

TRANSPORTADORA DE GAS DEL NORTE S.A.

Unaudited interim financial statements as of and for the three-month period ended March 31, 2012, presented in comparative form

TRANSPORTADORA DE GAS DEL NORTE S.A.
Index to the unaudited interim financial statements

	<u>Page</u>
Summary of information.....	F-2
Balance sheets as of March 31, 2012 compared with year ended December 31, 2011.....	F-10
Statements of operations for the three-month periods ended March 31, 2012 and 2011.....	F-11
Statements of changes in shareholders' equity for the three-month periods ended March 31, 2012 and 2011.....	F-12
Statements of cash flows for the three-month periods ended March 31, 2012 and 2011.....	F-13
Notes to the unaudited interim financial statements.....	F-14
Limited review report.....	

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. ("TGN" or "the Company") ⁽¹⁾, its financial situation, its business prospects and other financial indicators, as well as the progress in the international financial reporting standards ("IFRS") implementation plan, which should be read in conjunction with the unaudited interim financial statements, the press releases opportunely notified to the CNV and the additional information to the Notes required by Section 68 of the Buenos Aires Stock Exchange regulations.

I) ANALYSIS OF RESULTS AND FINANCIAL SITUATION

* *Net result for the three-month period ended March 31, 2012*

	(In million of pesos)		
	Three-month periods ended 03.31		
	2012	2011	Variation
Net revenues			
Gas carriage service	101.2	99.4	1.8
Allowances for disputed amounts and others	(11.6)	(10.0)	(1.6)
Subtotal gas carriage service	89.6	89.4	0.2
Other services:			
Gas pipeline operation and maintenance ("O&M") services	7.5	6.4	1.1
Management fees - Gas Trust Program	1.5	1.2	0.3
Subtotal other services:	9.0	7.6	1.4
Net revenues	98.6	97.0	1.6
Cost of services			
Operating and maintenance costs	(50.0)	(42.4)	(7.6)
Fixed assets depreciation	(33.0)	(31.7)	(1.3)
Subtotal	(83.0)	(74.1)	(8.9)
Gross profit	15.6	22.9	(7.3)
Administrative and selling expenses	(41.3)	(22.8)	(18.5)
Operating (loss) income	(25.7)	0.1	(25.8)
Results from foreign investments	0.6	0.3	0.3
Financial and holding results	(64.3)	(57.4)	(6.9)
Other income and expenses, net ⁽³⁾	11.1	61.5	(50.4)
Net (loss) income before income tax	(78.3)	4.5	(82.8)
Income tax	22.5	(6.6)	29.1
Net loss for the period	(55.8)	(2.1)	(53.7)
EBITDA ^{(2) and (3)}	19.8	95.3	(75.5)

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

(2) Income before income tax, financial and holding results, depreciation and charges for consumable goods not entailing outlays of funds. If the item "Other income and expenses, net", mainly made up by commercial indemnifications (as explained in (3) below) had not been included, the level of EBITDA in both periods would have been \$ 8.7 million and \$ 33.8 million, respectively.

(3) Including earnings for \$ 11.1 million and \$ 60.4 million in 2012 and 2011, respectively, from settlement agreements entered into with export customers (Note 14).

	(In million of pesos)	
	03.31.12	12.31.11
Total assets	3,415	3,358
Total liabilities	2,325	2,212
Shareholders' equity	1,090	1,146

TRANSPORTADORA DE GAS DEL NORTE S.A.

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

The following paragraphs describe the reasons for the main variations in the results and some economic-financial indexes are disclosed in connection with the Company's equity.

*** Net revenues**

TGN's net revenues by type of service:

(In million of pesos)

Type of service	Three-month periods ended 03.31			
	2012	%	2011	%
Gas carriage	89.6	90.9	89.4	92.2
Gas pipeline O&M services - Gas Trust Program	9.0	9.1	7.6	7.8
Total net revenues	98.6	100.0	97.0	100.0

- Gas carriage services

The net increase of \$ 0.2 million between 2012 and 2011 first quarter is mainly explained by:

- i. increase of \$ 3.4 million in billings nominated in foreign currency as a result of the joint effect of the increase in the dollar exchange rate and in the Producer Price Index ("PPI");
- ii. \$ 1.6 million decrease in 2012 due to higher allowances for disputed amounts, compared to 2011, mostly related to the situation of certain export customers;
- iii. lower income for \$ 1.3 million mainly in interruptible services and exchange and displacement services.

- "Gas pipeline O&M" and "Management Fee - Gas Trust Program"

The \$ 1.4 million net increase between 2012 and 2011 first quarter is mainly explained by higher revenues for \$ 0.3 million related to management fee accrued in favor of TGN according to the gas trust programs mentioned in Note 16.b) and a price increase regarding O&M agreements in force for \$ 1.1 million.

TRANSPORTADORA DE GAS DEL NORTE S.A.

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

*** Cost of services**

(In million of pesos)

Accounts	Three-month periods ended 03.31		
	2012	2011	Variation
Fees for professional services	0.9	0.3	0.6
Salaries, wages and other personnel benefits and social security contributions	21.3	18.6	2.7
Fees for technical operator and audit services	3.3	4.4	(1.1)
Foreign staff residence	-	0.7	(0.7)
Consumption of spare parts and materials	3.5	2.7	0.8
Maintenance and repair of fixed assets and third-party services and supplies	12.3	8.5	3.8
Communications, freight, transportation and travel expenses	2.6	2.2	0.4
Insurance	1.6	1.3	0.3
Rentals and office supplies	0.6	0.6	-
Easements	3.3	2.0	1.3
Fixed assets depreciation	33.0	31.7	1.3
Slow-moving and obsolete materials and spare parts	0.2	1.0	(0.8)
Others	0.4	0.1	0.3
Total	83.0	74.1	8.9
% of Costs of services on net revenues	84.2%	76.4%	

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

- i.* a \$ 2.7 million increase in Salaries, wages and other personnel benefits and social security contributions as a result of pay increases, partially corresponding to inflation adjustment;
- ii.* a \$ 3.8 million increase in Maintenance and repairs of fixed assets and third party services and supplies, mainly due to the fact that in the period ended March 31, 2012 higher expenses were made in: a) gas pipeline maintenance (\$ 2.5 million) and b) third party services and supplies and others (\$ 1.3 million);
- iii.* a \$ 1.1 million decrease in Fees for technical operator and audit services by application of what is set forth in the Technical Operator and Audit Services agreement mentioned in Note 1.c.iv).

TRANSPORTADORA DE GAS DEL NORTE S.A.

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

*** Administrative and selling expenses**

(In million of pesos)

Accounts	Three-month periods ended 03.31		
	2012	2011	Variation
Salaries, wages and other personnel benefits and social security contributions	9.9	10.3	(0.4)
Fixed assets depreciation	0.5	0.4	0.1
Fees for professional services	2.1	1.1	1.0
Taxes, rates and contributions	10.2	7.5	2.7
Communications, freight, transportation and travel expenses	0.5	0.4	0.1
Maintenance and repair of fixed assets and third-party services and supplies	0.5	0.3	0.2
Rentals and office supplies	0.3	0.2	0.1
Doubtful accounts	1.6	1.5	0.1
Contingencies	1.0	0.7	0.3
Fees for technical-administrative services	0.3	0.2	0.1
Compensation for damages	14.3	-	14.3
Others	0.1	0.2	(0.1)
Total	41.3	22.8	18.5
% of Administrative and selling expenses on net revenues	41.9%	23.5%	

Among the items showing the most significant variations between both periods, it is important to mention:

- i. a \$ 2.7 million increase in Taxes, rates and contributions. The most significant variations were: higher charge for the verification and control rate in favor of the Ente Nacional Regulador del Gas ("ENARGAS")
- ii. a \$ 14.3 million increase in Compensation for damages, related to the situation described in Note 13.b)

*** Financial and holding results**

(In million of pesos)

Accounts	Three-month periods ended 03.31		
	2012	2011	Variation
Interest and indexing generated by liabilities	(50.0)	(45.6)	(4.4)
Commissions, taxes and expenses on banking and financial operations	(1.3)	(1.3)	-
Subtotal financial and holding results generated by liabilities before exchange rate differences	(51.3)	(46.9)	(4.4)
Interest, indexing and expenses generated by assets	2.0	1.4	0.6
Holding results generated by assets	1.5	0.9	0.6
Results on discounting at present value	0.8	4.0	(3.2)
Subtotal financial and holding results generated by assets before exchange rate differences	4.3	6.3	(2.0)
Exchange rate differences:			
Generated by liabilities	(35.9)	(33.8)	(2.1)
Generated by assets	18.6	17.0	1.6
Subtotal exchange rate differences	(17.3)	(16.8)	(0.5)
Total	(64.3)	(57.4)	(6.9)

TRANSPORTADORA DE GAS DEL NORTE S.A.

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

*** Financial and holding results (Cont.)**

Financial and holding results for the period ended March 31, 2012 increased by \$ 6.9 million compared to the previous period. Items recording the most significant variations between both periods are as follows:

- i. higher losses for \$ 2.1 million resulting from exchange rate differences generated by liabilities nominated in US dollars;
- ii. higher interest and indexing losses generated by loan balances for \$ 4.4 million considering that the Company's loans remain unpaid since December 2008, as explained in Note 10;
- iii. the US dollar asset positions produced a higher exchange rate profit of \$ 1.6 million;
- iv. lower profit for \$ 3.2 million related to the valuation of disputed trade receivables;

*** Other income and expenses, net**

(In million of pesos)

Accounts	Three-month periods ended 03.31		
	2012	2011	Variation
Income from commercial indemnifications (Note 14)	11.1	60.4	(49.3)
Result of disposal of fixed assets	-	(0.1)	0.1
Net income from sundry sales and others	-	1.2	(1.2)
Total	11.1	61.5	(50.4)

Note 14 describes the agreements reached with export customers Sociedad Eléctrica Santiago S.A., Colbun S.A. and Gasoducto Norandino S.A. Those agreements, among others, have generated incomes amounting to \$ 11.1 million and \$ 60.4 million during the period ended March 31, 2012 and 2011, respectively, on account of income from commercial indemnifications. This, at the expense of suffering a negative effect on the expected cash flows.

*** Summary of the Statement of cash flows**

(In million of pesos)

	Three-month periods ended 03.31	
	2012	2011
Net loss for the period	(55.8)	(2.1)
Income tax	(22.5)	6.6
Interest and indexing generated by liabilities	50.0	45.6
Adjustments to reach net cash flow generated by operating activities	77.7	61.8
Net changes in operating assets and liabilities	3.9	(30.7)
Net cash flows generated by operating activities	53.3	81.2
Purchase of fixed assets	(11.7)	(11.2)
Variation of short-term investments (non-cash equivalents)	(31.3)	30.1
Net cash flows (used in) generated by investing activities	(43.0)	18.9
Increase in attachments and guarantee deposit	-	(0.6)
Net cash flows used in financing activities	-	(0.6)
Financial and holding results generated by cash and cash equivalents	4.2	6.6
Net increase in cash and cash equivalents	14.5	106.1
Cash and cash equivalents as of beginning of the year	208.1	282.1
Cash and cash equivalents as of end of the period	222.6	388.2

TRANSPORTADORA DE GAS DEL NORTE S.A.

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

*** Cash and cash equivalents**

(In million of pesos)

	Three-month periods ended 03.31	
	2012	2011
Cash and banks	19.5	147.4
Mutual funds in US\$	-	24.2
Time deposits in US\$	135.4	125.1
Time deposits in \$	30.8	22.4
Mutual funds in \$	35.5	40.9
Stock exchange securities in \$	1.4	28.2
Cash and cash equivalents as of end of the period	222.6	388.2

II) BUSINESS PROSPECTS

The Company's business, operating, financial and regulatory prospects are described in the unaudited interim financial statements and the additional information required by Section 68 of the Buenos Aires Stock Exchange Regulations as of March 31, 2012; this information should be jointly read, analyzed and interpreted to have a full vision of the significant corporate matters for the period and of the Company's future.

III) COMPARATIVE BALANCE SHEET STRUCTURE AT MARCH 31, 2012, 2011, 2010, 2009 and 2008

(In million of pesos)

	Period ended 03.31.				
	2012	2011	2010	2009	2008
Current Assets	1,009	785	480	337	225
Non-current Assets	2,406	2,454	2,425	2,392	2,409
Total	3,415	3,239	2,905	2,729	2,634
Current Liabilities	2,238	1,873	1,637	1,437	215
Non-current Liabilities	87	69	59	55	1,098
Subtotal	2,325	1,942	1,696	1,492	1,313
Shareholders' Equity	1,090	1,297	1,209	1,237	1,321
Total	3,415	3,239	2,905	2,729	2,634

IV) COMPARATIVE STRUCTURE OF RESULTS FOR THE PERIODS ENDED MARCH 31, 2012, 2011, 2010, 2009 and 2008

(In million of pesos)

	Period ended 03.31.				
	2012	2011	2010	2009	2008
Operating (loss) income	(25.7)	0.1	33.8	45.3	50.5
Financial and holding results	(64.3)	(57.4)	(63.1)	(104.6)	(30.1)
Results from foreign investments	0.6	0.3	(0.2)	0.5	0.6
Other income and expenses, net	11.1	61.5	10.4	1.2	(0.5)
(Loss)income before income tax	(78.3)	4.5	(19.1)	(57.6)	20.5
Income tax charge	22.5	(6.6)	1.6	16.5	(10.9)
Net (loss) income for the period	(55.8)	(2.1)	(17.5)	(41.1)	9.6

TRANSPORTADORA DE GAS DEL NORTE S.A.

V) COMPARATIVE STATISTICAL DATA CORRESPONDING TO THE PERIOD ENDED MARCH 31, 2012, 2011, 2010, 2009 and 2008

Volume dispatched in million of cubic meters:

	According to the type of carriage agreement				
	Period ended 03.31.				
	2012	2011	2010	2009	2008
Firm carriage	3,360	3,236	3,050	3,221	3,628
Interruptible carriage and Exchange and displacement	1,704	1,344	1,143	1,327	927
Total	5,064	4,580	4,193	4,548	4,555

	According to the type of source				
	Period ended 03.31.				
	2012	2011	2010	2009	2008
Norte Gas pipeline	2,020	1,943	1,788	1,760	1,829
Centro-Oeste Gas pipeline	3,044	2,637	2,405	2,788	2,726
Total	5,064	4,580	4,193	4,548	4,555

VI) COMPARATIVE INDICATORS AT MARCH 31, 2012, 2011, 2010, 2009 and 2008

	Period ended 03.31.				
	2012	2011	2010	2009	2008
Current liquidity (1)	0.45	0.42	0.29	0.23	1.05
Solvency (2)	0.47	0.67	0.71	0.83	1.01
Freezing capital (3)	0.70	0.76	0.83	0.88	0.91

(1) Current assets over current liabilities

(2) Shareholders' Equity over total liabilities

(3) Non-current assets over total assets

VII) PROGRESS IN THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") IMPLEMENTATION PLAN (not covered by the Limited review report)

On December 29, 2009, the CNV has established the application of Technical Resolution 26 of the "Federación Argentina de Consejos Profesionales de Ciencias Económicas" that adopts the IFRS issued by the International Accounting Standards Board, for the entities included in the public offering regime of Law 17,811, either by its capital or its negotiable obligations, or that had requested authorization to be included in such regime.

Consequently, on March 4, 2010 TGN's Board of Directors approved the "IFRS Implementation Plan" required by Technical Resolution 26.

Through General Resolution 600/12, the CNV decided that the licensee companies delivering public services of gas transportation and distribution (including TGN) should only present their financial statements prepared on the basis of the IFRS for those fiscal years starting as from January 1, 2013. Additionally and as a consequence of that, the obligation of presenting the reconciliation of the shareholders' equity and results with those arising from the application of the IFRS as an informative note to the financial statements for the fiscal years beginning as from January 1, 2011 was also revoked. This, with the purpose of continuing analyzing the applicability and implications of the IFRIC 12 - Service Concession Arrangements - as related with such licensees.

The Company is giving priority to the analysis of those IFRS with it considers will be applicable to the preparation of its financial statements in the first fiscal year of adoption of those standards.

TRANSPORTADORA DE GAS DEL NORTE S.A.

VII) PROGRESS IN THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") IMPLEMENTATION PLAN (not covered by the Limited review report) (Cont.)

As a result of such analysis the most significant impact in the shareholders' equity that the adoption of the above-mentioned rules would generate arises from the application of "IAS 12 - Income Tax". The application of this standard will require the recording of the deferred tax liability generated by recognizing the inflation adjustment of fixed assets as a temporary difference. Such deferred tax liability is mentioned in Note 7 to these unaudited interim financial statements.

Through its General Resolutions 576/10 and 592/11, the CNV allows the issuers exercising the option of reporting such deferred tax liability by note to the financial statements, to record it in view of IFRS implementation by applying it to retained earnings. General Resolution 592/11 above-mentioned establishes that it will be possible to make such record at any annual or intermediate closing period until the fiscal year closing immediately preceding the first period in which the IFRS be applied. Therefore the Company exercising that option will record it as of December 31, 2012. It is estimated that the abovementioned deferred tax liability will amount approximately \$ 282 million as of December 31, 2012.

According to General Resolution 592/11, the Shareholders' Meeting considering the financial statements for the fiscal year ended December 31, 2012 will be able to allocate the amount of such deferred tax liability to any account of the Shareholders' equity (excluding the Common stock account and the Legal reserve). There is no pre-determined order for this allocation.

Since the date of issuance of these unaudited interim financial statements and until the date of adoption of the IFRS, new standards and/or interpretations may be issued as well as new events can occur in the Company. Consequently, TGN will continue analyzing any potential additional impacts to be generated by the adoption of IFRS.

Autonomous City of Buenos Aires, May 8, 2012

The Board of Directors
Eduardo Ojea Quintana

TRANSPORTADORA DE GAS DEL NORTE S.A.

Balance Sheets as of March 31, 2012
 compared with the year ended on December 31, 2011
 (in thousands of Argentine Pesos)

	March 31, 2012	December 31, 2011
ASSETS		
Current assets		
Cash and banks.....	19,538	6,033
Short-term investments (Note 19.c).....	683,548	651,201
Accounts receivables (Note 4.a).....	57,946	57,192
Other receivables (Note 4.b).....	229,560	242,099
Materials and spare parts (Note 4.c)....	18,072	18,072
Total current assets.....	1,008,664	974,597
Non-current assets		
Accounts receivables (Note 4.a)	165,186	152,101
Other receivables (Note 4.b).....	258,822	228,722
Materials and spare parts (Note 4.c)....	36,177	35,043
Fixed assets (Note 19.a).....	1,915,952	1,937,935
Foreign investments (Note 19.b).....	1,798	1,226
Other assets - gas stock.....	28,294	28,027
Total non-current assets.....	2,406,229	2,383,054
Total Assets.....	3,414,893	3,357,651
LIABILITIES		
Current liabilities		
Accounts payable (Note 4.d).....	96,832	83,817
Loans (Note 10).....	2,023,673	1,942,330
Salaries and social security payable.....	13,583	12,535
Taxes payable (Note 4.e).....	45,464	39,687
Others (Note 4.f).....	25,044	23,605
Subtotal.....	2,204,596	2,101,974
Contingencies (Note 13 and 19.d).....	33,266	33,103
Total current liabilities	2,237,862	2,135,077
Non-current liabilities		
Accounts payable.....	52,037	-
Others (Note 4.f).....	35,150	34,727
Subtotal.....	87,187	34,727
Contingencies (Note 13 and 19.d).....	-	42,179
Total non-current liabilities.....	87,187	76,906
Total Liabilities.....	2,325,049	2,211,983
SHAREHOLDERS' EQUITY.....	1,089,844	1,145,668
Total liabilities and shareholders' equity	3,414,893	3,357,651

The accompanying notes are an integral part of these unaudited interim financial statements.

TRANSPORTADORA DE GAS DEL NORTE S.A.

Statements of operations for the three-month periods
ended March 31, 2012 and 2011
(in thousands of Argentine Pesos)

	March 31, 2012	March 31, 2011
Net revenues (Note 4.g)	98,593	97,035
Cost of services (Note 19.f)	(83,024)	(74,062)
Gross Profit	15,569	22,973
Selling expenses (Note 19.f)	(19,706)	(4,948)
Administrative expenses (Note 19.f)	(21,614)	(17,865)
Operating (loss) income	(25,751)	160
Results from foreign investments	572	254
Financial and holding results:		
Generated by assets:		
Interest and indexing	2,144	1,651
Exchange rate differences	18,642	16,969
Other financial and holding results (Note 4.h) ..	2,102	4,618
Subtotal	22,888	23,238
Generated by liabilities:		
Interest and indexing	(50,012)	(45,630)
Exchange rate differences	(35,900)	(33,738)
Other financial and holding results (Note 4.h) ..	(1,234)	(1,282)
Subtotal	(87,146)	(80,650)
Other income and expenses, net (Note 4.i) and Note 14) ..	11,127	61,481
Net (loss) income before income tax	(78,310)	4,483
Income tax (Note 7)	22,486	(6,592)
Net loss for the period	(55,824)	(2,109)
Net result per common stock in pesos (Note 6)	(0.1271)	(0.0048)

The accompanying notes are an integral part of these unaudited interim financial statements.

TRANSPORTADORA DE GAS DEL NORTE S.A.

Statements of Changes in Shareholders' Equity
for the three-month periods ended March 31, 2012 and 2011
(in thousands of Argentine Pesos)

Item	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, 2010	439,374	506,053	945,427	57,216	224,039	73,064	1,299,746
Net loss for the period	-	-	-	-	-	(2,109)	(2,109)
Balances as of March 31, 2011	439,374	506,053	945,427	57,216	224,039	70,955	1,297,637
Resolution adopted by the Ordinary Shareholders' Meeting held on April 14, 2011:							
Increase of the Legal reserve	-	-	-	3,653	-	(3,653)	-
Allocation to the Voluntary reserve for future dividends	-	-	-	-	69,411	(69,411)	-
Complementary loss for the nine-month period up to December 31, 2011	-	-	-	-	-	(151,969)	(151,969)
Balances as of December 31, 2011	439,374	506,053	945,427	60,869	293,450	(154,078)	1,145,668
Net loss for the period.....	-	-	-	-	-	(55,824)	(55,824)
Balances as of March 31, 2012	439,374	506,053	945,427	60,869	293,450	(209,902)	1,089,844

The accompanying notes are an integral part of these unaudited interim financial statements.

TRANSPORTADORA DE GAS DEL NORTE S.A.

**Statements of Cash Flows for the three-month periods
ended March 31, 2012 and 2011
(in thousands of Argentine Pesos)**

	March 31, 2012	March 31, 2011
Cash and cash equivalents as of beginning of the year.....	208,174	282,106
Cash and cash equivalents as of end of the period (Note 4.j)).....	222,631	388,187
Net increase in cash and cash equivalents	14,457	106,081
 Cash flows from operating activities		
Net loss of the period	(55,824)	(2,109)
Income tax	(22,486)	6,592
Interest and indexing generated by liabilities	50,012	45,630
 Adjustments to reach net cash flow generated by operating activities:		
Depreciation of fixed assets	33,507	32,119
Net book value of disposed fixed assets	138	252
Increase in allowances and provisions for contingencies	18,768	16,968
Other financial results, net	26,493	12,713
Results from foreign investments	(572)	(254)
 Net changes in operating assets and liabilities:		
Increase in accounts receivable	(29,217)	(21,188)
Decrease in other receivables	3,336	6,177
(Increase) decrease in materials and spare parts and other assets	(1,005)	208
Increase (decrease) in accounts payable	65,052	(9,088)
Increase (decrease) in salaries and social security payable	1,048	(6,233)
Increase (decrease) in taxes payable	5,777	(1,907)
Increase in other payables	1,862	1,517
Decrease in provisions for contingencies	(43,579)	(222)
Net cash flows generated by operating activities	53,310	81,175
 Cash flows from investing activities		
Purchase of fixed assets	(11,662)	(11,173)
Changes in short-term investments (non-cash equivalents)	(31,395)	30,088
Net cash flows (used in) generated by investing activities	(43,057)	18,915
 Cash flows from financing activities		
Increase in attachments and guarantee deposits.....	-	(635)
Net cash flows used in financing activities	-	(635)
 Financial and holding results generated by cash and cash equivalents		
Interest, exchange rate differences and other financial results generated by cash and cash equivalents.....	4,204	6,626
Total financial and holding results generated by cash and cash equivalents	4,204	6,626
Net increase in cash and cash equivalents	14,457	106,081

The accompanying notes are an integral part of these unaudited interim financial statements.

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

1. Situation of the Company and regulatory framework

(a) Incorporation of the Company

Transportadora de Gas del Norte S.A. ("the Company" or "TGN") was incorporated on November 24, 1992 as a result of the enactment of Laws Nos. 23,696 and 24,076 ("Natural Gas Act") and the issuance of National Executive Branch ("PEN") Decree No. 1,189/92, whereby the privatization of the natural gas carriage and distribution services and the setting up of the companies that would receive the licenses to operate those services were established.

The Company was granted a license (the "License") pursuant to which TGN is authorized to provide the public service of gas carriage through the exclusive utilization of its two pipelines in the northern and central-western regions of Argentina.

(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 State issued laws, executive orders and regulations that involved a profound change to the then prevailing economic model, which produced the material effects on the Company's economic and financial equation, its business and the regulatory framework. The most significant changes are mentioned below:

- (i) The Public Emergency Law 25,561 ("LEP") established the pesification of the rates of carriage of natural gas destined for the domestic market and the repeal of the semi-annual adjustment mechanism based on the Producer Price Index ("PPI"). Furthermore, the LEP authorized the PEN to renegotiate the public works and services contracts and rates. At the date of issuance of these unaudited interim financial statements, and considering the transitory agreement mentioned in section c.iii) of this Note, 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 the LEP within the Company's regulatory framework.

- (ii) As from 2004 the National State adopted a series of measures to redistribute in the short term the effects of the energy sector crisis derived from a natural gas and electricity shortage. The Energy Secretariat, the Fuel Undersecretariat and the National Gas Regulatory Entity ("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 trust funds was also established to finance investments in the expansion of the capacity of the natural gas carriage and distribution systems and gas imports.

These government measures have produced negative results regarding TGN's gas carriage agreements. In that sense, material controversies have arisen in relation to the export customers that led to the execution of compromise and settlement agreements that modified and/or generated the termination of such contracts, as mentioned in Note 14.

- (iii) 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 would fall due since that date. In that context, on December 29, 2008, through Resolution I/587 the ENARGAS established an intervention in TGN for 120 days, as well as a comprehensive audit in charge of the intervener. Upon expiration of such term, the intervention was repeatedly extended by ENARGAS resolutions up to June 2012.

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

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 characteristics of the economic environment and the legal and regulatory framework in which the Company is currently operating and the current status of the renegotiation of the License, give rise to uncertainty as to the future net cash flows sufficient to recover non-current assets, the repayment of the financial debts, the future development of the Company's business and the normal continuity of its operations.

The impact generated by all the measures adopted so far by the National State on the balance sheet and financial position of the Company as of March 31, 2012 was calculated on the basis of evaluations and estimates made by the Company's Board of Directors at the date these unaudited interim financial statements were prepared.

The future development of the economy might require that the National State modify some measures adopted or issue additional regulations. However, it is important to remark that actual future results could differ from the evaluations and estimates made at the date preparing these unaudited interim financial statements and these differences could be significant.

(c) Regulatory framework

c.i) General

The Natural Gas Act and its regulations, together with the License, the Transfer Agreement, the Bidding Terms and Conditions for the privatization of Gas del Estado S.E. ("GdE") and the resolutions adopted by the ENARGAS establish the legal framework within which the Company carries out its business activities.

The License was granted for an original term of 35 years, which expires in December 2027. However, the Natural Gas Act and the License provide that TGN may apply to ENARGAS for a renewal of the License for an additional ten-year term. ENARGAS is required at that time to evaluate the Company's performance and make a recommendation to the PEN.

c.ii) Rates

Gas carriage service's rates were established by the License and are regulated by the ENARGAS.

The Natural Gas Act establishes that rates must cover reasonable operating costs, taxes and 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;
- (ii) semi-annual adjustments to reflect PPI variations;
- (iii) non-recurring adjustments to reflect the variations in the costs resulting from changes in tax regulations (except in the case of variations in income tax); and
- (iv) unplanned adjustments for other objective and justifiable reasons at the discretion of the ENARGAS.

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

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

(c) Regulatory framework (Continued)

c.ii) Rates (Continued)

As mentioned in Note 1.b), the LEP established the pesification of natural gas carriage rates of gas destined for the domestic market and the repeal of the semi-annual adjustment mechanism based on the PPI.

c.iii) License

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

- 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 of Federal Planning, Public Investment and Services ("MPFIPyS").

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

TGN considers that the main obstacle to reach a complete renegotiation agreement is the National State's insistence on adding an indemnity clause for its benefit, under which the effects of judgments or arbitration awards requiring Argentina to pay indemnifications supported by the LEP on the License would be transferred to TGN.

On October 2008, the Company entered into a temporary agreement ("the Temporary Agreement") that does not involve an indemnity clause for the benefit of the National State, and envisage a transition rates regime as from September 1, 2008 on which a 20% increase would be applied to the remuneration of the ruled domestic activity of TGN in force at August 31, 2008.

The Temporary Agreement establishes that TGN will assign the rights of the resulting incremental revenue to a specific fund that will be set up as a trust for the payment of works and/or tasks detailed in a document attached to the Temporary Agreement.

The Temporary Agreement assumed that on December 31, 2008 the LEP would no longer be effective, which did not occur since that law will actually be in force until December 31, 2013. Consequently, by that date the parties should have agreed on the methodology, term and time of the execution of an Overall Contractual Renegotiation Minute. Otherwise, the PEN, if it deems it convenient, would rule on the enforcement of the Temporary Agreement and, in turn, UNIREN would make the necessary recommendations to the PEN pursuant to section 1 subsection e) of Decree No. 311/03 and section 11 of the Joint Resolution No. 188/03 and No. 44/03 of the MEP and MPFIPyS.

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

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

(c) Regulatory framework (Continued)

c.iii) License (Continued)

Although the Temporary Agreement was ratified by the PEN through Decree N° 458 of April 5, 2010, the rate increase cannot be invoiced by TGN because the ENARGAS did not approved the new rate schedules. However, TGN performed the foreseen works at its expense. At March 31, 2012, no economic effects were noted in relation to the Temporary Agreement. Given the lack of a reply by the administration to the reiterated requests for approval of the new rates, in October 2010 TGN filed action for protection due to delay against the ENARGAS and against the Under-secretariat for Management Coordination and Control of the MPFIPyS to obtain an express ruling requiring compliance with the Temporary Agreement and with Decree N° 458/10. Although in December 2011 the court of appeals ordered the issue of an opinion within 30 days to the Public Administration, such decision was appealed by means of an extraordinary appeal.

At the date of issuance of these unaudited 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 and reasonable rate in order to redress TGN for the damage suffered as a result of the LEP. Refer to Note 13.i) and j).

Notwithstanding the renegotiation process before the UNIREN, TGN requested ENARGAS to perform a comprehensive rate review on the basis of section No. 46 of the Natural Gas Act and considering that the domestic carriage rates had been frozen since July 1999. Given the negative reply on the part of the administration, in September 2010 TGN filed an action for protection against the ENARGAS to obtain a court ruling ordering that said review is carried out. In May 2011 the trial court decided in favor of TGN. This decision was appealed by the ENARGAS and revoked at second instance. TGN has filed this case before the National Court of Justice by means of a petition in error because of denied appeal.

c.iv) Technical Operator and Audit Services agreement

Within its regulatory framework, TGN receives technical and auditing assistance from its shareholders or 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 carriage industry.

The agreement for technical operator and audit services in force since January 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 fiscal year. As of March 31, 2012 the Company accrued this compensation according to point (i) previously mentioned.

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 operator and audit services.

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

Effective February 2004, the National State adopted a series of measures, which still apply, to ensure a natural gas supply sufficient to satisfy domestic demand, considerably limiting gas exportation.

Dispatched export volume has systematically decreased from 2006 until the end of the period. In that context, YPF S.A. ("YPF") ceased to pay and initiated

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

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)

administrative and judicial actions to obtain the rescission without negligence of the gas carriage contract, and Metrogas Chile S.A. ("Metrogas") attempted to unilaterally rescind the agreement and claimed compensation.

YPF and Metrogas recorded unpaid balances of \$ 325.2 million and \$ 215.4 million, respectively, as of March, 31, 2012, so the Company has set up an allowance of \$ 270.3 million to cover the uncollectible past due balance for the carriage service. Disputes with these customers are described in Note 13.

Other loaders entered into compromise and settlement replacing and/or rescinding the contracts previously in force (Sociedad Eléctrica Santiago S.A., Gasoducto Norandino Argentina S.A. and Colbun S.A., as described in Note 14).

Although the abovementioned compromise and settlement contemplate the collection of compensation amounts, TGN shall cease to collect revenue in the future, which will eventually produce a negative net effect on its expected cash flows.

c.vi) Loan 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 the Company to postpone the principal and interest payments that fell due since that date.

Although this decision was made to explicitly maintain the safe and reliable provision by TGN of the public utility natural gas carriage service, as called for by the Natural Gas Act and Section 10 of the LEP, on December 29, 2008, through Resolution I/587 the ENARGAS established the intervention in TGN for 120 days and designated an intervener with powers of "co-administration, surveillance and control of all the usual acts of administration and disposition that may affect the normal provision of the public utility gas carriage service" by TGN under the License. By this resolution, the ENARGAS also established that a comprehensive audit should be conducted at TGN.

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

Resolution I/587 was successively extended until June, 2012, term over which TGN will continue to be subject to surveillance and control of the usual acts of administration and disposition that may affect the normal provision of the gas carriage public utility service under its charge.

2. Preparation and presentation of unaudited interim financial statements

(a) Purpose of these unaudited interim financial statements

These unaudited interim financial statements have been translated from the unaudited interim financial statements for the three-month period ended March 31, 2012 including the summary of information required by General Resolution N° 368/01, prepared in Spanish and originally issued in Argentina.

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

2. Preparation and presentation of unaudited interim financial statements (Continued)

(a) Purpose of these unaudited interim financial statements (Continued)

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.

(b) Basis of preparation and presentation

These unaudited interim financial statements are stated in thousands of pesos, and were prepared in accordance with accounting disclosure and valuation standards contained in Technical Resolutions issued by the Federación Argentina de Consejos Profesionales de Ciencias Económicas ("FACPCE"), as approved by the Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires ("CPCECABA"), and with Comisión Nacional de Valores ("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 carriage 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 unaudited interim financial statements corresponding to the three-month period ended March 31, 2012 and 2011. The Company's Board of Directors estimates that these unaudited interim financial statements include all the necessary adjustments to reasonably disclose the results for each period. The results for the three-month periods ended March 31, 2012 and 2011 do not necessarily reflect the proportion of the results of the Company for the complete fiscal years.

(c) Consideration of inflation effects

The unaudited interim financial statements have been prepared in constant currency recognizing the overall effects of inflation up to August 31, 1995. Restatement of financial statements was discontinued from that date to December 31, 2001, according to accounting standards. From January 1, 2002 to March 1, 2003 the effects of inflation were recognized due to the existence of an inflationary period. As from that date, restatement of financial statements was discontinued again, according to CNV's regulations. 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, 2012 this deviation has not had a significant impact on the unaudited interim financial statements.

The rate used for restatement of items for the pertinent years was the internal wholesale price index, issued by Instituto Nacional de Estadísticas y Censos.

(d) Use of estimates

The preparation of these unaudited interim financial statements requires the Company's Board of Directors to make estimates that affect the amounts of contingent assets and liabilities disclosed at the date of issuance of these unaudited interim financial statements, 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, for disputed amounts, depreciation charges, the recoverable value of assets, the income tax charge and provisions for contingencies. Future actual results may significantly differ from

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

2. Preparation and presentation of unaudited interim financial statements (Continued)

(d) Use of estimates (Continued)

those estimates and assessments made at the date these unaudited interim financial statements were prepared.

The changes in the economic environment, the legal and regulatory framework in which the Company is currently operating, and the current status of the renegotiation of the License and the consequences 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 flows sufficient to recover non-current assets, the re-payment of financial debts, the future development of the Company's business and the normal continuity of its operations.

(e) Comparative information

The figures at March 31, 2011 and December 31, 2011 that are disclosed in these unaudited interim financial statements for comparative purposes arise from financial statements at those dates.

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

(f) New accounting pronouncements

On December 29, 2009, the CNV has established the application of Technical Pronouncement N° 26 of the FACPCE which adopted the international financial reporting standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), for all the entities encompassed by the public offering regime of Law N° 17,811, either because of their capital or negotiable obligations, or because those entities have requested authorization to be encompassed by this regime.

Consequently, on March 4, 2010 TGN's Board of Directors approved the IFRS Implementation Plan, as called for by Technical Resolution N° 26.

Through General Resolution 600/12, the CNV decided that the licensee companies delivering public utility gas carriage and distribution service (including TGN) should only present their financial statements prepared on the basis of the IFRS for those fiscal years starting as from January 1, 2013. Additionally and as a consequence of that, the obligation of presenting the reconciliation of the shareholders' equity and results with those arising from the application of the IFRS as an informative note to the financial statements for the fiscal years beginning as from January 1, 2011 was also revoked. This, with the purpose of continuing analyzing the applicability and implications of the IFRIC 12 - Service Concession Arrangements - as related with such licensees.

The Company is giving priority to the analysis of those IFRS that it considers will be applicable to the preparation of its financial statements in the first year of adoption of those standards.

As a result of such analysis the most significant impact, in the shareholders' equity, that the adoption of the above-mentioned rules would generate arises from the application of "IAS 12 - Income Tax". The application of this standard will require the recording of the deferred tax liability generated by recognizing the inflation adjustment of fixed assets as a temporary difference. Such liability is mentioned in Note 7 to these unaudited interim financial statements.

Through its General Resolutions 576/10 and 592/11, the CNV allows the issuers exercising the option of reporting such deferred tax liability by note to the financial statements, to record it in view of IFRS implementation by applying it to retained earnings. General Resolution 592/11 above-mentioned, establishes that it

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

2. Preparation and presentation of unaudited interim financial statements (Continued)

(f) New accounting pronouncements (Continued)

will be possible to make such record at any annual or intermediate closing period until the fiscal year closing immediately preceding the first period in which the IFRS be applied. Therefore, the Company exercising that option will record it as of December 31, 2012. It is estimated that the above-mentioned deferred tax liability will amount approximately \$ 282 million as of December 31, 2012.

According to General Resolution 592/11, the Shareholders' Meeting considering the financial statements for the year ended December 31, 2012 will be able to allocate the amount of such deferred tax liability to any account of the Shareholders' equity (excluding the Common stock account and the Legal reserve). There is no pre-determined order for this allocation.

Since the date of issuance of these unaudited interim financial statements and until the date of adoption of the IFRS, new standards and/or interpretations may be issued as well as new events can occur in the Company. Consequently, TGN will continue analyzing any potential additional impacts to be generated by the adoption of IFRS.

3. Summary of significant accounting policies

Below there is a detail of the most important accounting standards and policies used by the Company in preparing these unaudited interim financial statements, which have been applied consistently with those as of March 31, 2011 and December 31, 2011.

(a) Cash and banks

Cash and banks are stated at nominal value.

(b) Assets and liabilities nominated in foreign currency

Assets and liabilities nominated in foreign currency 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 / year. Government bonds have been valued at estimated net realizable value. Time deposits, stock exchange securities and other investments in US\$ have been valued at nominal invested capital plus accrued interests.

(d) Accounts receivables and accounts payable

Non-current trade receivables, related to disputed customer balances mentioned in Note 1.c.v) have been valued on the basis of the best estimate of the amount to be collected, using 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 and considering the estimated collection term.

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 they had been 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.

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

3. Summary of significant accounting policies (Continued)

(e) Other receivables and liabilities

Other non-current receivables 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 of 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 / year-end, where applicable. The values thus obtained do not differ significantly from those that would have been obtained if they had been valued based on the best estimate of the amount receivable and/or payable, respectively, discounted at a rate reflecting the time value of money and the specific risks of the transaction estimated at the date of their addition to assets and/or liabilities.

(f) Foreign investments

The investments in foreign related companies Comgas Andina S.A. ("COMGAS") and Companhia Operadora do Rio Grande do Sul ("COPERG"), in which TGN exercises significant influence, have been valued according to the equity method of accounting, on the basis of the last issued financial statements of those companies at the date of issuance of these unaudited interim financial statements (Note 19.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 keeps its investment in COPERG fully covered with an allowance because the business of that company fell short of expectations. 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

Materials and spare parts are stated at replacement cost. Where necessary, an allowance is made for obsolete and slow-moving 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.

(h) Fixed assets

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 until they were placed into service.

The Company has considered as elements forming part of the value 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.

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

3. Summary of significant accounting policies (Continued)

(h) Fixed assets (Continued)

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 depreciation rates sufficient to extinguish the original values at the end of their useful lives. In determining the useful life, the ENARGAS regulations have been considered, among other parameters.

Furthermore, from 2005 to March 31, 2012 pipeline recoating campaigns were carried out over a length of 353 km. In accordance with ENARGAS Resolutions Nos. 1,660/00 and 1,903/00, \$ 129 million were capitalized and were included in the "Investments in pipeline maintenance" line (Note 19.a)), 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 its 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 fixed assets.

(i) Other assets - gas stock

Gas stored in pipelines, which is considered necessary to maintain its operating capacity, is stated at replacement value plus the average carriage price, which does not exceed its recoverable value.

(j) Loans

Under professional accounting standards in force, 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, 2012 and December 31, 2011, loans have been stated at nominal value of principal, interest and penalties accrued and unpaid, 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, as indicated in Note 7.

For purposes of determining the deferred income tax, 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 issuance of these unaudited interim financial statements.

(l) Minimum presumed income tax

This tax is calculated by applying the effective tax rate of 1% on assets valued according to the tax regulations in effect as of the end of each year. This tax is supplementary to income tax. The Company's tax liability at each year 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.

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

3. Summary of significant accounting policies (Continued)

(l) Minimum presumed income tax (Continued)

The Company has recognized the minimum presumed income 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 abovementioned 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, as indicated in section p) of this Note.

- 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): set up to cover possible payments claimed to 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, the Legal reserve and the Retained earnings 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 investments in foreign related companies, calculated by the equity method of accounting and (iii) the use of materials and spare parts and the charge of the allowance for spare parts, slow-moving and obsolete consumption materials were determined based on the value of those assets.

(p) Revenue recognition

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

The Company has recorded an allowance for differences between the total amount invoiced and the estimate of the recoverability of certain balances in contractual and regulatory dispute (Note 1.c.v)). These allowances are recorded adjusting the net revenues line.

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

3. Summary of significant accounting policies (Continued)

(p) Revenue recognition (Continued)

Total turnover tax charge is included in selling expenses. Following ENARGAS' resolutions, the effect of turnover tax rates is passed through the customers via an increase in the monthly billings for regulated services.

Revenues from Management fees relating to gas trust programs have been recognized on the basis of the expenses incurred by the Company.

(q) Balances 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 current market conditions.

Individuals and companies included in Decree PEN No. 677/01 and CNV regulations have been considered as related parties.

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, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

4. Breakdown of the main accounts of the Balance sheets, Statements of operations and Statements of cash flows

Accounts	March 31, 2012	December 31, 2011
a) Accounts receivable		
Current		
Gas carriage service		
Billed		
Distributors	24,256	22,486
Industrial	16,436	14,787
Generators	781	2,638
Unbilled.....	26,121	29,368
Subtotal	67,594	69,279
Other services		
Billed.....	16,041	14,242
Unbilled.....	2,860	2,822
Subtotal	18,901	17,064
Allowance for doubtful accounts (Note 19.d)).....	(16,886)	(17,491)
Allowance for disputed amounts (Note 19.d)).....	(11,663)	(11,660)
Total	57,946	57,192
Non Current		
Gas carriage service		
Billed		
Distributors	161,142	137,729
Industrial	268,549	262,928
Unbilled.....	5,807	5,776
Subtotal	435,498	406,433
Allowance for disputed amounts (Note 19.d)).....	(270,312)	(254,332)
Total	165,186	152,101
b) Other receivables		
Current		
Gas carriage service		
Commercial indemnifications receivable (Note 14)	144,104	140,427
Attachments and guarantee court deposits	35,142	34,613
VAT, net	-	903
Tax credits - withholdings and perceptions	2,719	4,426
Key management personnel (Note 5)	2,126	1,871
Prepaid expenses	4,717	7,887
Fees and expenses - loans restructuring	29,332	29,080
Guarantee deposits	-	845
Sundry	173	161
Subtotal	218,313	220,213
Others		
Management fees - Gas Trust Program	3,976	4,866
Controlling shareholder (Note 5)	8	8
Foreign related parties (Note 5)	1,078	1,148
Other related parties (Note 5)	352	276
Transactions on behalf of third parties	1,209	1,608
Advances and loans to employees	982	983
Receivables from sundry sales	8,727	16,554
Subtotal	16,332	25,443
Allowance for doubtful accounts (Note 19.d))	(5,085)	(3,557)
Total	229,560	242,099

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, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

4. Breakdown of the main accounts of the Balance sheets, Statements of operations and Statements of cash flows (Continued)

Accounts	March 31, 2012	December 31, 2011
b) Other receivables (Continued)		
Non Current		
Gas carriage service		
Commercial indemnifications receivable (Note 14).....	1,555	1,487
Deferred tax asset, net (Note 7)	132,256	109,770
Minimum presumed income tax (Note 7)	107,847	102,147
Turnover tax withholdings	113	113
Deposit in escrow and disputed tax payments	8,443	8,383
Guarantee deposits	511	-
Allowance for deposit in escrow and disputed tax payments (Note 19.d)	(8,443)	(8,383)
Subtotal	242,282	213,517
Others		
Management fees - Gas Trust Program	16,040	14,584
Loans to employees and sundry	500	621
Subtotal	16,540	15,205
Total	258,822	228,722
c) Materials and spare parts		
Current		
Consumable materials and spare parts	18,072	18,072
Total	18,072	18,072
Non-current		
Consumable materials and spare parts	121,801	120,428
Allowance for slow-moving and obsolescence (Note 19.d)	(85,624)	(85,385)
Total	36,177	35,043
d) Accounts payable		
Gas carriage service		
Current		
Suppliers	5,304	1,937
Administration trust ("Importation of natural gas") (Note 17)	9,899	2,464
Other related parties (Note 5)	66,233	61,586
Unbilled services and purchases	15,396	17,830
Total	96,832	83,817
e) Taxes payable		
Minimum presumed income tax	8,740	6,081
VAT, net	2,446	-
VAT withholdings and perceptions	1,048	2,586
Income tax withholdings	1,126	2,191
Provision for income tax withholdings to foreign parties (Note 19.e)	31,848	28,405
Turnover tax withholdings and perceptions	256	424
Total	45,464	39,687

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, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

4. Breakdown of the main accounts of the Balance sheets, Statements of operations and Statements of cash flows (Continued)

Accounts	March 31, 2012	December 31, 2011
f) Others		
Current		
Section 9.6.2 - Basic rules of the License	18,433	18,433
Easements	2,492	2,492
Key management personnel fees (Note 5)	2,126	1,871
Advanced payments	1,711	528
Customer's warrants and others	282	281
Total	25,044	23,605
Non-current		
Easements	35,150	34,727
Total	35,150	34,727
	March 31, 2012	March 31, 2011
g) Net revenues		
Gas carriage service		
Gas carriage service	101,171	99,358
Allowance for disputed amounts and others (Note 3.p)	(11,554)	(9,951)
Subtotal	89,617	89,407
Other services		
Pipeline O&M services	7,520	6,452
Management fees - Gas Trust Program (Notes 3.p))	1,456	1,176
Subtotal	8,976	7,628
Total	98,593	97,035
h) Other financial and holding results:		
Generated by assets:		
Bank commissions and expenses	(157)	(214)
Holding results	1,429	855
Result on discounting at present value	830	3,977
Total	2,102	4,618
Generated by liabilities:		
Bank commissions, taxes and expenses on banking and financial operations	(1,311)	(1,311)
Discounts	77	29
Total	(1,234)	(1,282)
i) Other income and expenses, net		
Income from commercial indemnifications (Note 14) ...	11,107	60,369
Net result from disposal of fixed assets	(23)	(122)
Net income from sundry sales and others	43	1,234
Total	11,127	61,481
j) Statements of Cash Flows - Cash and cash equivalents:		
Cash and banks	19,538	147,377
Mutual funds in \$	35,543	40,915
Mutual funds in US\$	-	24,245
Time deposits in \$	30,747	22,378
Time deposits in US\$	135,391	125,124
Stock exchange securities in \$	1,412	28,148
Cash and cash equivalents as of end of the period	222,631	388,187

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, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

5. Balances and transactions with controlling shareholder, foreign related parties, other related parties and key management personnel

	March 31, 2012	December 31, 2011
Balances with controlling shareholder, foreign related parties, other related parties and key management personnel		
Accounts receivable:		
Current:		
Other related parties	22,804	21,400
Other receivables:		
Current:		
Controlling shareholder (Note 4.b)	8	8
Foreign related parties (Note 4.b)	1,078	1,148
Other related parties (Note 4.b)	352	276
Key management personnel (Note 4.b)	2,126	1,871
Accounts payable:		
Current:		
Other related parties (Note 4.d)	66,233	61,586
Others:		
Current:		
Key management personnel (Note 4.f)	2,126	1,871
Transactions with controlling shareholder, foreign related parties, other related parties and key management personnel	March 31, 2012	March 31, 2011
Controlling shareholder:		
Other income and expenses, net	6	6
Foreign related parties:		
Net revenues	50	14
Other related parties:		
Net revenues	16,761	16,628
Cost of services	(3,325)	(5,222)
Administrative expenses	(612)	-
Other income and expenses, net	154	238
Purchase of fixed assets	20	-
Key management personnel:		
Technical-administrative services (Note 19.f)	(256)	(236)

6. Income per share

Income per ordinary share has been calculated as the quotient obtained by dividing the results for the periods ended March 31, 2012 and 2011, by the weighed average of outstanding ordinary shares, which made a total of 439,373,939 shares at those dates.

At March 31, 2012 and 2011 there are no debt securities convertible into shares, so no diluted earnings per share have been disclosed.

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, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

7. Income tax and minimum presumed income tax

A breakdown of the Company's deferred tax assets and liabilities as of March 31, 2012 and December 31, 2011 is presented below:

	March 31, 2012	December 31, 2011
Breakdown of deferred tax assets and liabilities:		
Accounts receivable (doubtful accounts and discount at present value) ..	(24,624)	(28,164)
Other receivables (doubtful accounts and discount at present value)	18,014	19,300
Fixed assets (valuation)	(22,187)	(22,323)
Materials and spare parts (valuation)	29,968	29,885
Other assets (valuation)	(8,249)	(8,157)
Accounts payable and loans	43,831	22,736
Contingencies (claims)	7,087	21,771
Tax loss carry-forward	88,327	74,080
Fees for technical-administrative services and statutory auditor's committee	89	642
Net deferred tax asset	132,256	109,770

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 CPCECABA), the Company chose to recognize the inflation adjustment contained in the accounting valuation of the fixed assets as a permanent difference.

Had there been recognized the inflation adjustment as a temporary difference, the deferred liability would have increased by approximately \$ 295.4 million, and its reversal would have taken place in a total approximate term of 16 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)	
2012 (three quarters)	38.0	13.3
2013	50.0	17.5
2014	49.9	17.5
2015	49.6	17.4
2016	49.0	17.1
2017	48.6	17.0
2018	43.2	15.1
2019	42.8	15.0
2020	41.1	14.4
2021	40.2	14.1
2022	39.5	13.8
2023	33.3	11.6
2024	29.1	10.2
2025	27.4	9.6
2026	23.1	8.1
2027	239.0	83.7
Total	843.8	295.4

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

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

7. Income tax and minimum presumed income tax (Continued)

	March 31, 2012	March 31, 2011
Net result before income tax	(78,310)	4,483
Statutory income tax rate	35%	35%
Subtotal income tax charge at statutory tax rate	27,408	(1,569)
Permanent differences at statutory income tax rate:		
Inflation adjustment	(4,446)	(4,564)
Non-deductible expenses	(3)	(4)
Results from foreign investments	200	89
Others	(673)	(544)
Income tax charge	22,486	(6,592)
Current income tax charge	-	(10,612)
Deferred income tax charge	22,486	4,020
Income tax charge	22,486	(6,592)

Below is a reconciliation between the income tax charged for the period, and the assessed tax for the period for fiscal purposes:

	03.31.2012	03.31.2011
Recorded income tax	22,486	(6,592)
Temporary differences:		
Variation in valuation of accounts receivable	(2,254)	(1,610)
Variation in valuation of fixed assets	(136)	(451)
Variation of the provision for contingencies	14,684	(162)
Variation of the allowance for obsolete and slow-moving materials and spare parts and other assets	9	(524)
Net variation of tax loss carry forwards	(14,247)	-
Variation of accounts payable and other liabilities	(20,542)	(1,273)
Total tax assessed for fiscal purposes (estimated)	-	(10,612)

Below is a detail of the breakdown of the credit for the minimum presumed income tax accumulated at March 31, 2012:

Year	Amount	Expires in
2004	14,683	2014
2005	16,294	2015
2006	12,362	2016
2007	13,426	2017
2008	6,797	2018
2009	17,085	2019
2011 (estimated)	21,500	2021
2012 (estimated)	5,700	2022
Balance at March 31, 2012 (Note 4.b)	107,847	

The projections of future taxable income have been taken into consideration for the calculation of the deferred tax. Such projections have been built on 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 such projections, the book value of the assets for deferred tax and for minimum presumed income tax does not exceed its recoverable value.

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, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

8. Business Segment information

The following tables show additional information about the income statements at March 31, 2012 and 2011 and the main balance sheet captions of the Company at March 31, 2012 and December 31, 2011, segregated by business segment:

Result for the three-month period ended March 31, 2012	Gas carriage service		Other Services	Total
	Domestic	Exports		
Net revenues	69,957	19,660	8,976	98,593
Cost of services, administrative and selling expenses (before depreciation)	(83,932)	(2,865)	(4,039)	(90,836)
Depreciation	(31,029)	(2,445)	(34)	(33,508)
Other income and expenses, net	18	11,109	-	11,127
Result from foreign investments	-	-	572	572
Financial and holding results	(59,503)	(4,691)	(64)	(64,258)
Income tax	30,867	(6,684)	(1,697)	22,486
Net result for the period	(73,622)	14,084	3,714	(55,824)

Balances as of March 31, 2012	Gas carriage service		Other services	Total
	Domestic	Exports		
Fixed assets	1,774,172	139,864	1,916	1,915,952
Accounts receivable	35,889	168,343	18,900	223,132
Loans	1,873,921	147,728	2,024	2,023,673
Other assets (net of liabilities)	902,326	71,134	973	974,433
Shareholders' equity	838,466	231,613	19,765	1,089,844
Purchase of fixed assets	10,799	851	12	11,662

Result for the three-month period ended March 31, 2011	Gas carriage service		Other services	Total
	Domestic	Exports		
Net revenues	70,744	18,663	7,628	97,035
Cost of services, administrative and selling expenses (before depreciation)	(51,203)	(10,235)	(3,318)	(64,756)
Depreciation	(27,205)	(4,895)	(19)	(32,119)
Other income and expenses, net	941	60,539	1	61,481
Result from foreign investments	-	-	254	254
Financial and holding results	(48,628)	(8,750)	(34)	(57,412)
Income tax	15,274	(20,374)	(1,492)	(6,592)
Net result for the period	(40,077)	34,948	3,020	(2,109)

Balances as of December 31, 2011	Gas carriage service		Other services	Total
	Domestic	Exports		
Fixed assets	1,794,528	141,469	1,938	1,937,935
Accounts receivable	35,083	157,147	17,063	209,293
Loans	1,798,598	141,790	1,942	1,942,330
Other assets (net of liabilities)	871,153	68,676	941	940,770
Shareholders' equity	902,166	225,502	18,000	1,145,668
Purchase of fixed assets	56,625	4,464	61	61,150

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

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, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

9. Restricted assets

- (i) A substantial portion of the assets transferred by GdE (mainly pipelines, compressor Plants and high-pressure control and measurement Stations), just to mention those that represent the most significant balances (Note 19.a)), 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) There are funds subject to court attachments for approximately US\$ 8.1 million according to what it is mentioned in Note 13.g).

10. Loans

The negotiable obligations issued by the Company in 2006, in force up to December 22, 2008, have the following characteristics:

	Class A negotiable obligations	Class B negotiable obligations
Amount	NV US\$ 250.0 million	NV 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.	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.

The terms and conditions and the main restrictions under the indebtedness agreements are detailed in the pertinent Offering Circular under the Negotiable Obligation issue program, which was published at the CNV on September 14, 2006.

Postponement of December 2008 loan payments

In view of the continuous deterioration of the Company's economic and financial equation due to the effect of the depreciation of the peso on the domestic rates that have remained unchanged, combined with a fall in revenues from gas carriage for export as a result of the restrictions on gas exports, as mentioned in Note 1.c.v), and with the widespread peso and US dollar cost increases, on December 22, 2008, it was necessary for the Board of Directors of TGN to administer its resources in order to: (i) prioritize the safe and reliable provision by TGN of the public utility natural gas carriage service; (ii) adhere to the going concern principle; and (iii) ensure the equal treatment of all its financial creditors.

In this context, for exogenous reasons and for the purpose mentioned above, it has been necessary for the Board of Directors of TGN to postpone the principal and interest payments on the Series A and B negotiable obligations after their due date. At March 31, 2012 the past due principal installments amounted to US\$ 117.8 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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

10. Loans (Continued)

Postponement of December 2008 loan payments (Continued)

Total loan as of March 31, 2012 amounts to US\$ 462.1 million, which is formed by US\$ 344.9 million of principal, US\$ 97.0 million of past-due contractual interest and US\$ 20.2 million of punitive interest.

Breakdown of loan balances as of March 31, 2012 and 2011

	03.31.2012	12.31.2011
Class A negotiable obligations		
Principal	618,665	608,069
Interest	148,480	134,535
Punitive	39,355	32,887
Class B negotiable obligations		
Principal	891,696	876,424
Interest	276,426	249,781
Punitive	49,051	40,634
Total Loans	2,023,673	1,942,330

According to accounting standards currently in force and to the International Accounting Standard 1 ("IAS 1") (supplementary to Argentina's accounting standards), defaulted obligations with acceleration clauses are disclosed under current liabilities. In this way, 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, the attempt to obtain the approval from our creditors of a Restructuring Agreement Proposal ("APE") by any means, automatically accelerates the maturity of the principal on all the negotiable obligations to be restructured, plus unpaid accrued interest, which have fallen due and become claimable.

Creation of a Global Program for the Issuance of Ordinary Negotiable Obligations, Non Convertible

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 Obligations non 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 July 17, 2008, date that CNV issued Resolution No. 15,928, approving its creation.

Proposal of restructuring of the financial debt

A swap offer ("Swap Offer") and request of consideration for an APE made on September 8, 2009 was approved by the Bondholders' Meeting held on October 14, 2009 under section 45 bis of Law 24,522, called for by the Commercial Court of original jurisdiction No. 2, Office No. 4, in and for the City of Buenos Aires in the case "Transportadora Gas del Norte S.A. on Restructuring Agreement Proposal - APE" by a majority of favorable votes representing 87.95 % computed on the total of bondholders that participated and casted their votes.

Taking into consideration the consents issued by the creditors that did not take part of such meeting (including late consents), 87.97 % approved the Swap Offer that is computed on the total debt to be restructured.

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

10. Loans (Continued)

Proposal of restructuring of the financial debt (Continued)

The Swap Offer is to restructure: (i) the remaining principal for US\$ 141,279,932 on the Class A negotiable obligations issued by the Company; (ii) the remaining principal for US\$ 203,630,111 on the Class B negotiable obligations issued by the Company; and (iii) US\$ 2,386,014 for the unpaid principal balance owed to third party service providers, according to their respective commercial agreements (jointly referred to as the "Outstanding Debt").

The Swap Offer establishes, subject to compliance with certain conditions, that each holder of Outstanding Debt will receive at its choice:

- Cash Option

A cash payment in US dollars at a purchase price of US\$ 400 per each US\$ 1,000 of principal on the Outstanding Debt assigned to the Cash Option, subject to proration and reassignment mechanisms. The maximum cash amount available to redeem Outstanding Debt pursuant to the Cash Option is US\$ 40 million, subject to increases under certain circumstances.

- Swap Option at Par

Principal for US\$ 1,000 on new Negotiable Obligations at Par per each US\$ 1,000 of principal on the Outstanding Debt assigned to the Swap Option at Par, subject to proration and reassignment mechanisms. TGN will issue Negotiable Obligations at par for up to US\$ 247.3 million. The Negotiable Obligations at Par shall be amortized over 7 years and accrue interest at a step-up rate ranging between 6.50% and 8.50% per annum, payable quarterly in arrears. Out of the total interest accrued in each period, TGN shall pay at least 3.5% in cash and may capitalize the difference if it does not have the necessary funds. Principal shall be amortized semi-annually starting as from the fifth year.

On October 26, 2009 the same court ordered that the pertinent legal notices be published, as prescribed by Section 74 of the Bankruptcy and Insolvency Law ("LCQ"), all pecuniary actions filed against TGN having been stayed, with the exceptions of the actions established by section 21 of that law (See Note 13.g)).

Private creditors, which as a whole represented approximately 2.4% of the total liabilities subject to restructuring, had contested the APE subject to confirmation by the court. Refer to Note 13.g).

In March 2011, TGN was notified of a complaint filed by the Administración Nacional de la Seguridad Social ("ANSES") as holder of the defaulted debt, seeking that the aforementioned bondholders' meeting held on October 14, 2009 and a supplementary meeting held on October 16, 2009 be declared null and void. The Company answered this complaint and requested to be declared null (Note 13.g)).

Since the Swap Offer was launched, events have occurred that adversely changed the financial and economic scenario in which the Company operates. In effect, (i) TGN counted on the increase in the carriage rates agreed with the National State in 2008 and approved by Decree 458/2010 together with the related subsequent adjustments, which have never been implemented by the ENARGAS; (ii) the costs increased significantly at the same pace as inflation and, (iii) the subsequent devaluation reduced the operating margin generated for the period. Consequently, the Company is assessing the impact of these events on the restructuring proposal submitted in September 2009, yet pending court approval.

Lastly, the APE envisages certain grounds for automatic rescission of the reorganization proposal (APE, Section 10.1(a)), and other grounds allowing

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, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

10. Loans (Continued)

Proposal of restructuring of the financial debt (Continued)

- Swap Option at Par (Continued)

creditors who have given their consent to the terms of this agreement the possibility of rescinding it at their sole option (APE, Section 10.1 (b)). Under the terms of the APE, failing the confirmation, effective April 14, 2011 accepting creditors that represent 25% of debt within APE may request the termination of the APE. At the date of issuance of these unaudited interim financial statements, the judicial approval of the APE is pending resolution and the Company has only been served notice of the termination of the APE from an accepting creditor holding claims for US\$ 100,000.

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 debt schedule, that was sustainable at that moment, under certain considerations which have not been materialized, that led to the issuance of the Swap Offer.

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, the attempt to obtain the approval from our creditors of an APE by any means, automatically accelerates the maturity of the principal on all the Negotiable Obligations to be restructured, plus unpaid accrued interest, which have fallen due and become claimable. Considering this and according to currently in force accounting standards and to the IAS 1, the Company classifies the complete financial debt balances into current liabilities.

As a result of the postponement of the payments of its financial debt, TGN faces petitions for bankruptcy and collection actions, as described in Note 13.g), in view of which or of others that could hereafter be submitted or initiated the Company would have to file for protection under the LCQ.

The Basic Rules of the License ("RBL") of TGN provide that the "declaration of bankruptcy" is 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 envisaged for the termination of the License.

Nevertheless, in accordance with the RBL, TGN considers that this would cause no adverse immediate effect on its License, because the mere petition for declaration of bankruptcy or insolvency is not 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 section 1 of Decree No. 1,834/2002.

12. Shareholders' equity

(a) Common stock

Item	Date	Thousands of \$	Registration in the Superintendencia of Corporations			
			Date	N°	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	09.29.06	87,875	08.18.06	13005	32	-
Total		439,374				

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

12. Shareholders' equity (Continued)

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

Gasinvest S.A. ("Gasinvest" or "the controlling shareholder"), the controlling shareholder of the Company, and Gasinvest's shareholders, are restricted by the 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%. The 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.

Any transfer or cession or any action leading to a reduction below 51% of the participation of Gasinvest's original shareholders in the capital of such company, including any subscription defect by these shareholders regarding the capital increase of Gasinvest, can only be made with the ENARGAS' previous approval.

The above-mentioned restrictions do not apply to transfers made between parties belonging to the same economic group, as established in the Bidding Terms and Conditions.

(c) Restriction on the distribution of profits

Under the Argentine Commercial Law N° 19,550, 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 the Legal Reserve until such reserve reaches 20% of the outstanding capital.

Under the terms of the financial agreements currently in force, TGN shall not make dividend payments in the event of default or grounds for default in an adverse event period (as defined in the contract).

(d) Voluntary reserves for future dividends

The Shareholders' Meetings that approved the respective annual financial statements set up the sums included in this item. Restrictions are presented in Note 12.c).

13. Contingencies

The Company is a party to several legal proceedings and claims that have arisen in the ordinary course of its business. Although there can be no assurance as to the ultimate disposition of these matters, it is the opinion of the Company's Board of Directors, based upon the estimations described in Note 2.d), 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.

Following there is a summary of the most significant claims and legal actions, including those against TGN as well as those in which the Company acts as a claimer.

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

13. Contingencies (Continued)

(a) Fines imposed by the ENARGAS

At the date of issuance of these unaudited interim financial statements, the Company was notified of twenty three fines applied by the ENARGAS for a total amount of \$ 9.8 million, of which thirteen have been appealed in the administrative orbit for \$ 4.8 million and ten for \$ 5.0 million, which were confirmed by the National Court of Appeals on Federal Administrative Matters and have been appealed by TGN to the National Supreme Court of Justice, either by ordinary and extraordinary appeals.

(b) Settlement agreement with AES Argentina Generación S.A. ("AES")

On March 13, 2012, TGN and AES entered into a settlement agreement to put an end to the controversies between the parties arising from a firm transportation contract executed in July 1999.

In essence, subject to a condition precedent the compliance of which was notified in April 2012, such agreement establishes that the following automatic consequences:

- (1) For settlement purposes only and allocated to the single and full compensation for all damages claimed by AES due to TGN's failure to fulfill its obligations under the contract mentioned above, TGN undertakes to pay:
 - a. "Payment A": equivalent to 36% of some access and use charges applied to the volume available at each time as reserve capacity for AES or its concessionaire under "TGN Open Bid No. N°01/2005", which will be monthly payable until 12/28/2027.
 - b. "Payment B": equivalent to the amount payable by AES for interruptible transportation and exchange and displacement services rendered by TGN to AES the month before the month of payment, which will be automatically terminated if the sum of "Payments B" made totals US\$ 2 million, or the condition precedent is not complied with as of 12/28/2027, whichever occurs first.
- (2) The contract mentioned above will be considered terminated by mutual agreement with effects as from May 27, 2003 and TGN and AES will be deemed to have abandoned the legal action and the rights related to the controversies.

(c) Tax assessments related to payments to negotiable obligation holders

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

(d) Official assessments of the tax-purpose useful lives

In late December 2005 TGN was notified of two resolutions whereby AFIP assessed differences in income tax for the fiscal periods 1999 to 2002. The total amount claimed is \$ 21.2 million including interest at that date and a fine of 70% of the tax determined.

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

13. Contingencies (Continued)

(d) Official assessments of the tax-purpose useful lives (Continued)

These adjustments are justified by the disallowance of the useful lives assigned by TGN to its northern gas pipeline and all of its compressor plants, which are used in calculating their depreciation for income tax purposes, as in the opinion of the tax authorities useful lives ought to be higher than those adopted by the Company.

On February 2006 TGN challenged certain official assessments by filing the pertinent appeals with the National Tax Court, which are still pending resolution.

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

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

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

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

On September 3, 2009 TGN was notified of an administrative action filed by YPF with the ENARGAS in pursue of the rescission of the carriage contract, effective September 15, 2008. On September 30, 2009 TGN answered the complaint and filed a motion challenging the jurisdiction of the ENARGAS. In the alternative, TGN answered YPF claims and requested that said claims be rejected.

In December 2010 TGN rescinded the contract entered into with YPF for the firm carriage of gas for export, due to noncompliance by the loader, and reserved the right to claim damages for such a rescission on negligence grounds.

f) Intervention in TGN established by the ENARGAS

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

g) Petitions for bankruptcy and action for executory collection - Court confirmation of the APE.

As a result of the postponement of the payments of its financial debt (Note 10), at the date of issuance of these unaudited interim financial statements 22 notified executory proceedings are pending against TGN before the National Commercial Courts. In all of those lawsuits, firm writs of execution and judicial sale were issued. Moreover, the Company faced petitions for bankruptcy that were rejected on grounds that, as far as TGN is concerned, the legal requirements for filing those petitions are not met.

Under the mentioned petitions for bankruptcy and collection actions there are funds subject to court attachments for approximately US\$ 8.1 million (including principal, interest and estimated legal expenses).

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

13. Contingencies (Continued)

g) Petitions for bankruptcy and action for executory collection - Court confirmation of the APE. (Continued)

It is worth mentioning that on October 26, 2009 the First Instance Court on Commercial Matters No. 2, Office No. 4, ordered that legal notices be published as prescribed by section 74 of the LCQ for the stay of all pecuniary actions filed against TGN, with the exceptions of the actions established by section 21 of the law mentioned before. The APE submitted to the court for approval was challenged by private creditors, which as a whole represented approximately 2.4% of the total liabilities subject to restructuring.

However, on December 30, 2009 the Company was served notice of a preliminary injunction ordered by the subrogating judge in charge of said court at the request of the ANSeS, in its capacity as a financial creditor, whereby the formalities for the confirmation of the APE and the protection by the said Section 72 of the LCQ previously decreed and the authorization process of public tender of the new par bond before the CNV was suspended. The protection provided by section 72 was restored in January 2010 by the Court of Appeals in Commercial Matters during the legal recess and on July 15, 2010 Panel C left the other suspensions without effect.

The National Supreme Court of Justice rejected a complaint against that decision, filed by the Attorney General.

A petition filed by the Attorney General in September 2010 to declare the nullity of all actions performed under the APE was dismissed in April 2011 by the intervening trial court. The Attorney General alleged the illegality of the bondholders' meeting held on October 14, 2009, the unconstitutionality of the APE, and the supposed deceitful and fraudulent nature of TGN's exchange offer. The appeal interposed by the Attorney General and the one interposed by TGN questioning her participation in first instance ought to be resolved by the chamber. Until such appeals are not firm, the judge in charge of the APE decided to postpone the treatment of the challenges made to the APE, previously celebrating a conciliation hearing with the participation of TGN, disagreeing and challenging creditors, among others.

In March 2011, TGN was notified of a complaint filed by ANSeS as holder of the defaulted debt, seeking that the aforementioned bondholders' meeting held on October 14, 2009 and a supplementary meeting held on October 16, 2009 be declared null and void. TGN answer the complaint and requested to be declared null.

h) Dispute with Metrogas Chile ("Metrogas")

On April 21, 2009, TGN was notified of a declarative action filed by Metrogas, 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. No sentence has been pronounced to date.

In September 2009 Metrogas communicated its unilateral decision to rescind its firm gas carriage contract with TGN, and claimed damages for approximately US\$ 238 million from TGN, stating that it had suffered harm occasioned by alleged noncompliance by TGN when the latter ceased to deliver gas which, according to Metrogas, had apparently been confirmed and injected into the intake by its producers / suppliers.

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

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

13. Contingencies (Continued)

h) Dispute with Metrogas Chile ("Metrogas") (Continued)

restrictions to the exportation of natural gas with the purpose of first ensuring the supply of the domestic market.

TGN also considers that any action for damages that Metrogas could file would not be likely to be sustained, and it will take all steps necessary to protect the corporate interests.

Having finished an off-court mediation hearing process, in September 2011 the Company filed a lawsuit regarding contract fulfillment, claiming a US\$ 37.2 million payment (plus interests) for transportation services billed and unpaid, between September 2009 and August 2011.

i) Previous administrative claim against the National State

In March 2011 TGN filed an administrative claim before the MPFIPyS for the damage suffered by the company as a consequence of the pesification of its rates, established in the LEP, and the subsequent freezing of rates persisting since such law was approved.

The amount of the claim includes the damage suffered between 2002 and 2010 and amounts to \$ 1,165.4 million, plus interests accrued for \$ 344.7 million.

The filing of this claim is due to the necessity of protecting TGN's rights, which otherwise could be affected by the course of the statute of limitation on the legal action for damages. Nevertheless, TGN intends to continue participating in the process of renegotiation of its License according to the procedure ruled by Decree 311/03 and its supplementary rules. In the face of the silence of the Public Administration, a motion for expedite procedure was filed, which expired on May 07, 2012.

In July 2011 TGN filed a declarative judgement against the National State for the purpose of declaring the suspension of the statute of limitations on the legal action for damages during the course of renegotiation of the License before the UNIREN in order to promote the legal action for the damages abovementioned. In answering the complaint, the MPFIPyS requested its rejection, but it sustained, however, that the filing of the abovementioned administrative claim interrupts or suspends the statute of limitation on the legal action for damages. In October 2011 the action was rejected. The court considered that the previous administrative claim filed by TGN in March 2011, while unresolved, interrupts or suspends the statute of limitation on the legal action for damages, and came to the conclusion that there is no injury nor current damage to TGN that allows to take the legal proceedings intended.

j) Actions for protection against the National State

The Company initiated actions for protection against the National State before the National Court on Federal Administrative Matters with the purpose of: (i) achieving that the 20% rate increase established in the Transitory Agreement celebrated with the National State in October 2008 comes into force, considering the delay incurred by the administration, and (ii) obtaining the application of the extraordinary mechanism of rates review envisaged by Section 46 of the Natural Gas Act considering that the process of renegotiation of its License before the UNIREN does not show any progress. In the first case TGN received a favorable second instance sentence that was appealed by the administration. In the latter, the first instance sentence in favor of TGN was appealed by the ENARGAS and revoked in second instance, having the Company filed a petition in error.

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, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

14. Compromise and settlement with export customers

During 2010, TGN entered into compromise and settlement agreements with its export customers Sociedad Eléctrica Santiago S.A. ("ESSA"), Colbun S.A. ("Colbun") and Gasoducto Norandino Argentina S.A. ("NAA"), which were either early terminated or the scope of natural gas firm transportation agreements was limited in time.

Until the date of issuance of these unaudited interim financial statements, TGN has collected economic compensations from its customers ESSA, Colbun and NAA for US\$ 45.2 million, US\$ 45.7 million and US\$ 5.0 million, respectively. The effect of these compromise and settlement agreements is charged under "Other income and expenses, net."

Compromise and settlement agreements result in TGN no longer collecting agreed future income in exchange for compensation, which generates a negative effect on its expected cash flows.

15. Financial trusts for expansion on the exportation market

On March 8, 2004, in accordance with ENARGAS Resolution 2,877 and the Law N° 24,441, the Company (as trustor) and HSBC Bank Argentina S.A. (as trustee) entered into a Trust Agreement (the "Program") for up to a total amount of US\$ 50 million within a 5-year timeframe.

The Program envisages the possibility of financial trusts being set up for the issue of securities that are authorized for their public offering or not, so as to finance the expansion of the capacity of the Company's gas pipeline systems. The Trust Agreement also establishes that, at expiration of the trust, the enlarged assets shall be exclusively assigned to the Company only, free of charge or encumbrances. While the trust is in force, the Company shall be responsible for the operation and maintenance of those assets.

Under this Program, the Company's Board of Directors authorized the creation of the "TGN Series 01" trust currently in force, through which securities were issued for a nominal value of US\$ 7.5 million that were subscribed and integrated on March 26, 2004, and were applied to the expansion of carrying capacity of 303,000 m3/d contracted by Metrogas Chile S.A.

Series 01 defines September 30, 2019 as Final and Definite Payment Date or the date on which the Series 01 securities are repaid.

Under the Trust Agreement, neither the Company nor the Trustee is liable with their own respective assets to pay, if principal and/or interest and/or taxes and expenses on the securities issued by the trust are dishonored.

The holders of the securities will have no right to claim such difference from TGN or the Trustee and the limitation on TGN's liability as Technical Operator has been established in the contract. The trust is not consolidated in the Company's financial statement.

16. Financial trusts for expansion on the local market organized by the National Secretariat of Energy

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

On April 2006 the National Congress enacted the law 26,095 vesting the PEN with the power to apply rate charges destined to finance those works.

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

16. Financial trusts for expansion on the local market organized by the National Secretariat of Energy (Continued)

a) Trust for the 2005 northern gas pipeline expansion work

In 2004 the National State requested the participation of TGN as licensee and of other companies as investors in order to undertake the expansion of the capacity of its system for the carriage of 1.8 MMm³/day of gas in the northern gas pipeline. A local trust (the "trust") organized by the National Secretariat of Energy and administered by Nación Fideicomisos S.A. ("NAFISA"), as trustee, entrusted TGN with the management of the northern gas pipeline expansion works. TGN contributed with US\$ 8.4 million for a partial payment of the works.

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

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

b) Trust for the "2006-2008 Expansion Work"

In 2006 a second expansion project of 15.2 MMm³/d in the Central-Western and Northern gas pipeline was started at the request of the National Secretariat of Energy. The trust structure previously mentioned in section a) was adopted.

The work was divided into stages, the first of which started in October 2007. At the date of issuance of these unaudited interim financial statements, works representing an increase of 2.275 MMm³/d in the Northern gas pipeline capacity and 1.4 MMm³/d in the Central-Western gas pipeline have been finished.

The total fee to be collected by TGN as the project manager was \$ 75.8 million (before value added tax ("VAT")) and was supposed to be monthly collected in 44 installments between February 2006 and September 2009. The first \$ 31 million (including VAT) were supposed to be collected in trust bonds.

As of late December 2011 the management fee billed amounted to \$ 91.7 million, including VAT, totalizing the 44 installments envisaged by the contract. Up to then, the Company received from NAFISA \$ 57.5 million in cash that, jointly with the \$ 17.9 million received in trust bonds, has been applied partially to past due invoices.

The management contract expired in September 2009. However, as the project continues and until a new agreement is reached, TGN is empowered to receive a monthly sum equivalent to 1% of the contract value as an advance of what will be finally settled. For that reason, TGN additionally billed \$ 22.9 million (including taxes) for the October 2009 to September 2011 period.

However, on October 15, 2009 a note was received from the National Secretariat of Energy indicating that both the ENARGAS and NAFISA "...are analyzing the action and behavior of that Project Manager within the framework of the referenced contract, to evaluate compliance and possible noncompliance with the services under its charge..." and that meanwhile, "... TGN should continue to provide the services, without collecting any additional amount whatsoever, until the Regulatory Authority and NAFISA complete their report and decide in favor of or against the continuity of the contract." At present, the possible outcome of this situation is unknown. TGN considers that it performed as a proper project manager and its conduct has been adjusted to the terms of the agreement.

In connection with the delay in the payment of management services, on May 9, 2011 TGN claimed the total amount of \$ 108.4 million including past due principal, contractual interest and punitive interest. A similar claim against the National

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

16. Financial trusts for expansion on the local market organized by the National Secretariat of Energy (Continued)

b) Trust for the "2006-2008 Expansion Work" (Continued)

Secretariat of Energy was rejected by that office. The Company and NAFISA hold an off-court mediation process in relation to this claim.

At the date of issuance of these unaudited interim financial statements, there was no news from the authorities regarding the renegotiation of the management contract.

17. "Importation of Natural Gas" administration trust

As provided by PEN Decree 2,067/08 and ENARGAS Resolutions I/563 and I/615, in force in November 2008, as from January 2009 the Company started to invoice a new charge on behalf of the "Importation of Natural Gas" Administration Trust and for its account, to create a fund to such purpose.

When ENARGAS Resolutions I/1,982, I/1,988 and I/1,991 came into force between November and December 2011, the universe of users reached by the charge was extended, quotas were increased and the licensees were instructed to include an allowance in the invoices that partially or fully compensate the charge to certain users. TGN is required to transfer the monthly collected amounts to the Administration Trust.

At present, TGN must apply the charge exclusively to those customers that are connected to its system through a "Physical By-Pass", that is, without the intervention of a distributor, sub-distributor or other third-parties envisaged in Art 16 Section b) of Law 24,076.

Resolution I/1.988 establishes that in the case of partial collections, the payment received shall be apportionally distributed between all the items included in the respective invoice. As of March 31, 2012 the balance to be transferred to the Administration Trust amounts to \$ 9.9 million.

18. Subsequent events

The Shareholders' Meeting held on April 13, 2012 decided to fully absorb the losses recorded in the fiscal year 2011 amounting to \$ 154,078 through the "Voluntary reserve for future dividends" which considering its existing balance at December 31, 2011 plus this absorption, amounted to \$ 139,372 thousand.

Furthermore, as a result of the application of IFRS as adopted by the FACPCE, the Company should record a deferred tax liability generated by the recognition of the inflation adjustment of fixed assets as a temporary difference at December 31, 2012; this liability would amount to approximately \$ 282 million at that date. In view of General Resolution No. 592/11, this deferred tax liability might be allocated to the captions forming part of capital, except for the Common stock and Legal reserve. Therefore, the Shareholders' Meeting decided to fully release the "Voluntary reserve for future dividends" amounting to \$ 139,372 and set up an "Optional reserve" with that amount in order to allocate against it, at December 31, 2012, a portion of the previously mentioned deferred tax liability.

In addition, the Shareholders' Meeting approved the payment of \$ 957 on account of fees for technical-administrative services to the directors members of the Audit committee and \$ 879 on account of fees to the members of the Statutory auditor's committee.

Subsequent to March 31, 2012, there have been no other events, situations or circumstances, that are not publicly known, that have impacted or could impact

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, 2012 presented in comparative form (in thousands of Argentine Pesos, except where specifically mentioned)

18. Subsequent events (Continued)

significantly on the net worth, or economic and financial situation of the Company that have not been considered or mentioned in these unaudited interim financial statements.

19. Other unaudited interim financial statement information

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

- (a) Fixed assets
- (b) Investments in foreign related companies
- (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 and conditions of short-term investments, receivables and payables.

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, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

19. Other unaudited interim financial statement information (Continued)

(a) Fixed Assets, net

Account	03.31.2012										12.31.2011				
	Original values					Depreciation					Net book value				
	At the beginning of the year	Increases	Disposals	Transfers	At the end of the period	At the beginning of the year	For the period %	Amount	Disposals	Transfers	Accumulated at the end of the period	Total	Essential items	Non-essential items	Total
Land	3,274	-	-	-	3,274	-	-	-	-	-	-	3,274	1,976	1,298	3,274
Buildings and constructions	77,411	-	-	224	77,635	24,793	2	388	-	-	25,181	52,454	39,846	12,608	52,618
Installations	2,344	-	-	-	2,344	916	4	23	-	-	939	1,405	-	1,405	1,428
Gas pipelines	2,076,347	-	-	-	2,076,347	806,913	3,33 and 2,22	14,483	-	-	821,396	1,254,951	1,254,951	-	1,269,434
Investments in pipeline maintenance (Note 3.h))	126,466	-	-	2,542	129,008	25,732	5,88 and 3,33	2,248	-	-	27,980	101,028	101,028	-	100,734
High-pressure branch lines	890	-	-	-	890	355	2,22	7	-	-	362	528	528	-	535
Compressor plants	929,950	-	-	368	930,318	539,102	4	12,888	-	-	551,990	378,328	378,328	-	390,848
High-pressure control and/or measurement stations	71,395	-	-	60	71,455	46,335	5	962	-	-	47,297	24,158	24,158	-	25,060
Other technical installations	45,548	-	-	-	45,548	32,178	6,67	616	-	-	32,794	12,754	12,499	255	13,370
Machinery, equipment and tools	26,118	65	(10)	-	26,173	24,021	10, 20 and 50	178	(10)	-	24,189	1,984	-	1,984	2,097
IT and telecommunication systems	89,037	500	(36)	-	89,501	60,775	10 and 20	1,107	(18)	-	61,864	27,637	1,142	26,495	28,262
Vehicles	19,844	-	(834)	-	19,010	15,257	20	375	(781)	-	14,851	4,159	-	4,159	4,587
Furniture and office supplies	10,540	2	(2)	-	10,540	9,512	10	48	(1)	-	9,559	981	-	981	1,028
Assets held at third parties facilities	11,162	-	-	1,007	12,169	7,160	12,5	184	-	-	7,344	4,825	1,542	3,283	4,002
Works in process	40,254	9,975	(66)	(3,844)	46,319	-	-	-	-	-	-	46,319	28,665	17,654	40,254
Advances to suppliers	404	1,120	-	(357)	1,167	-	-	-	-	-	-	1,167	-	1,167	404
Total as of 03.31.2012	3,530,984	11,662	(948)	-	3,541,698	1,593,049		33,507	(810)	-	1,625,746	1,915,952	1,844,663	71,289	-
Total as of 12.31.2011	3,473,876	61,150	(4,042)	-	3,530,984	1,462,375		133,103	(2,429)	-	1,593,049	-	1,867,674	70,261	1,937,935

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, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

19. Other unaudited interim financial statement information (Continued)

(b) Investments in foreign related companies (Section 33 - Law 19,550)

Issuer	Shares	Par value	Amount	Cost value	Book value		Principal activity	Information on the issuer					
					03.31.2012	12.31.2011		Date	Latest financial statements				
									Capital stock and capital adjustment	Other Reserves	Retained earnings	Shareholders' equity	% of direct holding
Comgas Andina S.A.	Common	(a) 1	490	246	1,798	1,226	Gas pipeline O&M services	03.31.12	12	2,490	1,168	3,670	49.0
Companhia Operadora do Rio Grande do Sul	Common	(b) 1	49	0.1	139	114	Gas pipeline O&M services	12.31.11	1	48	184	233	49.0
Impairment of investment (Note 19.(d) and 3.f)					(139)	(114)							
Total					1,798	1,226							

(a) Chilean Pesos
(b) Brazilian Reais

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, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

19. Other unaudited interim financial statement information (Continued)

(c) Short-term investments

	March 31, 2012	December 31, 2011
Mutual funds in \$.....	35,543	18,261
Mutual funds in US\$ (1).....	-	28,734
Time deposits in \$.....	30,747	30,019
Time deposits in US\$ (1).....	255,151	213,621
US Treasury bills (1).....	329,279	326,578
Other investments in US\$ (1).....	30,358	29,776
Stock exchange securities in \$.....	1,412	3,200
Government bonds in US\$ (1).....	1,058	1,012
Total.....	683,548	651,201

(1) Refer to note 19.e)

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, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

19. Other unaudited interim financial statement information (Continued)

(d) Allowances and provisions

	03.31.2012			12.31.2011	
	Balances at the beginning of the year	Net increases	Decreases (payment / usage)	Balances at the end of the period	Balances at the end of the year
Deducted from assets					
Current					
Accounts receivables					
Allowance for doubtful accounts	17,491	(192) (2)	(413)	16,886	17,491
Allowance for disputed amounts	11,660	3 (1)	-	11,663	11,660
Other receivables					
Allowance for doubtful accounts	3,557	1,743 (2)	(215)	5,085	3,557
Non Current					
Accounts receivables					
Allowance for disputed amounts	254,332	15,980 (1)	-	270,312	254,332
Other receivables					
Allowance for disputed tax payments and judicial escrow accounts	8,383	60 (3)	-	8,443	8,383
Materials and spare parts					
Allowance for slow-moving and obsolescence	85,385	239 (4)	-	85,624	85,385
Investments					
Allowance for impairment (Note 19.(b) and 3.(f))	114	25	-	139	114
Total allowances deducted from assets	380,922	17,858	(628)	398,152	380,922
Included in liabilities					
Current					
Contingencies					
Provision for contingencies	33,103	200 (3)	(37)	33,266	33,103
Non Current					
Contingencies					
Provision for contingencies	42,179	735 (3)	(42,914)	-	42,179
Total provisions included in liabilities	75,282	935	(42,951)	33,266	75,282
Total as of 03.31.2012	456,204	18,793	(43,579)	431,418	-
Total as of 12.31.2011	383,686	73,870	(1,352)	-	456,204

(1) 11,554 charged to Net revenues (Note 4.g) and 4,429 to Financial and holding results generated by assets.

(2) Charged to Selling Expenses - Doubtful accounts (Note 19.f)).

(3) Charged to Administrative expenses - Contingencies (Note 19.f)).

(4) Charged to Cost of Services, slow-moving and obsolete consumption materials and spare parts (Note 19.f)).

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, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

19. Other unaudited interim financial statement information (Continued)

(e) Assets and liabilities in foreign currency

	03.31.2012			12.31.2011			
	Foreign currency class and amounts (1)	Exchange rate	Amount in Thousands of \$ (1)	Foreign currency class and amounts (1)	Exchange rate	Amount in Thousands of \$ (1)	
Assets							
Current assets							
Cash and banks							
Banks	US\$	1,359	4.339	5,896	US\$	175	747
				<u>5,896</u>		<u>747</u>	
Short-term investments							
Time deposit	US\$	58,804	4.339	255,151	US\$	50,099	213,621
Mutual funds		-		-	US\$	6,739	28,734
US Treasury bills	US\$	75,888	4.339	329,279	US\$	76,590	326,578
Other investments	US\$	6,996	4.339	30,358	US\$	6,983	29,776
Government bonds	US\$	244	4.339	1,058	US\$	237	1,012
				<u>615,846</u>		<u>599,721</u>	
Accounts receivable							
Gas carriage services	US\$	727	4.339	3,156	US\$	1,183	5,045
Other services	US\$	3,939	4.339	17,092	US\$	3,663	15,618
				<u>20,248</u>		<u>20,663</u>	
Other receivables							
Commercial indemnifications receivable	US\$	34,236	4.339	148,549	US\$	34,845	148,580
Court attachments and deposits	US\$	8,093	4.339	35,115	US\$	8,111	34,586
Guarantee deposits	US\$	200	4.339	868	US\$	200	853
Prepaid expenses and others		-		-	€	100	553
	US\$	2,618	4.339	11,357	US\$	4,380	18,676
Foreign investments	R\$	345	2.3000	794	R\$	345	790
				<u>196,683</u>		<u>204,038</u>	
Total current assets				<u>838,673</u>		<u>825,169</u>	
Non-current assets							
Accounts receivables							
Gas carriage services	US\$	124,597	4.339	540,625	US\$	119,293	508,664
				<u>540,625</u>		<u>508,664</u>	
Other receivables							
Commercial indemnifications receivable	US\$	400	4.339	1,736	US\$	400	1,706
				<u>1,736</u>		<u>1,706</u>	
Foreign investments							
Comgas Andina (Note 19.b)	\$ch	202,021	0.0089	1,798	\$ch	161,293	1,226
Companhía Operadora do Rio Grande do Sul (Note 19.b)	R\$	56	2.5000	139	R\$	50	114
				<u>1,937</u>		<u>1,340</u>	
Total non-current assets				<u>544,298</u>		<u>511,710</u>	
Total assets				<u>1,382,971</u>		<u>1,336,879</u>	

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, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

19. Other unaudited interim financial statement information (Continued)

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

	03.31.2012			12.31.2011			
	Foreign currency class and amounts	Exchange rate	Amount in Thousands of \$ (2)	Foreign currency class and amounts	Exchange rate	Amount in Thousands of \$ (2)	
Liabilities							
Current liabilities							
Accounts payable							
Suppliers and unbilled services.....	US\$	513	4.379	2,244	US\$	315	1,355
Other related parties.....	US\$	15,082	4.379	66,046	US\$	14,259	61,533
				68,290		62,888	
Loans							
Ordinary non-convertible Class A							
Principal.....	US\$	141,280	4.379	618,665	US\$	141,280	608,069
Interest.....	US\$	33,907	4.379	148,480	US\$	31,258	134,535
Punitive.....	US\$	8,988	4.379	39,355	US\$	7,641	32,887
Ordinary non-convertible Class B							
Principal.....	US\$	203,630	4.379	891,696	US\$	203,630	876,424
Interest.....	US\$	63,125	4.379	276,426	US\$	58,035	249,781
Punitive.....	US\$	11,201	4.379	49,051	US\$	9,441	40,634
				2,023,673		1,942,330	
Taxes payable							
Provision for income tax withholdings to foreign parties and others.....	US\$	7,273	4.379	31,848	US\$	6,600	28,405
				31,848		28,405	
Total current liabilities				2,123,811		2,033,623	
Total liabilities				2,123,811		2,033,623	

US\$: United States dollars; \$ch: Chilean Pesos; R\$: Brazilian Reais; €: Euros

(1) Nominal value of assets, not considering the allowances for doubtful accounts nor discount at present value.

(2) Not including contingencies.

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, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

19. Other unaudited interim financial statement information (Continued)

(f) Cost of services, administrative and selling expenses

	Total at 03.31.2012	Cost of services			Selling expenses	Administrative expenses	Investments in fixed assets	Total at 03.31.2011
		Carriage service	Other services	Total				
Fees for technical-administrative services ..	256	-	-	-	-	256	-	236
Fees for professional services	3,048	329	549	878	-	2,103	67	1,625
Salaries, wages and other personnel benefits	26,771	16,286	1,969	18,255	319	8,058	139	23,321
Social security contributions	4,514	2,766	259	3,025	67	1,422	-	5,679
Fees for technical operator and audit services	3,324	3,324	-	3,324	-	-	-	4,432
Foreign staff residences	-	-	-	-	-	-	-	738
Consumption of spare parts and materials ...	3,999	3,465	79	3,544	-	6	449	4,098
Third party services and supplies	2,819	2,622	100	2,722	9	88	-	2,218
Maintenance and repair of fixed assets	11,258	9,374	247	9,621	17	369	1,251	6,772
Travel expenses	2,558	1,868	312	2,180	6	346	26	1,990
Freight and transportation	268	222	6	228	-	1	39	230
Communications	377	190	29	219	9	148	1	388
Insurance	1,790	1,620	1	1,621	-	169	-	1,363
Office supplies	492	247	24	271	3	213	5	386
Rentals	482	223	139	362	4	88	28	432
Easements	3,252	3,252	-	3,252	-	-	-	1,986
Taxes, rates and contributions	10,251	44	1	45	3,378	6,828	-	7,547
Fixed assets depreciation	33,507	33,004	34	33,038	67	402	-	32,119
Fixed assets improvements	652	-	-	-	-	-	652	733
Compensation for damages	14,274	-	-	-	14,274	-	-	-
Doubtful accounts	1,551	-	-	-	1,551	-	-	1,550
Contingencies	995	-	-	-	-	995	-	682
Slow-moving and obsolete consumption materials and spare parts	239	239	-	239	-	-	-	957
Others	324	129	71	200	2	122	-	141
Total at 03.31.2012	127,001	79,204	3,820	83,024	19,706	21,614	2,657	-
Total at 03.31.2011	-	70,928	3,134	74,062	4,948	17,865	2,748	99,623

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, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

19. Other unaudited interim financial statement information (Continued)

(g) Aging and conditions of short-term investments, receivables and payables

	03.31.2012			
	Short-term investments (a)	Receivables (b)	Loans (c)	Other payables (d)
Past due until				
03.31.2011	-	252,696	1,844,230	-
06.30.2011	-	12,096	42,599	-
09.30.2011	-	14,506	44,438	-
12.31.2011	-	19,500	44,909	-
03.31.2012	-	24,964	47,497	-
Without due date	36,601	329,323	-	143,799
To be due				
06.30.2012	539,382	117,931	-	122,445
09.30.2012	107,565	4,119	-	622
12.31.2012	-	78,717	-	622
03.31.2013	-	2,308	-	622
03.31.2014	-	1,960	-	-
03.31.2015	-	86	-	-
03.31.2016	-	105,928	-	-
03.31.2017	-	511	-	-
03.31.2018	-	59,258	-	-
Total at 03.31.2012.....	683,548	1,023,903	2,023,673	268,110
Balances subject to adjustment	35,543	-	-	-
Balances not subject to adjustment	648,005	1,023,903	2,023,673	268,110
Total at 03.31.2012.....	683,548	1,023,903	2,023,673	268,110
Interest bearing balances	647,688	1,175	1,935,267	37,642
Non - interest bearing balances	35,860	1,022,728	88,406	230,468
Total at 03.31.2012.....	683,548	1,023,903	2,023,673	268,110

(a) Excludes foreign investments.

(b) Includes accounts receivable and other receivables at their present value, not including allowances.

(c) Classified into current liabilities (Note 10).

(d) Includes all non-financial liabilities, excluding contingencies.

ADDITIONAL INFORMATION TO THE NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS REQUIRED BY SECTION 68 OF THE BUENOS AIRES STOCK EXCHANGE REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2012.

General matters related to the Company's activities

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

The Natural Gas Act and its regulations, the Specifications for the privatization of GdE, the Transfer Contract, the License and the resolutions issued by the ENARGAS make up the regulatory framework in which the Company conducts its operations.

The License, granted for a term of 35 years with an option to extend it for a ten year-term, may be revoked by the PEN upon ENARGAS's recommendation in case the Company expressly failed to comply with its obligations. If the License is officially and finally revoked, the Company may be forced to cease operating the assets transferred by GdE to the Company and transfer them to the National State or the person the National State so appointed.

Note 1 to TGN's unaudited interim financial statements describes the Company's legal and regulatory aspects.

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

See Notes 1.c.v), 2.f) and 14 to the Company's unaudited interim financial statements as of March 31, 2012.

3. Classification of short-term investments, receivables and liabilities according to their aging and due dates:

See Note 19.g) to the Company's unaudited interim financial statements as of March 31, 2012.

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

See Note 19.e) and g) to the Company's unaudited interim financial statements as of March 31, 2012.

5. Investments in Corporations Section 33 of Law No. 19,550 in capital and total votes:

See Note 19.b) to the Company's unaudited interim financial statements as of March 31, 2012. Balances with related companies are disclosed in Note 5 to those unaudited interim financial statements.

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

None.

7. Physical count of inventories:

Physical count of materials and spare parts is performed on an annual basis. Slow-moving and obsolete materials and spare parts amount to \$ 85.6 million and are totally written-off (Note 3.g)) and 19.d) to the Company's unaudited interim financial statements as of March 31, 2012).

ADDITIONAL INFORMATION TO THE NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
REQUIRED BY SECTION 68 OF THE BUENOS AIRES STOCK EXCHANGE REGULATIONS FOR THE THREE-
MONTH PERIOD ENDED MARCH 31, 2012.

Current Values:

8. Other Assets and Inventories:

- Other assets (gas stock): gas stock in the gas pipe network has been valued at the replacement cost of the gas cubic meter, plus the average carriage price (Note 3.i) to the Company's unaudited interim financial statements as of March 31, 2012).

- Inventories (materials and spare parts): they are valued at their replacement cost net of an allowance for slow-moving and obsolescence (Note 3.g) and Note 19.d) to the Company's unaudited interim financial statements as of March 31, 2012).

Fixed Assets:

9. Technically appraised fixed assets:

None.

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

None.

Equity investments in other companies:

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

None.

Recoverable value:

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

- Materials and spare parts and fixed assets: the recoverable value of such assets was determined based on their economic use - Notes 3.g) and 3.h), respectively - to the Company's unaudited interim financial statements as of March 31, 2012, subject to the resolution of the uncertainties generated by the changes in the economic context and the legal and contractual conditions under which the Company operates.

- Other assets: for the gas stock, the criterion followed to determine its recoverable value is the net realization value (Note 3.i) to the Company's unaudited interim financial statements as of March 31, 2012).

- Deferred tax asset and minimum presumed income tax: the projections of future taxable income have been taken into consideration for the calculation of the recoverable value. Such projections have been built on the basis of the best estimate in accordance with the guidelines pointed out in Note 2.d) to the Company's unaudited interim financial statements as of March 31, 2012, and taking into consideration the resolution of the uncertainties mentioned in Notes 1.b) and 1.c) to the Company's unaudited interim financial statements as of March 31, 2012, referring to the modifications of the Argentine economic context and of the legal and contractual framework in which the Company operates.

TRANSPORTADORA DE GAS DEL NORTE S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS REQUIRED BY SECTION 68 OF THE BUENOS AIRES STOCK EXCHANGE REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2012.

Insurance:

13. Insurance covering the Company's tangible assets:

Property insured	Risks covered	Amount insured in thousands	Book value in thousands of \$
<ul style="list-style-type: none"> • Personal and real property allocated to the provision of services, except for machinery and equipment 	All physical risks and loss of profits Liability insurance	US\$ 75,000 US\$ 50,000	306,877
<ul style="list-style-type: none"> • Compressor plants 	Terrorism	US\$ 35,000	378,328
<ul style="list-style-type: none"> • Machinery 	Machinery breakdown	US\$ 10,000	158,006
<ul style="list-style-type: none"> • Automobiles: <ul style="list-style-type: none"> - Management's fleet - Officers' fleet and cars and pick ups - Trucks and trailers 	Limited liability insurance Total loss car accident Total or partial loss due to fire, robbery or theft Limited liability insurance Limited liability insurance	\$ 3,000 Replacement value \$ 3,000 \$ 10,000	493 3,115 551
<ul style="list-style-type: none"> • Personal property located in Head Office, IT equipment and IT items 	Fire of contents Theft	US\$ 8,650 US\$ 10	6,088

Contingencies:

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

The provision for contingencies represents approximately 3.1% of the Company's shareholders' equity as of March 31, 2012 and was set up to face payments the Company would have to make in the event of claims and/or complaints filed against it (Refer to Note 19.d) to the Company's unaudited interim financial statements as of March 31, 2012). In estimating amounts, the likelihood of occurrence was taken into account based on the opinion of the legal consultants and the criteria detailed in Note 2.d) to the Company's unaudited interim financial statements as of March 31, 2012.

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

Except for the provisions mentioned in Note 13 to the Company's unaudited interim financial statements as of March 31, 2012, there are no such situations.

TRANSPORTADORA DE GAS DEL NORTE S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS REQUIRED BY SECTION 68 OF THE BUENOS AIRES STOCK EXCHANGE REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2012.

Irrevocable advances on account of future subscription of shares:

16. Status of the capitalization process:

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

17. Unpaid cumulative dividends of preferred shares:

None.

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

Under the terms of the financial agreements currently in force, TGN shall not make dividend payments in the event of default, grounds for default or in an adverse event period (as defined in the contract).

See Note 12.c) to the Company's unaudited interim financial statements as of March 31, 2012.

Autonomous City of Buenos Aires, May 8, 2012

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, 2012, and the related statements of operations, of changes in shareholders equity and of cash flows for the three-month periods ended March 31, 2012 and 2011, 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 gas 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 Notes 3.h) and 7 to the accompanying financial statements, the Company tested its fixed assets and its tax credits 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 and tax credits, whose net book value at March 31, 2012 amounts to \$ 1,916 million and \$ 240 million, respectively (at December 31, 2011 \$ 1,938 million and \$ 212 million, respectively).

4. As mentioned in Notes 1.c) , 13.e) and 13.h) to the attached financial statements, at March 31, 2012 the Company has contractual disputes for significant amounts with certain customers that provide gas carriage services for export for outstanding balances of \$ 540.6 million (\$ 508.6 million at December 31, 2011) 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 covered by an allowance partially at the balance sheet date. In addition, as explained in Note 16.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, 2012 a net receivable for \$ 16.0 million (\$ 14.6 million at December 31, 2011) 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, 2012, the Company carries financial debts denominated in US dollars for a total of US\$ 462.1 million (US\$ 451.3 million at December 31, 2011), and has not paid principal for US\$ 117.8 million and interest for US\$ 117.2 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, thus, the Company has disclosed all balances due under loans, in current liabilities.

Furthermore, as mentioned in Note 10 to the accompanying financial statements, on October 14, 2009 the Meeting of Holders representing approximately 88% of the outstanding principal and votes accepted the payment proposal offered by the Company through the petition for an out-of-court restructuring agreement. Subsequently, on October 19, 2009, the Company's Ordinary Meeting of Shareholders ratified the Boards' decision to submit this Out-of-court Restructuring Agreement to the commercial court for its confirmation as laid down by the Argentine Bankruptcy Law. This judicial approval is pending at the date of issue of these financial statements.

6. The March 31, 2012 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, 2011 and 2010, on which we issued our report on March 6, 2012 including qualifications regarding the circumstances referred to in paragraphs 3., 4., 5. and 6. of this report, we state that:
- a) The financial statements of TGN at March 31, 2012 and 2011 detailed in paragraph 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 paragraphs 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, 2011.
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;
 - c) we have read the Summary of Activities, except for the titled chapter "Progress in the IFRS implementation plan", and the additional information to the notes to the financial statements required by Section 68 of the Buenos Aires Stock Exchange Regulations, on which, as regards those matters that are within our competence, we have no observation to make other than those indicated in paragraphs 3., 4., 5. and 6.;
 - d) at March 31, 2012, the debt accrued in favor of the Argentine Integrated Social Security System amounted, as shown by the Company's accounting records, to \$ 2,830,540 which was not yet due at that date.

Autonomous City of Buenos Aires, May 8, 2012

PRICE WATERHOUSE & CO. S.R.L.

by _____ (Partner)
Fernando A. Rodríguez