TRANSPORTADORA DE GAS DEL NORTE S.A.

Unaudited Interim Financial Statements as of and for the three-month period ended March 31, 2009, presented in comparative form

TRANSPORTADORA DE GAS DEL NORTE S.A.
Index to the Financial Statements

TRANSPORTADORA DE GAS DEL NORTE S.A.

In accordance with the terms of General Resolution 368/01 and its modifications issued by the National Securities Commission (CNV), we detail below an analysis of the results of the operations of Transportadora de Gas del Norte S.A.[1] ("TGN" or "the Company") and its financial situation, which should be read together with the attached financial statements.

I) ANALYSIS OF RESULTS AND FINANCIAL SITUATION

** Net Result for the three-month period ended March 31, 2009*

(in millions of pesos)

	Three-month period ended 03.31.		
	2009	**2008**	**Variation $**
Net Revenues			
Gas transportation service	145.7	127.7	18.0
Allowances for disputed amounts	(21.5)	(6.9)	(14.6)
Discount as per Decrees No 292/1520/814	(0.4)	(0.4)	-
Subtotal Gas transportation service	**123.8**	**120.4**	**3.4**
Pipeline O&M services	7.7	4.9	2.8
Management fees – Gas Trust Program	4.1	2.6	1.5
Subtotal pipeline operation and maintenance service and other services	**11.8**	**7.5**	**4.3**
Net Revenues	**135.6**	**127.9**	**7.7**
Cost of services			
Operating and maintenance costs	(38.9)	(32.0)	(6.9)
Fixed assets depreciation	(30.7)	(30.2)	(0.5)
Subtotal	**(69.6)**	**(62.2)**	**(7.4)**
Gross Profit	**66.0**	**65.7**	**0.3**
Administrative and selling expenses	(20.7)	(15.2)	(5.5)
Operating Income	**45.3**	**50.5**	**(5.2)**
Gain from equity investments, net	0.5	0.6	(0.1)
Financial and holding results, net	(104.6)	(30.1)	(74.5)
Other (expense) income, net	1.2	(0.5)	1.7
Net (loss) income before income tax	**(57.6)**	**20.5**	**(78.1)**
Income Tax	16.5	(10.9)	27.4
Net (loss) income for the period	**(41.1)**	**9.6**	**(50.7)**
EBITDA(2)	**79.0**	**81.2**	**(2.2)**

(1) Company not encompassed by the Optional Statutory System of Public Offering for Mandatory Purchase.

(2) Income before financial and holding results, gain on debt restructuring, depreciation, amortization, income tax and charges for consumable goods not entailing outlays of funds.

(in millions of pesos)

	03.31.09	**12.31.08**
Total Assets	2,729	2,639
Total Liabilities	1,492	1,361
Shareholders' Equity	1,237	1,278

The following paragraphs describe the reasons for the main variations in the results previously presented and some economic-financial indexes will be disclosed in connection to the Company's equity.

I) ANALYSIS OF RESULTS AND FINANCIAL SITUATION (Cont.)

**** Net Revenues***

Below is a summary of the TGN's net revenues by type of service:

(in millions of pesos)

	Three-month period ended 03.31.			
Type of service	**2009**	**%**	**2008**	**%**
Gas transportation	123.8	91.3	120.4	94.1
Gas Pipeline O&M services	11.8	8.7	7.5	5.9
Total net Revenues	**135.6**	**100.0**	**127.9**	**100.0**

- Gas Transportation services

The net variation between both periods resulted in an increase of $ 3.4 million resulting principally from the combined effect of the following main variations:

i. a $ 14.7 million decrease due to the setting up during 2009 first quarter of higher allowances for disputed receivables, mainly caused by the situations related to export clients described in Notes 13.f), 13.h) and 13.i) to the Company's interim financial statements;

ii. an increase of $ 9.0 million as a result of the increase in the exchange rates which had an impact on the services billed in dollars.

iii. an increase of $ 4.1 million in the export revenues due to the increase of the PPI (Producer Price Index) index applicable to the period;

iv. higher invoicing of interruptible services and interchange and displacement services for $ 3.6 million; and

v. new services invoiced during 2009 first quarter for $ 1.2 million.

- Gas pipeline operation and maintenance and works management services

The net variation between the compared periods resulted in an increase of $ 4.3 million, principally caused by:

i. a $ 1.5 million increase correspond to the income accrued during the period related to works management fees under gas Trust Programs. These incomes are recognized according to the criteria stated in Notes 3.p) and 15.b) of the Company´s interim financial statements;

ii. a $ 1.8 million increase correspond to variations in the price of agreements in force, and

iii. a $ 1.0 million increase correspond to the income related to new commercial agreements.

I) ANALYSIS OF RESULTS AND FINANCIAL SITUATION (Cont.)

** Cost of services*

(in millions of pesos)

	Three-month periods ended 03.31.		
	2009	**2008**	**Variation $**
Fees for professional services	1.1	1.1	-
Salaries, wages and other personnel benefits and social security contributions	13.9	11.4	2.5
Fees for technical operator services	2.7	3.6	(0.9)
Foreign staff residence	0.5	0.5	-
Consumption of spare parts and materials	3.1	2.5	0.6
Gas imbalance	-	0.5	(0.5)
Maintenance and repair of fixed assets and third party services and supplies	10.1	7.3	2.8
Communications, freight and transportation, travel expenses	1.7	1.4	0.3
Insurance	1.3	1.3	-
Rentals and office supplies	0.5	0.4	0.1
Easements	2.8	1.3	1.5
Taxes, rates and contributions	0.1	0.1	-
Fixed assets depreciation	30.7	30.2	0.5
Materials and spare parts slow-moving and obsolescence	0.3	0.1	0.2
Others	0.8	0.5	0.3
Total	**69.6**	**62.2**	**7.4**
% of Costs of services on net revenues	**51.3%**	**48.6%**	

The most significant variations between the periods ended March 31, 2009 and 2008 are presented below:

i. The increase of $ 2.8 million in repair and maintenance of fixed assets and services and supplies from third parties, of which aproximately $ 0.7 million correspond to environmental impact studies and review of lines relating to the expansions mentioned in Note 15 to these financial statements; and $ 1.8 million correspond to the effect of inflation on the planned maintenance costs of gas pipelines and of measurement and regulation stations;

ii. $ 2.5 million in salaries, wages and other personnel benefits and social security contributions as a result of pay increases granted by the Company during 2008, corresponding to inflation adjustment;

iii. An increase of $ 1.5 million in rights of way due to the new values set in 2008 for the respective fees.

I) ANALYSIS OF RESULTS AND FINANCIAL SITUATION (Cont.)

** Administrative and Selling expenses*

(in millions of pesos)

	Three-month periods ended 03.31.		
	2009	**2008**	**Variation $**
Salaries, wages and other personnel benefits and social security contributions	5.6	5.4	0.2
Fixed assets depreciation	0.4	0.4	-
Fees for professional services	1.6	1.4	0.2
Taxes, rates and contributions	7.6	6.3	1.3
Communications, freight and transportation, travel expenses	0.3	0.2	0.1
Maintenance and repair of fixed assets and third party services and supplies	0.2	0.3	(0.1)
Rentals and office supplies	0.5	0.2	0.3
Doubtful accounts	0.3	(1.0)	1.3
Contingencies	3.6	1.3	2.3
Fees for Directory and the Committee of Syndics	0.1	0.5	(0.4)
Others	0.5	0.2	0.3
Total	**20.7**	**15.2**	**5.5**
% of Administrative and Selling expenses on net revenues	**15.3%**	**11.9%**	

The most significant variations between the periods ended March 31, 2009 and 2008 are presented below:

i. An increase of $ 2.3 million in Lawsuits derived from the adjustment to the balance of the provisions for contingencies related to claims and complaints filed against the Company; and

ii. An increase of $ 1.3 million in taxes, rates and contributions, of which $ 0.7 million correspond to the higher surveillance and control rate accrued in favor of the ENARGAS and $ 0.6 million for the higher accrued turnover tax, because of the current change in the manner of computing this tax, which is now determined under the general tax regime (unified factors of revenues and expenses per jurisdiction), instead of using the previous mechanism by which taxes were paid according to the jurisdiction in which the carriage originated.

** Financial and Holding Results*

(in millions of pesos)

	Three-month periods ended 03.31.		
	2009	**2008**	**Variation $**
Interests and indexing generated by liabilities	(24.8)	(24.0)	(0.8)
Bank commissions, expenses and taxes on banking and financial operations	(1.5)	(1.2)	(0.3)
Result of repurchases of debt	-	1.1	(1.1)
Subtotal financial result generated by liabilities before exchange rate differences	**(26.3)**	**(24.1)**	**(2.2)**
Interests, indexing and expenses generated by assets	1.2	0.7	0.5
Holding results generated by assets	1.7	(0.3)	2.0
Results from US$ forward operations	0.8	-	0.8
(Loss) income on discounting of non-current and current assets	(7.6)	0.2	(7.8)
Subtotal financial result generated by assets before exchange rate differences	**(3.9)**	**0.6**	**(4.5)**
Exchange rate differences:			
Generated by liabilities	(95.7)	(7.0)	(88.7)
Generated by assets	21.3	0.4	20.9
Subtotal exchange rate differences	**(74.4)**	**(6.6)**	**(67.8)**
Total	**(104.6)**	**(30.1)**	**(74.5)**

I) ANALYSIS OF RESULTS AND FINANCIAL SITUATION (Cont.)

** Financial and Holding Results (Cont.)*

The higher losses of $ 74.5 million between the compared periods were principally generated by the following variations:

i. The main variation is a loss of $ 88.7 million on the differences in the exchange rate applied to the loans in view of the depreciation of the peso against the US dollar at March 31, 2009 compared to December 31, 2008, which were US$ 1 = $ 3.720 and $ 3.453, respectively, that is a variation of 7.7%. At March 31, 2008 and December 31, 2007, exchange rates had been US$ 1 = 3.168 and $ 3.149, respectively.

ii. The asset US dollar positions produced an exchange gain of $ 20.9 million.

iii. The loss for $ 7.8 million principally from the discount at present value on non-current accounts receivables.

** Summary of the Statement of Cash Flows*

(in millions of pesos)

	Three-month periods ended 03.31.	
	2009	**2008**
Net (loss) income for the period	(41.1)	9.6
Adjustments to arrive to cash net flow arising from operating activities	146.4	75.3
Subtotal	105.3	84.9
Net changes in assets and liabilities	(32.2)	(12.2)
Net cash flows provided by operating activities	**73.1**	**72.7**
Temporary investments granted as guarantee	(9.0)	-
Purchase of fixed assets	(0.1)	(4.8)
Net cash flows used in investing activities	**(9.1)**	**(4.8)**
Payment of debt	-	(5.1)
Interest paid	-	(21.1)
Net cash used in financing activities	**-**	**(26.2)**
Financial and holding result generated by (used in) cash and cash equivalents	**11.5**	**(0.2)**
Net increase in cash	**75.5**	**41.5**
Cash and cash equivalents as of beginning of the year	**153.0**	**64.1**
Cash and cash equivalents as of end of the period	**228.5**	**105.6**

I) ANALYSIS OF RESULTS AND FINANCIAL SITUATION (Cont.)

** Summary of the Statement of Cash Flows (Cont.)*

(in millions of pesos)

	As of 03.31.	
	2009	**2008**
Cash and cash equivalents		
Cash and banks	152.2	55.9
US Treasury bills in US$	-	21.2
Mutual funds in $	23.4	28.5
Time deposits in $	26.5	-
Stock exchange securities in $	26.4	-
Cash and cash equivalents as of end of the period	**228.5**	**105.6**

II) MAYOR EVENTS FOR FISCAL 2008 AND BUSINESS PROSPECTS

* Financial aspects

The postponement of payments of the financial debt and the intervention established by the ENARGAS

Due to the steady deterioration of the Company’s economic and financial equation, which is due to the continuous freezing of domestic rates, together with a fall in revenues from transportation of exports caused by the limitations in the dispatchment of gas balances, a widespread increase in its costs and the significant growth of the exchange rate at the end of the present year, on December 22, 2008, The Board of Directors of TGN has decided: (i) to prioritize the safe and reliable provision by TGN of the public utility natural gas carriage service; (ii) to adhere to the going concern principle; and (iii) to ensure the equal treatment of all its financial creditors. In view of this, it has been necessary for TGN to postpone the principal and interest payments. As of March 31, 2009 unpaid financial debt amounted to US$ 357.9 million.

Note 11 to these financial statements describes the possible implications of the postponement of payments of the financial debt.

Although TGN´s 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 Gas Law N° 24,076 and Section 10 of the Public Emergency Law (PEL), on December 29, 2008, through Resolution I/587 the ENARGAS established an intervention in TGN for 120 days and designated an intervener with powers of “corporate co-administration” and “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. The said resolution also established that a comprehensive audit should be conducted at TGN.

TGN considered that Resolution I/587 was partly illegal on the grounds that the ENARGAS does not have powers to designate an intervener/co-administrator of the licensee companies regulated and controlled by it and subject to Law N° 24076. TGN also considers that Resolution I/587 is unfounded inasmuch as the decision to postpone the payment of financial obligations does not pose a risk to the provision of the public utility service by the Company. For those reasons, TGN filed a direct appeal against the said resolution with the Federal Court of Appeals on administrative litigation, and requested interim relief from that judicial authority. In this regard, on March 26, 2009 TGN was served notice of the ruling issued by Panel I of that Appellate Court, which resolved: (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 principal place of business.

II) MAYOR EVENTS FOR FISCAL 2008 AND BUSINESS PROSPECTS (Cont.)

* Financial aspects (Cont.)

The postponement of payments of the financial debt and the intervention established by the ENARGAS (Cont.)

After the end of the current period, during april 2009, this intervention was extended for further 90 days, as per ENARGAS Resolution I/732, this entity maintaining only the control and superintending powers with respect to acts that may reasonably affect the normal provision of the public utility service by TGN and to conduct the comprehensive audit and is under way.

The Ordinary and Extraordinary Meeting of Shareholders held on April 28, 2009, approved the Company´s financial statements as of December 31, 2008 as well as the the Board of Director´s decisions.

Proposal of restructuring of the financial debt

After less than 120 days have elapsed from the decision to postpone the payment of the principal and interest installments that fell due in December 2008, on April 23, 2009, the Board of Directors of TGN approved the debt restructuring proposal to remedy the situation with its financial creditors.

In that date TGN announced that it had made a swap offer and submitted a petition for an Out-of-Court Reorganization Agreement (“APE”) aimed at restructuring its entire financial debt. In Note 10 to these financial statements is a description of the financial debt Restructuring Offer.

TGN will accept for purposes of the swap any outstanding debt that is duly presented before June 5, 2009, unless it is extended by TGN. The Restructuring Offer is subject to compliance with the terms and conditions of the respective Offering Circular.

* Commercial issues

The main commercial issues for fiscal 2008, which impact on the future prospects of the TGN business and on which further information has been provided in the Notes to the March 31, 2009 interim financial statements of the Company are the following:

The Argentine economic context (Note 1.b)); the pending renegotiation of rates charged for TGN’s regulated business (Note 1.c.iii)); the decline in revenues from carried gas for export (Note 1.c.v)); the commercial situation with the customer AES Paraná (Note 13.c)); the redirecting of the gas carrying capacity (Note 13.f)); the commercial situation with the customer Eléctrica Santiago S.A. (Note 13.h)); with the customer YPF S.A. (Note 13.i)) and with the customer Metrogas Chile (Note 13.l)).

III) COMPARATIVE BALANCE SHEET STRUCTURE AT MARCH 31, 2009, 2008, 2007, 2006 and 2005

(in millions of pesos)

	As of 03.31.				
	2009	**2008**	**2007**	**2006**	**2005**
Current Assets	337	225	221	630	445
Non-current Assets	2,392	2,409	2,460	2,521	2,500
Total	**2,729**	**2,634**	**2,681**	**3,151**	**2,945**
Current Liabilities	1,437	215	215	1,599	1,263
Non-current liabilities	55	1,098	1,190	718	776
Subtotal	1,492	**1,313**	**1,405**	**2,317**	**2,039**
Shareholders’ Equity	1,237	1,321	1,276	834	906
Total	**2,729**	**2,634**	**2,681**	**3,151**	**2,945**

TRANSPORTADORA DE GAS DEL NORTE S.A.

IV) COMPARATIVE STRUCTURE OF RESULTS FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2009, 2008, 2007, 2006 and 2005

(in millions of pesos)

	Three-month periods ended 03.31.				
	2009	**2008**	**2007**	**2006**	**2005**
Ordinary operating income	45.3	50.5	47.6	54.7	41.3
Financial and holding results, net	(104.6)	(30.1)	(41.7)	(74.5)	(14.6)
Gain from equity investments, net	0.5	0.6	0.6	0.1	-
Gain on debt restructuring	-	-	-	0.5	-
Other income (expenses), net	1.2	(0.5)	0.7	(0.8)	(3.6)
Income before income tax	(57.6)	20.5	7.2	(20.0)	23.1
Income Tax charge	16.5	(10.9)	(8.7)	2.0	(14.3)
Net (loss) income for the period	**(41.1)**	**9.6**	**(1.5)**	**(18.0)**	**8.8**

V) COMPARATIVE STATISTICAL DATA CORRESPONDING TO THE THREE-MONTH PERIODS ENDED MARCH 31, 2009, 2008, 2007, 2006 and 2005

Volume delivered in millions of cubic meters:

According to the type of carrying agreement

	Periods ended 03.31.				
	2009	**2008**	**2007**	**2006**	**2005**
Firm transportation	3,221	3,628	3,818	4,155	3,840
Interruptible transportation and exchange and shifting	1,327	927	701	523	555
Total	**4,548**	**4,555**	**4,519**	**4,678**	**4,395**

According to the type of source

	Periods ended 03.31.				
	2009	**2008**	**2007**	**2006**	**2005**
Norte Gas pipeline	1,760	1,829	1,834	1,906	1,758
Centro-Oeste Gas pipeline	2,788	2,726	2,685	2,772	2,637
Total	**4,548**	**4,555**	**4,519**	**4,678**	**4,395**

VI) COMPARATIVE INDICATORS AT MARCH 31, 2009, 2008, 2007, 2006 and 2005

	Periods ended 03.31.				
	2009	**2008**	**2007**	**2006**	**2005**
Current liquidity (1)	0.23	1.05	1.03	0.39	0.35
Solvency (2)	0.83	1.01	0.91	0.36	0.44
Freezing Capital (3)	0.88	0.91	0.92	0.80	0.85

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

Autonomous City of Buenos Aires, May 11, 2009

The Board of Directors
Eduardo Ojea Quintana

TRANSPORTADORA DE GAS DEL NORTE S.A.

Balance Sheets as of March 31, 2009
compared with the year ended on December 2008
(in thousands of Argentine Pesos, except per share amounts)

	March 31, 2009	December 31, 2008
ASSETS		
Current Assets		
Cash and banks	$ 152,196	$ 135,575
Short-term investments (Note 18.(c))	86,251	18,405
Accounts receivables, net (Note 4.a))	55,463	55,695
Other receivables, net (Note 4.b))	31,388	23,237
Materials and spare parts, net (Note 4.c))	12,176	12,176
Total Current Assets	337,474	245,088
Non-current Assets		
Accounts receivables, net (Note 4.a))	50,189	36,202
Other receivables, net (Note 4.b))	198,619	184,228
Materials and spare parts, net (Note 4.c))	32,046	33,289
Fixed Assets, net (Note 18.(a))	2,084,222	2,115,686
Investments (Note 18.(b))	2,014	1,467
Other assets	25,044	23,291
Total Non–Current Assets	2,392,134	2,394,163
Total Assets	**2,729,608**	**2,639,251**
LIABILITIES AND SHAREHOLDERS´ EQUITY		
Current Liabilities		
Accounts payable (Note 4.d))	31,721	26,388
Debt (Note 10.a))	1,331,301	1,212,965
Salaries and social security payable	18,198	20,054
Taxes payable (Note 4.e))	16,228	10,839
Customer advances	503	503
Others (Note 4.f))	6,193	6,077
Subtotal	1,404,144	1,276,826
Contingencies (Note 13 and 18.(d))	33,017	32,008
Total Current Liabilities	1,437,161	1,308,834
Non–Current Liabilities		
Accounts payable (Note 4.d))	-	1,492
Others (Note 4.f))	18,822	16,858
Subtotal	18,822	18,350
Contingencies (Note 13 and 18.(d))	36,456	33,839
Total Non–Current Liabilities	55,278	52,189
Total Liabilities	**1,492,439**	**1,361,023**
Shareholders´ Equity	**1,237,169**	**1,278,228**
Total Liabilities and Shareholders´ Equity	**$ 2,729,608**	**$ 2,639,251**

The accompanying notes are an integral part of these financial statements

TRANSPORTADORA DE GAS DEL NORTE S.A.

Statements of Operations for the three-month
Periods ended March 31, 2009 and 2008
(in thousands of Argentine Pesos, except per share amounts)

		March 31, 2009		March 31, 2008
Net revenues (Note 4.g))	$	135,608	$	127,879
Cost of services (Note 18.(f))		(69,652)		(62,175)
Gross Profit		**65,956**		**65,704**
Selling expenses (Note 18.(f))		(5,554)		(3,810)
Administrative expenses (Note 18.(f))		(15,115)		(11,439)
Operating income		**45,287**		**50,455**
Gain from equity investments, net		547		600
Financial and holding results, net				
Generated by assets:				
Interest and indexing		1,208		832
Exchange rate differences		21,298		414
Others (Note 4.h))		(5,299)		(253)
Subtotal		17,207		993
Generated by liabilities:				
Interest and indexing		(24,845)		(23,986)
Exchange rate differences		(95,708)		(7,029)
Others (Note 4.h))		(1,281)		(65)
Subtotal		(121,834)		(31,080)
Other incomes, net (Note 4.i))		1,200		(542)
Net (loss) income before income tax		**(57,593)**		**20,426**
Income tax charge (Note 7)		16,534		(10,874)
Net (loss) income for the period	**$**	**(41,059)**	**$**	**9,552**
(Loss) income per share in pesos (Note 6)		(0.0934)		0.0217

The accompanying notes are an integral part of these financial statements

TRANSPORTADORA DE GAS DEL NORTE S.A.

Statements of Changes in Shareholders' Equity
for the three-month periods ended March 31, 2009 and 2008
(in thousands of Argentine Pesos, except per share amounts)

	Shareholders' contributions			Legal reserve	Voluntary reserve for future dividends	Retained earnings	Total shareholders' equity
	Common stock	Inflation adjustment of common stock	Total				
Balances as of December 31, 2007	**439,374**	**506,053**	**945,427**	**54,234**	**252,450**	**59,651**	**1,311,762**
Net income for the period	-	-	-	-	-	9,552	9,552
Balances as of March 31, 2008	**439,374**	**506,053**	**945,427**	**54,234**	**252,450**	**69,203**	**1,321,314**
Resolution adopted by the Ordinary Meeting of Shareholders held on April 22, 2008:							
Setting up of the legal reserve	-	-	-	2,982	-	(2,982)	-
Allocation to the voluntary reserve for future dividend distributions	-	-	-	-	56,669	(56,669)	-
Complementary loos for the nine-month period up to December 31, 2008	-	-	-	-	-	(43,086)	(43,086)
Balances as of December 31, 2008	**439,374**	**506,053**	**945,427**	**57,216**	**309,119**	**(33,534)**	**1,278,228**
Net loss for the period	-	-	-	-	-	(41,059)	(41,059)
Balances as of March 31, 2009	**439,374**	**506,053**	**945,427**	**57,216**	**309,119**	**(74,593)**	**1,237,169**

The accompanying notes are an integral part of these financial statements

TRANSPORTADORA DE GAS DEL NORTE S.A.

Statements of Cash Flows for the periods
Ended March 31, 2009 and 2008
(in thousands of Argentine Pesos, except per share amounts)

	March 31, 2009	March 31, 2008
Cash and cash equivalents as of beginning of the year.	$ 152,961	$ 64,131
Cash and cash equivalents as of end of the period (Note 4.j))	228,501	105,613
Net increase in cash	**75,540**	**41,482**
Cash flows from operating activities		
Net (loss) income of the period	(41,059)	9,552
Adjustments to arrive to cash net flow arising from operating activities:		
Income tax	(16,534)	10,874
Depreciation of fixed assets	31,216	30,639
Net book value of fixed assets written off	363	23
Increase in allowances and provisions, net	26,977	6,081
Financial and holding results generated by liabilities	24,845	23,986
Exchange rate differences and other financial results, net	80,060	4,386
Gain on equity investments	(547)	(600)
Net changes in assets and liabilities:		
Increase in accounts receivable	(36,620)	(20,302)
(Increase) decrease in other receivables	(6,155)	2,197
Decrease (increase) in materials and spare parts and other assets	1,102	(1,723)
Increase in accounts payable	3,841	2,278
(Decrease) increase in salaries and social security payable	(1,856)	1,658
Increase in taxes payable	5,389	3,234
Increase in other payables	2,080	733
Decrease in contingencies	-	(248)
Net cash flows generated by operating activities	**73,102**	**72,768**
Cash flows from investing activities		
Short-term investments granted as guarantee	(8,973)	-
Purchase of fixed assets	(115)	(4,810)
Net cash used in investing activities	**(9,088)**	**(4,810)**
Cash flows from financing activities		
Payment and repurchase of debt	-	(5,083)
Debt interests paid	-	(21,146)
Net cash used in financing activities	**-**	**(26,229)**
Financial and holding results generated by cash and cash equivalents		
Interests, exchange rate differences and other results generated by cash and cash equivalents	11,526	(247)
Total financial and holding results generated by cash	**11,526**	**(247)**
Net increase in cash and cash equivalents	**$ 75,540**	**$ 41,482**

The accompanying notes are an integral part of these financial statements

1. Situation of the Company and regulatory framework

(a) Formation of the Company

Transportadora de Gas del Norte S.A. ("the Company" or "TGN") was organized on November 24, 1992 as a result of the enactment of Laws Nos. 23,696 and 24,076 ("Law on Gas") and the issuance of National Executive Branch ("PEN") Decree No. 1,189/92, whereby the privatization of the natural gas transportation 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 transportation through the exclusive utilization of two former Gas del Estado S.E. ("GdE") pipelines in the northern and central-western regions of Argentina.

(b) 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 Argentina has recorded since the end of 2001, as from January 2002 the National Government issued laws, executive orders and regulations that involved a profound change to the then prevailing economic model, which had the following material effects on the Company:

(i) The Public Emergency Law (LEP) established the pesification of the rates of transportation 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, this law authorized the National Executive Branch to renegotiate the public works and services contracts and rates. At the date of issuance of these financial statements, no substantial progress has been made regarding rates renegotiation.

Note 1.c) details several issues relating to the rates, the License and the implications of the amendments introduced by that law within the Company's regulatory framework.

(ii) As from 2004 the Argentine Government 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 Energy Secretariat, the Fuel Undersecretariat and the ENARGAS have issued a number of rules establishing precautionary measures to prevent a shortfall in domestic natural gas supply and its effects on the wholesale electricity supply, including measures severely restricting exports of natural gas to first ensure the supply of domestic consumption. The creation of a trust fund was established to finance investments in the expansion of the capacity of the natural gas transport and distribution systems.

TGN considers that these governmet measures could produce negative results regarding its transportation agreements.

Several contractual disputes with significant impacts regarding export customers (Section c.v) and c.vi) presented below and Note 13.f), h), i) and l)) have been generated by the described situations.

(iii) In April 2004, the National Executive Branch established the creation of the Gas Electronic Market ("MEG") with a view to improving assignment efficiency in the gas industry. Consequently, the spot sales of natural gas and the remaining transport capacity are to be made through this market. Effective May 2005 the MEG started to administer the resale of capacity and services provided by gas distributors.

Until March 31, 2009 no effects have been produced on the revenues from sales recognized by TGN. The Company considers that the start-up of the MEG will have an uncertain effect on income relating to the transported gas sold on that market.

1. Situation of the Company and regulatory framework (Continued)

(b) Argentine economic context, energy crisis and its impact on the economic and financial position of the Company (Continued)

(iv) The change in the economic enviroment and the legal and regulatory conditions 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 net cash that will enable it to recover non-current assets, re-payment of the financial debts, the future development of its business and the normal continuity of the Company´s operations.

(v) As indicated in Note 1.c.vi) and in Note 10, 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 fell due in December 2008 and 2009 maturities. Furthermore, on December 29, 2008, through Resolution I/587 the ENARGAS established an intervention in TGN for 120 days, as well as a comprehensive audit that would be in charge of the intervener, and is currently under way. After the end of the period, upon expiration in April 2009, the said intervention has been extended for an additional period of 90 days, with the scope mentioned in Note 1.c) vi).

The impact generated by all the measures adopted so far by the National Government on the balance sheet and financial position of the Company as of March 31, 2009 was calculated on the basis of evaluations and estimates made by the Company’s Board of Directors at the date its financial statements were prepared.

The future development of the economic crisis might require that the Government 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 preparing these financial statements and these differences could be significant.

(c) Regulatory framework

c.i) General

The Law on Gas and its regulations, together with the License, the Transfer Agreement, the Bidding Terms and Conditions for the privatization of GdE and the resolutions adopted by the National Gas Regulatory Entity (“ENARGAS”) establish the legal framework within which the Company carries out its business activities.

The License was granted for an original term of thirty five years. 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 Executive Branch of the Argentine Government.

c.ii) Regulation of transportation rates

The regulatory regime applicable to gas transportation companies is established under the Natural Gas Act and the License. Rates are regulated by ENARGAS. The Law on Gas establishes that rates must cover reasonable operating costs, taxes and amortization 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, 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;

1. Situation of the Company and regulatory framework (Continued)

(c) Regulatory framework (Continued)

c.ii) Regulation of transportation rates (Continued)

(ii) 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

(iii) Unplanned adjustments for other objective and justifiable reasons at the discretion of the ENARGAS.

Regarding the rate setting mechanism, as mentioned in Note 1.b), the LEP on Public Emergency established the pesification of the rates of transportation of natural gas destined for the domestic market and the repeal of the semi-annual adjustment mechanism based on the PPI.

c.iii) Licence

Under the provisions of LEP, the Argentine Government is entitled to renegotiate the terms of the licenses granted for the provision of public services based on the following criteria:

- The impact of the rates on the competitiveness of the economy and the distribution of people’s income;
- The quality of the services and the investment plans, as contractually agreed;
- The customers´ interests and accessibility to the services;
- The safety of the systems; and
- 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 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.

As from March 2005 various public hearings were called to deal with the adaptation proposals formulated by the UNIREN or the preliminary agreements reached between the companies and the UNIREN, as the case may be. The hearing attended by TGN was held on May 18, 2005, at which only a unilateral proposal that had been formulated by the UNIREN in July 2004 and that TGN considers unsatisfactory was analyzed. So far, the Company has not been able to negotiate or reach any agreement with the UNIREN considered reasonable for TGN.

TGN considers that the main obstacle to reach a complete renegotiation agreement is the National State’s insistence that an indemnity provision be added 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.

Although until August 2008 there was no significant progress on the renegotiation process of the License, on September 16, 2008, the Company received from UNIREN a proposal for a temporary agreement (“Temporary Agreement”) envisaging a transition tariff regime as from September 1, 2008 on which a 20% increase is applied to the remuneration of the ruled domestic activity of TGN in force at August 31, 2008.

The proposal has been approved by the Board of Directors of TGN and the Temporary Agreement has been subscribed by TGN on October 7, 2008, ad referendum of the Extraordinary Shareholders’ Meeting, which ratified the subscription on December 4, 2008.

1. Situation of the Company and regulatory framework (Continued)

(c) Regulatory framework (Continued)

c.iii) Licence (Continued)

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 at December 31, 2008, Law 25,561 would no longer be effective, which did not occur since the that law will actually be in force until December 31, 2009. Consequently, by that date the parties should had agreed on the methodology, term and time of the execution of an Overall Contractual Renegotiation Minute. Otherwise, the Executive Branch, 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 Executive Branch 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 Ministries of Economy and Planning.

The Temporary agreement has no been ratified by the Executive Branch yet. Consequently, it has not been in force at the date of issuance of these financial statements. As of March 31, 2009 the Temporary Agreement proposal have not produced any economic effect.

At the date of issue of these interim 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 redress to TGN for the damage suffered as a result of the LEP.

c.iv) Technical assistance agreement

Within its regulatory framework, TGN receives auditing assistance and technical assistance from its shareholders and their related companies. Such assistance covers 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 transportation industry.

The contract for Auditing and Technical Assistance currently in force, with the latest amendment made in February 2006, will expire on December 31, 2017. In consideration for the services under the contract, an annual compensation is envisaged, which shall be the higher of (i) US$ 3,000,000 or (ii) 7% of EBIT for each year. During the current period, the corresposponding portion of the US$ 3,000,000 minimum compensation has been accrued.

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 Contract for Technical Assistance and Assistance to the Audit Area.

c.v) Decrease in revenues from carriage of gas for export

At the end of fiscal year 2008, approximately 50% of TGN revenues (in pesos) derived from contracts for the carriage of natural gas to Chile, Brazil and Uruguay, at US dollar-denominated rates PPI-adjusted semiannually.

Effective February 2004, the Argentine government adopted a series of measures which still apply, to ensure a natural gas supply sufficient to satisfy domestic demand.

1. Situation of the Company and regulatory framework (Continued)

(c) Regulatory framework (Continued)

c.v) Decrease in revenues from carriage of gas for export (Continued)

These measures, which involve restrictions on exports of gas, have increasingly limited the sales of gas abroad. Consequently, the use of the firm carriage capacity hired by loaders for export has gradually and decreased.

During fiscal year 2008 and first months of 2009, 20% of that carriage capacity was used on average. As a result, in 2008 all exporting loaders stated that they were experiencing difficulty in continuing to pay the fixed cost of reservation of gas carriage capacity, or ceased to pay the rate in whole or in part (such as Eléctrica Santiago S.A. and YPF S.A., respectively), paid under protest (Gasoducto Norandino S.A. and Colbun S.A.) initiated legal action to obtain the rescission without negligence of the carriage contracts in effect (such as Eléctrica Santiago S.A.) or have announced their intention to file action for rate adjustment under the contractual terms, with a resolution in the alternative (Compañía Eléctrica San Isidro S.A.), or have started legal action to obtain a reduction of the applicable rate (Metrogás Chile).

Without prejudice to these loaders' contractual obligation to pay for the reservation of firm carriage capacity until expiration of the contract, the behaviors exhibited, in addition to the decline in exportable balances of natural gas, generate uncertainty as to the future collectibility of export customer balances.

ESSA and YPF carry outstanding balances of $ 46.3 million and $ 120.5 million, respectively, as of March 31, 2009, so the Company has set up an allowance for $ 83.4 million to cover the uncollectible amounts due for the carriage service.

In terms of annual revenues (in pesos) these clients represents the 22% of the transportation revenues of the Company.

c.vi) Debt payments postponement and intervention established by the ENARGAS

As explained in Note 10, on December 22, 2008, the Board of Directors of TGN decided that it was necessary for TGN to postpone the principal and interest payments that fell due in December 2008 and future maturities.

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 Gas Law 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. This audit is in charge of the intervener and is currently under way.

TGN considered that Resolution I/587 was partly illegal on the grounds that the ENARGAS does not have powers to designate an intervener/co-administrator of the licensee companies regulated and controlled by it and subject to Law N° 24076. TGN also considers that Resolution I/587 is unfounded inasmuch as the decision to postpone the payment of financial obligations does not pose a risk to the provision of the public utility service by the Company. For those reasons, TGN filed a direct appeal against the said resolution with the Federal Court of Appeals on administrative litigation, and requested interim relief from that judicial authority. In this regard, on March 26, 2009 TGN was served notice of the ruling issued by Panel I of that Appellate Court, which resolved: (i) to stay the effects of ENARGAS Resolution I/587 which had established an intervention in TGN and

1. Situation of the Company and regulatory framework (Continued)

(c) Regulatory framework (Continued)

c.vi) Debt payments postponement and intervention established by the ENARGAS (Continued)

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 principal place of business.

After the end of the current period, by Resolution I/732 of April 28, 2009, the ENARGAS extended for further 90 days the term over which TGN would continue to be subject only 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.

2. Preparation of financial statements

(a) Purpose of these financial statements

The financial statements have been translated from the original Financial Statements for the three-month period ended March 31, 2009 including the summary of information required by General Resolution Nº 368/01 prepared in Spanish originally issued in Argentina. The translation into English has been made solely for the convenience of English – speaking readers, and certain notes have been rephrased to facilitate the understanding of legislation and the local economic environment. The additional information to the notes to the financial statements required by section 68 of the Buenos Aires Stock Exchange Regulations for local purpose has not been included.

(b) Basis of presentation

These financial statements are stated in thousands of pesos, and were prepared in accordance with accounting disclosure and valuation standards contained in Technical Pronouncements issued by the Argentine Federation of Professional Councils in Economic Sciences (“FACPCE”), as approved by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires (“CPCECABA”), and with CNV resolutions.

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 transport and distribution activity have been applied. These criteria are similar to those established by professional accounting standards in force.

A limited review was performed on the financial statements corresponding to the three-month periods ended March 31, 2009 and 2008. The Company´s Board of Directors estimates that they include all the necessary adjustments to reasonably disclose the results for each period. The results of the three-month periods ended March 31, 2009 and 2008 do not necessarily reflect the proportion of the results of the Company for the complete financial years.

(c) Presentation of financial statements in constant Argentine Pesos

The financial statements have been prepared in constant currency recognizing the overall effects of inflation through August 31, 1995. Restatement of financial statements was discontinued from that date to December 31, 2001 because this was a period of monetary stability. From January 1, 2002 to March 1, 2003 the effects of

2. Preparation of financial statements (Continued)

(c) Presentation of financial statements in constant Argentine Pesos (Continued)

inflation were recognized due to the existence of an inflationary period. As from that date, restatement of financial statements was discontinued again.

The criterion required by the CNV differs from that previously required by professional accounting standards in force, under which financial statements were to be restated until September 30, 2003. Nevertheless, at March 31, 2009 this deviation has not had a significant impact on the financial statements of TGN. The rate used for restatement of items for the pertinent year was the internal wholesale price index.

(d) Use of estimates

The preparation of these financial statements requires the Board of Directors of the Company to make estimates that affect the amounts of contingent assets and liabilities disclosed at that date, as well as the revenues and expenses recorded in the pertinent period.

The Company's Board of Directors makes estimates to be able to calculate at a given time the allowance for doubtful accounts, depreciation charges, the recoverable value of assets, the income tax charge and provisions for contingencies. Future actual results may differ from those estimates and assessments made at the date these financial statements were prepared.

The changes in the economic environment, the legal and regulatory framework in which the Company is currently operating, the current status of the renegotiation of the License and the consecuences of the gas supply shortage (mentioned in Note 1) affect Board of Directors' estimates. There can be no assurance as to the future net cash inflows sufficient to recover the net book value of non-current assets, the payment of the financial liabilities, the future development of its business and the normal continuity of the Company´s operations.

(e) Comparative Information

The figures at March 31, 2008 and December 31, 2008 that are disclosed in these financial statements for comparative purposes arise from financial statements at these dates.

Also, certain reclassifications of the comparative information have been made to conform to the current period presentation.

3. Summary of significant accounting policies

Below is a detail of the most important accounting standards and policies used by the Company in preparing these financial statements, which have been applied consistently with those of the previous year.

(a) Cash and banks

Cash and banks are stated at face value.

(b) Foreign currency assets and liabilities

Foreign currency assets and liabilities have been valued at period/year end exchange rates.

(c) Short-term investments

Short-term investments in mutual funds have been valued at the prices of units at the end of each period. Government and Stock Exchange securities have been valued at estimated net realizable value. Time deposits have been valued considering nominal invested capital plus accrued interests up to the end of the period.

3. Summary of significant accounting policies (Continued)

(d) Accounts receivables, net and Accounts payable

Non-current trade receivables have been valued on the basis of the best estimate of the amount to be collected, discounted at a discount rate to reflect the time value of money and the specific risks associated with the transaction estimated at the time of its addition to assets.

The rest of the accounts receivables and the accounts payable have been stated at nominal value. The values thus obtained do not differ significantly from those that would have been obtained if current accounting standards had been applied, which require those items to be valued at the cash price estimated at the transaction date plus interest and implicit financial components accrued at the internal rate of return determined at that time.

(e) Other receivables, net and other liabilities

Other non-current receivables, prepaid expenses and other receivables of a similar nature have been valued on the basis of the best estimate of the sum to be used, discounted at a rate reflecting the time value of money and the specific risks attaching to the transaction estimated at the date of their addition to assets. The assets and liabilities derived from deferred tax and minimum presumed income tax have been stated at nominal value.

Other sundry receivables and liabilities have been stated at nominal value plus financial results accrued at period end, where applicable. The values thus obtained do not differ significantly from those that would have been obtained if current accounting standards had been applied, which require those items to be valued based on the best estimate of the amount receivable and payable, respectively, discounted at a rate reflecting the time value of money and the specific risks attaching to the transaction estimated at the date of their addition to assets and liabilities.

(f) Investments

The investments in the foreign related companies Comgas Andina S.A. (“COMGAS”) and Companhia Operadora de Rio Grande do Sul (“COPERG”) have been valued according to the equity method of accounting, on the basis of the financial statements of those companies as of March 31, 2009 and December 31, 2008 (Note 18.(b)).

The professional accounting standards used by those foreign related companies in the preparation of their financial statements are similar in all material respects to those used by the Company.

The Company has decided to fully cover with an allowance its investment in the Brazilian company COPERG because that business fell short of expectations. This company had been originally established to provide operation and maintenance services involving the gas pipeline that would extend from Uruguayana to Porto Alegre. The construction of this pipeline has been postponed and the possibility of this infrastructure work being actually performed is unknown. At present, the service provided by COPERG is limited to a region adjoining the Brazilian-Argentine border. Consequently, it is estimated that the reduced level of activity of that company will not allow recovering the value of the investment in it.

(g) Materials and spare parts, net

Materials and spare parts are stated at replacement cost. Where necessary, provision is made for obsolete, slow moving or defective inventory. Materials and spare parts have been broken down into current and non-current on the basis of the estimated consumption plan approved by the Company’s Board of Directors.

Considering the economic and financial projections prepared by the Company based on their best estimates as pointed out in Note 2.d), and the resolution of the uncertainties mentioned in Notes 1.b) and 1.c), the book value of materials and spare parts does not exceed their recoverable value.

3. Summary of significant accounting policies (Continued)

(h) Fixed assets, net

Fixed assets received from GdE have been valued at their transfer price stated in the Transfer Agreement. The assets acquired or built after the takeover date have been valued at acquisition or construction cost, including the costs of materials, labor and overheads.

The Company has considered as elements forming part of the value of addition to assets of fixed assets the net costs of financing investment works with third parties' capital, the construction of which extends over time, until they are placed into service.

All amounts have been restated for inflation in accordance with applicable regulations (see Note 2.c)), and are disclosed net of their accumulated depreciation.

Accounting and tax depreciation charges are calculated according to the straight line method at annual rates sufficient to extinguish the original values at the end of their useful lives. In determining the useful life, the ENARGAS regulations have been considered, among other parameters.

Furthermore, from 2005 to March 31, 2009 a pipeline recoating campaign was carried out over a length of 191.4 km. In accordance with ENARGAS Resolutions Nos. 1,660/00 and 1,903/00, $ 64.4 million were capitalized, becoming part of the Company's Essential Fixed Assets and, consequently, of its Tariff Base.

Considering the economic and financial projections prepared by the Company on the basis of the best estimate in accordance with the guidelines stated in Note 2.d) and the resolution of the uncertain situations mentioned in Notes 1.b) and 1.c), the aggregate fixed asset book value does not exceed recoverable value. In this regard, the Company regularly monitors the performance of the variables considered in those projections to analyze the impact they may have on the recoverability of essential fixed assets.

(i) Other assets-Gas stored

Gas stored in pipelines is stated at replacement value plus the average cost of transportation, which does not exceed its recoverable value.

(j) Debt

Under professional accounting standards, loans are to be valued on the basis of the best estimate of the amounts payable discounted at the internal rates of return determined at the beginning of the transaction.

In view of the circumstances described in Note 10, at March 31, 2009 and December 31, 2008 loans have bee stated at nominal value of principal and interest due calculated at the contractual rates.

(k) Income tax

The Company has recognized the income tax charge according to the deferred tax method, thus considering the timing differences between measurements of accounting and taxable assets and liabilities. The main timing differences stem from the provisions for contingencies, the allowance for doubtful accounts, disputed amounts and the materials and spare parts obsolescence allowance, and from the valuation and useful life of fixed assets.

For purposes of determining the deferred assets and liabilities, the tax rate that is expected to be in force at the moment of their reversal or use has been applied to the timing differences identified and tax loss carry-forwards, under the legal regulations enacted at the date of issue of these financial statements.

3. Summary of significant accounting policies (Continued)

(l) Minimum presumed income tax (MPIT)

The Company is subject to a tax on minimum presumed income. This tax is supplementary to income tax. The tax is calculated by applying the effective tax rate of 1% on certain production assets valued according to the tax regulations in effect as of the end of each year. The Company's tax liabilities will be the higher of these two taxes. However, if the tax on minimum presumed income exceeds income tax during one fiscal year, such excess may be computed as a prepayment of any income tax excess over the tax on minimum presumed income that may arise in the next ten fiscal years.

The Company has recognized the notional minimum income tax accrued during the period ended March 31, 2009 and the tax paid in previous years as a credit, due to the fact that it estimates that in future fiscal years it may be able to record it as a payment on account of income tax. The aforementioned credit has been recorded at its nominal value.

(m) Allowances and provisions

- Allowance for doubtful accounts (charged to Selling Expenses): set up on the basis of an individual analysis of the recoverability of the receivables portfolio.

- Allowance for disputed amounts (charged to Net Revenues): set up on the basis of an individual analysis of the recoverability of the receivables portfolio.

- Allowance for slow-moving and obsolete spare parts and materials (charged to Cost of Services) has been set up in accordance with TGN policies on those materials and other items which remain in stock of inventories for security and regular maintenance purposes, and have recorded no turnover over a period of time.

- Provision for contingencies (charged to Administrative Expenses and Selling Expenses, according to their nature): set up to cover possible payments claimed from the Company under lawsuits to which it is a defendant.

(n) Shareholders' equity accounts

The account "Common stock" is shown at its historical nominal value. The difference between common stock stated in constant currency and the historical nominal capital stock is shown under "Inflation Adjustments of common stock", making up the shareholders' equity.

The voluntary reserve for future dividends and retained earnings (accumulated deficit) have been restated in accordance with the guidelines indicated in Note 2.c).

(o) Profit and loss accounts

Statements of operation accounts have been stated in nominal currency except for: (i) charges for used assets (fixed assets depreciation and disposals), calculated according to the values of those assets; (ii) results from equity investments, calculated by the equity method of accounting and (iii) the use of inventories and the charge for spare parts, slow-moving and obsolete consumption materials determined based on the value of those assets.

(p) Revenue recognition

Firm transportation revenues are recognized based on the accrued contracted capacity reserved regardless of actual usage. For interruptible transportation service contracts, revenues are recognized upon the delivery of natural gas. For

3. Summary of significant accounting policies (Continued)

(p) Revenue recognition (Continued)

operating and maintenance service contracts, revenues are recognized when services are provided.

Decrees No. 292, 1,520 and 814 of the Argentine Government provided for a reduction in certain social security benefits paid by companies. However, Resolution 234/95 of ENARGAS stated that gas transportation companies should pass this benefit through their customers via a reduction in their monthly billings. The benefits passed by the Company on to the customers have been disclosed under a net revenues line adjustement account.

The Company records an allowance for differences between the total amount invoiced and the estimate of the recoverability of certain balances in contractual and regulatory dispute, such as the cases described in Note 13.f), h), i) and Note 1.c.v) to these financial statements (redirection of gas), fines and index-adjustments. These allowances are recorded adjusting the net revenues line.

Total gross revenue taxes are included in selling expenses for all periods indicated. Following ENARGAS resolutions, the effect of gross revenue tax rates are passed through the customers via an increase in the monthly billings for regulated services.

Revenues from Management Contract fees relating to gas trust programs (as described in Note 15.b)) have been recognized on the basis of the estimated degree of progress of the respective jobs and the portion incurred of the expenses budgeted for them.

(q) Balances and transactions with related parties

Intercompany receivables and liabilities arising from sundry transactions with the controlling shareholder, foreign related parties and other related parties have been valued according to the conditions agreed by the parties involved.

As for the information presented in Note 5, foreign related parties´ shareholders (see Note 3.f)), TGN´s shareholders, shareholders of Gasinvest S.A. (TGN´s controlling shareholder) and Transportadora de Gas del Mercosur S.A. have been considered as related parties. Additionally, directors and syndics have been considered as “Personnel who play a key role in Company´s management”.

r) Derivative instruments

The Company has conducted in the period certain transactions with derivative products to reduce the risks of the peso/US dollar exchange rate fluctuations. These derivative products have been stated at period-end market value and the gain from these transactions amounts to $ 765, which has been charged to financial and holding results for the period. The contracts in force until March 31, 2009 to protect against exposure to those fluctuations in the peso/US dollar exchange rate correspond to purchase transactions for US$ 18.5 million.

TRANSPORTADORA DE GAS DEL NORTE S.A.

Notes to the Unaudited Interim Financial Statements as of and for the three-month Period ended March 31, 2009 presentes in comparative form
(In thousands of Argentine Pesos, except per share amounts)

4. Breakdown of the main accounts

		March 31, 2009		December 31, 2008
a) Accounts receivable, net				
Current				
Gas transportation services				
Billed				
Distributors	$	15,955	$	15,771
Industrial		32,358		34,515
Generators		8,210		8,567
Unbilled		37,795		35,614
Subtotal		94,318		94,467
Other services				
Billed		1,114		654
Unbilled		2,479		1,600
Subtotal		3,593		2,254
Allowance for doubtful accounts (Note 18.d))		(8,969)		(8,778)
Allowance for disputed amounts (Note 18.d))		(33,479)		(32,248)
Total	**$**	**55,463**	**$**	**55,695**
Non Current				
Gas transportation services				
Billed				
Industrial	$	91,300	$	64,452
Generators		35,197		24,811
Unbilled		7,086		8,890
Subtotal		133,583		98,153
Allowance for disputed amounts (Note 18.d))		(83,394)		(61,951)
Total	**$**	**50,189**	**$**	**36,202**
b) Other receivables, net				
Current				
Gas transportation services				
VAT, net	$	-	$	313
Tax credits – withhondings and perceptions		2,544		2,015
Other tax credits		702		-
Directors' and management fees (Note 5)		1,875		1,759
Prepaid expenses		5,229		5,225
Receivables from transactions on behalf of third parties		5,069		5,007
Subtotal		15,419		14,319
Other services				
Management fees – Gas Trust Program (Note 15)	$	1,501	$	1,338
Receivable with controlling shareholder (Note 5)		8		8
Foreign related parties (Note 5)		628		613
Other related parties (Note 5)		285		230
Receivables from transactions on behalf of third parties		3,065		2,962
Advances to employees		1,215		1,193
Receivables from sundry sales		9,965		3,460
Sundry		318		-
Subtotal		16,985		9,804
Allowance for doubtful accounts (Note 18.(d))		(1,016)		(886)
Total	**$**	**31,388**	**$**	**23,237**
Non-current				
Gas transportation services				
Deferred tax asset, net (Note 7)	$	90,743	$	74,209
Minimum presumed income tax (Note 7)		96,838		92,638
Gross revenue tax withholdings		113		113
Deposit in escrow and disputed tax payments		7,333		7,316

(In thousands of Argentine Pesos, except per share amounts)

4. Breakdown of the main accounts (Continued)

		March 31, 2009		December 31, 2008
b) Other receivables, net – Non Current (Continued)				
Guarantee deposits		582		529
Allowance for deposit in escrow and disputed tax payments (Note 18.(d))		(7,333)		(7,316)
Subtotal		188,276		167,489
Other services				
Management contract fees relating to gas trust programs (Note 15)		9,626		15,878
Sundry		717		861
Subtotal		10,343		16,739
Total	**$**	**198,619**	**$**	**184,228**
c) Materials and spare parts, net				
Current				
Materials and spare parts	$	12,176	$	12,176
Total		**12,176**		**12,176**
Non-current				
Materials and spare parts		100,248		101,152
Allowance for slow-moving and obsolescence (Note 18.(d))		(68,202)		(67,863)
Total	**$**	**32,046**	**$**	**33,289**
d) Accounts payable				
Gas transportation services				
Current				
Suppliers	$	4,021	$	2,930
Foreign related parties (Note 5)		-		21
Importation of natural gas administration trust (Note 16)		2,881		-
Others related parties (Note 5)		8,282		3,151
Unbilled services		16,537		20,286
Total		**31,721**		**26,388**
Non-Current				
Others related parties (Note 5)		-		1,492
Total	**$**	**-**	**$**	**1,492**
e) Taxes payable				
VAT, net	$	4,854	$	-
Gross revenue tax		512		312
Minimum presumed income tax		6,719		6,267
VAT withholdings		483		1,344
Income tax withholdings		3,570		2,622
Gross revenue tax withholdings		90		294
Total	**$**	**16,228**	**$**	**10,839**
f) Others				
Current				
Easements	$	3,900	$	3,900
Directors’ and management fees (Note 5)		2,127		2,012
Customer´s warrants and others		166		165
Total		**6,193**		**6,077**
Non-current				
Easements		18,822		16,858
Total	**$**	**18,822**	**$**	**16,858**

(In thousands of Argentine Pesos, except per share amounts)

4. Breakdown of the main accounts (Continued)

		March 31, 2009		March 31, 2008
g) Net revenues				
Gas transportation services				
Gas transportation services	$	145,710	$	127,748
Discounts as per Decrees No. 292/1520/814 (Note 3.(p))		(378)		(448)
Allowance for disputed amounts (Note 3.(p))		(21,550)		(6,850)
Subtotal Gas transportation services....................		123,782		120,450
Other services				
Pipeline O&M services..............................		7,672		4,874
Management fees – Gas Trust Program (Note 15).......		4,154		2,555
Subtotal other services		11,826		7,429
Total	**$**	**135,608**	**$**	**127,879**
h) Financial and holding results, net:				
Generated by assets:				
Bank commissions and expenses	$	(185)	$	(89)
Holding results		1,673		(355)
Results from US$ forward operations (Note 3.(r))		765		-
Loss on discounting of non-current and current assets		(7,552)		191
Total		**(5,299)**		**(253)**
Generated by liabilities:				
Bank commissions, expenses and taxes on banking and financial operations		(1,296)		(1,192)
Result of repurchases of debts		-		1,079
Loss on discounting of non-current and current liabilities		5		21
Discounts		10		27
Total	**$**	**(1,281)**	**$**	**(65)**
i) Other income, net				
Result of disposal of fixed assets and other expenses	$	1,197	$	(576)
Recovery of contingencies		3		35
Donations		-		(1)
Total	**$**	**1,200**	**$**	**(542)**
j) Cash and cash equivalents:				
Cash and banks	$	152,196	$	55,881
Mutual funds in $		23,361		28,565
Time deposits in $		26,500		-
US Treasury Bills in US$		-		21,167
Stock exchange securities in $		26,444		-
Cash and cash equivalents as shown in the statements of Cash flows	**$**	**228,501**	**$**	**105,613**

(In thousands of Argentine Pesos, except per share amounts)

5. Balances and transactions with related parties

Balances with related parties

	March 31, 2009	December 31, 2008
Accounts receivable:		
Other related parties	$ 944	$ 581
Other receivables:		
Current:		
Receivable with controlling shareholder (Note 4.b))	8	8
Foreign related parties (Note 4.b))	628	613
Other related parties (Note 4.b))	285	230
Directors' and management fees (Note 4.b))	1,875	1,759
Accounts payable:		
Current:		
Foreign related parties (Note 4.d))	-	21
Other related parties (Note 4.d))	8,282	3,151
Non-Current:		
Other related parties (Note 4.d))	-	1,492
Others:		
Directors' and management fees (Note 4.f))	2,127	2,012

Transactions with related parties

	March 31, 2009	March 31, 2008
Controlling shareholder:		
Other income	$ 6	$ 6
Foreign related parties:		
Net revenues	2	56
Cost of services	(16)	(12)
Others		
Other related parties:		
Net revenues	761	675
Cost of services	(3,187)	(4,150)
Full expenses by third party account	112	132
Directors' and management fees:		
Fees for Directory and the Committee of Syndics (Note 18.(f))	(115)	(498)
Professional fees	(248)	(157)

6. Income per share

Income per ordinary share have been calculated as the quotient obtained by dividing the results for the periods ended March 31, 2009 and 2008, by the weighed average of outstanding ordinary shares, which made a total of 439,373,939 shares at those dates.

At March 31, 2009 and December 31, 2008 there are no debt securities convertible into shares, so no diluted earnings per share have been disclosed.

(In thousands of Argentine Pesos, except per share amounts)

7. Income tax and MPIT

A breakdown of the Company's deferred tax assets and liabilities as of March 31, 2009 and December 31, 2008 are presented below:

		March 31, 2009		December 31, 2008
Deferred tax assets and liabilities:				
Accounts receivable	$	54,541	$	43,929
Other receivables		10,406		9,935
Fixed assets		(21,304)		(21,617)
Materials and spare parts		23,871		23,752
Other assets		(7,113)		(6,500)
Accounts payable		2,525		1,401
Debt and expenses related to debt restructuring		4,558		5,213
Contingencies		19,371		18,096
Tax loss carry forwards		3,888		-
Net deferred tax asset	**$**	**90,743**	**$**	**74,209**

According to General Resolution No. 487/06 of the CNV, and by the application of the professional accounting standards in force as from 2006 (CD Resolution No. 93/05 of the C.P.C.E.C.A.B.A), the Company chose to recognize the inflation adjustment contained in the accounting valuation of the fixed assets as a permanent difference.

Had there been regonized the inflation adjustment as a temporary difference, the deferred liability would have increased by approximately $ 347.2 million, and its reversal would have taken place in a total approximate term of 19 years, according to the following annual detail:

Year	**Inflation adjustment that would be reversed**	**Effect on the income tax charge**
	Million $ (projected figures – not audited)	
2009 (II, III, and IV quarter)	29.6	10.3
2010	52.4	18.3
2011	51.7	18.1
2012	51.2	17.9
2013	50.3	17.6
2014	50.2	17.6
2015	49.9	17.5
2016	49.3	17.3
2017	48.8	17.1
2018	43.2	15.1
2019	42.7	14.9
2020	41.1	14.4
2021	40.2	14.1
2022	39.4	13.8
2023	33.1	11.6
2024	29.0	10.2
2025	27.3	9.6
2026	23.0	8.1
2027	239.7	83.7
Total	**992.1**	**347.2**

(In thousands of Argentine Pesos, except per share amounts)

7. Income tax and MPIT (Continued)

A reconciliation between current income tax expense and the amounts obtained by applying the Company's statutory income tax rate to pre-tax income is presented below:

		March, 31 2009		March 31, 2008
Net income before income tax	$	(57,593)	$	20,426
Income tax rate		35%		35%
Income tax charge at statutory tax rate		20,158		(7,149)
Permanent differences:				
Inflation adjustment		(4,618)		(4,604)
Gain from equity investments, net		191		210
Others		803		669
Income tax charge	**$**	**16,534**	**$**	**(10,874)**
Current income tax charge		-		-
Deferred income tax charge		16,534		(10,874)
Income tax charge	**$**	**16,534**	**$**	**(10,874)**

Below is a reconciliation between the charge to earnings of the period for income tax, and the assessed tax for the period for fiscal purposes:

	03.31.09	03.31.08
Recorded income tax	**16,534**	**(10,874)**
Temporary differences:		
Variation in valuation for doubtful accounts	(11,083)	(3,973)
Variation in valuation of fixed assets	(313)	(356)
Variation of the provision for contingencies	(1,275)	(381)
Variation of debt and expenses relating to debt restructuring	655	(519)
Variation of the provision for inventories	(119)	(20)
Variation of tax loss carryforwards	(3,888)	17,312
Other net temporary differences	(511)	(1,189)
Total tax assessed for fiscal purposes (estimated)	**-**	**-**

The balance of the tax loss carryforwards recorded by the Company liable to offsetting against tax profits of the three-month period ended March 31, 2009, is the following:

Year	Amount	Expires in
Tax loss carryforward of fiscal year 2004	38,447	2009
Tax loss carryforward of fiscal year 2005	18,275	2010
Use during fiscal year 2008 – estimated	(56,722)	
Tax loss carryforward of first quarter 2009 - estimated	11,107	2014
Total tax loss carryforward accumulated at March 31, 2009	**11,107**	

On the other hand, below is a detail of the breakdown of the credit for the minimum presumed income tax accumulated at March 31, 2009:

Year	Amount	Expires in
2002	12,959	2012
2003	14,097	2013
2004	15,366	2014
2005	16,295	2015
2006	12,362	2016
2007	13,426	2017
2008 (estimated)	15,176	2018
2008 (estimated consumption)	(7,043)	
2009 (estimated)	4,200	2019
Balance at the closing of the period (Note 4.b))	**96,838**	

There have been taken into consideration for the calculation of the deferred tax, the projections of future taxable income. The projections have been built on

(In thousands of Argentine Pesos, except per share amounts)

7. Income tax and MPIT (Continued)

the basis of the best estimate, in accordance with the guidelines pointed out in Note 2.d), and taking into consideration the resolution of the uncertainties mentioned in Notes 1.b) and 1.c), referring to the modifications of the Argentine economic context and of the legal and contractual framework in which the Company operates. On the basis of said projections, the book value of the assets for deferred tax and for minimum presumed income tax does not exceed its recoverable value.

8. Segment information

The following table shows additional information about the income statements at March 31, 2009 and 2008 and the main balance sheet captions of the Company at March 31, 2009 and December 31, 2008 segregated by business segment:

For the three-month period ended March 31, 2009		**Gas transportation services**		**Others**	**Total**
		Domestic	**Exports**		
Net revenues	$	68,844	54,938	11,826	135,608
Cost of services, administrative and selling expenses (before depreciation and amortization)		(44,457)	(8,889)	(5,759)	(59,105)
Depreciation and amortization		(26,442)	(4,755)	(19)	(31,216)
Other income, net		1,016	183	1	1,200
Gain from equity investments, net		-	-	547	547
Financial and holding results, net		(88,620)	(15,945)	(62)	(104,627)
Income tax		25,740	(7,329)	(1,877)	16,534
Net income for the period	**$**	**(63,919)**	**18,203**	**4,657**	**(41,059)**

As of March 31, 2009		**Gas transportation services**		**Others**	**Total**
		Domestic	**Exports**		
Fixed assets, net	$	1,765,336	317,635	1,251	2,084,222
Accounts receivable, net		35,301	66,758	3,593	105,652
Debt		1,127,612	202,890	799	1,331,301
Other net assets		320,671	57,699	226	378,596
Shareholders' equity		993,696	239,202	4,271	1,237,169
Purchase of fixed assets		97	18	-	115

For the three-month period ended March 31, 2008		**Gas transportation services**		**Others**	**Total**
		Domestic	**Exports**		
Net revenues	$	64,614	55,836	7,429	127,879
Cost of services, administrative and selling expenses (before depreciation and amortization)		(36,122)	(7,287)	(3,376)	(46,785)
Depreciation and amortization		(25,951)	(4,670)	(18)	(30,639)
Other income, net		(459)	(83)	-	(542)
Gain from equity investments, net		-	-	600	600
Financial and holding results, net		(25,484)	(4,585)	(18)	(30,087)
Income tax		13,123	(21,540)	(2,457)	(10,874)
Net income for the period	**$**	**(10,279)**	**17,671**	**2,160**	**9,552**

As of December 31, 2008		**Gas transportation services**		**Others**	**Total**
		Domestic	**Exports**		
Fixed assets, net	$	1,791,986	322,431	1,269	2,115,686
Accounts receivable, net		39,520	50,123	2,254	91,897
Debt		1,027,381	184,856	728	1,212,965
Other net assets		240,218	43,222	170	283,610
Shareholders' equity		1,044,343	230,920	2,965	1,278,228
Purchase of fixed assets		38,581	6,942	27	45,550

Net sales and accounts receivable were allocated on the basis of the market of destination.

8. Segment information (Continued)

Cost of services, selling and administrative expenses (before depreciation) were allocated according to the volume of contracted capacity for geographically defined regions.
Income tax was apportioned based on the net income or loss of each segment.
Shareholders´ equity resulted from the algebraic aggregate of assets and liabilities.
When fixed assets were identified with a geographical region they were apportioned on the basis of the volume of contracted capacity for that region. If no such identification existed, they were apportioned to fixed assets of a similar nature.
The other items have been allocated following the fixed asset criterion.

9. Restricted assets

Certain restrictions with respect to Essential Assets

(i) A substantial portion of the assets transferred by GdE (mainly pipelines, high-pressure branch lines, compressor plants and high-pressure control and measurement stations), 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, in accordance with certain standards defined in License. The Company may not, 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.

(ii) The Company has granted short-term investments for $ 8.9 millions as guarantee of certain derivative instruments arranged during the period in order to shorten Argentine peso – US dollar exchange rate fluctuations (Note 3.r)).

10. Debt

In view of the circumstances indicated in Note 1.b), as from 2002 the Company needed to postpone payment of certain financial debts which included negotiable obligation issue programs and loans from domestic and foreign financial institutions.

In August 2006 TGN publicly launched an offer to exchange its financial debt, which was accepted by 99.94% of creditors of the total debt subject to restructuring and, upon execution of the Out-of-court Reorganization Agreement with the accepting creditors, on September 29, 2006 TGN consummated the exchange privately, without requesting approval from the court.

This pro rata offer consisted of (i) a cash payment of up to US$ 52.4 million, (ii) the delivery of up to 87,874,754 new Class C Common shares representative of 20% of the Company's Capital to be issued as a result of the capitalization of the US$ 68.0 million financial debt, (iii) new ordinary non-convertible Class A negotiable obligations for up to US$ 249,999,970, and (iv) new ordinary non-convertible Class B negotiable obligations denominated in US dollars for US$ 203,630,111.

The abovementioned issuance of Class C shares was approved by the ENARGAS on June 23, 2006. This amendment was registered with the Public Registry of Commerce on August 18, 2006. The public offering of the Negotiable Obligations under the exchange and Class C shares was authorized by CNV Resolution No. 15,466 dated September 14, 2006.

The Negotiable Obligations had the following characteristics until December 22, 2008:

(In thousands of Argentine Pesos, except per share amounts)

10. Debt (Continued)

	Ordinary non-convertible Class A negotiable obligations	Ordinary non-convertible Class B negotiable obligations
Amount	VN US$ 250.0 million	VN US$ 203.6 million
Due date	December 31, 2012	December 31, 2012
Amortization	They are amortized every six month: at 9% in 2005, 12% during 2006 and 2007, 13.5% in 2008 and 2009, 15% in 2010 and 2011, and 10% in 2012	In a one-off payment
Interest	They accrue interest at an annual rate of 6.0% during 2005, at 6.5% between 2006 and 2010, and at 7.5% during 2011 and 2012, payable quarterly on March 31, June 30, September 30 and December 31 of each year.	They accrue interest at an annual rate of 7.0% during 2005, 7.5% during 2006 y 2007, 8.0% during 2008 y 2009, 9.0% during 2010, 9.5% during 2011 y 10% during 2012, payable quarterly on March 31, June 30, September 30 and December 31 of each year.

Debt payments postponement

Due to the steady deterioration of the Company’s economic and financial equation, which is due to the continuous freezing of domestic rates, together with a fall in revenues from transportation of exports caused by the limitations in the dispatchment of gas balances, mentioned in Note 1.c.v), a widespread increase in its costs and the significant growth of the exchange rate at the end of the present year, on December 22, 2008, The Board of Directors of TGN has decided: (i) to prioritize the safe and reliable provision by TGN of the public utility natural gas carriage service; (ii) to adhere to the going concern principle; and (iii) to ensure the equal treatment of all its financial creditors. In view of this, it has been necessary for TGN to postpone the principal and interest payments that fell due in December 2008 for U$S 15.8 million and U$S 6.4 million, respectively, and 2009 maturities. Interest payment for US$ 6.1 million that fell due in March 31, 2009 was postponed as well.

To meet financial covenants, TGN has decided to start preparing a sustainable debt schedule to be submitted to the consideration of creditors, with a view to rescheduling its financial liabilities.

According to currently in force accounting standards and to the International Accounting Standard 1 (“IAS 1”) (supplementary to Argentina´s accounting standars), the Company classifies the complete financial debt balances into current liabilities since according to the Trust Agreement regulating the terms and conditions of the restructured Negotiable Obligations, failure to pay the principal or interest installments upon maturity empowers holders representing not less than 25% of the outstanding principal on each Series of Negotiable Obligations to accelerate the maturity and demand immediate repayment of the outstanding principal on each such Series by giving written notice to TGN.

On January 12, 2009 TGN was notified by the Law Debenture Trust Company of New York (the “Trustee”) of the intention not to accelerate the maturity of the outstanding debt balances, and TGN confirmed that it had not received any instruction from the holders of Negotiable Obligations which makes TGN anticipate that such acceleration will occur. Consequently, balances as of December 31, 2008 have been classified into current and non-current according to the original contractual terms. So far, TGN has received no further notice on this regard.

Creation of a Global Program for the Issuance of Ordinary Negotiable Obligations, Not Convertible for Shares

Resolutions adopted by the Board of Directors of TGN on December 11, 2007 and by the Ordinary Meeting of Shareholders held on January 22, 2008 established the creation of a new global program for the issuance of ordinary Negotiable

(In thousands of Argentine Pesos, except per share amounts)

10. Debt (Continued)

Creation of a Global Program for the Issuance of Ordinary Negotiable Obligations, Not Convertible for Shares (Continued)

Obligations not convertible for shares, which qualify as Negotiable Obligations under the terms of Law No. 23,576 (text pursuant to Law No. 23,962), for a nominal value of up to US$ 400 million or its equivalent in other currencies at any time. The duration of this Global Program shall be five years counted as from the date of its approval by the Argentine Securities Commission.

On July 17, 2008, CNV´s resolution N° 15,928 aproved the creation of the abovementioned program.

At March 31, 2009 and December 31, 2008, the breakdown of the Company's loans is as follows:

	03.31.09	**12.31.08**
	Thousands of $	
a) Current		
Ordinary non-convertible Class A	543,120	495,767
Ordinary non-convertible Class B	788,181	717,198
Total current	**1,331,301**	**1,212,965**
Total Debt	**1,331,301**	**1,212,965**

Proposal of restructuring of the financial debt

After less than 120 days have elapsed from the decision to postpone the payment of the principal and interest installments that fell due in December 2008, the Board of Directors of TGN approved the debt restructuring proposal to remedy the situation with its financial creditors.

On April 23, 2009 TGN announced that it had made a swap offer and submitted a petition for an Out-of-Court Reorganization Agreement (''APE'') aimed at restructuring its entire debt of US$ 347 million.

Within the framework of the Restructuring Offer, TGN is offering to creditors: (i) new Negotiable Obligations at par without nominal debt reduction for up to an amount equal to the Outstanding Debt, and/or (ii) a cash payment for up to US$ 30 million (extensible at TGN's sole discretion), as explained in the Offering Circular, in exchange for: (i) the remaining principal of US$ 141,279,932 on the Series A Negotiable Obligations issued by the Company; (ii) the remaining principal of US$ 203,630,111 on the Series B Negotiable Obligations issued by the Company; and (iii) US$ 2,386,014 for the outstanding principal balance of the price due to third party service providers (the "Outstanding Debt").

Option to deliver New Negotiable Obligations at Par

TGN shall swap US$ 1 of new Negotiable Obligations ("NO") at par without nominal debt reduction, pursuant to the Restructuring Offer, for up to a total amount equal to the debt for each US$ 1 of principal on the debt. the new NO will fall due in the year 2021, accruing interest at an initial increasing rate of 2% to 6%, with scheduled half-yearly principal repayments as from the seventh year. Interest payments shall be half-yearly as from the issuance of the NO, subject to the terms and conditions of the Restructuring Offer.

10. Debt (Continued)

Proposal of restructuring of the financial debt (Continued)

Cash payment option

Creditors shall have the option to swap each dollar of principal on the debt for a cash payment of 0.25 dollars. TGN shall destine a total of US$ 30 million (extensible at TGN's discretion) for this cash payment option, subject to quotas and to the awarding and apportionment mechanism described in the Restructuring Offer.

TGN will accept for purposes of the swap any outstanding debt that is duly presented before June 5, 2009, unless that date is extended by TGN (the "Due Date"). The Restructuring Offer is subject to compliance with the terms and conditions of the respective Offering Circular.

11. IMPACT AND POSSIBLE IMPLICATIONS OF THE POSTPONEMENT OF THE PAYMENT OF THE FINANCIAL DEBT

Upon the decision adopted by the Board of Directors on December 22, 2008 to defer the payment of financial obligations (see Note 10), TGN prepared a sustainable debt schedule that led to the issuance of a swap offer on April 23, 2009.

In view of this, it is important to highlight that according to the Trust Agreement regulating the terms and conditions of the Negotiable Obligations to be rescheduled, failure to pay the principal and/or interest installments upon maturity empowers the Trustee and/or the holders representing not less than 25% of the outstanding principal on each Series of Negotiable Obligations to accelerate the maturity and demand immediate repayment of the outstanding principal on each such Series.

In view of the possibility of the Trustee and/or the holders accelerating the maturities, and in accordance with prevailing accounting standards and IAS N° 1, the entire financial debt has been disclosed as current.

Although on January 12, 2009 the Trustee informed TGN that it was not its intention to accelerate the maturity of the outstanding debt balances, and that it had not received instructions from the holders of the Negotiable Obligations in this regard, the Company cannot provide assurance that the said acceleration will not be requested before reaching an agreement to restructure the financial debt.

If the abovementioned event of acceleration were verified by assumption and, as a result, petitions for declaration of bankruptcy and/or action for collection were filed against TGN, the Company would be allowed to avail itself of the protection provided by the Insolvency and Bankruptcy Law in these cases.

The Basic Rules of the License (''RBL'') of TGN provide that the "declaration of bankruptcy" is a grounds for the forfeiture of the license and consequently for the transfer of the essential assets to a new concessionaire or to the National State, according to the mechanism foreseen for the termination of the license.

Nevertheless, in accordance with the Basic Rules of the License, TGN considers that this would cause no adverse immediate effect on its Gas Carriage License, because the mere petition for declaration of bankruptcy or insolvency is not a grounds for the declaration of the lapsing of the license (as set forth in section 10.6 of the RBL), which is supported by the provisions of article 1 of Decree No. 1834/2002.

(In thousands of Argentine Pesos, except per share amounts)

12. Shareholders´ equity

(a) Common stock

Common stock transactions as from commencement of operations are summarized as follows:

Item	Date	Thousands of $	Registration in the Superintendency of Corporations			
			Date	Nº	Book	Volume
Incorporation of the Company	11.24.92	12	12.01.92	11667	112	A
Capitalizations of irrevocable contributions:	12.28.92	267,255	03.07.94	1894	114	A
	03.25.94	84,232	06.09.94	5589	115	A
Issuance of new shares for capitalized loans (Note 10)	09.29.06	87,875	08.18.06	13005	32	-
Total		**439,374**				

(b) Limitation on the transferring of the Company's shares

Gasinvest, the controlling shareholder of the Company, and Gasinvest´s shareholders, are restricted by the Pliego and the Transfer Agreement as to dispose of a portion of their interests in the Company and Gasinvest, respectively. Unless a prior regulatory approval from ENARGAS is obtained, Gasinvest is precluded from reducing its interest in the Company to less than 51%. Likewise, the shareholders of Gasinvest are precluded from reducing their interest in Gasinvest without prior regulatory approval. However, restrictions are not applicable where shares are transferred among related parties of each shareholder. ENARGAS may approve the transfer of shares provided that (i) the shares are transferred in whole but not in part, or the new acquirer purchases all of the outstanding Class A shares of common stock and (ii) the quality of the service is not affected.

(c) Restriction on distribution of profits

Under the Argentine Commercial Law, the by-laws of the Company and rules and regulations of the CNV, a minimum of 5% of net income for the year calculated in accordance with Argentine GAAP must be appropriated by resolution of the shareholders to a legal reserve until such reserve reaches 20% of the outstanding capital.

(d) Voluntary reserves for future dividends

The sums included in this item were set up by the Shareholders' Meetings that approved the respective annual financial statements.

This reserve may be reversed by the Company's Board of Directors which, according to the powers vested in it by the Meeting of Shareholders, is empowered to dispose, at any time it may deem appropriate in the Company's interests, of its cash distribution, fully or partially, pro rata the respective shareholdings.

13. Contingencies

The Company is a party to several civil, taxes, commercial and labor proceedings and claims that have arisen in the ordinary course of its business. Although there can be no assurance as to the ultimate disposition of these matters, it is the opinion of the Company's management based upon the information available at this time and consultation with external and internal legal counsel, that the expected outcome of these claims and legal actions, individually or in the aggregate, will not have a material effect on the Company's financial position, cash flows or results of operations in excess of the reserves that the Company has established to cover for potential losses under these claims. However, the actual outcome of these claims could differ from the estimated recorded amounts.

13. Contingencies (Continued)

Following is a summary of the most significant claims and legal actions. At March 31, 2009 the allowance set up by the Company amounted to $ 69.5 million (Note 18.(d)).

(a) Gross Revenue Tax – Province of Salta

The Company has objected (in two different disputes) before the courts having jurisdiction in the Province of Salta to certain official assessments made by the Revenue Bureau of that province for the tax on the business activities for the market price of the so-called “retained gas”. The Tax Authority claims payment of $ 2 million for the tax, $ 1.7 million for interest and $ 1 million for fines, corresponding to the fiscal periods from January 1996 to March 2004.

TGN paid the tax amount claimed for $ 2.0 million and interest for $ 2.4 million (including, in addition to the $ 1.7 million amount claimed by the Tax Authority, interest accrued between the official assessment date and the actual payment date).

In view of the uncertain outcome of this issue, reserving the pertinent rights, the Company paid the amounts claimed and has been paying the accrued tax since April 2004.

In July 2008, the Company was served notice of a negative ruling (ratifying the tax assessment) and as a result the Company filed an appeal before the local Supreme Court.

(b) Fines imposed by the ENARGAS

At the date of issuance of these financial statements, the Company records nineteen fines applied by the ENARGAS for a total amount of $ 9.4 million, of which seven fines for $ 4.3 million have been appealed in the administrative orbit and twelve fines for $ 5.1 million have been appealed before the judicial courts.

(c) Rescission of firm gas transportation contract with AES Parana S.C.A.

In July 1999, AES Parana S.C.A. (“AESP”) and the Company had entered into a firm gas transportation contract (the “AES-TGN Agreement”), whereby the Company committed to transport up to 1.81 MMm3/day of natural gas as from an agreed-upon date for a period of 20 years. The gas transportation rate set in the contract was the ENARGAS-regulated rate for Loma La Lata - Litoral zones and included an additional contribution equal to 5.6% of such regulated rate. The execution of the contract would create the need to substantially expand the transportation system. In view of the political and economic changes occurred in December 2001, which led to the pesification and freezing of the transportation rates in January 2002, in February 2003 the Company had the pressing need to request the ENARGAS to rescind the gas transportation contract because performance thereof would become too burdensome.

In the alternative, TGN had previously called for a stay of the effects of the contract because of force majeure that prevented it from fulfilling its obligations arising under that contract. AES Paraná answered the complaint in May 2003, objecting to its prosecution and claiming damages for non-compliance with the contract.

In June 2006, both parties reached a transitory agreement by which they will: (i) suspend the prosecution of their respective claims and (ii) rescind the firm transportation contract if AES Parana obtains the providing of the transportation service of at least 1.5 MM m3/d (minimum volume) before December 1, 2008.

In 2008 AES Paraná notified TGN of the merger into AES Alicura S.A. (“AES”), the latter being the succeeding company.

13. Contingencies (Continued)

(c) Rescission of firm gas transportation contract with AES Parana S.C.A. (Continued)

In addition, since the commencement of the provision of the carriage service for the minimum volume and until December 2027, TGN shall pay a compensation amount equivalent to 36% of the Access and Use Charge ("CAU") applicable in each moment, calculated on the basis of the daily volume that remains available to AES upon completion of the enlargement works required for the provision of the carriage service. For the purpose of the calculation of the said compensation the volume may not be lower than the minimum volume. CAU is the monthly remuneration per daily cubic meter of reserved capacity that each loader shall pay TGN while the firm carriage service is provided for access to, use and availability of the said reserved capacity in favor of the loader.

Although the actual provision of the carriage service for the minimum volume had not started at December 1, 2008 and AES was empowered to terminate the agreement, in which case the parties would be free to continue with their respective actions, in February 2009 AES proposed a ninty-days term to negotiate the terms of an extension of the said temporary agreement. TGN accepted the proposal.

At March 31, 2009, the allowance amount recorded to settle possible claims being made by AES was calculated on the basis of the present value of compensation. The Company considers it is sufficient to settle eventual claims.

(d) Tax assessments related to payments to note holders

In December 2004 TGN was notified of certain assessed adjustments made by the federal tax authorities to income tax and value added tax on the interest payments in favor of the holders of the negotiable obligations issued under a negotiable obligation program, pursuant to Law N° 23576. These assessed income and value added tax adjustments with fines and interest amount to $ 50.7 million and $ 31.7 million, respectively. The computation included the taxes on the interest payments made to the International Finance Corporation (''IFC'').

These assessments were made as a result of an audit to verify compliance with the requirements of Law N° 23576, whereby interest paid to holders of negotiable obligations are entitled to certain tax benefits, provided that those requirements have been fulfilled.

On August 17, 2007, the Argentine Tax Authority decided to put an end to the income tax case in its entirety. Moreover, the Tax Authority partially dropped its value added tax claim on September 20, 2007. TGN ratified the settlement of the claim by the Tax Authority and the National Tax Tribunal resolved that the Argentine Tax Authority's claim (in the value added tax case) be considered to have been partially dropped in December 2007, and that the claim in the income tax case be considered to have been dropped in July 2008. As a result of the settlement of the tax authority's claim, the dispute with this authority is limited exclusively to value added tax on interest paid to the IFC for an amount of $14.6 million.

In December 2007, the Tax Authority gave the Company further notice of an assessment of interest and fines in respect of value added tax on the interest paid to the IFC under these programs (for the period from January to May 2002, which had not been included in the original assessment). The amount claimed was $ 3.6 million. The Company has appealed this new computation before the National Tax Tribunal.

TGN estimates that the amount claimed is approximately $20.0 million. In view of this, in 2007 the Company reversed $20 million of the provision it had recorded and allocated this reversal to Administrative Expenses - Lawsuits.

13. Contingencies (Continued)

(e) Tax assessment related to fixed asset useful life

In December 2005, the Company received notices from federal tax authorities asserting deficiencies in corporate income taxes for the Company's 1999 to 2002 tax years. The total additional tax, including penalties and interest, through December 2005, amounts to $ 21.1 million. Tax authorities asserted that the Company underpaid income taxes through improper tax depreciation deductions. Tax authorities asserted that the tax depreciation should be 45 years representing the original term of the license plus the renewal period of 10 years. The Company believes that it properly reported its income tax in accordance with applicable laws and regulations. The Company filed an appeal with the tax authorities on February 17, 2006 in response to that notice. The appeal is pending resolution.

(f) Redirecting of the transportation capacity

In April 2004, the ENARGAS adopted a regulatory resolution establishing: (i) the reassignment to the distributor GasNea and the sub-distributor Redengás of certain firm transportation capacity volume which originally corresponded to the firm transportation contract entered into by and between TGN and YPF S.A. ("YPF") in 1998 for up to 2.8 MM m3/d to supply a power plant in Uruguayana, Brazil; (ii) that YPF would continue paying TGN the export rate for the total reserved transport capacity and (iii) YPF would charge GasNea and Redengás the rate for the portion of the reassigned volume.

In April 2006, at a request of YPF, the ENARGAS issued two resolutions establishing: (i) the extension the abovementioned reassigments for an additional year (ii) that GasNea and Redengas would pay TGN for the reassigned volume the peso rate as opposed to the US dollar rate applicable to the contract entered into by and between TGN and YPF; (iii) that GasNea and Redengás must pay TGN the peso rate for the capacity reassigned between April, 2004 and April, 2006, and (iv) obliging TGN to reimburse YPF for the proportional part of the transportation rate in US dollars collected by TGN from April, 2004 to April, 2006 for the reassigned volume. In relation to the latter point, the Company had been carrying an allowance of US$ 3.5 million that has been reverted at the end of fiscal year 2008 since TGN considers that the right to collect that account has prescribed.

The motions for reconsideration of the two resolutions filed by TGN were dismissed by the ENARGAS in June 2007. TGN filed an appeal before a higher administrative authority as it considered that the ENARGAS lacks jurisdiction over the adoption of those resolutions, which also infringe the Company's vested rights.

In April 2007 the ENARGAS renewed for the term of one year, the redirectings of transport capacity to Gasnea and Redengas of a volume of firm transport capacity equal to 0.770 MMm3/d.

In May 2007 the ENARGAS instructed TGN to apportion the reallocation of certain transportation capacity originally destined for various direct loaders (other than distributors) of the Central-Western Gas Pipeline, in favor of the distributor Ecogás Cuyo, for a term of one year counted as from the implementation of the measure, renewable at the discretion of the ENARGAS. TGN requested that the precautionary measure be reconsidered because it understands that the ENARGAS does not have jurisdiction to take that measure, as it affects the Company's vested rights and, in the alternative, that the ENARGAS dispenses with the application of the "useful disruption of supply" criterion.

In April 2008, ENARGAS issued a regulatory order –without resolving the claims filed by TGN- whereby it modified its prior decisions approving a criterion for flexible redirecting for the benefit of GasNea, Ecogás Cuyo and Redengás, according to which the uninterruptible demand from those entities which exceeds their firm capacity contracted with TGN shall be satisfied affecting the abovementioned YPF transportation contract or the export contracts with delivery in La Mora where necessary, as a result of the unavailable transportation in the .

13. Contingencies (Continued)

(f) Redirecting of the transportation capacity (Continued)

system. The total volume awarded according to this mechanism from May 2008 to April 2009 (which may be extended at the discretion of ENARGAS) is 1.575 MMm3/day.

The regulatory order establishes that payments YPF is to make to TGN by virtue of that mechanism shall include a deduction arising from the transportation capacity that might not be authorized for that loader because of the redirecting stipulated, and that the redirected volumes shall be invoiced to the companies using them at the applicable firm rate charged. It should be noted that from 2004 to the present, TGN did not have the need to redirect the carrying capacity hired by YPF, which had always been made available to the loader.

(g) Stamp duty – Salta - Operation and Maintenance Contract

Revenue Bureau of Salta Resolution No. 1,649 dated November 7, 2006 confirmed an official assessment for $ 181.9 million including compensatory interest calculated until November 30, 2006 and imposed a fine on TGN for twice the amount assessed for $ 262.5 million because of alleged commission of tax fraud. TGN considers that the assessment made by the tax authority is excessive as it has resulted from serious calculation errors.

The instrument object of this assessment was the contract for the operation and maintenance of the expansion works under the Gas Trust Agreement entered into by TGN, the National State (Secretariat of Energy) and Nación Fideicomisos S.A. in December 2004, within the framework of the Basic Gas Infrastructure Investment Regime established by Decree No. 180/04 and (MPFIPyS) Resolution No. 185/04 (Note 15.a)).

On November 29, 2006 TGN lodged a special appeal before the Governor, although holding Nación Fideicomisos S.A. liable for the damage the Company could suffer as a result of this legal proceeding. It should be borne in mind that the operation and maintenance contract contains a provision, which is valid between the parties but ineffective as against the Tax Authority, pursuant to which the final liability for payment of stamp duty, where applicable, should fall exclusively on the Trust.

(h) Controversy raised by Eléctrica Santiago S.A.

In February 2008, the Chilean customer “ESSA” communicated to TGN its unilateral decision to terminate the firm transportation contract, arguing the alleged impossibility of fulfillment of the contractual purpose, and informed that it was thus ceasing to pay the applicable rate with effect as from January 1, 2008. TGN rejected this line of argument, and demanded compliance with the contract. TGN is still making the hired transportation capacity available to ESSA, and issuing invoices for the service rendered. Considering the rate in force as of December 31, 2008, the annual invoicing to ESSA for the firm transportation service amounts to US$ 10.0 million.

In March 2008, the Company was notified of the controversy (claim) filed by ESSA against TGN before the ENARGAS, invoking the jurisdictional powers of said entity under section 66 of Law No. 24,076. The purpose of the controversy is to request the ENARGAS to declare the termination of the firm transportation contract through no fault of any of the parties as from December 21, 2007, with the argument that the provision of the public service of gas transportation is impossible to fulfill, due – according to ESSA - to the unforeseeable extinction of their right to have natural gas liable to be exported from Argentina. Subsidiarily, ESSA alleges the frustration of the contract’s purpose, and requests that ENARGAS establish a special rate applicable to a reserve of transportation capacity that cannot be used due to lack of gas.

13. Contingencies (Continued)

(h) Controversy raised by Eléctrica Santiago S.A. (Continued)

In May 2008, the Company answered the complaint requesting that ENARGAS be dismissed for lack of jurisdiction and requesting, in the alternative, that the complaint be rejected on the grounds that under applicable common law provisions, the regulatory framework, and the contract (i) none of the reasons for termination invoked by ESSA exist, and (ii) that gas supply is a risk run exclusively by the loader.

In October 2008, the ENARGAS sustained the motion filed by TGN and declared that does not have jurisdiction to mediate in the dispute raised by ESSA.

In December 2008, the Company filed action for collection of pesos, reserving the right to increase the amount claimed as unpaid invoices accumulate.

i) YPF S.A. debt for the provision of carriage services

In view of the carrying capacity redirecting established by the ENARGAS, YPF started to irregularly pay the invoices alleging a partial availability of capacity. In February 2007 YPF requested a thorough review of the carriage contract on the grounds that the measures adopted by the National Government in relation to gas exports had affected the economic and financial equation of the said contract in an unforeseen manner. TGN rejected these allegations and demanded compliance.

On February 9, 2009 TGN started the out-of-court mediation required by law, with an unsatisfactory outcome. On April 20, 2009 TGN filed legal action against YPF: (i) demanding compliance with the carriage contract signed with YPF; (ii) claiming payment of US$ 30.4 million from YPF, based on the invoices issued by TGN for services rendered between February 2007 and March 2009, both of them plus interest accrued at each respective date, plus interest to be accrued until the sums are repaid by YPF.

YPF filed, in turn, an administrative action before the ENARGAS pursuing the rescission of the carriage contract effective September 15, 2008, of which TGN has not yet been notified.

During 2009 first months and up to the date of issuance of these financial statemnts, YPF paid $ 8.1 million, remaining an unpaid balance of $ 120.2 million as of March 31, 2009.

j) Intervention in TGN established by the ENARGAS

This issue is explained in further detail in Note 1.c.vi)

k) Declaration of the administrative inefficiency of the resolutions adopted by the Board of Directors on December 22, 2008

On December 22, 2008 the Board of Directors of the Company had the need to suspend payments of the financial debt installments (see Note 10). In January 2009, the CNV (Argentine Securities Commission) declared this decision irregular and ineffective for administrative purposes, on the grounds that the respective Board meeting minutes had not been transcribed to the book while the meeting was being held or immediately after termination thereof. TGN considers that the said declaration, which involves neither the nullity nor the stay of the decision made by the Board of Directors, is a null and void act which departures from current law; for this reason, TGN filed a direct appeal with the Commercial Court of Appeals.

13. Contingencies (Continued)

l) Dispute with Metrogás (Chile)

On April 21, 2009, TGN was notified of a declarative action filed by Metrogás, the Chilean gas distributor, seeking the judicial declaration of inapplicability of the US dollar denominated rate envisaged in its carriage contract, if the gas is not actually carried.

14. TGN financial trusts

On March 8, 2004, in accordance with ENARGAS Resolution 2,877 and the Law N° 24,441, the Company (as "Trustor") and HSBC Bank Argentina S.A. (as "Trustee") entered into a Trust Agreement. Under the Trust Agreement, the trusts can be funded by private and/or public placement of securities for up to a total amount of US$ 50 million within a 5-year timeframe.

The Program envisages the possibility of financial trusts being set up for the issue of securities that are authorized for their public offering or not, so as to finance the expansion of the capacity of the Company's gas pipeline systems.

The Program also establishes that, at expiration of the trust, the enlarged assets shall be exclusively assigned to the Company only, free of charge or encumbrances. While the trust is in force, the Company shall be responsible for the operation and maintenance of those assets.

On March 26, 2004, the TGN Serie 01 Trust was funded by the issuance of US$ 7.5 million in principal amount of securities to private contributors, the proceeds from which were used to finance the expansion of transportation capacity of 303,000 m3/d contracted by Metrogas S.A. (a Chilean gas distribution company). The TGN Serie 01 Trust expires on the earlier of September 30, 2019 or when securities are repaid, whichever occurs first.

On April 16, 2004, the TGN Serie 02 Trust was funded by the issuance of US$ 6.3 million in principal amount of securities to private contributors, the proceeds from which were used to finance the expansion of transportation capacity of 247,000 m3/d contracted by Colbun S.A. The TGN Serie 02 expires on the earlier of March 30, 2019 or when the securities are repaid, whichever occurs first.

The TGN Serie 01 Trust and the TGN Serie 02 Trust are not consolidated in the Company's financial statements.

Under the Trust Agreement, neither the Company nor the Trustee are liable with their own respective assets to pay, if principal and/or interest and/or taxes and expenses on the securities issued by the Trusts are dishonored. The holders of the securities will have no right to claim such difference from TGN or the Trustee and the limitation on TGN's liability as Technical Operator has been established in the contract.

The projects have been completed. At December 31, 2008 the investment amounts to $ 29 million and its residual value is approximately $ 24 million at that date.

15. Financial trusts for expansion on the local market organized by the Argentine Energy Secretariat

MPFIPyS Resolution No. 185/04, adopted under the aegis of Decree No. 180/04, provides for a Gas Trusts Program organized by the Energy Secretariat for the purpose of financing infrastructure works for the transportation and distribution of natural gas.

15. Financial trusts for expansion on the local market organized by the Argentine Energy Secretariat (Continued)

On April, 2006 the National Congress enacted the law vesting the PEN with the power to apply rate charges destined to finance those works.

a) Trust for the 2005 Northern Gas Pipeline expansion work

The Government requested the participation of TGN as licensee and of other companies as investors in order to undertake the expansion of the capacity of its system for the transportation of 1.8 MMm3/day of gas in the Northern Gas Pipeline. A local trust (the “trust”) organized by the Energy Secretariat and administered by Nación Fideicomisos S.A., as trustee, entrusted TGN with the management of the Northern Gas Pipeline expansion works. TGN contributed US$ 8.4 million to the total cost of the works.

Expanded assets form part of the Gas Trust until it is liquidated, on which date, the Company has the option to have the ownership of the trust assets transferred to it.

In July 2005 TGN began to bill certain customers for the “Gas Trust Charge” on behalf of the “Gas Trust - Extension of the Northern Gas Pipeline" and for its account.

b) Trust for the 2006-2008 expansion work

Again, at the request of the Ministry of Energy, in September 2005, we called for a new open bid for capacity for the expansion of the Gasoductos Norte system. As a result, more than 15.2 MMm3/d were awarded.

This project will imply the construction of approximately 1,860 km of parallel pipelines, and the incorporation of 55,000 HP in additional power in three new plants and in two already existing compressor plants.

For this purpose on December, 2006 the Company, the Energy Secretariat and Nación Fideicomisos S.A. entered into the Supplementary Financial Trust Agreement for the Northern Gas Pipeline Work, the first amendment to this Contract and the Management Contract. The Operation and Maintenance Contract has not yet been entered into.

The total fee to be collected by TGN will be $ 75.8 million (before value added tax).

In view of the delay in the start of the works, by the end of 2007 the ENARGAS redefined the phases of the enlargement project and in October 2007 the works commenced in the Northern Gas Pipeline. Those works were almost completed in December 2008 (only some of them being still pending for the first months of 2009) and will permit increasing the carrying capacity by 1.5 MMm3/d in the Northern Pipeline between the Compressor Plant in Lumbreras (Salta) and the Litoral region (final sections of the pipeline and the Timbúes Power Plant).

To that end, new 319 Km gas pipelines and a 10,310 HP compression plant were built in the locality of Tío Pujio, province of Córdoba, and other existing compression plants and measurement and regulation stations were refurbished.

Additionally, at the instigation of the provincial authorities, progress was made in the construction of 28.3 Km gas pipelines between the Beazley compression plant and La Dormida measurement and regulation station to relief the pipelines satisfying most of the demand in the Cuyo region and will increase the mentioned pipe section´s transport capacity in 1.4 MMm3/d.

For the repayment of these investments, the ENARGAS created a specific new charge which amounts to 380% of the transportation rate in force and is being

15. Financial trusts for expansion on the local market organized by the Argentine Energy Secretariat (Continued)

b) Trust for the 2006-2008 expansion work (Continued)

applied to all the users of the gas system except residential users, CNG, and the General Service-Small Users. The charge has been abated by 20% until December 2008.

To continue with the works, the ENARGAS formalized the following phase in mid 2008 as a result of which the carrying capacity would increase by 7.1 MMm3/d in the Northern Pipeline (including 1.5 MMm3/d in the first phase), and by 1.4 MMm3/d in the Central-Western Gas Pipeline. These works should have stated in the last months of 2008, but they are delayed.

At present, there is uncertainty regarding the execution chronogram and the scope works pending.

On March 17, 2008, TGN received from Nación Fideicomisos a note requesting, among other things, that a proposal for renegotiation of the management fee payment agreed be submitted. At March 31, 2009, the receivable billed for those fees amounts to $ 66.8 million including VAT.

In the last quarter of 2008, the Company received from Nación Fideicomisos $ 18.0 million in cash, that jointly with the $ 17.9 million received in bonds, had been applied to past due invoices. Additionally, $ 11.4 million were collected in March 2009, corresponding to 2008 January, February and March invoices.

The final net receivable registred by the Company amounts $ 9.6 million based on the estimate of the revenue accrual, as described in Note 3.p), and on the estimate of its present value.

16. “Importation of Natural Gas” administration trust

As provided for by Executive Branch Decree 2,067/08 and ENARGAS Resolutions Nos. I/563 and I/615, as from January 2009 the Company started to invoice effective November 2008 a new charge on behalf of the “Importation of Natural Gas” Administration Trust, to create a fund for such purpose.

TGN must not apply this charge to those customers that are connected with a Distributor or Sub-distributor or with power generation plants, and it is responsible for their collection, TGN being required to transfer the monthly collected amounts to the trust. Resolution I/615 establishes that in the case of partial collections, the payment received shall be apportioned to all the items included in the respective invoice. As of March 31, 2009, the balance to be transferred to the trust amounts to $ 2.9 million.

17. Subsequent events

The Ordinary and Extraordinary Meeting of Shareholders held on April 28, 2009 resolved by majority of votes to approve the Board’s proposal to offset the net loss of $ 33,534 for the year 2008 against the voluntary reserve for future dividends.

Subsecuent to March 31, 2009, there have been no other events, situations or circumstances that have impacted or could impact significantly on the net worth, or economic and financial situation of the Company that have not been considered or mentioned in these financial statements.

18. Other financial statement information

The accompanying tables present additional statement disclosures required under Argentine GAAP.

(a) Fixed assets, net
(b) Investments
(c) Short-term investments
(d) Allowances and provisions
(e) Assets and liabilities in foreign currency
(f) Cost of services, administrative and selling expenses
(g) Aging of assets and liabilities

(in thousands of Argentine Pesos, except per share amounts)

18. Other financial statement information (Continued)

(a) Fixed Assets, net

	03.31.2009														12.31.2008
	Original values					Depreciation									
							For the period								
Account	**At the beginning of the year**	**Increases**	**Disposals**	**Transfers**	**At the end of the period**	**At the beginning of the year**	**%**	**Ammount**	**Disposals**	**Transfers**	**Accumulated at the end of the period**	**Net book value**	**Net book value Essential items**	**Net book value Non-essential items**	**Net book value**
Land	3,274	-	-	-	3,274	-	-	-	-	-	-	3,274	1,976	1,298	3,274
Buildings and constructions	76,712	-	-	139	76,851	20,221	2	384	-	-	20,605	56,246	42,711	13,535	56,491
Instalations and mixtures	2,344	-	-	-	2,344	640	4	23	-	-	663	1,681	-	1,681	1,704
Gas pipelines	2,025,554	-	(23)	-	2,025,531	636,870	3.33 and 2.22	14,006	(9)	-	650,867	1,374,664	1,374,664	-	1,388,684
Recoating (Note 3.h))	64,422	-	-	-	64,422	7,278	5.88	935	-	-	8,213	56,209	56,209	-	57,144
High-pressure branch lines	890	-	-	-	890	277	3.33 and 2.22	6	-	-	283	607	607	-	613
Compressor plants	851,285	-	(165)	12,765	863,885	385,811	4	12,612	(87)	9	398,345	465,540	465,540	-	465,474
High-pressure control and/or measurement stations	68,618	-	-	35	68,653	35,298	5	928	-	-	36,226	32,427	32,427	-	33,320
Other technical installations	46,543	-	(558)	(4)	45,981	25,845	6.67	627	(293)	(2)	26,177	19,804	19,454	350	20,698
Machinery, equipment and tools	24,215	-	(169)	737	24,783	20,174	10, 20 and 50	273	(165)	(10)	20,272	4,511	-	4,511	4,041
Computer and telecomunication Systems	73,115	-	(86)	150	73,179	49,432	10 and 20	992	(86)	1	50,339	22,840	-	22,840	23,683
Vehicles	17,311	-	(227)	-	17,084	13,289	20	311	(227)	-	13,373	3,711	-	3,711	4,022
Furniture and mixtures	9,916	-	(9)	84	9,991	8,963	10	52	(7)	2	9,010	981	-	981	953
Assets held at tirad parties	6,598	-	-	2	6,600	5,824	12.5	67	-	-	5,891	709	104	605	774
Work in process [(1)]	54,621	92	-	(13,908)	40,805	-	-	-	-	-	-	40,805	27,061	13,744	54,621
Advances to suppliers	190	23	-	-	213	-	-	-	-	-	-	213	-	213	190
Total as of 03.31.2009	**3,325,608**	**115**	**(1,237)**	**-**	**3,324,486**	**1,209,922**		**31,216**	**(874)**	**-**	**1,240,264**	**2,084,222**	**2,020,753**	**63,469**	**-**
Total as of 12.31.2008	**3,285,754**	**45,550**	**(5,696)**	**-**	**3,325,608**	**1,089,679**		**123,707**	**(3,464)**	**-**	**1,209,922**	**-**	**2,052,000**	**63,686**	**2,115,686**

[(1)] **Increases in Fixed Assets (Work in Process) are reduced in $ 5.9 millions corresponding to the delivery during the period of Mars 100 equipments that have been interchanged with the supplier Solar Turbines International Co.**

(in thousands of Argentine Pesos, except per share amounts)

18. Other financial statement information (Continued)

(b) Investments

					Book value		Information on the issuer						
							Principal activity	Latest financial statements					
Issuer	**Class**	**Par value**	**Amount**	**Cost value**	**03.31.2009**	**12.31.2008**		**Date**	**Capital stock and capital adjustment**	**Other Reserves**	**Retained earnings**	**Shareholders' equity**	**% of direct holding**
Non–current investments													
Comgas Andina S.A........	Common	(a) 1	490	246	2,014	1,467	Gas pipeline services	03.31.09	8	-	4,103	4,111	49.0
Companhia Operadora de Rio Grande do Sul........	Common	(b) 1	49	0.1	286	226	Gas pipeline services	03.31.09	-	115	469	584	49.0
Impairment of investment(Note 18.(d) and 3.f))................					(286)	(226)							
Total....................					**2,014**	**1,467**							

(a) Chilean Pesos
(b) Brazilian Reais

(in thousands of Argentine Pesos, except per share amounts)

18. Other financial statement information (Continued)

(c) Short-term investments

		March 31, 2009		December 31, 2008
Mutual funds in $ [(1)]	$	32,334	$	-
Time deposits in $		26,500		-
US Treasury Bills in US$		-		17,386
Stock exchange securities in $		26,444		-
Government bonds – Discount bond		973		1,019
Total	**$**	**86,251**	**$**	**18,405**

[(1)] Include $ 8,973 in mutual funds that have been granted as guarantee and thus, have not been considered as cash equivalents.

(in thousands of Argentine Pesos, except per share amounts)

18. Other financial statement information (Continued)

(d) Allowances and provisions

		03.31.2009				12.31.2008
		Balances at the beginning of the year	Net increases		Decreases	Balances at the end of the period	Balances at the end of the year
Deducted from assets							
Current							
Allowance for doubtful accounts.................		8,778	191	(2)	-	8,969	8,778
Allowance for disputed amounts..................		32,248	1,231	(1)	-	33,479	32,248
Allowance for other receivables.................		886	130	(2)	-	1,016	886
Subtotal		**41,912**	**1,552**		**-**	**43,464**	**41,912**
Non Current							
Allowance for disputed amounts..................		61,951	21,443	(1)	-	83,394	61,951
Allowance for disputed tax payments and judicial escrow accounts...............................		7,316	17	(4)	-	7,333	7,316
Allowance for slow-moving and obsolescence		67,863	339	(5)	-	68,202	67,863
Allowance for impairment of COPERG (Note 18.(b) and 3.(f))..................................		226	60	(3)	-	286	226
Subtotal		**137,356**	**21,859**		**-**	**159,215**	**137,356**
Total allowances deducted from assets	**$**	**179,268**	**23,411**		**-**	**202,679**	**179,268**
Included in Liabilities							
Current							
Provision for contingencies.....................		32,008	1,009	(4)	-	33,017	32,008
Non Current							
Provision for contingencies.....................		33,839	2,617	(4)	-	36,456	33,839
Total provisions included in liabilities		**65,847**	**3,626**		**-**	**69,473**	**65,847**
Total as of 03.31.2009	**$**	**245,115**	**27,037**		**-**	**272,152**	**-**
Total as of 12.31.2008	**$**	**191,879**	**59,575**		**(6,339)**	**-**	**245,115**

(1) $ 21,550 charged to Net Revenues (Nota 4.g)), $ 25 to Selling Expenses – Allowance for doubtful accounts (Note 18.f)) and $ 1,099 to Financial and holding results generated by assets.
(2) Charged to Selling Expenses – Allowance for doubtful accounts (Note 18.f)).
(3) Charged to Gain from equity investments.
(4) Charged to Administrative expenses – Provision for contingencies (Note 18. f))
(5) Charged to Allowance for slow-moving and obsolescence (Note 18.f)).

18. Other financial statement information (Continued)

(e) Assets and liabilities in foreign currency

	03.31.2009						12.31.2008			
	Foreign currency class and amounts		Exchange rate		Amount in Thousands of $	Foreign currency class and amounts			Amount in Thousands of $
Assets									
Current assets									
Cash and banks									
Cash	US$	7	3.680	$	25	US$	8	$	29
Banks	US$	40,007	3.680		147,224	US$	38,085		129,983
					147,249				130,012
Short-term investments									
US Treasury Bills in USD					-	US$	5,094		17,386
Government bonds – Discount bonds	US$	264	3.680		973	US$	299		1,019
					973				18,405
Accounts receivable									
Gas transportation services (1)	US$	5,053	3.680		18,594	US$	6,822		23,283
Other services	US$	629	3.680		2,314	US$	582		1,985
					20,908				25,268
Other receivables									
Prepaid expenses on behalf of third parties and others ..	R$	126	1.540		193	R$	126		183
	US$	2,518	3.680		9,267	US$	737		2,517
					9,460				2,700
Total current assets................				$	**178,590**			$	**176,385**
Non-current assets									
Accounts receivables									
Gas transportation sevices (1)	US$	45,323	3.680		166,788	US$	36,303		123,902
					166,788				123,902
Other receivables									
Guarantee deposits................	US$	200	3.680		736	US$	200		683
					736				683
Investments									
Comgas Andina (Note 18.b)................	$ch	334,068	0.006		2,014	$ch	265,124		1,467
					2,014				1,467
Total non-current assets................				$	**169,538**			$	**126,052**
Total assets................				$	**348,128**			$	**302,437**

US$: United States dollars
$ch : Chilean Pesos
R$: Brazilian Reais
(1) Nominal value of the gas transportation services receivables, not considering the allowances for doubtful accounts.

18. Other financial statement information (Continued)

(e) Assets and liabilities in foreign currency (Continued)

	03.31.2009					12.31.2008			
	Foreign currency class and amounts		Exchange rate		Amount in Thousands of $	Foreign currency class and amounts			Amount in Thousands of $
Liabilities									
Current liabilities									
Accounts payable									
Suppliers	US$	477	3.720	$	1,773	US$	15	$	52
Other related parties	US$	1,932	3.720		7,187	US$	873		3,015
Foreign related parties					-	$ch	3,788		21
					8,960				3,088
Debt									
Ordinary non-convertible Class A	US$	146,000	3.720		543,120	US$	143,576		495,767
Ordinary non-convertible Class B	US$	211,877	3.720		788,181	US$	207,703		717,198
					1,331,301				1,212,965
Total current liabilities				**$**	**1,340,261**			**$**	**1,216,053**
Non-current liabilities									
Accounts payable									
Other related parties					-	US$	432		1,492
					-				1,492
Total non-current liabilities				**$**	-			**$**	**1,492**
Total liabilities				**$**	**1,340,261**			**$**	**1,217,545**

US$: United States dollars
$ch : Chilean Pesos
R$: Brazilian Reais
£ : Pounds

(in thousands of Argentine Pesos, except per share amounts)

18. Other financial statement information (Continued)

(f) Cost of services, administrative and selling expenses

		Cost of services			Selling expenses					
	Total At 03.31.2009	Transportation service	Other services	Total	Transportation service	Others services	Total	Administrative expenses	Investments in fixed assets	Total At 03.31.2008
Fees for Directory and the Committee of Syndics	115	-	-	-	-	-	-	115	-	498
Fees for professional services	2,827	304	825	1,129	43	-	43	1,574	81	2,552
Salaries, wages and other personnel benefits	16,100	8,982	2,211	11,193	157	-	157	4,515	235	14,540
Social security contributions	3,623	2,175	527	2,702	39	-	39	882	-	2,892
Fees for technical operator services	2,658	2,658	-	2,658	-	-	-	-	-	3,624
Foreing staff residences	526	526	-	526	-	-	-	-	-	524
Consumption of spare parts and materials	5,983	3,122	28	3,150	-	-	-	9	2,824	5,168
Gas imbalance	-	-	-	-	-	-	-	-	-	519
Third party services and supplies .	1,271	1,063	126	1,189	4	-	4	78	-	930
Maintenance and repair of fixed assets [(1)].........................	4,249	7,990	929	8,919	-	-	-	135	(4,805)	9,478
Travel expenses	1,471	1,037	189	1,226	15	-	15	176	54	1,444
Freight and transportation	529	281	3	284	-	-	-	-	245	236
Communications	239	120	35	155	4	-	4	76	4	221
Insurance	1,364	1,283	-	1,283	-	-	-	81	-	1,397
Office supplies	700	162	31	193	3	-	3	486	18	326
Rentals	377	216	127	343	3	-	3	20	11	478
Easements	2,790	2,790	-	2,790	-	-	-	-	-	1,282
Taxes, rates and contributions	7,737	114	7	121	4,373	501	4,874	2,742	-	6,429
Fixed assets depreciation	31,216	30,763	19	30,782	62	-	62	372	-	30,639
Fixed assets expenses	422	-	-	-	-	-	-	-	422	525
Doubtful accounts	346	-	-	-	346	-	346	-	-	(991)
Contingencies	3,643	-	-	-	-	-	-	3,643	-	1,336
Material and spare parts slow-moving and obsolescence	339	339	-	339	-	-	-	-	-	56
Others.............................	885	450	220	670	4	-	4	211	-	533
Total at 03.31.2009	**89,410**	**64,375**	**5,277**	**69,652**	**5,053**	**501**	**5,554**	**15,115**	**(911)**	**-**
Total at 03.31.2008	**-**	**59,265**	**2,910**	**62,175**	**3,326**	**484**	**3,810**	**11,439**	**7,212**	**84,636**

[(1)] Increases in Fixed Assets (Work in Process) are reduced in $ 5.9 millions corresponding to the delivery during the period of Mars 100 equipments that have been interchanged with the supplier Solar Turbines International Co.

(in thousands of Argentine Pesos, except per share amounts)

18. Other financial statement information (Continued)

(g) Aging of assets and liabilities

	03.31.2009			
	Short-term investments (a)	**Account receivables and other receivables (b)**	**Debt (c)**	**Other liabilities (d)**
a) Past due until				
03.31.2008...........................	-	37,420	-	-
06.31.2008...........................	-	35,848	-	-
09.30.2008...........................	-	15,915	-	-
12.31.2008...........................	-	17,355	1,308,567	-
03.31.2009...........................	-	20,640	22,734	-
b) Without due date	86,251	198,116	-	11
c) To be due				
06.30.2009	-	76,853	-	67,937
09.30.2009	-	6,545	-	2,945
12.31.2009	-	1,983	-	975
12.31.2010	-	242	-	975
12.31.2011	-	7,980	-	10,393
12.31.2012	-	764	-	8,429
12.31.2014	-	50,189	-	-
Total at 03.31.2009	**86,251**	**469,850**	**1,331,301**	**91,665**
Balances subject to adjustment	86,251	4,904	-	-
Balances not subject to adjustment	-	464,946	1,331,301	91,665
Total at 03.31.2009	**86,251**	**469,850**	**1,331,301**	**91,665**
a) Interest bearing balances............	27,288	1,965	1,331,301	22,722
b) Non - interest bearing balances......	58,963	467,885	-	68,943
Total at 03.31.2009	**86,251**	**469,850**	**1,331,301**	**91,665**

(a) Excludes Short-Term Investments and Equity Investmets.
(b) Excludes allowances.
(c) Classified into current liabilities (Note 10).
(d) Includes all non-financial liabilities, excluding Contingencies.

Free translation from the original in Spanish for publication in Argentina

Limited Review Report

The President and Board of Directors of
Transportadora de Gas del Norte S.A.
Legal Address: Don Bosco 3672 Piso 3°
Autonomous City of Buenos Aires
TAX CODE N° 30-65786305-6

1. We have reviewed the accompanying balance sheet of Transportadora de Gas del Norte S.A. ("TGN") as of March 31, 2009, and the related statements of operations, of changes in shareholders equity and of cash flows for the three-month periods ended March 31, 2009 and 2008, and their supplementary notes. The preparation and issuance of the mentioned financial statements are the responsibility of the Company.

2. Our reviews were limited to the application of the procedures established in Technical Pronouncement No. 7 of the Argentine Federation of Professional Councils in Economic Sciences for limited reviews of interim financial statements, which consist mainly of the application of analytical procedures to the amounts disclosed in the financial statements and inquires made of Company staff responsible for the preparation of the information included in the financial statements and of its subsequent analysis. This review is substantially less in scope than an audit, the objective of which is to express an opinion on the financial statements under review. Accordingly, we do not express an opinion on the Company's financial position, the results of its operations, the changes in its shareholder's equity and its cash-flows.

3. Changes in economic conditions of the country and the modifications introduced by the National Government to the License under which the Company operates, as mentioned earlier in Note 1 to the attached financial statements, principally the suspension of the original regime to update tariffs, affect the economic and financial equation of the Company, generating uncertainty in respect to future development of its regulated business. The Company is in the process of renegotiating with the National Government the terms of the License. Furthermore, the impact of the energy crisis in Argentina on certain carriage services the Company provides could cause future actual results to differ from certain assessments and estimates made at the date of preparing the attached financial statements and those positive or negative differences could be significant.

Additionally, given that the Public Emergency Law and Reform of the Exchange Regime authorizes the Executive Branch to renegotiate tariffs and Project and Public Service contracts and that, at the date of issuance of this report, the result of this renegotiation is unknown and there is uncertainty as to whether the future net cash inflows will be sufficient to recover the net book value of non-current assets, and whether the Company will be able to repay its financial debts, as mentioned in Note 10 to the accompanying financial statements.

With regard to the recovery of non-current assets, as explained in Note 3.h) to the accompanying financial statements, the Company tested its fixed assets for recoverability based on which it estimates that their carrying value is not in excess of their recoverable value. The assumptions, premises and estimates of future events used in that test evidence the vision projected by the Company's Board of Directors, which may occur or materialize in the future or not; furthermore, those assumptions, premises and estimates are affected mainly by the uncertainty regarding the rate adjustment and the evolution of certain commercial contracts. In view of this, we are not in a position to anticipate whether the premises used by the management in preparing its projections will materialize in the future in order to corroborate the recoverable value of fixed assets, the net book value of which amounts to $ 2,084 at March 31, 2009.

4. As mentioned in Note 1.c) to the attached financial statements, at March 31, 2009 the Company has contractual disputes with certain customers that provide gas carriage services for export for outstanding balances of $ 166.8 million not yet collected from those customers. In view of the uncertainty as to the possibility of recovering those receivables in the future, the balances due and pending collection have been partially covered by an allowance at the balance sheet date. In addition, as explained in Note 15.b), the Company is a party to the work management contract entered into in relation to the 2006-2008 expansion project and carries at March 31, 2009 a net receivable for $ 9.6 million for its services, which is in arrears under the contract terms agreed upon. There is a delay in the performance of this work project as well as limitations on its scope, the work schedules and conditions agreed under the contract being subject to possible changes in the future. Consequently, there is uncertainty as to the effects this situation could have on the value of receivables and allowances recorded and on the future revenues from those contracts.

5. As explained in Notes 1 and 10 to the attached financial statements, the Company's Board of Directors decided to suspend effective December 22, 2008 principal and

interest payments on its financial debt. At March 31, 2009, the Company carries financial debts denominated in US dollars for a total of US$ 357.9 million, and has not paid principal for US$ 15.8 million and interest for US$ 12.5 million on these debts. International Accounting Standard No. 1 (IAS 1), of complementary application to Argentine GAAP, provides that debts "in default" are to be disclosed as current in view of the possibility of creditors accelerating the maturities, regardless of the due dates originally agreed upon. Consequently, the Company has disclosed all balances due under loans, in current liabilities, because creditors may, under certain conditions, accelerate the maturities originally established and claim early repayment of their receivables.

6. The March 31, 2009 financial statements of TGN have been prepared following accounting principles applicable to a going concern; therefore, those financial statements do not include the effects of possible adjustments and/or reclassifications, if any, that might be required if the situations described above are not resolved in favor of the normal course of the Company's business. Consequently, the Company's financial statements should be read in the light of these uncertain circumstances.

7. Based on the work done and on our examinations of the Company's financial statements for the years ended December 31, 2008 and 2007, on which we issued our report on March 9, 2009 including qualifications regarding the circumstances referred to in sections 3., 4., 5. and 6. of this report, we state that:

   a) The financial statements of TGN at March 31, 2009 and 2008 detailed in section 1., prepared in accordance with accounting standards in effect in the Autonomous City of Buenos Aires, give consideration to all significant facts and circumstances which are known to us and that we have no further observations to make on them other than those mentioned in sections 3., 4., 5. and 6.

   b) The comparative information included in the balance sheet and in the complementary notes and exhibits to the attached financial statements arises from the financial statements of the Company at December 31, 2008.

8. In accordance with current regulations, we report that:

   a) the financial statements of TGN have been transcribed to the Inventory and Balance Sheet book and are, as regards those matters that are within our competence, in conformity with relevant rules and regulations of the Commercial Corporation Law and the National Securities Commission;

b) the financial statements of TGN arise from accounting records carried in all formal aspects in accordance with current legal regulations that maintain the conditions of security and integrity based on those authorized by the National Securities Commission;

c) we have read the Summary of Activities and the additional information to the notes to the financial statements required by Section 68 of the Buenos Aires Stock Exchange Regulations (included in the Spanish version of the financial statements), on which, as regards those matters that are within our competence, we have no observation to make other than those indicated in points 3., 4., 5. and 6.;

d) at March 31, 2009, the debt accrued in favor of the Argentine Integrated Social Security System amounted, as shown by the Company´s accounting records, to $ 1,872,636 which was not yet due at that date.

Autonomous City of Buenos Aires, May 11, 2009

PRICE WATERHOUSE & Co. S.R.L.

By (Partner)

Daniel A. López Lado