Congress enacted the law 26,095 vesting the PEN with the power to apply rate charges destined to finance those works.

28.1 - Trust for the 2005 Norte gas pipeline expansion work

In 2004 the National State requested the participation of TGN as licensee and of other companies as investors in order to undertake the expansion of the capacity of its system for the carriage of 1.8 MMm3/day of gas in the Norte gas pipeline. A local trust organized by the National Secretariat of Energy and administered by Nación Fideicomisos S.A. as trustee, entrusted TGN with the management of the Norte gas pipeline expansion works. TGN contributed with US$ 8.4 million for a partial payment of the works. Expanded assets will form part of the trust until it is liquidated, on which date, the Company has the option to have the ownership of the trust assets transferred to it. In July 2005 TGN began to bill certain customers for the “Gas Trust Charge” on behalf of the “Gas Trust - Extension of the Norte Gas Pipeline" and for its account.

28.2 - Trust for the “2006-2008 Expansion Work”

In 2006 a second expansion project of 15.2 MMm3/day in the Centro-Oeste and Norte gas pipeline was started at the request of the National Secretariat of Energy. The trust structure previously mentioned in Note 28.1 was adopted. In February 2007, TGN started to invoice certain customers for “the Gas II Trust Charge” on behalf of the "Gas Trust - Expansion of the Norte Gas Pipeline". As of the date of issuance of these financial statements, works have been put into service, which represent an increase of 5.2 MMm3/d in the Norte gas pipeline capacity, and of 1.4 MMm3/d in Beazley - La Dormida section, in the Centro-Oeste gas pipeline.

29 - “IMPORTATION OF NATURAL GAS” ADMINISTRATION TRUST

As provided by PEN Decree 2,067/08 and ENARGAS’ Resolutions I/563 and I/615, in force in November 2008, as from January 2009 the Company started to invoice a new charge on behalf of the “Importation of Natural Gas” Administration Trust, in order to create a fund to such purpose. At present, TGN must apply the charge exclusively to those customers that are connected to its system through a *Physical By-Pass*, that is, without the intervention of a distributor, sub-distributor or other third-parties envisaged in Art 16 Section b) of the Natural Gas Act. Resolution I/1,988 establishes that in the case of partial collections, the payment received shall be proportionally distributed between all the items included in the respective invoice. As of December 31, 2014 the balance to be transferred to the Administration Trust amounts to $ 4.7 million.

30 - SUBSEQUENT EVENTS

Subsequent to December 31, 2014, there have been no other events, situations or circumstances, that are not publicly known, that have impacted or could impact significantly on the net worth, or economic and financial situation of the Company that have not been considered or mentioned in these financial statements.

Santiago Marfort
President

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE FINANCIAL STATEMENTS REQUIRED BY SECTION 68 OF THE BUENOS AIRES STOCK EXCHANGE LISTING RULES AND BY TITLE IV, CHAPTER III, SECTION 12 OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014 (in thousands of pesos, except where specifically mentioned).

i. General matters related to the Company's activities

1. Specific and significant legal systems entailing the lapsing of contingent benefits envisaged by those regulations or their rebirth:

The Natural Gas Act and its regulations, the Specifications for the privatization of GdE, the Transfer Contract, the License and the resolutions issued by the ENARGAS make up the regulatory framework in which the Company conducts its operations. The License, granted for a term of 35 years with an option to extend it for a ten year-term, may be revoked by the PEN upon ENARGAS's recommendation in case the Company expressly fails to comply with its obligations. If the License is officially and finally revoked, the Company may be forced to cease operating the assets transferred by GdE to the Company and transfer them to the National State or the person the National State so appointed. Note 1 to TGN´s financial statements as of December 31, 2014 describes the Company's legal and regulatory aspects.

2. Major changes in the Company's business activities or other similar circumstances that took place during the fiscal years covered by the financial statements which affect their comparability with those submitted in prior fiscal years, or which could affect such comparability with those to be submitted in future fiscal years:

See Notes 1.3.5; 2; 15 and 18 to the Company's financial statements as of December 31, 2014.

3. Classification of receivables and liabilities according to their aging and due dates:

	12.31.2014		
	Receivables (1)	**Loans (2)**	**Other payables (3)**
Past due			
From 01.01.2005 up to 12.31.2005	405	-	-
From 01.01.2006 up to 12.31.2006	32	-	-
From 01.01.2007 up to 12.31.2007	57,867	-	-
From 01.01.2008 up to 12.31.2008	115,172	-	334
From 01.01.2009 up to 12.31.2009	187,290	-	-
From 01.01.2010 up to 12.31.2010	305,649	-	-
From 01.01.2011 up to 12.31.2011	159,825	-	-
From 01.01.2012 up to 12.31.2012	164,767	-	-
From 01.01.2013 up to 12.31.2013	158,635	-	-
From 01.01.2014 up to 03.31.2014	39,132	-	-
From 04.01.2014 up to 06.30.2014	39,860	-	-
From 07.01.2014 up to 09.30.2014	48,781	-	-
From 10.01.2014 up to 12.31.2014	56,551	-	-

(1) Includes trade accounts receivable and other accounts receivable at their present value, not including allowances.
(2) Denominated at their present value.
(3) Includes all non-financial liabilities, excluding contingencies.

ADDITIONAL INFORMATION TO THE NOTES TO THE FINANCIAL STATEMENTS REQUIRED BY SECTION 68 OF THE BUENOS AIRES STOCK EXCHANGE LISTING RULES AND BY TITLE IV, CHAPTER III, SECTION 12 OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014 (in thousands of pesos, except where specifically mentioned).

	12.31.2014		
	Receivables (1)	**Loans (2)**	**Other payables (3)**
Without due date	116,865	-	208,269
To be due			
03.31.2015	84,303	-	326,964
06.30.2015	4,857	-	10,523
09.30.2015	255	-	398
12.31.2015	3,182	83,548	398
12.31.2016	33,007	83,560	1,594
12.31.2017	131	120,883	1,594
12.31.2018	-	-	1,594
12.31.2019	-	1,481,487	1,594
12.31.2020	-	-	1,594
12.31.2021	-	-	1,594
12.31.2022	-	-	1,594
12.31.2023	-	-	1,594
12.31.2024	-	-	1,594
12.31.2025	-	-	1,594
12.31.2026	-	-	1,594
12.31.2027	-	-	1,594
12.31.2028	-	-	127
Total at 12.31.2014	**1,576,566**	**1,769,478**	**566,141**

4. Classification of receivables and liabilities according to their financial consequences:

	12.31.2014		
	Receivables (1)	**Loans (2)**	**Other payables (3)**
In local currency	222,750	-	376,401
In foreign currency	1,333,084	1,769,478	187,546
In-kind	20,732	-	2,194
Total at 12.31.2014	**1,576,566**	**1,769,478**	**566,141**
Balances subject to adjustment	-	-	-
Balances not subject to adjustment	1,576,566	1,769,478	566,141
Total at 12.31.2014	**1,576,566**	**1,769,478**	**566,141**
Interest bearing balances	2,411	1,683,410	78,091
Non-interest bearing balances	1,574,155	86,068	488,050
Total at 12.31.2014	**1,576,566**	**1,769,478**	**566,141**

(1) Includes trade accounts receivable and other accounts receivable at their present value, not including allowances.
(2) Denominated at their present value.
(3) Includes all non-financial liabilities, excluding contingencies.

5. Percentage of interest in affiliate companies - Law No. 19,550, Section 33 -, in capital and total votes:

See Note 7 to the Company's financial statements as of December 31, 2014.

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE FINANCIAL STATEMENTS REQUIRED BY SECTION 68 OF THE BUENOS AIRES STOCK EXCHANGE LISTING RULES AND BY TITLE IV, CHAPTER III, SECTION 12 OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014 (in thousands of pesos, except where specifically mentioned).

5.1. Balances (positive and/or negative) classified by company, according to their financial consequences:

	Comgas Andina S.A.		Companhia Operadora do Rio Grande do Sul	
	Receivables	**Other payables**	**Receivables**	**Other payables**
Past due				
From 01.01.2014 up to 12.31.2014	-	-	-	-
Without due date	-	-	228	-
To be due				
From 01.01.2015 up to 03.31.2015	343	-	33	-
Total at 12.31.2014				
In local currency	-	-	-	-
In foreign currency	343	-	261	-
In-kind	-	-	-	-
Total at 12.31.2014	**343**	**-**	**261**	**-**
Balances subject to adjustment	-	-	-	-
Balances not subject to adjustment	343	-	261	-
Total at 12.31.2014	**343**	**-**	**261**	**-**
Interest bearing balances	-	-	-	-
Non-interest bearing balances	343	-	261	-
Total at 12.31.2014	**343**	**-**	**261**	**-**

6. Trade receivables or loans from Directors, Syndics and their relatives up to the second degree inclusive:

None.

ii. Physical count of inventories:

7. Periodicity and scope of physical count of inventories:

Physical count of materials and spare parts is performed on an annual basis, and is carried over 100% of stocks. Slow-moving and obsolete materials and spare parts amount to $ 84.7 million and are totally written-off. (Refer to Note 10 to the Company’s financial statements as of December 31, 2014).

iii. Current values:

8. Source of data used to calculate the current values used to measure inventories, fixed assets and other significant assets:

The only assets the Company values using current values are disclosed under “Investments at fair value”. The sources of information used to calculate those current values are included in Note 3.6 to the Company´s financial statements as of December 31, 2014.

9. Technically appraised fixed assets:

None.

ADDITIONAL INFORMATION TO THE NOTES TO THE FINANCIAL STATEMENTS REQUIRED BY SECTION 68 OF THE BUENOS AIRES STOCK EXCHANGE LISTING RULES AND BY TITLE IV, CHAPTER III, SECTION 12 OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014 (in thousands of pesos, except where specifically mentioned).

10. Value of fixed assets left unused for obsolescence reasons:

None.

iv. Equity investments in other companies:

11. Equity investments in other companies exceeding the provisions of Section 31 of Law 19,550:

None.

v. Recoverable values:

12. The criteria followed to determine the Company's assets "recoverable value" are:

- Materials and spare parts and property, plant and equipment: the recoverable value of such assets was determined based on their economic use - Notes 2.7 and 2.5, respectively - to the Company's financial statements as of December 31, 2014, subject to the resolution of the uncertainties generated by the changes in the economic context and the legal and contractual conditions under which the Company operates.

- Minimum presumed income tax credit: the projections of future taxable income have been taken into consideration for the calculation of the recoverable value. Such projections have been built on the basis of the best estimate in accordance with the guidelines pointed out in Notes 2.13.b) and 4 to the Company's financial statements as of December 31, 2014, and taking into consideration the resolution of the uncertainties mentioned in Notes 1.2 and 1.3 to the Company's financial statements as of December 31, 2014, referring to the modifications of the Argentine economic context and of the legal and contractual framework in which the Company operates.

vi. Insurance:

13. Insurance covering the Company's tangible assets:

Property insured	Risks covered	Amount insured in thousands	Book value in thousands of $
• Personal and real property allocated to the provision of services, except for machinery and equipment	All physical risks and loss of profits Liability insurance	US$ 75,000 US$ 50,000	236,994
• Compressor plants	Terrorism	US$ 35,000	287,092
• Machinery	Machinery breakdown	US$ 10,000	110,314
• Automobiles:			
- Management's fleet	Limited liability insurance	$ 4,000	250
	Total loss car accident Total or partial loss due to fire, robbery or theft	Replacement value	12,933
- Operational fleet (cars and pick ups)	Limited liability insurance	$ 4,000	201
- Trucks and trailers	Limited liability insurance	$ 13,000	
• Personal property located in Head Office and IT equipments	Fire of contents Theft	US$ 8,650 US$ 10	6,626

vii. Positive and negative contingencies:

14. Allowance and provision balances jointly or individually exceeding 2% of the equity:

Allowances and provisions balances amount to 1,012,869. A breakdown of these allowances and provisions as well as its following up during the fiscal year, are presented in Annex E to the additional information to the notes to the financial statements required by Title IV, Chapter III, Section 1st of the CNV.

15. Contingent situations whose probability of occurrence was not remote and whose patrimonial effect has not been registered in these financial statements:

None.

viii. Irrevocable advances on account of future subscription of shares:

16. Status of the capitalization process:

There are no irrevocable advances on account of future subscription of shares.

17. Unpaid cumulative dividends of preferred shares:

None.

18. Conditions, circumstances or terms for the cease of the restrictions to the distribution of retained earnings:

Under the terms of the financial agreements currently in force, TGN shall not make dividend payments in the event of default or grounds for default and in no case in excess of the Available Basket Amount (as defined in the contract). See Note 15 to the Company's financial statements as of December 31, 2014.

Autonomous City of Buenos Aires, March 6, 2015

Santiago Marfort
President

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE FINANCIAL STATEMENTS REQUIRED BY TITLE IV, CHAPTER III, SECTION 1ST OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014 (in thousands of pesos, except where specifically mentioned).

ANNEX A – PROPERTY, PLANT AND EQUIPMENT

See Note 6 to the Company's financial statements as of December 31, 2014.

ANNEX B - INTANGIBLE ASSETS

Not applicable.

ANNEX C - INVESTMENTS IN OTHER COMPANIES (Section 33 – Law N° 19,550)

See Note 7 to the Company's financial statements as of December 31, 2014.

ANNEX D - OTHER INVESTMENTS

	Book value at 12.31.2014	Book value at 12.31.2013
Mutual funds in $	-	36,557
Mutual funds in US$	29,910	32,614
Government bonds in US$	223,259	92,646
Government bonds in $	12,208	30,295
US Treasury bills	-	116,422
Time deposits in US$	252,081	241,496
Time deposits in $	-	12,237
Stock exchange securities in $	-	1,280
Total current	**517,458**	**563,547**
Other investments in US$	3,338	3,660
Government bonds in $	33,107	32,534
Total non current	**36,445**	**36,194**

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE FINANCIAL STATEMENTS REQUIRED BY TITLE IV, CHAPTER III, SECTION 1ST OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014 (in thousands of pesos, except where specifically mentioned).

ANNEX E - ALLOWANCES AND PROVISIONS

Description		12.31.14					12.31.13
	Balances at the beginning of the fiscal year	Net increases		Transfers	Decreases (payment / usage)	Balances at the end of the fiscal year	Balances at the end of the fiscal year
Deducted from assets							
Non-current assets							
Investments in affiliate companies							
Impairment of investment in affiliate companies	219	191		-	-	410	219
Materials and spare parts							
Allowance for slow-moving and obsolete materials and spare parts	84,147	521	(1)	-	-	84,668	84,147
Other accounts receivable							
Allowance for receivables from actions for refund	9,167	4,555	(2)	-	-	13,722	9,167
Trade accounts receivables							
Allowance for doubtful accounts and disputed amounts	524,859	250,930	(3)	-	-	775,789	524,859
Current assets							
Other accounts receivable							
Allowance for doubtful accounts	642	164	(4)	-	-	806	642
Trade accounts receivables							
Allowance for doubtful accounts and disputed amounts	37,287	10,017	(4)	-	(3,810)	43,494	37,287
Total allowances deducted from assets	**656,321**	**266,378**		**-**	**(3,810)**	**918,889**	**656,321**
Included in liabilities							
Non-current liabilities							
Contingencies							
Provisions for labor, civil and contentious lawsuits	49,585	4,328	(5)	(53,913)	-	-	49,585
Current liabilities							
Contingencies							
Provisions for labor, civil and contentious lawsuits	33,958	6,434	(6)	53,913	(325)	93,980	33,958
Total provisions included in liabilities	**83,543**	**10,762**		**-**	**(325)**	**93,980**	**83,543**
Total at 12.31.14	**739,864**	**277,140**		**-**	**(4,135)**	**1,012,869**	**-**
Total at 12.31.13	**577,150**	**185,819**		**-**	**(23,105)**	**-**	**739,864**

(1) Charged to Cost of services - Slow moving and obsolete materials and spare parts (Note 21 to the Company´s financial statements as of December 31, 2014).
(2) 279 charged to Administrative expenses - Contingencies (Note 21 to the Company´s financial statements as of December 31, 2014) and 4,276 to Other net income and expenses (Note 22 to the Company´s financial statements as of December 31, 2014).
(3) 89,025 charged to Revenues (Note 20 to the Company´s financial statements as of December 31, 2014) and 161,905 to Net financial results - Generated by exchange rate differences (Note 23 to the Company´s financial statements as of December 31, 2014).
(4) Charged to Selling expenses - Doubtful accounts (Note 21 to the Company´s financial statements as of December 31, 2014).
(5) Charged to Net financial results - Financial expenses - Results on discounting at present value (Note 23 to the Company´s financial statements as of December 31, 2014).
(6) 4,091 charged to Administrative expenses - Contingencies (Note 21 to the Company´s financial statements as of December 31, 2014) and 2,343 to Net financial results - Financial expenses – Results on discounting at present value (Note 23 to the Company´s financial statements as of December 31, 2014).

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE FINANCIAL STATEMENTS REQUIRED BY TITLE IV, CHAPTER III, SECTION 1ST OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014 (in thousands of pesos, except where specifically mentioned).

ANNEX F - COST OF PRODUCTS SOLD OR SERVICES PROVIDED

See Note 21 to the Company´s financial statements at December 31, 2014.

ANNEX G - ASSETS AND LIABILITIES IN FOREIGN CURRENCY

	12.31.14				12.31.13		
	Foreign currency class and amount (1)		Exchange rate in $	Amount in local currency (1)	Foreign currency class and amount (1)		Amount in local currency (1)
ASSETS							
NON-CURRENT ASSETS							
Investments in affiliate companies							
Comgas Andina S.A.	$ch	658,964	0.0164	10,807	$ch	330,990	4,038
Companhía Operadora do Rio Grande do Sul	R$	122	3.35	410	R$	83	219
				11,217			4,257
Trade accounts receivable							
Trade accounts receivable with third parties	US$	187,964	8.451	1,588,481	US$	163,322	1,058,492
				1,588,481			1,058,492
Investments at amortised cost							
Other investments		395	8.451	3,338	US$	565	3,660
				3,338			3,660
Total non-current assets				**1,603,036**			**1,066,409**
CURRENT ASSETS							
Other accounts receivable							
Commercial indemnifications to be collected		-		-	US$	804	5,213
Attachments and guarantee deposits		-		-	US$	325	2,109
Prepaid expenses and advances	US$	963	8.451	8,140	US$	1,788	11,587
	£	51	13.15	675		-	-
Other receivables – related parties		-		-	US$	17	113
Other receivables – affiliate companies		-		-	$ch	66,640	813
	US$	44	8.451	376	US$	23	147
	R$	68	3.35	228	R$	68	181
				9,419			20,163
Trade accounts receivable							
Trade accounts receivable with third parties	US$	7,636	8.451	64,529	US$	978	6,338
Trade accounts receivable with related parties	US$	4,806	8.451	40,618	US$	4,987	32,322
				105,147			38,660
Investments at amortised cost							
Time deposits	US$	11,629	8.451	98,280	US$	9,911	64,233
US Treasury bills		-		-	US$	17,964	116,422
				98,280			180,655
Investments at fair value							
Government bonds	US$	26,418	8.451	223,259	US$	14,295	92,646
				223,259			92,646
Cash and cash equivalents							
Time deposits	US$	18,199	8.451	153,801	US$	27,351	177,263
Mutual funds	US$	3,539	8.451	29,910	US$	5,032	32,614
Balances in bank accounts	US$	4,058	8.451	34,292	US$	10,789	69,923
				218,003			279,800
Total current assets				**654,108**			**611,924**
Total assets				**2,257,144**			**1,678,333**

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE FINANCIAL STATEMENTS REQUIRED BY TITLE IV, CHAPTER III, SECTION 1ST OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014 (in thousands of pesos, except where specifically mentioned).

	12.31.14				12.31.13		
	Foreign currency class and amount (1)		Exchange rate in $	Amount in local currency (1)	Foreign currency class and amount (1)		Amount in local currency (1)
LIABILITIES							
NON-CURRENT LIABILITIES							
Loans							
Step-up Notes							
Principal	US$	150,066	8.551	1,283,214	US$	150,066	978,580
Interests	US$	10,065	8.551	86,068	US$	8,284	54,023
Capitalized interests	US$	13,122	8.551	112,205	US$	5,390	35,150
Five-Year Negotiable Obligations							
Principal	US$	19,544	8.551	167,119	US$	29,314	191,159
Capitalized interests	US$	4,365	8.551	37,324	US$	2,167	14,132
				1,685,930			1,273,044
Total non-current liabilities				**1,685,930**			**1,273,044**
CURRENT LIABILITIES							
Trade accounts payable							
Suppliers – purchases and services	US$	7,399	8.551	63,269	US$	6,985	45,546
		-		-	€	3	27
	£	61	13.33	813			
Other related parties	US$	16,155	8.551	138,140	US$	17,260	112,551
				202,222			158,124
Loans							
Class A Negotiable Obligations							
Principal		-		-	US$	5,522	36,009
Interests		-		-	US$	2,050	13,368
Punitive interests		-		-	US$	820	5,345
Class B Negotiable Obligations							
Principal		-		-	US$	324	2,108
Interests		-		-	US$	157	1,023
Punitive interests		-		-	US$	53	347
Five-Year Negotiable Obligations							
Principal	US$	9,771	8.551	83,548		-	-
				83,548			58,200
Total current liabilities				**285,770**			**216,324**
Total liabilities				**1,971,700**			**1,489,368**

US$: US Dollars
$ ch: Chilean Pesos
€: Euros
R$: Brazilian Reais
£: Pound sterling

(1) Does not include allowances, provisions for contingencies and discounts at present value.

ANNEX H – INFORMATION REQUIRED BY LAW N° 19,550, SECTION 64, SUB-SECTION I.b)

See Note 21 to the Company´s financial statements at December 31, 2014.

Santiago Marfort
President

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders, President and Directors of
Transportadora de Gas del Norte S.A.
Legal address: Don Bosco 3672 - 3rd floor
City of Buenos Aires
Tax Code No. 30-65786305-6

Report on the Financial Statements

We have audited the attached financial statements of Transportadora de Gas del Norte S.A. (the Company), which consist of the statement of financial position as of December 31, 2014, the statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement for the year then ended, as well as a summary of the most significant accounting policies and other explanatory information.

The balances and other information corresponding to the fiscal year 2013 are an integral part of the audited financial statements mentioned above; therefore, they must be considered in connection with these financial statements.

Management's responsibilities

The Board of Directors of the Company is responsible for the preparation and reasonable presentation of these financial statements under International Financial Reporting Standards (IFRS) adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and incorporated into the regulations of the National Securities Commission (CNV), as approved by the International Accounting Standards Board (IASB). Further, the Board of Directors is responsible for the existence of adequate internal control to prepare financial statements free of any material misstatements due to error or irregularities. Our responsibility is to express an opinion on these financial statements, based on the audit performed with the scope detailed in section "Auditors' responsibility".

Auditors' responsibility

Our responsibility is to express an opinion on the attached financial statements, based on our audit. We performed our audit in accordance with International Standards on Auditing (ISAs). These standards were adopted as review standard in Argentina through Technical Pronouncement No. 32 of the FACPCE (Argentine Federation of Professional Councils in Economic Sciences), as approved by the International Auditing and Assurance Standards Board (IAASB) and they require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and other information disclosed in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements due to fraud or error. In making those risk assessments, the auditor must consider internal control relevant to the Company's preparation and reasonable presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements mentioned in the first paragraph of this report present fairly, in all material respects, the financial position of Transportadora de Gas del Norte S.A. as of December 31, 2014, as well as the comprehensive income and cash flows for the fiscal year then ended, in accordance with International Financial Reporting Standards.

Emphasis paragraph

We want to emphasize the information contained in note 1 about the modifications introduced by the National Government to the Company's license. This situation indicates that there is uncertainty as to the generation of future cash flows enabling the Company to recover the value of non-current assets and meet its financial obligations. The Company has prepared these financial statements using accounting principles that are applicable to a going concern. Therefore, those statements do not include the effects of possible adjustments and/or reclassifications, if any, which could be required if the situation described is not resolved in favor of the continuity of Company's operations and if the Company were forced to realize its assets and settle its liabilities, including contingencies, in conditions other than the normal course of its business. Our conclusion contains no qualifications as to the situations described above.

Report on compliance with current regulations

In compliance with current regulations, we report with respect to Transportadora de Gas del Norte S.A. that:

a) the financial statements of Transportadora de Gas del Norte S.A. are transcribed into the "Inventory and Balance Sheet" book and as regards those matters that are within our competence, they are in compliance with the provisions of the Commercial Companies Law and pertinent resolutions of the National Securities Commission;

b) the financial statements arise from accounting records carried in all formal respects in conformity with legal requirements which maintain the security and integrity conditions based on which they were authorized by the National Securities Commission;

c) We have read the Summary of Activities and the additional information to the notes to the condensed interim financial statements required by Section 68 of the Buenos Aires Stock Exchange Regulations and sections 1 and 12, Chapter III, Title IV of the regulations of National Securities Commission, on which we have no observation to make insofar as concerns matters within our field of competence.

d) at December 31, 2014 the debt accrued by Transportadora de Gas del Norte S.A. in favor of the Argentine Integrated Social Security System according to the Company's accounting records amounted to $ 8,567,243, none of which was claimable at that date.

e) as required by section 21, subsection e), Chapter III, Part VI, Title II of the rules issued by the National Securities Commission, we report that total fees for auditing and related services billed to the Company during the fiscal year ended December 31, 2014 account for:

- e.1) 81% of the total fees for services billed to the Company for all items during that fiscal year;
- e.2) 90% of the total fees for services for auditing and related services billed to the Company, its parent companies, subsidiaries and related companies during that year;
- e.3) 70% of the total fees for services billed to the Company, its parent companies, subsidiaries and related companies for all items during that year;

f) we have applied for Transportadora de Gas del Norte S.A. the money laundering abatement and anti-terrorist financing procedures comprised in the professional standards issued by the Professional Council in Economic Sciences of the City of Buenos Aires.

Autonomous City of Buenos Aires, March 6, 2015

PRICE WATERHOUSE & CO. S.R.L.

by (Partner)

Fernando A. Rodriguez

STATUTORY AUDIT COMMITTEE'S REPORT

To the Shareholders of
Transportadora de Gas del Norte S.A.

In accordance with the provisions of Section 294 of the Argentine Companies Law and Section 62 of the Buenos Aires Stock Exchange Listing Rules, in their relevant parts, we have reviewed Transportadora de Gas del Norte S.A.´s Balance Sheet as of December 31, 2014 and its related Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity and Statement of Cash Flow for the fiscal year then ended, their supplementary notes and annexes, as well as the Additional Information to the notes required by the Buenos Aires Stock Exchange Listing Rules and by the National Securities Commission regulations (CNV), all of which the Company presented for our consideration. The Company is responsible for the preparation and issuance of the above-mentioned documents, which it prepared in accordance with International Financial Reporting Standards, adopted as Argentine professional accounting standards by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) and incorporated into the regulations of the National Securities Commission. Our responsibility is limited to expressing an opinion on the legality of such documents, based on the review detailed below.

In addition to our work, the review was based on the examination of the above mentioned documents performed by the external auditors of Transportadora de Gas del Norte S.A., Price Waterhouse & Co. S.R.L., in accordance with the International Standards on Auditing (ISAs). These standards were adopted as review standard in Argentina through Technical Resolution No. 32 of the FACPCE and they require the auditors to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement, and was limited to the relevant information of the documents reviewed, its consistency with the information on corporate decisions presented in minutes and the compliance of those decisions with the law, by-laws, standards and internal regulations, insofar as formal and documentary aspects are concerned.

We have not assessed business criteria regarding management, marketing or production, since they are the sole responsibility of the Company.

Under current provisions on the subject, we have also reviewed the Board of Directors´ Annual Report and its Annex Report on the extent of compliance with Transportadora de Gas del Norte S.A.´s Code of Corporate Governance and Inventory as of December 31, 2014 for the fiscal year then ended. The revised documents are the responsibility of the Company's Board of Directors in the performance of its exclusive duties.

We share and agree with the emphasis paragraph of the Independent Auditors' report dated March 6, 2015.

As stated in Note 1.2.iii), the Company was intervened by ENARGAS Resolution No. I/587. ENARGAS has successively extended such intervention to date, maintaining only the powers of supervision and control of acts that may reasonably affect the normal provision of the public service provided by TGN.

This Report has been prepared based on the documents drawn by the Company, considered and approved by its Board of Directors on the date of issuance.

Based on our review and on the Report of Independent Auditors issued by the company of independent auditors Price Waterhouse & Co. S.R.L. and signed by its partner, Fernando A. Rodríguez (CPA), on March 6, 2015, and insofar as concerns matters within our competence, we report that:

a) Financial Statements as of December 31, 2014 consider all the material facts and circumstances known to us. We have no further remarks to make regarding such financial statements in addition to those previously mentioned.

b) In relation to the above mentioned Financial Statements and the Additional Information to the notes to such Financial Statements as required by Section 68 of the Buenos Aires Stock Exchange Listing Rules and by Title IV, Chapter III, Sections 1 and 12 of the CNV regulations, insofar as concerns matters within our competence, we have no remarks to make.

c) We have reviewed the Board of Directors´ Annual Report and the Inventory, both related to the fiscal year ended on December 31, 2014, and we have no remarks to make insofar as concerns matters within our competence. The Board of Directors is responsible for assertions and estimations regarding future facts.
In addition, we have reviewed the Report on the extent of compliance with the Code of Corporate Governance, annexed to the Annual Report, which was prepared by the Board of Directors pursuant to CNV General Resolution No. 606/2012, and have no material remarks to make.

d) We have complied with the requirements of Section 294 of the Argentine Companies Law, having regularly participated in the Board of Directors' meetings and properly carried out our duties, as per by the above-mentioned law and the Company´s by-laws.

e) As required by the CNV regulations (as amended in 2013), we have read the audit report issued by the Independent Auditor, which states as follows:

    i) the accounting policies applied to prepare the financial statements as of December 31, 2014 are consistent with professional accounting standards, and

    ii) the independent auditors have performed their audit applying auditing standards established by the FACPCE, which include objectivity and independence requirements.

f) We have applied money laundering abatement and anti-terrorist financing procedures set forth in the relevant professional standards issued by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires.

Autonomous City of Buenos Aires, March 6, 2015.

Statutory Audit Committee

Julio César Abínzano
Regular Member