



*TRANSPORTADORA
DE GAS DEL NORTE S.A.*

**Interim condensed financial statements as of June 30, 2014 presented in
thousands of pesos and in a comparative format**

Transportadora de Gas del Norte S.A.

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Additional information to the notes to the interim condensed financial statements required by Title IV, Chapter III, Section 1st of the National Securities Commission regulations.

Review report

Transportadora de Gas del Norte S.A.

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

INTERIM CONDENSED FINANCIAL STATEMENTS for the six-month period ended on June 30, 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 13)

Type of shares	Subscribed and paid in	
	06.30.14	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.

SUMMARY OF INFORMATION CORRESPONDING TO THE SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013

In accordance with the terms of the National Securities Commission (“CNV”) regulations, an analysis of the results of the operations 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 financial indicators, which should be read in conjunction with the interim condensed financial statements 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 CNV regulations, that have been attached to this summary of information, as well as the press releases opportunely notified to the CNV and the Company’s financial statements corresponding to the fiscal year ended December 31, 2013.

D) ANALYSIS OF COMPREHENSIVE RESULT AND FINANCIAL SITUATION

- *Comprehensive result for the period:*

	<i>(in million of pesos)</i>		
	<i>Six-month period ended June 30,</i>		
	2014	2013	Variation
Revenues			
Gas carriage service	286.1	233.9	52.2
Allowances for disputed amounts and others	(42.9)	(27.6)	(15.3)
Subtotal gas carriage service	243.2	206.3	36.9
<i>Other services:</i>			
Gas pipeline operation and maintenance services	28.4	22.7	5.7
Management fees – Gas Trust Program	7.3	4.5	2.8
Subtotal other services	35.7	27.2	8.5
Total revenues	278.9	233.5	45.4
Cost of services			
Operation and maintenance costs	(185.7)	(136.5)	(49.2)
Property, plant and equipment depreciation	(66.2)	(65.3)	(0.9)
Subtotal	(251.9)	(201.8)	(50.1)
Gross profit	27.0	31.7	(4.7)
Administrative and selling expenses	(103.6)	(70.4)	(33.2)
Loss before other net income and expenses	(76.6)	(38.7)	(37.9)
Other net income and expenses	32.6	31.4	1.2
Loss before financial results	(44.0)	(7.3)	(36.7)
Net financial results	(108.0)	(70.7)	(37.3)
Results from investments in affiliate companies	2.3	0.8	1.5
Result before income tax	(149.7)	(77.2)	(72.5)
Income tax	40.4	19.7	20.7
Loss for the period	(109.3)	(57.5)	(51.8)
Other comprehensive results	-	-	-
Comprehensive loss for the period	(109.3)	(57.5)	(51.8)
EBITDA ⁽¹⁾	32.0	62.3	(30.3)

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

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013

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

	<i>(in million of pesos)</i>	
	<i>06.30.2014</i>	<i>12.31.2013</i>
<i>Total assets</i>	3,280	3,138
<i>Total liabilities</i>	2,303	2,052
<i>Shareholders' equity</i>	977	1,086

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

- *Revenues*

Revenues' variation of \$ 45.4 million between the six-month periods ended June 30, 2014 and 2013 is mainly explained by the following causes:

- increase of \$ 38.7 million in billings denominated in foreign currency principally as a result of the increase in the US dollar exchange rate;
- decrease of \$ 14.0 million due to the early termination, during the fiscal year ended December 31, 2013, of firm carriage contracts with export customers (see Note 19 to the Company's financial statements as of December 31, 2013);
- \$ 15.3 million decrease due to higher allowances for disputed amounts during 2014 first semester, compared to the same period of the previous year;
- increase of \$ 6.9 million in billings due to the rise in the domestic carriage rates since April, 2014;
- higher income for \$ 20.6 million in interruptible services and exchange and displacement services for local and export destination, higher firm carriage and others;
- higher income for \$ 2.8 million during 2014 first semester corresponding to "*Management fees – Gas Trust Programs*", compared to 2013 first semester; and
- higher income for \$ 5.7 million in "*Gas pipeline operation and maintenance services*".

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013

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

- *Cost of services*

(in million of pesos)

<i>Accounts</i>	<i>Six-month period ended June 30,</i>		
	<i>2014</i>	<i>2013</i>	<i>Variation</i>
<i>Fees for professional services</i>	4.1	3.0	1.1
<i>Salaries, wages and other personnel benefits and social security contributions</i>	82.7	64.4	18.3
<i>Technical assistance fees</i>	4.7	9.7	(5.0)
<i>Consumption of materials and spare parts</i>	12.9	9.6	3.3
<i>Maintenance and repair of property, plant and equipment and third-party services and supplies</i>	55.1	32.4	22.7
<i>Communications, freight, transportation and travel expenses</i>	11.6	8.0	3.6
<i>Insurance</i>	4.4	3.1	1.3
<i>Rentals and office supplies</i>	2.2	1.4	0.8
<i>Easements</i>	2.0	1.9	0.1
<i>Taxes, rates and contributions</i>	0.4	0.3	0.1
<i>Property, plant and equipment depreciation</i>	66.2	65.3	0.9
<i>Slow-moving and obsolete materials and spare parts</i>	4.9	2.1	2.8
<i>Others</i>	0.7	0.6	0.1
Total	251.9	201.8	50.1
% of Costs of services on revenues	90.3%	86.4%	

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

- i. \$ 18.3 million increase in *Salaries, wages and other personnel benefits and social security contributions* as a result of pay increases, partially corresponding to inflation adjustment; and
- ii. \$ 22.7 million increase in *Maintenance and repair of property, plant and equipment and third-party services and supplies*, mainly due to the fact that during 2014 first semester higher expenses were made in cleaning and weeding of facilities (\$ 4.1 million), internal inspection of gas pipelines (\$ 12.1 million), anti-corrosive protection (\$ 1.9 million), IT equipment maintenance (\$ 1.1 million), and other works.

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013

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

- *Administrative and selling expenses*

<i>Accounts</i>	<i>(in million of pesos)</i>		
	<i>Six-month period ended June 30,</i>		
	<i>2014</i>	<i>2013</i>	<i>Variation</i>
<i>Salaries, wages and other personnel benefits and social security contributions</i>	36.3	27.7	8.6
<i>Property, plant and equipment depreciation</i>	0.9	0.9	-
<i>Fees for professional services</i>	7.3	4.8	2.5
<i>Taxes, rates and contributions</i>	33.6	29.1	4.5
<i>Communications, freight, transportation and travel expenses</i>	1.8	1.4	0.4
<i>Maintenance and repair of property, plant and equipment and third-party services and supplies</i>	2.2	1.5	0.7
<i>Rentals and office supplies</i>	1.4	1.2	0.2
<i>Doubtful accounts</i>	12.2	0.1	12.1
<i>Contingencies</i>	3.7	0.7	3.0
<i>Statutory auditors committee's fees</i>	0.7	0.6	0.1
<i>Fees for technical-administrative services</i>	1.2	0.9	0.3
<i>Compensation for damages</i>	1.2	0.6	0.6
<i>Others</i>	1.1	0.9	0.2
Total	103.6	70.4	33.2
% of Administrative and selling expenses on revenues	37.1%	30.1%	

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

- \$ 4.5 million increase in *Taxes, rates and contributions* due to higher charges for the verification and control rate in favor of the National Gas Regulatory Entity ("ENARGAS"), the Turnover tax and the Tax on bank transactions;
- \$ 8.6 million increase in *Salaries, wages and other personnel benefits and social security contributions* as a result of pay increases, partially corresponding to inflation adjustment;
- \$ 12.1 million increase in *Doubtful accounts* due to higher allowances set up during 2014 first semester, related to past due customers' balances; and
- \$ 3.0 million of 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*

<i>Accounts</i>	<i>(in million of pesos)</i>		
	<i>Six-month period ended June 30,</i>		
	<i>2014</i>	<i>2013</i>	<i>Variation</i>
<i>Income from commercial indemnifications</i>	7.6	28.1	(20.5)
<i>Compensation for damages adjustment</i>	21.5	-	21.5
<i>Net result from disposal of property, plant and equipment</i>	(1.2)	0.5	(1.7)
<i>Net income from sundry sales and others</i>	4.7	2.8	1.9
Total	32.6	31.4	1.2

Note 19 to the Company's financial statements as of December 31, 2013 describes agreements reached with certain export customers. Those agreements, among others, have generated incomes amounting to \$ 7.6 million and \$ 28.1 million during the six-month periods ended June 30, 2014 and 2013, respectively, on account of income from commercial indemnifications.

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013

D) 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 m³/day. This *addendum* generated income for \$ 21.5 million in the six-month period ended June 30, 2014.

- *Net financial results*

<i>Accounts</i>	<i>(in million of pesos)</i>		
	<i>Six-month period ended June 30,</i>		
	<i>2014</i>	<i>2013</i>	<i>Variation</i>
<i>Generated by exchange rate differences:</i>			
<i>Income on exchange rate variations</i>	270.6	68.9	201.7
<i>Expenses on exchange rate variations</i>	(365.3)	(126.9)	(238.4)
<i>Total financial results generated by exchange rate differences</i>	(94.7)	(58.0)	(36.7)
<i>Financial income:</i>			
<i>Interest</i>	23.3	12.3	11.0
<i>Holding results</i>	42.9	20.2	22.7
<i>Result from loans repurchase</i>	19.6	-	19.6
<i>Allowances recovered and others</i>	-	8.9	(8.9)
<i>Results on discounting at present value</i>	-	2.6	(2.6)
<i>Total financial income</i>	85.8	44.0	41.8
<i>Financial expenses:</i>			
<i>Interest</i>	(54.2)	(38.6)	(15.6)
<i>Holding results</i>	(2.2)	-	(2.2)
<i>Results on discounting at present value</i>	(40.9)	(16.4)	(24.5)
<i>Commissions, taxes and expenses on banking and financial operations</i>	(1.8)	(1.7)	(0.1)
<i>Total financial expenses</i>	(99.1)	(56.7)	(42.4)
<i>Total net financial results</i>	(108.0)	(70.7)	(37.3)

Net financial results for the six-month period ended June 30, 2014 presented higher losses for \$ 37.3 million compared to the six-month period ended June 30, 2013. Accounts showing the most significant variations between both periods were:

- higher losses for \$ 238.4 million resulting from exchange rate differences generated by liabilities denominated in US dollars;
- higher results from loans repurchase for \$ 19.6 million, as a consequence of the situation described in Note 14;
- higher losses for \$ 24.5 million related to the non-current accounts receivable valuation at their net present value;
- \$ 22.7 million of higher profit due to yields accrued in relation to short-term investments; and
- higher profits for \$ 201.7 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 SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013

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

- Summary of the statement of cash flows

	(in million of pesos)	
	Six-month period ended June 30,	
	2014	2013
<i>Cash generated by the operations</i>	18.6	69.6
<i>Income tax</i>	(40.4)	(19.7)
<i>Accrued interest generated by liabilities</i>	54.2	38.6
<i>Net cash flow generated by the operations</i>	32.4	88.5
<i>Purchase of property, plant and equipment</i>	(22.9)	(38.7)
<i>Collection of dividends</i>	-	0.8
<i>Variation of short-term investments (non-cash equivalents)</i>	57.6	(45.3)
<i>Net cash flow generated by (used in) the investing activities</i>	34.7	(83.2)
<i>Decrease (increase) in attachments and guarantee deposits</i>	2.4	(6.7)
<i>Loans payment</i>	(51.3)	(8.4)
<i>Net cash flow used in financing activities</i>	(48.9)	(15.1)
<i>Net increase (decrease) in cash and cash equivalents</i>	18.2	(9.8)
<i>Cash and cash equivalents at the beginning of the year</i>	350.2	123.9
<i>Financial results generated by cash</i>	66.6	18.0
<i>Cash and cash equivalents at the end of the period</i>	435.0	132.1

- Breakdown of cash and cash equivalents

	(in million of pesos)	
	Six-month period ended June 30,	
	2014	2013
<i>Cash and banks</i>	115.0	12.2
<i>Time deposits in US\$</i>	232.4	42.8
<i>Time deposits in \$</i>	-	6.2
<i>Government bonds in \$</i>	-	3.9
<i>Mutual funds in US\$</i>	40.8	-
<i>Mutual funds in \$</i>	46.8	63.4
<i>Stock exchange securities in \$</i>	-	3.6
<i>Cash and cash equivalents at the end of the period</i>	435.0	132.1

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013

II) BUSINESS PROSPECTS (not covered by the Review report)

This section, related to the Company's business, operating, financial and regulatory prospects must be complemented with the notes to the interim condensed financial statements, the additional information 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 as of June 30, 2014 and the Company's financial statements as of December 31, 2013. This information should be jointly read, analyzed and interpreted to have a full vision of the significant corporate matters.

Business prospects for the current 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 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 (4.5 times) the rate collected by TGN.

In addition, 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 consequences of the rate freezing that was in force for almost fifteen years, together with 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 fourteen 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 be applied to carry out investments approved by the ENARGAS. TGN believes that this would be the first step towards the regularization of its rates. However, the effect of such increase does not modify the operating losses tendency recorded by the Company during the last fourteen 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.

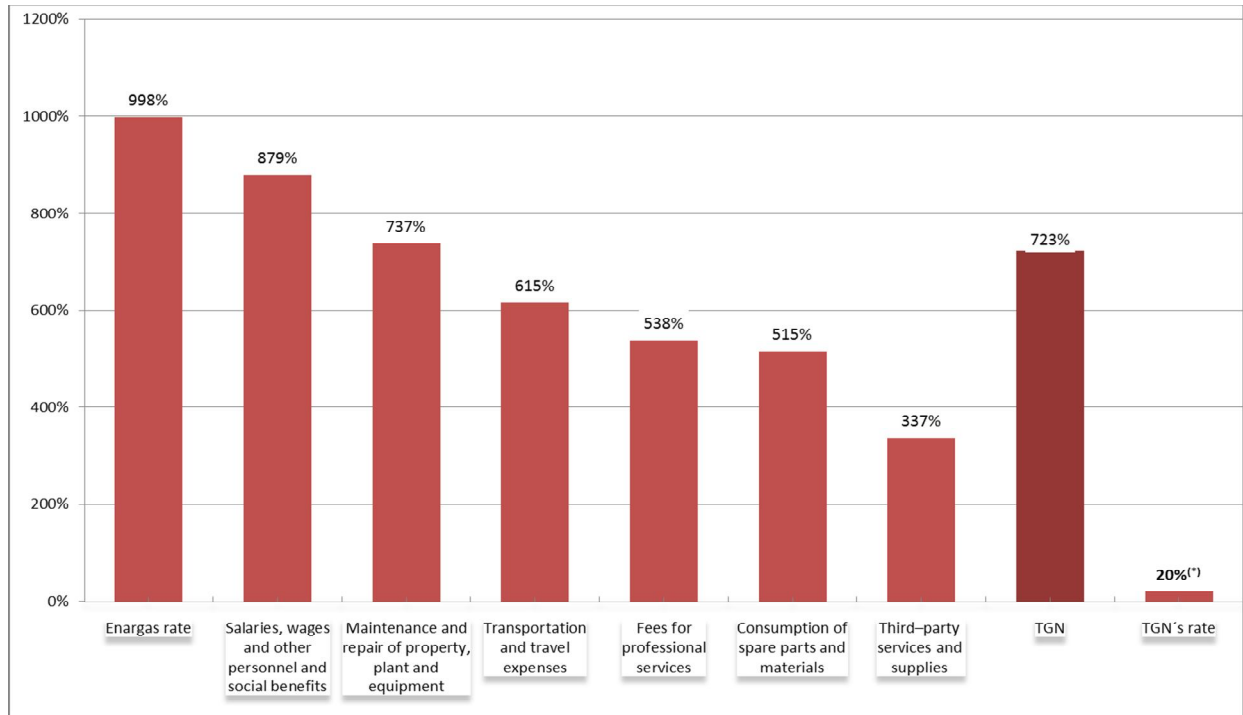
Both Law N° 24,076 and the LEP establish that the rate must be sufficient to cover operational costs and to provide reasonable profitability. Additionally, the License mentions that the National State must pay a compensation to TGN, in case of applying -as it actually occurred and it still occurs- rate freezing or price control. However, none of these points have been fulfilled. In case of persisting, rate freezing will expose TGN during the current fiscal year to a situation of financial imbalance, accumulating new operational losses.

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013

II) BUSINESS PROSPECTS (not covered by the Review report) (Cont.)

Changes in main costs of TGN vs. Rate (period: 2001 – June 30, 2014)



(*) Gradual increases: 8% as from April 2014, 14% accumulated as from June 2014 and 20% accumulated as from August 2014.

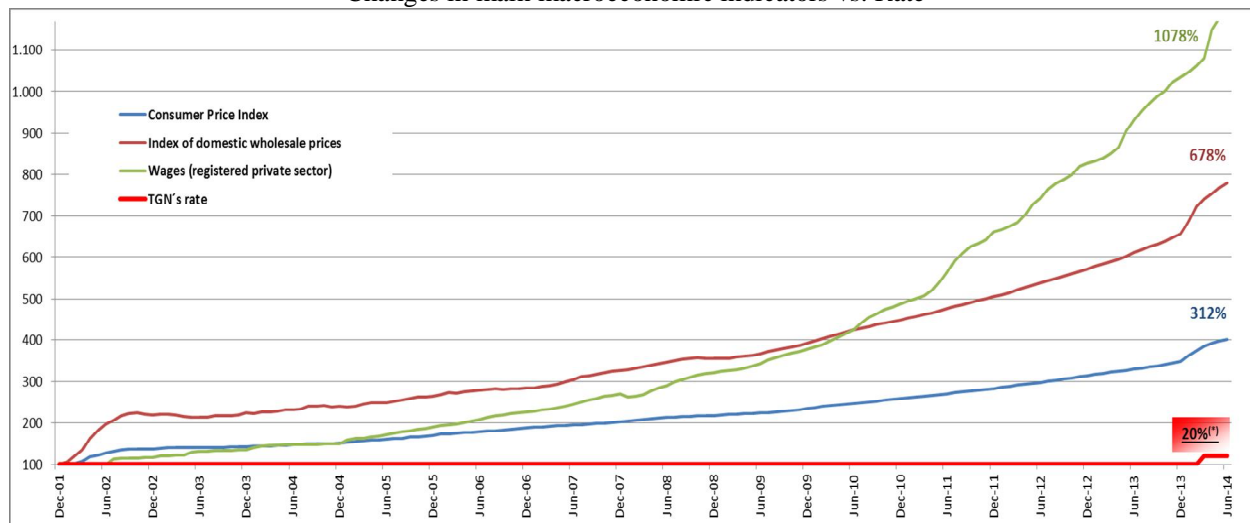
Source: Company's internal information.

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013

II) BUSINESS PROSPECTS (not covered by the Review report) (Cont.)

Changes in main macroeconomic indicators vs. Rate



^(*) Gradual increases: 8% as from April 2014, 14% accumulated as from June 2014 and 20% accumulated as from August 2014.

Source: INDEC

III) COMPARATIVE BALANCE SHEET STRUCTURE AT JUNE 30, 2014, 2013, 2012, 2011 and 2010

(in million of pesos)

	At 06.30				
	2014	2013	2012	2011	2010
Non-current assets	2,452	2,227	2,276	2,354	2,344
Current assets	828	628	1,015	867	491
Total	3,280	2,855	3,291	3,221	2,835
Shareholders' equity	977	1,000	715	957	849
Non-current liabilities	1,888	1,545	207	316	298
Current liabilities	415	310	2,369	1,948	1,688
Subtotal liabilities	2,303	1,855	2,576	2,264	1,986
Total	3,280	2,855	3,291	3,221	2,835

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013

IV) COMPARATIVE STRUCTURE OF COMPREHENSIVE RESULTS FOR THE PERIODS ENDED JUNE 30, 2014, 2013, 2012, 2011 and 2010

(in million of pesos)

	<i>At 06.30</i>				
	2014	2013	2012	2011	2010
<i>(Loss) income before other net income and expenses</i>	(76.6)	(38.7)	(46.2)	(17.1)	47.9
<i>Other net income and expenses</i>	32.6	31.4	23.7	84.6	16.2
<i>(Loss) income before financial results</i>	(44.0)	(7.3)	(22.5)	67.5	64.1
<i>Net financial results</i>	(108.0)	(70.7)	(182.1)	(103.7)	(129.3)
<i>Results from investments in affiliate companies</i>	2.3	0.8	0.8	-	1.1
<i>Result before income tax</i>	(149.7)	(77.2)	(203.8)	(36.2)	(64.1)
<i>Income tax</i>	40.4	19.7	71.9	12.3	22.7
<i>Loss for the period</i>	(109.3)	(57.5)	(131.9)	(23.9)	(41.4)
<i>Other comprehensive results</i>	-	-	-	-	-
<i>Comprehensive loss for the period</i>	(109.3)	(57.5)	(131.9)	(23.9)	(41.4)

V) COMPARATIVE STATISTICAL DATA CORRESPONDING TO THE PERIODS ENDED JUNE 30, 2014, 2013, 2012, 2011 and 2010

Volume dispatched in million of cubic meters:

According to the type of carriage agreement

	<i>At 06.30</i>				
	2014	2013	2012	2011	2010
<i>Firm carriage</i>	7,726	7,168	7,043	6,606	6,771
<i>Interruptible carriage and Exchange and displacement</i>	3,917	3,449	3,354	2,708	2,242
<i>Total</i>	11,643	10,617	10,397	9,314	9,013

According to the type of source

	<i>At 06.30</i>				
	2014	2013	2012	2011	2010
<i>Norte Gas pipeline</i>	5,424	4,233	4,196	3,946	3,802
<i>Centro-Oeste Gas pipeline</i>	6,219	6,384	6,201	5,368	5,211
<i>Total</i>	11,643	10,617	10,397	9,314	9,013

According to its destination

	<i>At 06.30</i>				
	2014	2013	2012	2011	2010
<i>Domestic market</i>	11,574	10,607	10,391	9,270	8,812
<i>Foreign market</i>	69	10	6	44	201
<i>Total</i>	11,643	10,617	10,397	9,314	9,013

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013

VI) COMPARATIVE INDICATORS AT JUNE 30, 2014, 2013, 2012, 2011 and 2010

	<i>At 06.30</i>				
	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>	<i>2010</i>
<i>Current liquidity (1)</i>	<i>2.00</i>	<i>2.03</i>	<i>0.43</i>	<i>0.45</i>	<i>0.29</i>
<i>Solvency (2)</i>	<i>0.42</i>	<i>0.54</i>	<i>0.28</i>	<i>0.42</i>	<i>0.43</i>
<i>Freezing capital (3)</i>	<i>0.75</i>	<i>0.78</i>	<i>0.69</i>	<i>0.73</i>	<i>0.83</i>

- (1) Current assets over current liabilities
- (2) Shareholders' equity over total liabilities
- (3) Non-current assets over total assets

Autonomous City of Buenos Aires, August 7, 2014

Santiago Marfort
President

Transportadora de Gas del Norte S.A.

INTERIM CONDENSED BALANCE SHEET AT JUNE 30, 2014 COMPARATIVE WITH THAT AT DECEMBER 31, 2013 (in thousands of pesos)

	Note	<u>06.30.2014</u>	<u>12.31.2013</u>
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,748,451	1,794,381
Investments in affiliate companies	6	5,892	4,038
Other assets – gas stock		51,439	41,760
Materials and spare parts	9	44,431	36,898
Other accounts receivable	10	81,409	70,139
Trade accounts receivable	11	493,206	345,542
Investments at amortised cost	8	27,068	36,194
Total non-current assets		<u>2,451,896</u>	<u>2,328,952</u>
Current assets			
Materials and spare parts		11,591	11,591
Other accounts receivable	10	50,560	56,890
Trade accounts receivable	11	75,939	86,618
Investments at amortised cost	8	81,137	197,442
Investments at fair value	8	173,989	106,154
Cash and cash equivalents	12	435,051	350,237
Total current assets		<u>828,267</u>	<u>808,932</u>
Total assets		<u>3,280,163</u>	<u>3,137,884</u>

Transportadora de Gas del Norte S.A.

INTERIM CONDENSED BALANCE SHEET AT JUNE 30, 2014 COMPARATIVE WITH THAT AT DECEMBER 31, 2013 (in thousands of pesos)

	Note	<u>06.30.2014</u>	<u>12.31.2013</u>
SHAREHOLDERS' EQUITY			
Common stock	13	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		(109,320)	22,505
Total shareholders' equity		<u>976,864</u>	<u>1,086,184</u>
LIABILITIES			
Non-current liabilities			
Contingencies	17	-	49,585
Loans	14	1,620,268	1,273,044
Deferred tax liability	7	211,115	251,514
Other debts	15	36,572	37,670
Trade accounts payable	16	19,917	41,946
Total non-current liabilities		<u>1,887,872</u>	<u>1,653,759</u>
Current liabilities			
Contingencies	17	91,395	33,958
Loans	14	21,052	58,200
Salaries and social security contributions		37,868	45,632
Taxes payable		11,713	12,928
Other debts	15	28,697	37,886
Trade accounts payable	16	224,702	209,337
Total current liabilities		<u>415,427</u>	<u>397,941</u>
Total liabilities		<u>2,303,299</u>	<u>2,051,700</u>
Total liabilities and shareholders' equity		<u>3,280,163</u>	<u>3,137,884</u>

The accompanying notes 1 to 25 are an integral part of these interim condensed financial statements.

Transportadora de Gas del Norte S.A.

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME AT JUNE 30, 2014 AND 2013 (in thousands of pesos)

	Nota	Six-month period ended		Three-month period ended	
		06.30.2014	06.30.2013	06.30.2014	06.30.2013
Revenues	18	278,887	233,418	139,775	114,141
Cost of services	19	(251,945)	(201,791)	(141,811)	(112,813)
Gross profit (loss)		26,942	31,627	(2,036)	1,328
Selling expenses	19	(27,308)	(12,131)	(10,973)	(7,951)
Administrative expenses	19	(76,289)	(58,276)	(39,853)	(30,032)
Loss before other net income and expenses		(76,655)	(38,780)	(52,862)	(36,655)
Other net income and expenses	20	32,581	31,416	59	15,726
Loss before financial results		(44,074)	(7,364)	(52,803)	(20,929)
Financial results					
Generated by exchange rate differences	21	(94,689)	(58,034)	(7,280)	(32,883)
Financial income	21	85,898	44,070	27,926	8,410
Financial expenses	21	(99,183)	(56,737)	(31,736)	(30,870)
Net financial results		(107,974)	(70,701)	(11,090)	(55,343)
Results from investments in affiliate companies	6	2,329	772	124	416
Result before income tax		(149,719)	(77,293)	(63,769)	(75,856)
Income tax					
Current		-	(8,941)	-	1,711
Deferred		40,399	28,678	10,237	17,205
Subtotal income tax	7	40,399	19,737	10,237	18,916
Loss for the period		(109,320)	(57,556)	(53,532)	(56,940)
Other comprehensive results		-	-	-	-
Comprehensive loss for the period		(109,320)	(57,556)	(53,532)	(56,940)
Net result per share	22	(0.2488)	(0.1310)	(0.1218)	(0.1296)

The accompanying notes 1 to 25 are an integral part of these interim condensed financial statements.

Transportadora de Gas del Norte S.A.

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIODS ENDED JUNE 30, 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 fixed assets against the Optional reserve	-	-	-	(299,754)	299,754	-
Loss for the six-month period ended June 30, 2013	-	-	-	-	(57,556)	(57,556)
Balances at June 30, 2013	439,374	506,053	71,757	46,495	(63,927)	999,752
Income for the supplementary six-month period until December 31, 2013	-	-	-	-	86,432	86,432
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 retained earnings' balance against the Optional reserve	-	-	-	(6,371)	6,371	-
Loss for the six-month period ended June 30, 2014	-	-	-	-	(109,320)	(109,320)
Balances at June 30, 2014	439,374	506,053	73,201	67,556	(109,320)	976,864

The accompanying notes 1 to 25 are an integral part of these interim condensed financial statements.

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INTERIM CONDENSED STATEMENT OF CASH FLOWS AT JUNE 30, 2014 AND 2013 (in thousands of pesos)

	Note	<u>06.30.2014</u>	<u>06.30.2013</u>
Cash generated by the operations	23	18,634	69,597
Income tax	7	(40,399)	(19,737)
Accrued interest generated by liabilities	21	54,201	38,638
Net cash flow generated by the operations		<u>32,436</u>	<u>88,498</u>
Purchase of property, plant and equipment	5	(22,862)	(38,710)
Changes in short-term investments (non-cash equivalents)		57,596	(45,295)
Collection of dividends	24	-	768
Net cash flow generated by (used in) investing activities		<u>34,734</u>	<u>(83,237)</u>
Decrease (increase) in attachments and guarantee deposits		2,441	(6,727)
Loans payment		(51,357)	(8,412)
Net cash flow used in financing activities		<u>(48,916)</u>	<u>(15,139)</u>
Net increase (decrease) in cash and cash equivalents		<u>18,254</u>	<u>(9,878)</u>
Cash and cash equivalents at the beginning of the year		350,237	123,903
Financial results generated by cash		66,560	18,027
Cash and cash equivalents at the end of the period	12	<u>435,051</u>	<u>132,052</u>

The accompanying notes 1 to 25 are an integral part of these interim condensed financial statements.

Transportadora de Gas del Norte S.A.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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 N° 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 interim condensed 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 in the short term 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 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 to the Company’s financial statements as of December 31, 2013.

- (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 fall 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

Transportadora de Gas del Norte S.A.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

intervener. Upon expiration of such term, the intervention was repeatedly extended by ENARGAS resolutions up to September 2014.

- (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 June 30, 2014 was calculated on the basis of evaluations and estimates used by the Board of Directors at the date these interim condensed 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 interim condensed 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.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

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.

At present, the Unit for the Renegotiation and Analysis of Public Utility Services Contracts ("UNIREN") is responsible for the renegotiation process. This unit was created in July 2003 within the jurisdiction of the Ministries of Economy and Production ("MEP") and of Federal Planning, Public Investment and Services ("MPFIPyS").

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 considers that the main obstacle to reach a complete renegotiation agreement is 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.

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 cannot be invoiced by TGN because the ENARGAS did not approved the new rate schedules. However, TGN performed the foreseen works at its expense. 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 be applied to carry out investments approved by the ENARGAS.

At the date of issuance of these interim condensed 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 Notes 18.1.7 and 18.1.8 to the Company's financial statements as of December 31, 2013).

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

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, under financial agreements currently in force, TGN limited its ability to pay those fees.

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 period. 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 \$ 601 million and \$ 786 million, respectively, as of June 30, 2014, so the Company has set up an allowance of \$ 693,5 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 to the Company’s financial statements as of December 31, 2013.

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.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

Resolution I/587 was successively extended until September, 2014, 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 intervention.

2 - PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

These interim condensed 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.

These interim condensed financial statements for the six-month period ended June 30, 2014 have been prepared in accordance with the International Accounting Standard 34 (“Interim financial reporting”). These interim condensed financial statements should be read in conjunction with the Company’s financial statements as of December 31, 2013, issued in accordance with IFRS. Additionally, these interim condensed financial statements have been prepared following the same accounting policies used in the preparation of the Company’s financial statements as of December 31, 2013.

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 and policies

The preparation of these interim condensed 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 interim condensed financial statements as well as income and expenses recorded for the period. However, actual results and amounts may significantly differ from the estimations used to prepare these interim condensed 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.

Accounting estimates and policies applied by the Company during the six-month period ended June 30, 2014 are consistent with those applied during the fiscal year ended December 31, 2013.

3 - FINANCIAL RISK MANAGEMENT

As for risk analysis, except for what it is mentioned in Note 3.1, as of June 30, 2014, there are no significant variations in relation to what has been mentioned in Note 3 to the Company’s financial statements as of December 31, 2013.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

3.1 - Exchange rate 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 interim condensed statement of comprehensive income and the interim condensed 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 \$ 6.1 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.

4 - 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):

	<u>06.30.2014</u>	<u>06.30.2013</u>
Total income	33.7	49.1
Technical assistance fees	(0.6)	(2.1)
Salaries, wages, and other personnel benefits	(14.7)	(17.9)
O&M/G&A	(13.3)	(14.5)
Expenses projects	(3.6)	(3.2)
Total operating costs	<u>(32.2)</u>	<u>(37.7)</u>
Management EBITDA	<u>1.5</u>	<u>11.4</u>
Acquisitions of property, plant and equipment	<u>4.4</u>	<u>7.4</u>

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

	<u>06.30.2014</u>	<u>06.30.2013</u>
Management EBITDA in millions of US dollars	1.5	11.4
Average exchange rate	7.844	5.129
Management EBITDA in millions of pesos	<u>11.8</u>	<u>58.5</u>
Property, plant and equipment depreciation	(67.1)	(66.2)
Other net income and expenses	11.3	0.4
Net financial results	(108.0)	(70.7)
Results from investments in affiliate companies	2.3	0.8
Result before income tax	<u>(149.7)</u>	<u>(77.2)</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

	<u>06.30.2014</u>	<u>06.30.2013</u>
Total income in millions of US dollars	33.7	49.1
Translation into millions of pesos	283.4	251.5
Turnover tax	12.4	10.0
Doubtful accounts	12.2	0.1
Income from commercial indemnifications and others	(29.1)	(28.1)
Total revenues in million of pesos	<u>278.9</u>	<u>233.5</u>

4.1 - Information on services

In millions of US dollars

Gas carriage	29.9	43.4
Gas pipelines operation and maintenance	3.5	4.3
Management fees – Gas Trust Program	0.9	0.9
Others	(0.5)	0.4
Total revenues	<u>33.7</u>	<u>49.1</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

5 - PROPERTY, PLANT AND EQUIPMENT

	06.30.2014											Net book value	
	Original values				Depreciation								
	At the beginning of the year	Increases	Disposals	Transfers	At the end of the period / year	At the beginning of the year	Amount for the period / year	Disposals	Transfers	At the end of the period / year	06.30.2014	12.31.2013	
Land	3,274	-	-	127	3,401	-	-	-	-	-	3,401	3,274	
Buildings and constructions	78,711	-	-	75	78,786	27,918	789	-	-	28,707	50,079	50,793	
Installations	2,349	-	-	-	2,349	1,101	46	-	-	1,147	1,202	1,248	
Gas pipelines	2,100,130	-	(96)	1	2,100,035	924,715	29,788	(29)	(66)	954,408	1,145,627	1,175,415	
Investments in pipeline maintenances	174,748	-	-	1,270	176,018	47,759	7,040	-	-	54,799	121,219	126,989	
High-pressure branch lines	980	-	-	-	980	407	14	-	-	421	559	573	
Compressor plants	940,661	-	(146)	10,816	951,331	637,209	22,350	(95)	-	659,464	291,867	303,452	
High-pressure control and/or measurement stations	72,491	-	(224)	7	72,274	53,391	1,557	(194)	-	54,754	17,520	19,100	
Other technical installations	46,705	-	-	-	46,705	36,852	1,144	-	-	37,996	8,709	9,853	
Machinery, equipment and tools	27,791	523	(30)	-	28,284	25,242	381	(30)	-	25,593	2,691	2,549	
IT and telecommunication systems	75,398	2,511	(55)	-	77,854	51,986	2,356	(31)	66	54,377	23,477	23,412	
Vehicles	24,134	2,374	(1,708)	-	24,800	17,311	1,150	(1,507)	-	16,954	7,846	6,823	
Furniture and office supplies	11,427	284	(7)	-	11,704	9,827	131	(6)	-	9,952	1,752	1,600	
Assets held at third-parties facilities	12,621	-	(6)	361	12,976	9,257	381	(6)	-	9,632	3,344	3,364	
Work in process	65,936	17,170	(1,291)	(12,657)	69,158	-	-	-	-	-	69,158	65,936	
Total as of June 30, 2014	3,637,356	22,862	(3,563)	-	3,656,655	1,842,975	67,127	(1,898)	-	1,908,204	1,748,451	-	
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	

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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.

5.1 - Property, plant and equipment impairment

The Company analyzes the recoverability of its assets classified as “property, plant and equipment” when there are events or changes in circumstances that may be indicators of potential impairment. The recoverable value of those assets is estimated by the Company as the value in use of the assets measured, based on the discounted future cash flow, applying a discount rate that reflects the risks inherent to the activity.

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. The discount rate applied is the rate that represents the weighted average cost of capital. During the current period, no results on assets impairment were computed for items of 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.

6 - INVESTMENTS IN AFFILIATE COMPANIES

	<u>06.30.2014</u>	<u>12.31.2013</u>
Balances at the beginning of the year	4,038	2,399
Dividends distribution	(475)	(1,189)
Results from investments in affiliate companies	2,329	2,828
Balances at period / year-end	<u>5,892</u>	<u>4,038</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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						
	Shares	Face value			06.30.14	12.31.13	Main activity	Latest financial statements					
								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	5,892	4,038	Gas pipeline operation and maintenance services	06.30.14	15	1,659	10,351	12,025	49.0
Companhia Operadora do Rio Grande do Sul Impairment of investment	Common	⁽²⁾ 1 per share	49	0.1	370 (370)	219 (219)	Gas pipeline operation and maintenance services	12.31.13	1	107	339	447	49.0
Total					5,892	4,038							

- (1) Chilean pesos
(2) Brazilian reais

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7 - INCOME TAX

The deferred income tax net position is as follows:

	<u>06.30.2014</u>	<u>12.31.2013</u>
Deferred income tax assets	164,554	127,551
Deferred income tax liabilities	<u>(375,669)</u>	<u>(379,065)</u>
Deferred income tax net liability	<u>(211,115)</u>	<u>(251,514)</u>

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

	Trade accounts payable and Loans	Materials and spare parts	Other accounts receivable	Contingencies	Fees for technical- administrative services	Tax-loss carryforward	Total
Deferred income tax assets							
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	4,384	1,709	(21)	2,767	(287)	28,451	37,003
Balances at June 30, 2014	45,339	31,160	453	27,704	415	59,483	164,554

	Investments at fair value	Property, plant and equipment	Trade accounts receivable	Others	Total
Deferred income tax liabilities					
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	(3,109)	8,714	1,180	(3,389)	3,396
Balances at June 30, 2014	(4,586)	(278,081)	(76,651)	(16,351)	(375,669)

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:

	<u>06.30.2014</u>	<u>06.30.2013</u>
Result before income tax	(149,719)	(77,293)
Statutory income tax rate	35%	35%
Income tax charge applying tax rate in force to the result for the period	<u>52,402</u>	<u>27,053</u>
Exceptions at statutory income tax rate:		
- Results from investments in affiliate companies	815	270
- Adjustment to income tax provision	(13,102)	(8,941)
- Others	284	1,355
Total income tax charge	<u>40,399</u>	<u>19,737</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

8 - FINANCIAL INSTRUMENTS BY CATEGORY

	<u>06.30.2014</u>	<u>12.31.2013</u>
<u>Financial assets</u>		
Financial assets at fair value ⁽¹⁾ :		
Mutual funds in \$ (Note 12)	46,810	36,557
Mutual funds in US\$ (Note 12)	40,793	32,614
Government bonds in US\$	173,989	92,646
Government bonds in \$	-	13,508
Total financial assets at fair value	<u>261,592</u>	<u>175,325</u>
Financial assets at amortised cost:		
Other investments in US\$	3,130	3,660
Stock exchange securities in \$ (Note 12)	-	1,280
US Treasury bills	64,003	116,422
Time deposits in \$ ⁽²⁾	-	12,237
Time deposits in US\$ ⁽²⁾	232,421	241,496
Government bonds in \$	41,072	49,321
Trade accounts receivable and other accounts receivable	596,482	479,335
Total financial assets at amortised cost	<u>937,108</u>	<u>903,751</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost:		
Loans	1,641,320	1,331,244
Trade accounts payable, other debts and taxes payable	264,077	280,757
Total financial liabilities at amortised cost	<u>1,905,397</u>	<u>1,612,001</u>

⁽¹⁾ All financial assets at fair value have been measured using Level 1 fair values. Fair value levels are defined in Note 3.6 to the Company's financial statements for the fiscal year ended December 31, 2013.

⁽²⁾ Time deposits originally falling due within three months or less are classified as "Cash and cash equivalents" in the interim condensed balance sheet. A breakdown of this account is presented in Note 12.

9 - MATERIALS AND SPARE PARTS

	<u>06.30.2014</u>	<u>12.31.2013</u>
Non-current		
Spare parts and consumption materials	133,460	121,045
Allowance for slow-moving and obsolescence	(89,029)	(84,147)
Total non-current materials and spare parts	<u>44,431</u>	<u>36,898</u>

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10 - OTHER ACCOUNTS RECEIVABLE

	<u>06.30.2014</u>	<u>12.31.2013</u>
Non-current		
Minimum presumed income tax	80,598	69,650
Sundry	811	489
Total other accounts receivable - Non-current	<u>81,409</u>	<u>70,139</u>
Current		
Commercial indemnifications to be collected	-	5,213
Attachments and guarantee court deposits	2,340	5,424
VAT, net	3,051	12,805
Tax credits	2,615	3,570
Key management personnel (Note 24)	2,265	3,523
Prepaid expenses and advances	31,472	16,262
Expenses to be collected	1,175	2,121
Assistance fees - controlling shareholder (Note 24)	29	29
Other receivables - affiliate companies (Note 24)	2,051	1,141
Other receivables - related parties (Note 24)	118	243
Transactions on behalf of third parties	2,107	2,709
Allowance for doubtful accounts	(718)	(642)
Receivables from sundry sales and others	4,055	4,492
Total other accounts receivable - Current	<u>50,560</u>	<u>56,890</u>

11 - TRADE ACCOUNTS RECEIVABLE

	<u>06.30.2014</u>	<u>12.31.2013</u>
Non-current		
Trade accounts receivable with third parties	1,412,084	1,058,492
Less: Discount at present value	(225,381)	(188,091)
Less: Allowance for doubtful accounts and disputed amounts	(693,497)	(524,859)
Total trade accounts receivable - Non-current	<u>493,206</u>	<u>345,542</u>
Current		
Trade accounts receivable with third parties	73,567	84,313
Trade accounts receivable with related parties (Note 24)	48,035	39,592
Less: Allowance for doubtful accounts and disputed amounts	(45,663)	(37,287)
Total trade accounts receivable - Current	<u>75,939</u>	<u>86,618</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

The variations in the allowance for doubtful accounts and disputed amounts are as follow:

	<u>06.30.2014</u>	<u>12.31.2013</u>
Balances at the beginning of the year	562,146	387,849
Increases (net of recoveries)	180,785	194,298
Usage	<u>(3,771)</u>	<u>(20,001)</u>
Balances at the end of the period / year	<u>739,160</u>	<u>562,146</u>

12 - CASH AND CASH EQUIVALENTS

	<u>06.30.2014</u>	<u>06.30.2013</u>	<u>12.31.2013</u>
Cash and banks	115,027	12,169	90,286
Mutual funds in \$	46,810	63,405	36,557
Mutual funds in US\$	40,793	-	32,614
Time deposits in \$	-	6,202	12,237
Time deposits in US\$	232,421	42,788	177,263
Stock exchange securities in \$	-	3,553	1,280
Government bonds in \$	-	3,935	-
Total cash and cash equivalents	<u>435,051</u>	<u>132,052</u>	<u>350,237</u>

13 - 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.

13.1 - Limitation on the transferring of the Company's shares and on distribution of profits

Limitation on the transferring of TGN's shares and to the distribution of profits are mentioned in Notes 14.1 and 14.2 to the Company's financial statements for the fiscal year ended December 31, 2013.

14 - LOANS

Note 15 to the financial statements for the fiscal year ended December 31, 2013 discloses information on the terms and conditions of the negotiable obligations issued by the Company.

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.

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15 - OTHER DEBTS

	<u>06.30.2014</u>	<u>12.31.2013</u>
Non-current		
Provision for easements	36,572	37,670
Total other debts - Non-current	<u>36,572</u>	<u>37,670</u>
Current		
Section 9.6.2 - Basic rules of the License	18,274	18,418
Provision for easements	2,680	2,922
Key management personnel (Note 24)	2,858	3,538
Advanced collections	3,956	6,578
Sundry debts and customer's warrants	929	6,430
Total other debts - Current	<u>28,697</u>	<u>37,886</u>

16 - TRADE ACCOUNTS PAYABLE

	<u>06.30.2014</u>	<u>12.31.2013</u>
Non-current		
AES Argentina Generación S.A.	19,917	41,946
Total trade accounts payable - Non-current	<u>19,917</u>	<u>41,946</u>
Current		
Suppliers - purchases and services	29,337	26,407
Administration trust ("Importation of natural gas")	6,950	2,919
Other related parties (Note 24)	135,748	114,012
Unbilled services and purchases	52,667	65,999
Total trade accounts payable - Current	<u>224,702</u>	<u>209,337</u>

17 - CONTINGENCIES

Provisions for labor, civil and contentious lawsuits	<u>Non-current</u>	<u>Current</u>
Balances at December 31, 2012	49,585	40,009
– Increases / Recoveries	-	(4,622)
– Usages	-	(1,429)
Balances at December 31, 2013	<u>49,585</u>	<u>33,958</u>
– Increases / Recoveries	4,328	3,658
– Transfers	(53,913)	53,913
– Usages	-	(134)
Balances at June 30, 2014	<u>-</u>	<u>91,395</u>

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The Company is party to several legal proceedings and claims that have arisen in the ordinary course of its business. In Note 18 to the Company's financial statements corresponding to the fiscal year ended December 31, 2013, 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. No significant events in relation to these claims and legal actions have arisen during the six-month period ended June 30, 2014.

18 - REVENUES

	<u>Six-month period ended</u>		<u>Three-month period ended</u>	
	<u>06.30.2014</u>	<u>06.30.2013</u>	<u>06.30.2014</u>	<u>06.30.2013</u>
Gas carriage service				
Gas carriage service	286,080	233,874	144,130	114,209
Allowance for disputed amounts and others	(42,872)	(27,581)	(21,637)	(14,069)
Subtotal gas carriage service	<u>243,208</u>	<u>206,293</u>	<u>122,493</u>	<u>100,140</u>
Other services				
Gas pipelines operation and maintenance	28,395	22,666	13,380	10,124
Management fees - Gas Trust Program	7,284	4,459	3,902	3,877
Subtotal other services	<u>35,679</u>	<u>27,125</u>	<u>17,282</u>	<u>14,001</u>
Total revenues	<u>278,887</u>	<u>233,418</u>	<u>139,775</u>	<u>114,141</u>

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19 - EXPENSES BY NATURE

Item	Cost of services	Selling expenses	Administrative expenses	Total at 06.30.2014	Total at 06.30.2013	Three-month period ended	
						06.30.2014	06.30.2013
Fees for technical-administrative services	-	-	1,186	1,186	909	606	434
Statutory auditors committee's fees	-	-	699	699	581	336	314
Fees for professional services	4,105	-	7,265	11,370	7,824	7,617	4,531
Salaries, wages and other personnel benefits	70,326	879	28,807	100,012	75,056	58,640	41,855
Social security contributions	12,339	257	6,309	18,905	17,061	11,013	8,603
Technical assistance fees	4,652	-	-	4,652	9,657	2,355	5,895
Consumption of materials and spare parts	12,895	-	144	13,039	9,653	7,645	6,125
Third party services and supplies	8,819	40	410	9,269	6,550	5,101	3,266
Maintenance and repair of property, plant and equipment	46,255	76	1,645	47,976	27,347	29,049	19,144
Travel expenses	9,699	27	1,334	11,060	7,483	6,241	4,292
Freight and transportation	1,270	-	10	1,280	1,079	687	682
Post and telecommunications expenses	638	27	439	1,104	875	470	445
Insurance	4,439	-	651	5,090	3,467	2,444	1,774
Office supplies	1,259	13	1,114	2,386	1,703	1,252	890
Rentals	953	24	274	1,251	888	632	394
Easements	1,993	-	-	1,993	1,888	623	944
Taxes, rates and contributions	446	12,427	21,156	34,029	29,485	15,408	15,276
Property, plant and equipment depreciation	66,187	134	806	67,127	66,201	33,786	33,470
Compensation for damages	-	1,166	-	1,166	629	1,166	305
Doubtful accounts	-	12,223	-	12,223	116	2,601	1,411
Contingencies	-	-	3,712	3,712	719	1,160	302
Slow-moving and obsolete materials and spare parts	4,883	-	-	4,883	2,076	3,306	(191)
Others	787	15	328	1,130	951	499	635
Total at June 30, 2014	251,945	27,308	76,289	355,542	-	-	-
Total at June 30, 2013	201,791	12,131	58,276	-	272,198	-	-
Three-month period ended June 30, 2014	141,811	10,973	39,853	-	-	192,637	-
Three-month period ended June 30, 2013	112,813	7,951	30,032	-	-	-	150,796

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

20 - OTHER NET INCOME AND EXPENSES

	<u>Six-month period ended</u>		<u>Three-month period ended</u>	
	<u>06.30.2014</u>	<u>06.30.2013</u>	<u>06.30.2014</u>	<u>06.30.2013</u>
Income from commercial indemnifications	7,605	28,109	736	14,870
Compensation for damages adjustment ⁽¹⁾	21,534	-	-	-
Net result from disposal of property, plant and equipment	(1,236)	545	(1,236)	(4)
Net income from sundry sales and others	4,678	2,762	559	860
Total other net income and expenses	<u>32,581</u>	<u>31,416</u>	<u>59</u>	<u>15,726</u>

(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 m³/day. This *addendum* generated income for \$ 21.5 million in the six-month period ended June 30, 2014.

21 - FINANCIAL RESULTS

	<u>Six-month period ended</u>		<u>Three-month period ended</u>	
	<u>06.30.2014</u>	<u>06.30.2013</u>	<u>06.30.2014</u>	<u>06.30.2013</u>
Generated by exchange rate differences				
Income on exchange rate variation	270,612	68,925	20,658	39,131
Expenses on exchange rate variation	(365,301)	(126,959)	(27,938)	(72,014)
Total financial results generated by exchange rate differences	<u>(94,689)</u>	<u>(58,034)</u>	<u>(7,280)</u>	<u>(32,883)</u>
Financial income				
Interest	23,288	12,294	12,573	5,690
Holding results	42,871	20,203	15,177	(111)
Result from loans repurchase	19,561	-	35	-
Allowances recovered and others	178	8,979	141	237
Results on discounting at present value	-	2,594	-	2,594
Total financial income	<u>85,898</u>	<u>44,070</u>	<u>27,926</u>	<u>8,410</u>
Financial expenses				
Interest	(54,201)	(38,638)	(27,295)	(19,372)
Results on discounting at present value	(40,874)	(16,365)	(626)	(9,975)
Holding results	(2,299)	-	(2,299)	-
Commissions, expenses and taxes on banking and financial operations	(1,809)	(1,734)	(1,516)	(1,523)
Total financial expenses	<u>(99,183)</u>	<u>(56,737)</u>	<u>(31,736)</u>	<u>(30,870)</u>
Total net financial results	<u>(107,974)</u>	<u>(70,701)</u>	<u>(11,090)</u>	<u>(55,343)</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

22 - NET RESULT PER SHARE

Net result per ordinary share has been calculated as the quotient obtained by dividing the results for the periods ended June 30, 2014 and 2013, by the weighted average of outstanding ordinary shares, which made a total of 439,373,939 shares at those dates. At June 30, 2014 and 2013 there are neither negotiable obligations nor other debt securities convertible into shares, so no diluted earnings per share have been disclosed. 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 period. 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.

23 - CASH GENERATED BY THE OPERATIONS

	<u>06.30.2014</u>	<u>06.30.2013</u>
Comprehensive income for the period	(109,320)	(57,556)
Adjustments to reach cash generated by the operations:		
Property, plant and equipment depreciation	67,127	66,201
Net book value of disposed property, plant and equipment	1,665	468
Increase in allowances and provisions for contingencies (net of recoveries)	193,783	63,153
Exchange rate differences and other net financial results	230,953	59,139
Results from investments in affiliate companies	(2,329)	(772)
Net changes in operating assets and liabilities:		
Increase in trade accounts receivable	(317,770)	(70,903)
Increase (decrease) in other accounts receivable	(7,036)	27,268
Increase in materials and spare parts and other assets	(12,375)	(3,713)
(Decrease) increase in trade accounts payable	(6,664)	13,677
Decrease in salaries and social security contributions	(7,764)	(7,824)
Decrease in taxes payable	(1,215)	(14,853)
Decrease in other debts	(10,287)	(4,516)
Decrease in contingencies	(134)	(172)
Cash generated by the operations	<u>18,634</u>	<u>69,597</u>

24 - RELATED PARTIES

The transactions performed between related parties are the following:

	<u>06.30.2014</u>	<u>06.30.2013</u>
Controlling shareholder		
<u>Other net income</u>		
Gasinvest S.A.	48	48
<u>Total other net income</u>	48	48
Affiliate companies		
<u>Revenues</u>		
Comgas Andina S.A.	259	91
Companhía Operadora do Rio Grande do Sul	63	-
<u>Total revenues</u>	322	91
<u>Recovery of expenses</u>		
Comgas Andina S.A.	36	69
<u>Total recovery of expenses</u>	36	69

Transportadora de Gas del Norte S.A.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

	<u>06.30.2014</u>	<u>06.30.2013</u>
<u>Collection of cash dividends</u>		
Comgas Andina S.A.	-	768
<u>Total collection of cash dividends</u>	-	768
Other related parties		
<u>Revenues</u>		
Litoral Gas S.A.	27,915	26,863
Siderar S.A.	3,797	3,595
Siderca S.A.	2,547	2,403
Transportadora de Gas del Mercosur S.A.	3,225	2,300
Total Gas Marketing Cono Sur S.A.	598	268
Gasoducto Gasandes Argentina S.A.	586	453
<u>Total revenues</u>	38,668	35,882
<u>Cost of services</u>		
Total Gas y Electricidad Argentina S.A.	(833)	(2,630)
Tecpetrol S.A.	(833)	(2,630)
Compañía General de Combustibles S.A.	(833)	(2,630)
<u>Total cost of services</u>	(2,499)	(7,890)
<u>Administrative expenses</u>		
Total Gas y Electricidad Argentina S.A.	(1,429)	(1,234)
Cainzos, Fernández & Premrou Soc. Civ.	(219)	(309)
<u>Total administrative expenses</u>	(1,648)	(1,543)
<u>Other net income and expenses</u>		
Gasoducto Gasandes Argentina S.A.	102	60
Total Austral S.A.	84	54
Tecpetrol S.A.	84	54
Compañía General de Combustibles S.A.	83	54
Gasoducto Gasandes S.A.	-	52
<u>Total other net income and expenses</u>	353	274
<u>Financial income</u>		
Transportadora de Gas del Mercosur S.A.	1,515	887
<u>Total financial income</u>	1,515	887
<u>Materials and spare parts purchases</u>		
Siat S.A.	(484)	-
Total Especialidades Argentina S.A.	(9)	-
<u>Total materials and spare parts purchases</u>	(493)	-
<u>Recovery of expenses</u>		
Transportadora de Gas del Mercosur S.A.	3	-
<u>Total recovery of expenses</u>	3	-
Key management personnel		
Fees for technical-administrative services	(1,186)	(909)
Statutory auditors committee's fees	(699)	(581)

Transportadora de Gas del Norte S.A.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

Balances with related parties are the following:

	<u>06.30.2014</u>	<u>12.31.2013</u>
Trade accounts receivable		
<u>Other related parties</u>		
Transportadora de Gas del Mercosur S.A.	39,493	32,235
Litoral Gas S.A.	6,872	5,742
Siderar S.A.	830	741
Siderca S.A.	547	484
Total Gas Marketing Cono Sur S.A.	183	315
Gasoducto Gasandes Argentina S.A.	110	75
<u>Total other related parties</u>	<u>48,035</u>	<u>39,592</u>
Other accounts receivable		
<u>Assistance fees - controlling shareholder</u>		
Gasinvest S.A.	29	29
<u>Total assistance fees - controlling shareholder</u>	<u>29</u>	<u>29</u>
<u>Other receivables - affiliate companies</u>		
Comgas Andina S.A.	1,700	911
Companhía Operadora do Rio Grande do Sul	351	230
<u>Total other receivables - affiliate companies</u>	<u>2,051</u>	<u>1,141</u>
<u>Other receivables - related parties</u>		
Litoral Gas S.A.	118	122
Transportadora de Gas del Mercosur S.A.	-	113
Siderar S.A.	-	8
<u>Total other receivables - related parties</u>	<u>118</u>	<u>243</u>
<u>Key management personnel</u>		
Fees for technical-administrative services and to the statutory auditors committee paid in advance	2,265	3,523
<u>Total key management personnel</u>	<u>2,265</u>	<u>3,523</u>
Trade accounts payable		
<u>Other related parties</u>		
Total Gas y Electricidad Argentina S.A.	45,362	35,708
Tecpetrol S.A.	45,127	35,498
Compañía General de Combustibles S.A.	45,259	42,806
<u>Total other related parties</u>	<u>135,748</u>	<u>114,012</u>
Other debts		
<u>Key management personnel</u>		
Provision for fees for technical-administrative services and to the statutory auditors committee	2,858	3,538
<u>Total key management personnel</u>	<u>2,858</u>	<u>3,538</u>

Transportadora de Gas del Norte S.A.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

25 - SUBSEQUENT EVENTS

On July 10, 2014, the indirect controlling shareholders Total Gas y Electricidad Argentina S.A. and Total GasAndes S.A. (jointly, “the Sellers”) and Compañía General de Combustibles S.A. and Tecpetrol Internacional S.L.U. entered into an agreement for the purchase of shares of stock held by the Sellers in TGN and in its controlling company Gasinvest S.A. The Sellers jointly hold 0.0309% of the capital of TGN, plus 15.35% indirectly held through Gasinvest S.A. This transaction is subject to the approval by the ENARGAS of the sale of shares in Gasinvest S.A. and of the assignment of the Technical assistance agreement.

Subsequent to June 30, 2014, there have been no other events, situations or circumstances, that are not publicly known or that have not been published as press releases, 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 interim condensed financial statements.

Santiago Marfort
President

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED 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 SIX-MONTH PERIOD ENDED JUNE 30, 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, 2013 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 periods covered by the condensed interim financial statements which affect their comparability with those submitted in prior periods, or which could affect such comparability with those to be submitted in future periods:

See Notes 1.3.5; 2; 15 and 18 to the Company's financial statements as of December 31, 2013.

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

	06.30.2014		
	Receivables ⁽¹⁾	Loans ⁽²⁾	Other payables ⁽³⁾
Past due			
From 07.01.2003 up to 06.30.2004	14	-	-
From 07.01.2004 up to 06.30.2005	-	-	-
From 07.01.2005 up to 06.30.2006	386	-	-
From 07.01.2006 up to 06.30.2007	14,140	-	-
From 07.01.2007 up to 06.30.2008	81,406	-	-
From 07.01.2008 up to 06.30.2009	153,759	-	430
From 07.01.2009 up to 06.30.2010	237,673	-	-
From 07.01.2010 up to 06.30.2011	246,834	-	-
From 07.01.2011 up to 06.30.2012	154,567	-	-
From 07.01.2012 up to 06.30.2013	163,671	-	-
From 07.01.2013 up to 09.30.2013	46,379	-	-
From 10.01.2013 up to 12.31.2013	36,302	-	-
From 01.01.2014 up to 03.31.2014	44,210	-	-
From 04.01.2014 up to 06.30.2014	47,793	-	-

(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.

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED 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 SIX-MONTH PERIOD ENDED JUNE 30, 2014 (in thousands of pesos, except where specifically mentioned).

	Receivables ⁽¹⁾	06.30.2014 Loans ⁽²⁾	Other payables ⁽³⁾
Without due date	102,369	-	295,116
To be due			
09.30.2014	93,330	21,052	244,005
12.31.2014	3,235	-	398
03.31.2015	232	-	398
06.30.2015	2,425	-	10,318
06.30.2016	21,442	79,471	1,461
06.30.2017	46	79,471	1,594
06.30.2018	-	106,138	1,594
06.30.2019	-	-	1,594
06.30.2020	-	1,355,188	1,594
06.30.2021	-	-	1,594
06.30.2022	-	-	1,594
06.30.2023	-	-	1,594
06.30.2024	-	-	1,594
06.30.2025	-	-	1,594
06.30.2026	-	-	1,594
06.30.2027	-	-	1,594
06.30.2028	-	-	924
Total at 06.30.2014	1,450,213	1,641,320	570,584

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

	Receivables ⁽¹⁾	06.30.2014 Loans ⁽²⁾	Other payables ⁽³⁾
In local currency	201,949	-	414,306
In foreign currency	1,216,526	1,641,320	152,322
In-kind	31,738	-	3,956
Total at 06.30.2014	1,450,213	1,641,320	570,584
Balances subject to adjustment	-	-	-
Balances not subject to adjustment	1,450,213	1,641,320	570,584
Total at 06.30.2014	1,450,213	1,641,320	570,584
Interest bearing balances	1,973	1,567,154	79,245
Non-interest bearing balances	1,448,240	74,166	491,339
Total at 06.30.2014	1,450,213	1,641,320	570,584

(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 6 to the Company's interim condensed financial statements as of June 30, 2014.

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED 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 SIX-MONTH PERIOD ENDED JUNE 30, 2014 (in thousands of pesos, except where specifically mentioned).

5.1. Balances (positive and/or negative) with affiliate companies, classified according to their financial consequences:

	Comgas Andina S.A.		Companhia Operadora do Rio Grande do Sul	
	Receivables	Other payables	Receivables	Other payables
Past due	-	-	-	-
Without due date	1,496	-	228	-
To be due				
From 07.01.2014 up to 09.30.2014	204	-	123	-
Total at 06.30.2014	1,700	-	351	-
In local currency	-	-	-	-
In foreign currency	1,700	-	351	-
In-kind	-	-	-	-
Total at 06.30.2014	1,700	-	351	-
Balances subject to adjustment	-	-	-	-
Balances not subject to adjustment	1,700	-	351	-
Total at 06.30.2014	1,700	-	351	-
Interest bearing balances	-	-	-	-
Non-interest bearing balances	1,700	-	351	-
Total at 06.30.2014	1,700	-	351	-

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 \$ 89 million and are totally written-off. (Refer to Note 9 to the Company's interim condensed financial statements as of June 30, 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 financial statements for the year ended December 31, 2013.

9. Technically appraised fixed assets:

None.

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED 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 SIX-MONTH PERIOD ENDED JUNE 30, 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 2.8 and 2.6, respectively - to the Company's financial statements as of December 31, 2013, 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 2.14.b) and 4 to the Company's financial statements as of December 31, 2013, 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, 2013, referring to the modifications of the Argentine economic context and of the legal and contractual framework in which the Company operates.

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED 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 SIX-MONTH PERIOD ENDED JUNE 30, 2014 (in thousands of pesos, except where specifically mentioned).

vi. Insurance:

13. Insurance covering the Company's tangible assets:

Property insured	Risks covered	Amount insured in thousands	Book value in thousands of \$
<ul style="list-style-type: none"> Personal and real property allocated to the provision of services, except for machinery and equipment 	All physical risks and loss of profits	US\$ 75,000	228,928
	Liability insurance	US\$ 50,000	
<ul style="list-style-type: none"> Compressor plants 	Terrorism	US\$ 35,000	291,867
<ul style="list-style-type: none"> Machinery 	Machinery breakdown	US\$ 10,000	108,140
<ul style="list-style-type: none"> Automobiles: <ul style="list-style-type: none"> - Management's fleet - Operational fleet (cars and pick-ups) - Trucks and trailers 	Limited liability insurance		
	Total loss car accident	\$ 3,000	360
	Total or partial loss due to fire, robbery or theft	Replacement value	7,218
	Limited liability insurance	\$ 4,000	
	Limited liability insurance	\$ 13,000	268
<ul style="list-style-type: none"> Personal property located in Head Office and IT equipments 	Fire of contents	US\$ 8,650	5,327
	Theft	US\$ 10	

vii. Positive and negative contingencies:

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

Allowances and provisions balances amount to 929,893. A breakdown of these allowances and provisions as well as its following up during the period, are presented in Annex E to the additional information to the notes to the interim condensed 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:

Except for the provision mentioned in Note 18.1.3 to the Company's financial statements as of December 31, 2013, there are no such situations.

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED 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 SIX-MONTH PERIOD ENDED JUNE 30, 2014 (in thousands of pesos, except where specifically mentioned).

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, 2013.

Santiago Marfort
President

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED BY TITLE IV, CHAPTER III, SECTION 1ST OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014 (in thousands of pesos, except where specifically mentioned).

ANNEX A – PROPERTY, PLANT AND EQUIPMENT

See Note 5 to the Company's interim condensed financial statements as of June 30, 2014.

ANNEX B - INTANGIBLE ASSETS

Not applicable.

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

See Note 6 to the Company's interim condensed financial statements as of June 30, 2014.

ANNEX D - OTHER INVESTMENTS

	<u>Book value at</u> <u>06.30.2014</u>	<u>Book value at</u> <u>12.31.2013</u>
Mutual funds in \$	46,810	36,557
Mutual funds in US\$	40,793	32,614
Government bonds in US\$	173,989	92,646
Government bonds in \$	17,134	30,295
US Treasury bills	64,003	116,422
Time deposits in US\$	232,421	241,496
Time deposits in \$	-	12,237
Stock exchange securities in \$	-	1,280
Total current	<u>575,150</u>	<u>563,547</u>
Other investments in US\$	3,130	3,660
Government bonds in \$	23,938	32,534
Total non current	<u>27,068</u>	<u>36,194</u>

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED BY TITLE IV, CHAPTER III, SECTION 1ST OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014 (in thousands of pesos, except where specifically mentioned).

ANNEX E - ALLOWANCES AND PROVISIONS

Description	06.30.14				12.31.13	
	Balances at the beginning of the year	Net increases	Transfers	Decreases (payment / usage)	Balances at the end of the period	Balances at the end of the year
Deducted from assets						
Non-current assets						
Investments in affiliate companies						
Foreign affiliate companies	219	151	-	-	370	219
Materials and spare parts						
Allowance for slow-moving and obsolete materials and spare parts	84,147	4,882 (4)	-	-	89,029	84,147
Other accounts receivable						
Court deposits and receivables from disputed tax payments	9,167	54 (3)	-	-	9,221	9,167
Trade accounts receivables						
Allowance for doubtful accounts and disputed amounts	524,859	168,638 (1)	-	-	693,497	524,859
Current assets						
Other accounts receivable						
Allowance for doubtful accounts	642	76 (2)	-	-	718	642
Trade accounts receivables						
Allowance for doubtful accounts and disputed amounts	37,287	12,147 (2)	-	(3,771)	45,663	37,287
Total allowances deducted from assets	656,321	185,948	-	(3,771)	838,498	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	3,658 (3)	53,913	(134)	91,395	33,958
Total provisions included in liabilities	83,543	7,986	-	(134)	91,395	83,543
Total at 06.30.14	739,864	193,934	-	(3,905)	929,893	-
Total at 12.31.13	577,150	185,819	-	(23,105)	-	739,864

- (1) 42,872 charged to Revenues (Note 18 to the Company's interim condensed financial statements as of June 30, 2014) and 125,766 to Financial results generated by exchange rate differences (Note 21 to the Company's interim condensed financial statements as of June 30, 2014).
(2) Charged to Selling expenses - Doubtful accounts (Note 19 to the Company's interim condensed financial statements as of June 30, 2014).
(3) Charged to Administrative expenses - Contingencies (Note 19 to the Company's interim condensed financial statements as of June 30, 2014).
(4) Charged to Cost of services - Slow moving and obsolete materials and spare parts (Note 19 to the Company's interim condensed financial statements as of June 30, 2014).
(5) Charged to Financial results - Financial expenses - Result on discounting at present value (Note 21 to the Company's interim condensed financial statements as of June 30, 2014).

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED BY TITLE IV, CHAPTER III, SECTION 1ST OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014 (in thousands of pesos, except where specifically mentioned).

ANNEX F - COST OF PRODUCTS SOLD OR SERVICES PROVIDED

See Note 19 to the Company's interim condensed financial statements at June 30, 2014.

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED BY TITLE IV, CHAPTER III, SECTION 1ST OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014 (in thousands of pesos, except where specifically mentioned).

ANNEX G - ASSETS AND LIABILITIES IN FOREIGN CURRENCY

	06.30.14			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 403,565	0.0146	5,892	\$ch 330,990	4,038
Companh�a Operadora do Rio Grande do Sul	R\$ 110	3.35	370	R\$ 83	219
			6,262		4,257
Trade accounts receivable					
Trade accounts receivable with third parties	US\$ 175,785	8.033	1,412,084	US\$ 163,322	1,058,492
			1,412,084		1,058,492
Investments at amortised cost					
Other investments	US\$ 390	8.033	3,130	US\$ 565	3,660
			3,130		3,660
Total non-current assets			1,421,476		1,066,409
CURRENT ASSETS					
Other accounts receivable					
Commercial indemnifications to be collected	-		-	US\$ 804	5,213
Attachments and guarantee deposits	US\$ 32	8.033	256	US\$ 325	2,109
Prepaid expenses and advances	US\$ 2,456	8.033	19,727	US\$ 1,788	11,587
Other receivables – related parties	-		-	US\$ 17	113
Other receivables – affiliate companies	\$ch 97,743	0.0146	1,427	\$ch 66,640	813
	US\$ 43	8.033	347	US\$ 23	147
	R\$ 68	3.35	228	R\$ 68	181
			21,985		20,163
Trade accounts receivable					
Trade accounts receivable with third parties	US\$ 339	8.033	2,722	US\$ 978	6,338
Trade accounts receivable with related parties	US\$ 4,929	8.033	39,599	US\$ 4,987	32,322
			42,321		38,660
Investments at amortised cost					
Time deposits	-		-	US\$ 9,911	64,233
US Treasury bills	US\$ 7,968	8.033	64,003	US\$ 17,964	116,422
			64,003		180,655
Investments at fair value					
Government bonds	US\$ 21,659	8.033	173,989	US\$ 14,295	92,646
			173,989		92,646
Cash and cash equivalents					
Time deposits	US\$ 28,933	8.033	232,421	US\$ 27,351	177,263
Mutual funds	US\$ 5,078	8.033	40,793	US\$ 5,032	32,614
Balances in bank accounts	US\$ 10,886	8.033	87,449	US\$ 10,789	69,923
			360,663		279,800
Total current assets			662,961		611,924
Total assets			2,084,437		1,678,333

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED BY TITLE IV, CHAPTER III, SECTION 1ST OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014 (in thousands of pesos, except where specifically mentioned).

	06.30.14			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	8.133	1,220,486	US\$ 150,066	978,580
Interests	US\$ 9,119	8.133	74,167	US\$ 8,284	54,023
Capitalized interests	US\$ 7,443	8.133	60,536	US\$ 5,390	35,150
Five-Year Negotiable Obligations					
Principal	US\$ 29,314	8.133	238,414	US\$ 29,314	191,159
Capitalized interests	US\$ 3,279	8.133	26,665	US\$ 2,167	14,132
			1,620,268		1,273,044
Total non-current liabilities			1,620,268		1,273,044
CURRENT LIABILITIES					
Trade accounts payable					
Suppliers – purchases and services	US\$ 5,325	8.133	43,308	US\$ 6,985	45,546
	€ 1	11.479	11	€ 3	27
Other related parties	US\$ 16,155	8.133	131,387	US\$ 17,260	112,551
			174,706		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
Step-up Notes					
Interests	US\$ 2,588	8.133	21,052		-
			21,052		58,200
Total current liabilities			195,758		216,324
Total liabilities			1,816,026		1,489,368

US\$: US Dollars

\$ ch: Chilean Pesos

€: Euros

R\$: Brazilian Reais

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

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED BY TITLE IV, CHAPTER III, SECTION 1ST OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014 (in thousands of pesos, except where specifically mentioned).

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

See Note 19 to the Company's interim condensed financial statements at June 30, 2014.

Santiago Marfort
President

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REVIEW REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS

To the President and Directors of
Transportadora de Gas del Norte S.A.
Legal address: Don Bosco 3672 - Piso 3°
Ciudad Autónoma de Buenos Aires
CUIT No. 30-65786305-6

Introduction

We have reviewed the attached condensed interim financial statements of Transportadora de Gas del Norte S.A. (the "Company" or "TGN"), which consist of the statement of financial position as of June 30, 2014 and the statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement for the six-month and three-month periods then ended and the selected explanatory notes.

The balances and other information for the fiscal year 2013 and interim periods are an integral part of the above-mentioned financial statements and therefore they should be considered in relation with those financial statements.

Management Responsibility

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

Scope of our review

Our review was limited to the application of the procedures established under International Standard on Review Engagements ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", adopted as a review standard in Argentina by Technical Pronouncement No. 33 of the FACPCE and approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of inquiries of Company staff responsible for preparing the information included in the condensed interim financial statements and of analytical and other review procedures. This review is substantially less in scope than an audit examination performed in accordance with international auditing standards; consequently, a review does not enable us to obtain assurance that we will get to know all significant matters that could be identified in an audit. Therefore, we express no audit opinion on the financial position, comprehensive income and cash flow of the Company.

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Conclusion

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

Emphasis of matter paragraph

We want to emphasize the information contained in notes 1, 5.1 and 7 about the modifications introduced by the National Government to the License under which the Company operates. This situation indicates that there is uncertainty as to whether the future cash inflows will be sufficient to recover the value of non-current assets, and whether the Company will be able to repay its financial debts. TGN has prepared these condensed interim financial statements using accounting principles 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 condensed interim financial statements of Transportadora de Gas del Norte S.A. are transcribed into the "Inventory and Balance Sheet" book and are in compliance, as regards matters within our field of competence, with the provisions of the Commercial Companies Law and pertinent resolutions of the National Securities Commission;
- b) The condensed interim financial statements of Transportadora de Gas del Norte S.A. arise from accounting records kept in their formal respects in conformity with legal provisions;
- c) We have read the summary of activity 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 CNV regulations, on which we have no observation to make insofar as concerns matters within our field of competence.
- d) The debt accrued as of June 30, 2014 in favor of the Argentine Integrated Social Security System, as shown by the Company's accounting records, amounted to \$ 8,024,854 and was not claimable at that date.

Autonomous City of Buenos Aires, August 7, 2014

PRICE WATERHOUSE & CO. S.R.L.

by _____ (Partner)
Fernando A. Rodríguez

