



*TRANSPORTADORA
DE GAS DEL NORTE S.A.*

**Interim condensed financial statements as of March 31, 2016 presented in
thousands of pesos and in a comparative format**

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Review report on the interim condensed financial statements

Statutory Audit Committee's Report

Transportadora de Gas del Norte S.A.

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

INTERIM CONDENSED FINANCIAL STATEMENTS for the three-month period ended on March 31, 2016, presented in a comparative format.

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

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

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

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

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

Controlling shareholder: Gasinvest S.A.

Legal address: Roque Sáenz Peña Av., 938 - 3rd floor - Autonomous City of Buenos Aires.

Main activity: investments in securities, real estate and financial activities.

Percentage of shares held by the controlling shareholder: 56.354%.

Percentage of votes held by the controlling shareholder: 56.354%.

Capital status (Note 14 to the Company's financial statements as of December 31, 2015)

Type of shares	Subscribed and paid in	
	03.31.16	12.31.15
	Thousands of \$	
Ordinary, book-entry class A shares, of \$ 1 par value each and entitled to one vote per share	179,264	179,264
Ordinary, book-entry class B shares, of \$ 1 par value each and entitled to one vote per share	172,235	172,235
Ordinary, book-entry class C shares, of \$ 1 par value each and entitled to one vote per share	87,875	87,875
Total	439,374	439,374

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE THREE-MONTH PERIODS ENDED MARCH 31, 2016 AND 2015

In accordance with the terms of the National Securities Commission (“CNV”) regulations, an analysis of the results of Transportadora de Gas del Norte S.A. (“TGN” or “the Company”) is detailed below, as well as its financial situation, its business prospects and other financial and economic indicators, which should be read in conjunction with the attached interim condensed financial statements, the additional information to the notes required by Section 68 of the Buenos Aires Stock Exchange Listing Rules, by Title IV, Chapter III, Sections 1st and 12 of the CNV regulations, the press releases opportunely notified to the CNV and the Company’s financial statements corresponding to the fiscal year ended December 31, 2015.

D) ANALYSIS OF COMPREHENSIVE RESULT AND FINANCIAL SITUATION

- *Comprehensive result for the period:*

<i>Accounts</i>	<i>(in millions of pesos)</i>		
	<i>Three-month period ended March 31,</i>		
	<i>2016</i>	<i>2015</i>	<i>Variation</i>
Revenues			
<i>Gas carriage service</i>	173.7	167.4	6.3
<i>Allowances for disputed amounts and others</i>	-	(23.4)	23.4
<i>Subtotal gas carriage service</i>	173.7	144.0	29.7
<i>Other services:</i>			
<i>Gas pipeline operation and maintenance services</i>	24.8	15.9	8.9
<i>Management fees – Gas Trust Program</i>	0.6	1.6	(1.0)
<i>Subtotal other services</i>	25.4	17.5	7.9
Total revenues	199.1	161.5	37.6
Cost of services			
<i>Operation and maintenance costs</i>	(158.8)	(120.9)	(37.9)
<i>Property, plant and equipment depreciation</i>	(36.1)	(34.8)	(1.3)
<i>Subtotal</i>	(194.9)	(155.7)	(39.2)
Gross profit	4.2	5.8	(1.6)
<i>Administrative and selling expenses</i>	(70.1)	(57.4)	(12.7)
Loss before other net income and expenses	(65.9)	(51.6)	(14.3)
<i>Other net income and expenses</i>	(108.0)	(0.6)	(107.4)
Loss before financial results	(173.9)	(52.2)	(121.7)
<i>Net financial results</i>	(269.5)	9.8	(279.3)
<i>Results from investments in affiliate companies</i>	0.5	0.3	0.2
Result before income tax	(442.9)	(42.1)	(400.8)
<i>Deferred income tax</i>	154.3	10.4	143.9
Loss for the period	(288.6)	(31.7)	(256.9)
<i>Other comprehensive results for the period</i>	4.4	-	4.4
Comprehensive loss for the period	(284.2)	(31.7)	(252.5)
EBITDA ⁽¹⁾	(132.7)	(17.1)	(112.2)

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

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE THREE-MONTH PERIODS ENDED MARCH 31, 2016 AND 2015

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

	<i>(in millions of pesos)</i>	
	<i>03.31.2016</i>	<i>12.31.2015</i>
<i>Total assets</i>	4,124	3,875
<i>Total liabilities</i>	4,096	3,563
<i>Shareholders' equity</i>	28	312

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

- *Revenues*

Revenues' variation of \$ 37.6 million between the three-month periods ended March 31, 2016 and 2015 is explained by the following causes:

- lower allowances for disputed amounts for \$ 23.4 million during the three-month period ended March 31, 2016, compared to the same period of the previous year, due to the rescission of the firm gas carriage contract for export with the customer Metrogas Chile S.A., in April 2015 (see Note 1.3.5 to the Company's financial statements as of December 31, 2015);
- lower income for \$ 6.7 million in interruptible carriage services, exchange and displacement services and others;
- higher billings for \$ 59.8 million, related to the rise in the domestic carriage rates since May 1st, 2015, set by the National Gas Regulatory Entity ("ENARGAS") throughout its Resolution I 3348/15;
- higher income for \$ 8.9 million in "Gas pipeline operation and maintenance services";
- decrease for \$ 46.8 million due to the rescission of the firm gas carriage contract for export with the customer Metrogas Chile S.A., in April 2015 (see Note 1.3.5 to the Company's financial statements as of December 31, 2015); and
- lower income for \$ 1.0 million during the three-month period ended March 31, 2016 corresponding to "Management fees – Gas Trust Program", compared to the same period of the previous year.

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE THREE-MONTH PERIODS ENDED MARCH 31, 2016 AND 2015

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

- *Cost of services*

(in millions of pesos)

<i>Accounts</i>	<i>Three-month period ended March 31,</i>		
	<i>2016</i>	<i>2015</i>	<i>Variation</i>
<i>Fees for professional services</i>	2.5	2.0	0.5
<i>Salaries, wages and other personnel benefits and social security contributions</i>	60.5	51.5	9.0
<i>Technical assistance fees</i>	3.2	2.4	0.8
<i>Consumption of materials and spare parts</i>	10.3	6.6	3.7
<i>Maintenance and repair of property, plant and equipment and third-party services and supplies</i>	56.0	44.8	11.2
<i>Communications, freight, transportation and travel expenses</i>	9.4	6.7	2.7
<i>Insurance</i>	5.1	3.4	1.7
<i>Rentals and office supplies</i>	2.0	1.0	1.0
<i>Easements</i>	4.6	2.2	2.4
<i>Taxes, rates and contributions</i>	0.2	0.5	(0.3)
<i>Property, plant and equipment depreciation</i>	36.1	34.8	1.3
<i>Slow-moving and obsolete materials and spare parts</i>	4.1	(0.5)	4.6
<i>Others</i>	0.9	0.3	0.6
Total	194.9	155.7	39.2
% of Costs of services on revenues	97.9%	96.4%	

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

- i. \$ 9.0 million increase in *Salaries, wages and other personnel benefits and social security contributions* principally as a result of pay increases corresponding to inflation adjustment, partially offset by other sundry charges; and
- ii. \$ 11.2 million increase in *Maintenance and repair of property, plant and equipment and third-party services and supplies*, mainly due to the fact that during the three-month period ended March 31, 2016 higher expenses were made in cleaning, weeding and painting of facilities (\$ 3.4 million), communication and energy equipment's maintenance (\$ 1.4 million), internal inspection of gas pipelines and installations (\$ 7.4 million), maintenance of gas pipelines and compression plants (\$ 5.4 million), security (\$ 1.7 million) and other works, partially offset by lower expenses in repair of gas pipelines (\$ 5.3 million), lower expenses in surfaces installations and remediation of river crossings and erosions (\$ 2.4 million) and lower expenses in control and measurement stations integrity (\$ 1.1 million).

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE THREE-MONTH PERIODS ENDED MARCH 31, 2016 AND 2015

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

- *Administrative and selling expenses*

(in millions of pesos)

Accounts	Three-month period ended March 31,		
	2016	2015	Variation
Salaries, wages and other personnel benefits and social security contributions	26.3	24.4	1.9
Property, plant and equipment depreciation	0.5	0.5	-
Fees for professional services	3.8	3.5	0.3
Taxes, rates and contributions	26.3	20.7	5.6
Communications, freight, transportation and travel expenses	1.4	0.8	0.6
Maintenance and repair of property, plant and equipment and third-party services and supplies	1.7	0.8	0.9
Rentals and office supplies	1.1	0.8	0.3
Doubtful accounts	6.1	4.4	1.7
Contingencies	0.4	(0.4)	0.8
Statutory auditors committee's fees	0.6	0.4	0.2
Board of directors' fees	0.9	0.8	0.1
Others	1.0	0.7	0.3
Total	70.1	57.4	12.7
% of Administrative and selling expenses on revenues	35.2%	35.5%	

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

- i. \$ 1.9 million increase in *Salaries, wages and other personnel benefits and social security contributions* principally as a result of pay increases corresponding to inflation adjustment, partially offset by other sundry charges;
- ii. \$ 5.6 million increase in *Taxes, rates and contributions* due to higher charges for the verification and control rate in favor of the ENARGAS (\$ 3.4 million), tax on bank transactions (\$ 0.5 million) and turnover tax (\$ 1.7 million); and
- iii. \$ 1.7 million increase in *Doubtful accounts* due to higher allowances set up during the three-month period ended March 31, 2016, related to past due customers' balances.

- *Other net income and expenses*

(in millions of pesos)

Accounts	Three-month period ended March 31,		
	2016	2015	Variation
Compensation for damages adjustment	(110.7)	-	(110.7)
Net result from disposal of property, plant and equipment	-	0.2	(0.2)
Net income from sundry sales, accidents recoveries and others	2.7	(0.8)	3.5
Total	(108.0)	(0.6)	(107.4)

On March 10, 2014, the Company entered into an *addendum* to the compromise and settlement agreement signed with AES Argentina Generación S.A. on March 13, 2012, whereby the volume available for expansion is modified to 958,100 m³/day. During the three-month period ended March 31, 2016, the Company has recognized a \$ 110.7 million loss in relation to the previously mentioned compromise and settlement agreement. This loss is the result of measuring the liability with AES Argentina Generación S.A. on the basis of the gas carriage rates in force as from April 1st, 2016, as mentioned in Note 1.1 to the Company's interim condensed financial statements as of March 31, 2016.

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE THREE-MONTH PERIODS ENDED MARCH 31, 2016 AND 2015

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

- *Net financial results*

(in millions of pesos)

<i>Accounts</i>	<i>Three-month period ended March 31,</i>		
	<i>2016</i>	<i>2015</i>	<i>Variation</i>
<i>Generated by exchange rate differences:</i>			
<i>Income on exchange rate variations</i>	200.9	44.1	156.8
<i>Loss on exchange rate variations</i>	(404.2)	(62.5)	(341.7)
<i>Total financial results generated by exchange rate differences</i>	(203.3)	(18.4)	(184.9)
<i>Financial income:</i>			
<i>Interest</i>	10.4	6.7	3.7
<i>Results from changes in fair values</i>	4.0	63.2	(59.2)
<i>Allowances recovered and others</i>	0.7	0.1	0.6
<i>Total financial income</i>	15.1	70.0	(54.9)
<i>Financial expenses:</i>			
<i>Interest</i>	(59.8)	(33.9)	(25.9)
<i>Results on discounting at present value</i>	(21.1)	(7.0)	(14.1)
<i>Commissions, taxes and expenses on banking and financial operations</i>	(0.4)	(0.9)	0.5
<i>Total financial expenses</i>	(81.3)	(41.8)	(39.5)
<i>Total net financial results</i>	(269.5)	9.8	(279.3)

Net financial results for the three-month period ended March 31, 2016 presented higher losses for \$ 279.3 million compared to the three-month period ended March 31, 2015. Accounts showing the most significant variations between both periods were:

- i. higher losses for \$ 341.7 million resulting from exchange rate differences generated by liabilities denominated in US dollars;
- ii. lower results from changes in fair values for \$ 59.2 million during the three-month period ended March 31, 2016;
- iii. higher interests for \$ 25.9 million accrued in relation to loan balances during the three-month period ended March 31, 2016, compared to the same period of the previous year;
- iv. higher profits for \$ 156.8 million resulting from exchange rate differences generated by assets denominated in US dollars; and
- v. higher losses for \$ 14.1 million related to the long-term receivables and payables' valuation at their net present value.

- *Deferred income tax*

Deferred income tax results corresponding to the three-month period ended on March 31, 2016 presented higher income for \$ 143.9 million compared to the same period of last year. This variation is principally explained by a higher tax-loss carryforward registered in 2016. Note 7 to the Company's interim condensed financial statements as of March 31, 2016 presents a breakdown of the deferred income tax assets and liabilities and the variation they registered during the three-month period ended March 31, 2016.

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE THREE-MONTH PERIODS ENDED MARCH 31, 2016 AND 2015

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

- *Summary of the statement of cash flows*

(in millions of pesos)

	<i>Three-month period ended March 31,</i>	
	<i>2016</i>	<i>2015</i>
<i>Cash generated by (used in) the operations</i>	71.7	(168.6)
<i>Deferred income tax</i>	(154.3)	(10.4)
<i>Accrued interest generated by liabilities</i>	59.8	33.9
<i>Net cash flow used in the operations</i>	(22.8)	(145.1)
<i>Purchase of property, plant and equipment</i>	(50.6)	(26.3)
<i>Variation of short-term investments (non-cash equivalents)</i>	(7.2)	114.7
<i>Net cash flow (used in) generated by the investing activities</i>	(57.8)	88.4
<i>Cash flow hedge operations</i>	1.3	-
<i>Loans' payment</i>	(21.8)	(0.5)
<i>Net cash flow used in financing activities</i>	(20.5)	(0.5)
<i>Net decrease in cash and cash equivalents</i>	(101.1)	(57.2)
<i>Cash and cash equivalents at the beginning of the year</i>	209.6	250.5
<i>Financial results generated by cash</i>	21.6	8.6
<i>Cash and cash equivalents at the end of the period</i>	130.1	201.9

- *Breakdown of cash and cash equivalents*

(in millions of pesos)

<i>Accounts</i>	<i>Three-month period ended March 31,</i>	
	<i>2016</i>	<i>2015</i>
<i>Cash and banks</i>	35.6	30.8
<i>Time deposits in US\$</i>	75.9	171.1
<i>Mutual funds in \$</i>	18.6	-
<i>Cash and cash equivalents at the end of the period</i>	130.1	201.9

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE THREE-MONTH PERIODS ENDED MARCH 31, 2016 AND 2015

II) BUSINESS PROSPECTS (not covered by the Review report on the interim condensed financial statements)

This section, related to the Company's business, operating, financial and regulatory prospects must be complemented with the notes to the interim condensed financial statements as of March 31, 2016, the additional information required by Section 68 of the Buenos Aires Stock Exchange Listing Rules, by Title IV, Chapter III, Sections 1st and 12 of the CNV regulations as of March 31, 2016 and the Company's financial statements as of December 31, 2015. This information should be jointly read, analyzed and interpreted to have a full vision of the significant corporate matters.

Business prospects for the rest of the current fiscal year:

Upon enactment of the Public Emergency Law N° 25,561 ("LEP") in early 2002 and the extension of its effectiveness since then, the gas carriage rates were converted into Argentine pesos and frozen. Since the regulation issued after the enactment of the LEP did not establish any alternative mechanism for the adjustment of rates, the economic-financial equation of the License (as defined in Note 1 to the Company's financial statements as of December 31, 2015) was broken.

Between July 1999 and March 2014, TGN's rates were frozen in pesos, preventing the Company from continuing making investments to expand the system. Public trusts organized by the former National Secretariat of Energy, as from 2004, replaced the Company in that role. These trusts are financed through rates that largely exceeded, at the moment of their establishment, the rate collected by TGN.

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

The joint effect of the mentioned rate freezing and the steady increase in costs has materially affected the operating results of TGN, which has recorded losses since 2011. The Company has recorded operating losses over the last twenty one quarters as regards the natural gas carriage utility. TGN has not received and is not receiving any subsidy from the National State.

In April 2014, the ENARGAS implemented a Temporary Agreement for rate adjustment entered into in 2008, and ratified by the National Executive Branch in 2010, which approved an increase in gas carriage rates of 8% as from April 1st, 2014; 14% accumulated as from June 1st, 2014, and 20% accumulated as from August 1st, 2014. The incremental collection had to be applied to carry out investments approved by the ENARGAS. The Company complied with this obligation. Subsequently, on June 5th, 2015, the ENARGAS enforced, through Resolution I 3348, new gas carriage rate schedules that implied a 69.1% increase as from May 1st of that year.

In February 2016, TGN entered into a new Temporary Agreement with the Ministries of Finance and of Energy and Mining, that set the basic guidelines for a temporary adjustment of its rates and a future Comprehensive Rates Review ("CRR"). As a consequence, the Ministry of Energy and Mining issued, on March 29, 2016, resolution N° 31/16 according to which the ENARGAS was instructed to conduct CRR procedures (in a term no longer than a year since the issuance of that resolution), subject to the execution of a Comprehensive Contractual Renegotiation Agreement, and to establish a temporary adjustment of rates in force, regarding gas carriage and distribution.

On March 31, 2016, the ENARGAS issued resolution I/3723, establishing a TGN's rates increase of 289.2% as from April 1st, 2016. In return, the ENARGAS established a mandatory investment plan for \$ 1.041 billion to be carried out in a term of one year, under penalty of law. Meanwhile, TGN will not be allowed to distribute dividends without ENARGAS' prior authorization.

It is expected that the mentioned temporary increase will allow TGN to face its operation, maintenance, administration and selling expenses during the current fiscal year, as well as fulfilling its payment obligations and complying with the mandatory investment plan.

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE THREE-MONTH PERIODS ENDED MARCH 31, 2016 AND 2015

II) BUSINESS PROSPECTS (not covered by the Review report on the interim condensed financial statements) (Cont.)

Both Law N° 24,076 and the LEP establish that the rate must be sufficient to cover operational costs and to provide reasonable profitability and, additionally, the License mentions that the National State must pay a compensation to TGN, in case of applying rate freezing or prices control, as it actually occurred since July, 1999.

It also should be noted that the accumulated losses amount to \$ 806.2 million as of March 31, 2016. Consequently, TGN continues to be under the scope of section 206 of the Argentine Corporations Law (refer to Note 1.3.3 to the Company's financial statements as of December 31, 2015). As for this matter, it is worth mentioning that TGN's Ordinary and Extraordinary Shareholders' Meeting held on April 14, 2016 decided to monitor the Company's financial situation evolution during the current fiscal year and postpone the application of section 206 of the Argentine Corporations Law until the Shareholders' Meeting that will consider the Company's financial statements corresponding to the current fiscal year, ending on December 31, 2016, is held.

III) COMPARATIVE BALANCE SHEET STRUCTURE AT MARCH 31, 2016, 2015, 2014, 2013 and 2012

(in millions of pesos)

Accounts	At 03.31				
	2016	2015	2014	2013	2012
Non-current assets	3,450	2,551	2,422	2,191	2,274
Current assets	674	684	839	642	1,009
Total	4,124	3,235	3,261	2,833	3,283
Shareholders' equity	28	798	1,030	1,057	795
Non-current liabilities	3,380	2,015	1,919	1,484	250
Current liabilities	716	422	312	292	2,238
Subtotal liabilities	4,096	2,437	2,231	1,776	2,488
Total	4,124	3,235	3,261	2,833	3,283

IV) COMPARATIVE STRUCTURE OF COMPREHENSIVE RESULTS FOR THE PERIODS ENDED MARCH 31, 2016, 2015, 2014, 2013 and 2012

(in millions of pesos)

Accounts	At 03.31				
	2016	2015	2014	2013	2012
Loss before other net income and expenses	(65.9)	(51.6)	(23.7)	(2.2)	(25.7)
Other net income and expenses	(108.0)	(0.6)	32.5	15.7	11.1
(Loss) income before financial results	(173.9)	(52.2)	8.8	13.5	(14.6)
Net financial results	(269.5)	9.8	(96.9)	(15.4)	(64.6)
Results from investments in affiliate companies	0.5	0.3	2.2	0.4	0.6
Result before income tax	(442.9)	(42.1)	(85.9)	(1.5)	(78.6)
Income tax	154.3	10.4	30.2	0.8	27.0
Loss for the period	(288.6)	(31.7)	(55.7)	(0.7)	(51.6)
Other comprehensive results	4.4	-	-	-	-
Comprehensive loss for the period	(284.2)	(31.7)	(55.7)	(0.7)	(51.6)

TRANSPORTADORA DE GAS DEL NORTE S.A.

SUMMARY OF INFORMATION CORRESPONDING TO THE THREE-MONTH PERIODS ENDED MARCH 31, 2016 AND 2015

V) COMPARATIVE STATISTICAL DATA CORRESPONDING TO THE PERIODS ENDED MARCH 31, 2016, 2015, 2014, 2013 and 2012

Volume dispatched in millions of cubic meters:

	According to the type of carriage agreement				
	At 03.31				
	2016	2015	2014	2013	2012
Firm carriage	3,736	3,807	3,671	3,387	3,360
Interruptible carriage and Exchange and displacement	1,975	2,158	2,122	1,897	1,704
Total	5,711	5,965	5,793	5,284	5,064

	According to the type of source				
	At 03.31				
	2016	2015	2014	2013	2012
Norte Gas pipeline	2,637	2,815	2,201	2,064	2,020
Centro-Oeste Gas pipeline	3,074	3,150	3,592	3,220	3,044
Total	5,711	5,965	5,793	5,284	5,064

	According to its destination				
	At 03.31				
	2016	2015	2014	2013	2012
Domestic market	5,709	5,853	5,767	5,280	5,062
Foreign market	2	112	26	4	2
Total	5,711	5,965	5,793	5,284	5,064

VI) COMPARATIVE INDICATORS AT MARCH 31, 2016, 2015, 2014, 2013 and 2012

	At 03.31				
	2016	2015	2014	2013	2012
Current liquidity (1)	0.94	1.62	2.69	2.20	0.45
Solvency (2)	0.01	0.33	0.46	0.60	0.32
Freezing capital (3)	0.84	0.79	0.74	0.77	0.69

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

Autonomous City of Buenos Aires, May 9, 2016

Emilio Daneri Conte-Grand
President

Transportadora de Gas del Norte S.A.

INTERIM CONDENSED BALANCE SHEET AT MARCH 31, 2016 COMPARATIVE WITH THAT AT DECEMBER 31, 2015 (in thousands of pesos)

	Note	<u>03.31.2016</u>	<u>12.31.2015</u>
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,858,189	1,844,199
Investments in affiliate companies	6	22,086	18,488
Materials and spare parts	9	78,482	73,335
Other accounts receivable	10	115,246	110,250
Deferred income tax asset	7	315,086	160,795
Trade accounts receivable	11	1,012,993	873,647
Investments at amortised cost	8	48,058	49,619
Total non-current assets		<u>3,450,140</u>	<u>3,130,333</u>
Current assets			
Materials and spare parts		17,503	17,483
Other accounts receivable	10	132,930	149,204
Trade accounts receivable	11	257,226	241,510
Investments at amortised cost	8	9,119	8,867
Investments at fair value	8	126,939	118,431
Cash and cash equivalents	12	130,144	209,602
Total current assets		<u>673,861</u>	<u>745,097</u>
Total assets		<u>4,124,001</u>	<u>3,875,430</u>

Transportadora de Gas del Norte S.A.

INTERIM CONDENSED BALANCE SHEET AT MARCH 31, 2016 COMPARATIVE WITH THAT AT DECEMBER 31, 2015 (in thousands of pesos)

	Note	<u>03.31.2016</u>	<u>12.31.2015</u>
SHAREHOLDERS´ EQUITY			
Common stock	13	439,374	439,374
Inflation adjustment of common stock		390,185	390,185
Other reserves		4,425	25
Retained earnings		(806,191)	(517,663)
Total shareholders´ equity		<u>27,793</u>	<u>311,921</u>
LIABILITIES			
Non-current liabilities			
Contingencies	17	77,183	74,023
Loans	14	3,116,298	2,733,958
Other debts	15	50,235	45,725
Trade accounts payable	16	136,377	35,569
Total non-current liabilities		<u>3,380,093</u>	<u>2,889,275</u>
Current liabilities			
Contingencies	17	26,857	26,916
Loans	14	143,605	127,388
Salaries and social security contributions		44,954	67,943
Taxes payable		11,444	9,710
Other debts	15	31,400	30,434
Trade accounts payable	16	457,855	411,843
Total current liabilities		<u>716,115</u>	<u>674,234</u>
Total liabilities		<u>4,096,208</u>	<u>3,563,509</u>
Total liabilities and shareholders´ equity		<u>4,124,001</u>	<u>3,875,430</u>

The accompanying notes 1 to 26 are an integral part of these interim condensed financial statements.

Transportadora de Gas del Norte S.A.

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME AT MARCH 31, 2016 AND 2015 (in thousands of pesos)

	Note	<u>03.31.2016</u>	<u>03.31.2015</u>
Revenues	18	199,146	161,468
Cost of services	19	<u>(194,930)</u>	<u>(155,701)</u>
Gross profit		4,216	5,767
Selling expenses	19	<u>(15,828)</u>	<u>(12,405)</u>
Administrative expenses	19	<u>(54,232)</u>	<u>(44,961)</u>
Loss before other net income and expenses		<u>(65,844)</u>	<u>(51,599)</u>
Other net income and expenses	20	<u>(107,961)</u>	<u>(582)</u>
Loss before financial results		<u>(173,805)</u>	<u>(52,181)</u>
Financial results			
Generated by exchange rate differences	21	(203,296)	(18,477)
Financial income	21	15,061	70,051
Financial expenses	21	(81,280)	(41,754)
Net financial results		<u>(269,515)</u>	<u>9,820</u>
Results from investments in affiliate companies	6	501	274
Result before income tax		<u>(442,819)</u>	<u>(42,087)</u>
Income tax			
Current		-	-
Deferred		154,291	10,388
Subtotal income tax	7	<u>154,291</u>	<u>10,388</u>
Loss for the period		<u>(288,528)</u>	<u>(31,699)</u>
Net result per share	22	(0.657)	(0.072)
Items that will be reclassified into profit or loss			
Changes in the fair value of derivatives held as hedge	3.1.1	1,303	-
Affiliate companies' financial statements currency translation adjustment	6	3,097	-
Other comprehensive results for the period ⁽¹⁾		<u>4,400</u>	<u>-</u>
Comprehensive loss for the period		<u>(284,128)</u>	<u>(31,699)</u>

⁽¹⁾ The comprehensive results for the period are disclosed net from the income tax effect.

The accompanying notes 1 to 26 are an integral part of these interim condensed financial statements.

Transportadora de Gas del Norte S.A.

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIODS ENDED MARCH 31, 2016 AND 2015 (in thousands of pesos)

Item	Common stock	Inflation adjustment of common stock	Legal reserve	Optional reserve	Other reserves	Retained earnings	Total shareholders' equity
Balances at December 31, 2014	439,374	506,053	73,201	67,556	-	(256,625)	829,559
Loss for the three-month period ended March 31, 2015	-	-	-	-	-	(31,699)	(31,699)
Balances at March 31, 2015	439,374	506,053	73,201	67,556	-	(288,324)	797,860
Resolution of Ordinary Shareholders' Meeting held on April 21, 2015:							
Absorption of the loss for the fiscal year 2014 against:							
Optional reserve	-	-	-	(67,556)	-	67,556	-
Legal reserve	-	-	(73,201)	-	-	73,201	-
Inflation adjustment of common stock	-	(115,868)	-	-	-	115,868	-
Loss for the supplementary nine-month period until December 31, 2015	-	-	-	-	-	(485,964)	(485,964)
Other comprehensive results	-	-	-	-	25	-	25
Balances at December 31, 2015	439,374	390,185	-	-	25	(517,663)	311,921
Loss for the three-month period ended March 31, 2016	-	-	-	-	-	(288,528)	(288,528)
Changes in the fair value of derivatives held as hedge	-	-	-	-	1,303	-	1,303
Affiliate companies' financial statements currency translation adjustment	-	-	-	-	3,097	-	3,097
Subtotal comprehensive loss for the period	-	-	-	-	4,400	(288,528)	(284,128)
Balances at March 31, 2016	439,374	390,185	-	-	4,425	(806,191)	27,793

The accompanying notes 1 to 26 are an integral part of these interim condensed financial statements.

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INTERIM CONDENSED STATEMENT OF CASH FLOWS AT MARCH 31, 2016 AND 2015 (in thousands of pesos)

	Note	<u>03.31.2016</u>	<u>03.31.2015</u>
Cash generated by (used in) the operations	23	71,691	(168,580)
Deferred income tax	7	(154,291)	(10,388)
Accrued interest generated by liabilities	21	59,822	33,889
Net cash flow used in the operations		<u>(22,778)</u>	<u>(145,079)</u>
Purchase of property, plant and equipment	5	(50,629)	(26,285)
Changes in short-term investments (non-cash equivalents)		(7,199)	114,691
Net cash flow (used in) generated by investing activities		<u>(57,828)</u>	<u>88,406</u>
Cash flow hedge operations	3.1.1	1,303	-
Loans' payment		(21,794)	(543)
Net cash flow used in financing activities		<u>(20,491)</u>	<u>(543)</u>
Net decrease in cash and cash equivalents		<u>(101,097)</u>	<u>(57,216)</u>
Cash and cash equivalents at the beginning of the year		209,602	250,489
Financial results generated by cash		21,639	8,591
Cash and cash equivalents at the end of the period	12	<u>130,144</u>	<u>201,864</u>

The accompanying notes 1 to 26 are an integral part of these interim condensed financial statements.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

1 - GENERAL INFORMATION

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 Argentine Republic.

Information regarding Argentina’s economic context, the energy matter crisis, the contractual framework in which the Company operates and the impact of the previously mentioned on the Company’s economic-financial situation is disclosed in Note 1 to the Company’s financial statements as of December 31, 2015. Except for what is mentioned below in Note 1.1, during the three-month period ended on March 31, 2016 and up to the date of issuance of these interim condensed financial statements, no significant facts have been arisen in relation to what is mentioned in Note 1 to the Company’s financial statements as of December 31, 2015.

1.1 - License

Upon enactment of the Public Emergency Law N° 25,561 (“LEP”) in early 2002 and the extension of its effectiveness since then, the gas carriage rates were converted into Argentine pesos and frozen. Since the regulation issued after the enactment of the LEP did not establish any alternative mechanism for the adjustment of rates, the economic-financial equation of the License (as defined in Note 1 to the Company’s financial statements as of December 31, 2015) was broken.

Between July 1999 and March 2014, TGN’s rates were frozen in pesos, preventing the Company from continuing making investments to expand the system. Public trusts organized by the former National Secretariat of Energy, as from 2004, replaced the Company in that role. These trusts are financed through rates that largely exceeded, at the moment of their establishment, the rate collected by TGN.

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

The joint effect of the mentioned rate freezing and the steady increase in costs has materially affected the operating results of TGN, which has recorded losses since 2011. The Company has recorded operating losses over the last twenty one quarters as regards the natural gas carriage utility. TGN has not received and is not receiving any subsidy from the National State.

In April 2014, the ENARGAS implemented a Temporary Agreement for rate adjustment entered into in 2008, and ratified by the National Executive Branch in 2010, which approved an increase in gas carriage rates of 8% as from April 1st, 2014; 14% accumulated as from June 1st, 2014, and 20% accumulated as from August 1st, 2014. The incremental collection had to be applied to carry out investments approved by the ENARGAS. The Company complied with this obligation. Subsequently, on June 5th, 2015, the ENARGAS enforced, through Resolution I 3348, new gas carriage rate schedules that implied a 69.1% increase as from May 1st of that year.

In February 2016, TGN entered into a new Temporary Agreement with the Ministries of Finance and of Energy and Mining, that set the basic guidelines for a temporary adjustment of its rates and a future Comprehensive Rates Review (“CRR”). As a consequence, the Ministry of Energy and Mining issued, on March 29, 2016, resolution N° 31/16 according to which the ENARGAS was instructed to conduct CRR procedures (in a term no longer than a year since the issuance of that resolution), subject to the execution of a Comprehensive Contractual Renegotiation Agreement, and to establish a temporary adjustment of rates in force, regarding gas carriage and distribution.

On March 31, 2016, the ENARGAS issued resolution I/3723, establishing a TGN’s rates increase of 289.2% as from April 1st, 2016. In return, the ENARGAS established a mandatory investment plan for \$ 1.041 billion to be

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carried out in a term of one year, under penalty of law. Meanwhile, TGN will not be allowed to distribute dividends without ENARGAS' prior authorization.

It is expected that the mentioned temporary increase will allow TGN to face its operation, maintenance, administration and selling expenses during the current fiscal year, as well as fulfilling its payment obligations and complying with the mandatory investment plan.

Both Law N° 24,076 and the LEP establish that the rate must be sufficient to cover operational costs and to provide reasonable profitability and, additionally, the License mentions that the National State must pay a compensation to TGN, in case of applying rate freezing or prices control, as it actually occurred since July, 1999.

It also should be noted that the accumulated losses amount to \$ 806.2 million as of March 31, 2016. Consequently, TGN continues to be under the scope of section 206 of the Argentine Corporations Law (refer to Note 1.3.3 to the Company's financial statements as of December 31, 2015). As for this matter, it is worth mentioning that TGN's Ordinary and Extraordinary Shareholders' Meeting held on April 14, 2016 decided to monitor the Company's financial situation evolution during the current fiscal year and postpone the application of section 206 of the Argentine Corporations Law until the Shareholders' Meeting that will consider the Company's financial statements corresponding to the current fiscal year, ending on December 31, 2016, is held.

2 - PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

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

These interim condensed financial statements for the three-month period ended March 31, 2016 have been prepared in accordance with the International Accounting Standard 34 ("Interim financial reporting"). These interim condensed financial statements should be read in conjunction with the Company's financial statements as of December 31, 2015, issued in accordance with IFRS. Additionally, these interim condensed financial statements have been prepared following the same accounting policies used in the preparation of the Company's financial statements as of December 31, 2015.

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

If applicable, certain amounts from prior interim financial statements have been reclassified in order to comply with comparative presentation with these interim condensed financial statements.

2.1 - Accounting estimates and policies

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

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

Such estimates are affected by uncertainties related to changes in the economic environment, and the legal and regulatory framework in which the Company is currently operating, as well as by the consequences of the gas supply shortage mentioned in Note 1 to the Company's financial statements as of December 31, 2015 and by the current status of the License renegotiation mentioned in Note 1.1 to these interim condensed financial statements. In this context, there is a material uncertainty that may cast a significant doubt as to the generation of future cash flows sufficient to recover non-current assets, the repayment of financial debts, the future development of the Company's business and the normal continuity of its operations as a going concern.

Accounting estimates and policies applied by the Company during the three-month period ended March 31, 2016 are consistent with those applied during the fiscal year ended December 31, 2015.

3 - FINANCIAL RISK MANAGEMENT

As for financial risk analysis, as of March 31, 2016, except for what is mentioned in Note 3.1 below, there are no significant variations in relation to what has been mentioned in Note 3 to the Company's financial statements as of December 31, 2015.

3.1 - Currency risks

The potential impact on the statement of comprehensive income and the statement of changes in shareholders' equity resulting from each percentage point of devaluation of the peso against the US dollar would account for an approximate loss of \$ 19 million, provided that the other economic and financial variables affecting the Company remain stable. This sensitivity analysis is based on reasonable information and assumptions. Yet, actual results might differ significantly from such analysis.

3.1.1 – Hedge transactions regarding currency risk – Financial liabilities' interests payments (Note 15)

TGN has designated derivative instruments (foreign currency forward contracts) as hedging instruments for foreign currency risks associated with certain financial liabilities' interest payments. These transactions have been classified as cash flow hedges. The effective portion of the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity. Amounts accumulated in equity are then recognized in the income statement in the same period than the offsetting losses on the hedged item. The gain or loss relating to the ineffective portion is recognized immediately in the interim condensed statement of comprehensive income.

For the mentioned hedge forward contracts, TGN documented at the inception of these transactions the relationship between hedging instruments and hedged items, as well as its objective, which is no other than hedging the exchange rate risk that would generate a variation in that rate, in order to honor its financial obligations related to the Step-up Notes as of the end of this period and payable in June, 2016. At March 31, 2016, the effective portion of designated cash flow hedges amounts to \$ 1.3 million and is included in Other Reserves in equity. Information related to derivative instruments designated as hedges, is presented below:

Type of transaction	Amount (in US\$ millions)	Maturity	Risk hedged
US Dollar forward purchase - ROFEX	1.5	June 2016	Financial interests cash payments for US\$ 1.5 million in June 2016

Additionally, a guarantee for \$ 6.0 million has been granted in relation to these contracts, which is disclosed as "other accounts receivables". Refer to Note 10.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

4 - BUSINESS SEGMENT INFORMATION

Segment reporting is presented in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (“CODM”). The Company's General Director has been identified as CODM. The management information used by the CODM in decision making has started to being prepared on a quarterly basis and in millions of pesos as from 2016 first quarter and does not include any breakdown by business segment, which means that the information is presented as a single segment and corresponds to the total for the Company. It has been determined that the representative measure used for decision making by the CODM is the “management EBITDA”, together with purchases of “Property, plant and equipment”.

Below is the information provided to the CODM (in millions of pesos):

	<u>03.31.2016</u>	<u>03.31.2015</u>
Revenues	199.1	161.5
Operating costs	(228.4)	(177.8)
Management EBITDA	<u>(29.3)</u>	<u>(16.3)</u>
Purchases of property, plant and equipment	<u>(50.6)</u>	<u>(26.3)</u>

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

	<u>03.31.2016</u>	<u>03.31.2015</u>
Management EBITDA in millions of pesos	(29.3)	(16.3)
Property, plant and equipment depreciation	(36.6)	(35.3)
Other net income and expenses	(108.0)	(0.6)
Net financial results	(269.5)	9.8
Results from investments in affiliate companies	0.5	0.3
Result before income tax	<u>(442.9)</u>	<u>(42.1)</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

5 – PROPERTY, PLANT AND EQUIPMENT

	03.31.2015										Net book value		
	Original values					Depreciation					03.31.2016	12.31.2015	03.31.2015
	At the beginning of the year	Increases	Disposals	Transfers	At the end of the period / year	At the beginning of the year	For the period / year	Disposals	Transfers	At the end of the period / year			
Land	3,401	-	-	-	3,401	-	-	-	-	-	3,401	3,401	3,401
Buildings and constructions	79,228	-	-	340	79,568	31,076	397	-	-	31,473	48,095	48,152	48,895
Installations	2,373	-	-	-	2,373	1,287	24	-	-	1,311	1,062	1,086	1,139
Gas pipelines	2,109,831	-	-	804	2,110,635	1,043,959	14,990	-	-	1,058,949	1,051,686	1,065,872	1,101,138
Investments in pipeline maintenances	229,190	-	-	18,398	247,588	79,632	5,529	-	-	85,161	162,427	149,558	131,033
High-pressure branch lines	980	-	-	-	980	465	7	-	-	472	508	515	537
Compressor plants	1,010,836	-	-	6,037	1,016,873	731,511	11,650	-	-	743,161	273,712	279,325	279,670
High-pressure control and/or measurement stations	73,495	-	-	1,099	74,594	58,759	556	-	-	59,315	15,279	14,736	16,365
Other technical installations	51,912	-	-	-	51,912	41,497	502	-	-	41,999	9,913	10,415	10,642
Machinery, equipment and tools	29,936	296	-	-	30,232	26,891	240	-	-	27,131	3,101	3,045	3,659
IT and telecommunication systems	91,090	1,736	-	-	92,826	62,907	1,492	-	-	64,399	28,427	28,183	26,166
Vehicles	32,945	-	-	-	32,945	20,671	943	-	-	21,614	11,331	12,274	12,865
Furniture and office supplies	12,391	17	-	-	12,408	10,327	80	-	-	10,407	2,001	2,064	1,972
Assets held at third-parties facilities	14,015	-	-	358	14,373	10,938	229	-	-	11,167	3,206	3,077	3,337
Work in process	168,442	48,580	-	(27,036)	189,986	-	-	-	-	-	189,986	168,442	126,619
Gas stock	54,054	-	-	-	54,054	-	-	-	-	-	54,054	54,054	54,054
Total as of March 31, 2016	3,964,119	50,629	-	-	4,014,748	2,119,920	36,639	-	-	2,156,559	1,858,189	-	-
Total as of December 31, 2015	3,808,949	159,343	(4,173)	-	3,964,119	1,978,448	143,934	(2,462)	-	2,119,920	-	1,844,199	-
Total as of March 31, 2015	3,808,949	26,285	(68)	-	3,835,166	1,978,448	35,254	(28)	-	2,013,674	-	-	1,821,492

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

5.1 – Commitments

As of March 31, 2016, the Company possesses contractual commitments with suppliers for the acquisition of Property, plant and equipment items for \$ 175.4 million.

6 - INVESTMENTS IN AFFILIATE COMPANIES

	<u>03.31.2016</u>	<u>12.31.2015</u>	<u>03.31.2015</u>
Balances at the beginning of the fiscal year	18,488	10,807	10,807
Results from investments in affiliate companies ⁽¹⁾	3,598	7,681	274
Balances at the end of the period / fiscal year	<u>22,086</u>	<u>18,488</u>	<u>11,081</u>

⁽¹⁾ Includes \$ 3,097 thousands that have been charged to “Other comprehensive income” in the interim condensed statement of comprehensive income, as of March 31, 2016.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

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

Issuer	Characteristics of the instruments		Amount	Cost value	Book value as of		Information on the issuer						
	Shares	Face value			03.31.16	12.31.15	Main activity	Latest financial statements					
								Date	Capital stock and capital adjustment	Other reserves	Retained earnings	Shareholders' equity	Percentage of direct holding
Comgas Andina S.A.	Common	⁽¹⁾ 1 per share	490	246	22,086	18,488	Operation and maintenance services of gas pipelines	03.31.16	18	-	45,057	45,075	49.0
Companhia Operadora do Rio Grande do Sul Impairment of investment	Common	⁽²⁾ 1 per share	49	0.1	555 (555)	602 (602)	Operation and maintenance services of gas pipelines	12.31.15	1	772	359	1,132	49.0
Total					22,086	18,488							

(1) Chilean pesos

(2) Brazilian reais

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

7 - INCOME TAX

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

	<u>03.31.2016</u>	<u>12.31.2015</u>
Deferred income tax assets	910,920	715,931
Deferred income tax liabilities	(595,834)	(555,136)
Deferred income tax net asset	<u>315,086</u>	<u>160,795</u>

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

	Trade accounts payable	Materials and spare parts	Other accounts receivable	Investments at fair value	Contingencies	Board of directors' fees	Tax-loss carryforward	Total
Deferred income tax assets								
Balances at December 31, 2014	44,123	47,735	2,044	(1,646)	35,427	281	90,805	218,769
Charged to statement of comprehensive income	29,080	41,022	(501)	1,974	9,823	180	415,584	497,162
Balances at December 31, 2015	73,203	88,757	1,543	328	45,250	461	506,389	715,931
Charged to statement of comprehensive income	9,655	2,800	116	(328)	39,706	(461)	143,491	194,989
Balances at March 31, 2016	82,868	91,557	1,659	-	84,956	-	649,880	910,920

	Property, plant and equipment	Trade accounts receivable	Total
Deferred income tax liabilities			
Balances at December 31, 2014	(288,875)	(49,503)	(338,378)
Charged to statement of comprehensive income	16,246	(233,004)	(216,758)
Balances at December 31, 2015	(272,629)	(282,507)	(555,136)
Charged to statement of comprehensive income	4,124	(44,822)	(40,698)
Balances at March 31, 2016	(268,505)	(327,329)	(595,834)

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

	<u>03.31.2016</u>	<u>03.31.2015</u>
Result before income tax	(442,819)	(42,087)
Statutory income tax rate	35%	35%
Income tax charge determined by applying statutory tax rate to the result for the period	<u>154,987</u>	<u>14,730</u>
Exceptions at statutory income tax rate:		
- Results from investments in affiliate companies	175	96
- Others	(871)	(4,438)
Total income tax charge	<u>154,291</u>	<u>10,388</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

Below there is a detail of the breakdown of the minimum presumed income tax credits accumulated at March 31, 2016:

	<u>Fiscal year</u>	<u>Amount</u>	<u>Expiration year</u>
2007		1,230	2017
Allowance for doubtful recoverability		(1,230)	n/a
2008		6,797	2018
2009		17,086	2019
2011		21,413	2021
2013		20,320	2023
2014		21,630	2024
2015 (estimated)		20,744	2025
2016 first quarter (estimated)		5,250	2026
Balance as of March 31, 2016		<u>113,240</u>	

Below there is a detail of the breakdown of the tax-loss carryforwards accumulated by the Company as of March 31, 2016:

	<u>Fiscal year</u>	<u>Amount</u>	<u>Expiration year</u>
2013		19,480	2018
2014		229,756	2019
2015 (estimated)		1,197,589	2020
2016 first quarter (estimated)		409,974	2021
Balance as of March 31, 2016		<u>1,856,799</u>	

The projections of future taxable income have been taken into consideration for the recoverability analysis of the tax-loss carryforwards and the credit for minimum presumed income tax. Such projections have been built on the basis of the best estimate in accordance with the guidelines pointed out in Note 4 to the Company's financial statements as of December 31, 2015, and taking into consideration the resolution of the uncertainties mentioned in Notes 1.2 and 1.3 to the Company's financial statements as of December 31, 2015, referring to the modifications of the Argentine economic context and of the legal and contractual framework in which the Company operates. On the basis of such projections, the book value of the credit for minimum presumed income tax and the tax-loss carryforward does not exceed its recoverable value.

Additionally, it is important to mention that, as disclosed in Note 1.1 to these interim condensed financial statements, in February 2016, TGN entered into a new Temporary Agreement with the Ministries of Finance and of Energy and Mining, that set the basic guidelines for a temporary adjustment of its rates and a future Comprehensive Rates Review ("CRR"). As a consequence, the Ministry of Energy and Mining issued, on March 29, 2016, resolution N° 31/16 according to which the ENARGAS was instructed to conduct CRR procedures (in a term no longer than a year since the issuance of that resolution), subject to the execution of a Comprehensive Contractual Renegotiation Agreement, and to establish a temporary adjustment of rates in force, regarding gas carriage and distribution. On March 31, 2016, the ENARGAS issued resolution I/3723, establishing a TGN's rates increase of 289.2% as from April 1st, 2016.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

8 - FINANCIAL INSTRUMENTS BY CATEGORY

	<u>03.31.2016</u>	<u>12.31.2015</u>
<u>Financial assets</u>		
Financial assets at fair value ⁽¹⁾		
Mutual funds in \$ (Note 12)	18,566	37,010
Government bonds in US\$	53,980	101,031
Government bonds in \$	72,959	17,400
Total financial assets at fair value	<u>145,505</u>	<u>155,441</u>
Financial assets at amortised cost:		
Cash and banks (Note 12)	35,644	91,067
Other investments in US\$	5,644	5,111
Time deposits in US\$ ⁽²⁾	75,934	81,525
VRD bonds in \$	51,533	53,375
Trade accounts receivable and other accounts receivable	1,325,651	1,171,839
Total financial assets at amortised cost	<u>1,494,406</u>	<u>1,402,917</u>
<u>Financial liabilities</u>		
Liabilities at amortised cost:		
Loans	3,259,903	2,861,346
Trade accounts payable, other debts and taxes payable	615,518	465,947
Total financial liabilities at amortised cost	<u>3,875,421</u>	<u>3,327,293</u>

⁽¹⁾ All financial assets at fair value have been measured using Level 1 fair values. The value of financial instruments traded in active markets is based on the quoted market prices at the date of the financial statements. The market quoted price used for financial assets held by the Company is the price offered at March 31, 2016 and December 31, 2015.

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

9 - MATERIALS AND SPARE PARTS

	<u>03.31.2016</u>	<u>12.31.2015</u>
Non-current		
Spare parts and consumption materials	169,035	159,789
Allowance for slow-moving and obsolescence	(90,553)	(86,454)
Total non-current materials and spare parts	<u>78,482</u>	<u>73,335</u>

10 - OTHER ACCOUNTS RECEIVABLE

Non-current		
Minimum presumed income tax (Note 7)	113,240	107,990
Sundry	2,006	2,260
Total other accounts receivable - Non-current	<u>115,246</u>	<u>110,250</u>

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	<u>03.31.2016</u>	<u>12.31.2015</u>
Current		
VAT, net	-	5,583
Tax credits	6,861	13,305
Key management personnel (Note 24)	8,258	6,836
Prepaid expenses and advances	91,491	95,048
Expenses to be collected, attachments and guarantee court deposits	267	231
Guarantees granted in relation to hedge operations (Note 3.1.1)	5,955	8,110
Assistance fees - controlling shareholder (Note 24)	42	42
Other receivables - affiliate companies (Note 24)	1,145	892
Other receivables - related parties (Note 24)	11,072	11,393
Transactions on behalf of third parties	3,865	3,016
Allowance for doubtful accounts	(1,037)	(828)
Receivables from sundry sales and others	5,011	5,576
Total other accounts receivable – Current	<u>132,930</u>	<u>149,204</u>

11 - TRADE ACCOUNTS RECEIVABLE

Non-current		
Trade accounts receivable with third parties	2,764,920	2,450,552
Discount at present value	(369,467)	(351,629)
Allowance for doubtful accounts and disputed amounts	(1,382,460)	(1,225,276)
Total trade accounts receivable - Non-current	<u>1,012,993</u>	<u>873,647</u>
Current		
Trade accounts receivable with third parties	248,287	222,540
Trade accounts receivable with related parties (Note 24)	48,341	52,518
Allowance for doubtful accounts and disputed amounts	(39,402)	(33,548)
Total trade accounts receivable - Current	<u>257,226</u>	<u>241,510</u>

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

	<u>03.31.2016</u>	<u>12.31.2015</u>
Balances at the beginning of the year	1,258,824	819,283
Increases (net of recoveries)	163,038	439,541
Balances at the end of the period / year	<u>1,421,862</u>	<u>1,258,824</u>

12 - CASH AND CASH EQUIVALENTS

	<u>03.31.2016</u>	<u>03.31.2015</u>	<u>12.31.2015</u>
Cash and banks	35,644	30,761	91,067
Mutual funds in \$	18,566	-	37,010
Time deposits in US\$	75,934	171,103	81,525
Total	<u>130,144</u>	<u>201,864</u>	<u>209,602</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

13 - COMMON STOCK AND RESERVES

Information related to the Company's common stock, Reserves and limitations on the transferring of TGN's shares and to the distribution of profits is mentioned in Notes 14 to the Company's financial statements as of December 31, 2015.

Accumulated losses amount to \$ 806.2 million as of March 31, 2016, which implies that TGN continues to be under the scope of section 206 of the Argentine Corporations Law. As for this matter, it is worth mentioning that TGN's Ordinary and Extraordinary Shareholders' Meeting held on April 14, 2016 decided to monitor the Company's financial situation evolution during the current fiscal year and postpone the application of section 206 of the Argentine Corporations Law until the Shareholders' Meeting that will consider the Company's financial statements corresponding to the current fiscal year, ending on December 31, 2016, is held.

On March 31, 2016, the ENARGAS issued resolution I/3723, establishing a TGN's rates increase of 289.2% as from April 1st, 2016. In return, the ENARGAS established a mandatory investment plan for \$ 1.041 billion to be carried out in a term of one year, under penalty of law. Meanwhile, TGN will not be allowed to distribute dividends without ENARGAS' prior authorization.

14 - LOANS

Note 15 to the financial statements for the fiscal year ended December 31, 2015 discloses information on the terms and conditions of the negotiable obligations issued by the Company.

15 - OTHER DEBTS

	<u>03.31.2016</u>	<u>12.31.2015</u>
Non-current		
Provision for easements	<u>50,235</u>	<u>45,725</u>
Total other debts - Non-current	<u>50,235</u>	<u>45,725</u>
Current		
Section 9.6.2 - Basic rules of the License	16,890	16,890
Provision for easements	4,668	4,719
Key management personnel (Note 24)	8,273	6,851
Advanced collections	1,087	1,121
Sundry debts and customer's warrants	<u>482</u>	<u>853</u>
Total other debts - Current	<u>31,400</u>	<u>30,434</u>

16 - TRADE ACCOUNTS PAYABLE

Non-current		
AES Argentina Generación S.A.	<u>136,377</u>	<u>35,569</u>
Total trade accounts payable - Non-current	<u>136,377</u>	<u>35,569</u>
Current		
Suppliers - purchases and services	48,853	54,172
Administration trust ("Importation of natural gas") (Note 25)	4,042	6,519
Other related parties (Note 24)	247,561	219,832
Unbilled services and purchases	<u>157,399</u>	<u>131,320</u>
Total trade accounts payable - Current	<u>457,855</u>	<u>411,843</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

17 - CONTINGENCIES

Provisions for labor, civil and contentious lawsuits	<u>Non-current</u>	<u>Current</u>
Balances at December 31, 2014	-	93,980
- Increases, net of recoveries	-	9,877
- Decreases (payments / consumptions)	-	(2,918)
- Transfers	74,023	(74,023)
Balances at December 31, 2015	<u>74,023</u>	<u>26,916</u>
- Increases, net of recoveries	3,160	(59)
- Decreases (payments / consumptions)	-	-
Balances at March 31, 2016	<u>77,183</u>	<u>26,857</u>

The Company is party to several legal proceedings and claims that have arisen in the ordinary course of its business. In Note 18 to the Company's financial statements corresponding to the fiscal year ended December 31, 2015, there is a summary of the most significant claims and legal actions, including those against TGN as well as those in which the Company acts as a claimer. No significant events in relation to these claims and legal actions have arisen during the three-month period ended March 31, 2016 and up to the date of issuance of these interim condensed financial statements.

18 - REVENUES

	<u>Three-month period ended</u>	
	<u>03.31.2016</u>	<u>03.31.2015</u>
Gas carriage service		
Gas carriage service	173,736	167,435
Allowance for disputed amounts and others	-	(23,404)
Subtotal gas carriage service	<u>173,736</u>	<u>144,031</u>
Other services		
Gas pipelines operation and maintenance	24,849	15,877
Management fees - Gas Trust Program	561	1,560
Subtotal other services	<u>25,410</u>	<u>17,437</u>
Total revenues	<u>199,146</u>	<u>161,468</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

19 - EXPENSES BY NATURE

Item	Cost of services	Selling expenses	Administrative expenses	Total at 03.31.2016	Total at 03.31.2015
Board of Director´s fees	-	-	851	851	776
Statutory auditors committee´s fees	-	-	571	571	403
Fees for professional services	2,539	-	3,808	6,347	5,537
Salaries, wages and other personnel benefits	51,333	723	20,622	72,678	62,860
Social security contributions	9,215	148	4,829	14,192	12,950
Technical assistance fees	3,237	-	-	3,237	2,442
Consumption of materials and spare parts	10,345	10	67	10,422	6,651
Third party services and supplies	7,405	28	289	7,722	5,457
Maintenance and repair of property, plant and equipment	48,644	63	1,349	50,056	40,160
Travel expenses	7,804	35	951	8,790	6,090
Freight and transportation	999	-	4	1,003	752
Post and telecommunications expenses	604	22	363	989	617
Insurance	5,127	1	537	5,665	3,841
Office supplies	933	6	790	1,729	1,167
Rentals	1,089	11	327	1,427	621
Easements	4,632	-	-	4,632	2,172
Taxes, rates and contributions	237	8,635	17,646	26,518	21,160
Property, plant and equipment depreciation	36,126	73	440	36,639	35,254
Doubtful accounts	-	6,063	-	6,063	4,432
Contingencies	-	-	434	434	(434)
Slow-moving and obsolete materials and spare parts	4,099	-	-	4,099	(470)
Others	562	10	354	926	629
Total at March 31, 2016	194,930	15,828	54,232	264,990	-
Total at March 31, 2015	155,701	12,405	44,961	-	213,067

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

20 - OTHER NET INCOME AND EXPENSES

	<u>Three-month period ended</u>	
	<u>03.31.2016</u>	<u>03.31.2015</u>
Income from commercial indemnifications	17	15
Compensation for damages adjustment ⁽¹⁾	(110,658)	-
Net result from disposal of property, plant and equipment	-	151
Net income from sundry sales, accidents recoveries and others	2,680	(748)
Total other net income and expenses	<u>(107,961)</u>	<u>(582)</u>

- (1) On March 10, 2014, the Company entered into an *addendum* to the compromise and settlement agreement signed with AES Argentina Generación S.A. on March 13, 2012, whereby the volume available for expansion is modified to 958,100 m³/day. During the three-month period ended March 31, 2016, the Company has recognized a \$ 110.7 million loss in relation to the previously mentioned compromised and settlement agreement. This loss is the result of measuring the liability with AES Argentina Generación S.A. on the basis of the gas carriage rates in force as from April 1st 2016, as mentioned in Note 1.1.

21 - NET FINANCIAL RESULTS

	<u>Three-month period ended</u>	
	<u>03.31.2016</u>	<u>03.31.2015</u>
Generated by exchange rate differences		
Income on exchange rate variation	200,896	44,061
Loss on exchange rate variation	(404,192)	(62,538)
Total financial results generated by exchange rate differences	<u>(203,296)</u>	<u>(18,477)</u>
Financial income		
Interest	10,377	6,733
Result from changes in fair values	3,957	63,174
Allowances recovered and others	727	144
Total financial income	<u>15,061</u>	<u>70,051</u>
Financial expenses		
Interest	(59,822)	(33,889)
Results on discounting at present value	(21,141)	(6,980)
Commissions, expenses and taxes on banking and financial operations	(317)	(885)
Total financial expenses	<u>(81,280)</u>	<u>(41,754)</u>
Total net financial results	<u>(269,515)</u>	<u>9,820</u>

22 - NET RESULT PER SHARE

Income per ordinary share has been calculated as the quotient obtained by dividing the results for the periods ended March 31, 2016 and 2015, by the weighted average of outstanding ordinary shares, which made a total of 439,373,939 shares at those dates. At March 31, 2016 and 2015 there are neither negotiable obligations nor other debt securities convertible into shares, so no diluted earnings per share have been disclosed. Basic earnings per share are calculated by dividing the net income attributable to the Company equity holders by the weighted average number of ordinary shares outstanding during the period. The Company does not have preferred shares or debt convertible to shares, so the basic earnings per share are equal to the diluted earnings per share.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

23 – CASH GENERATED BY (USED IN) THE OPERATIONS

	<u>03.31.2016</u>	<u>03.31.2015</u>
Loss for the period	(288,528)	(31,699)
Adjustments to reach cash used in the operations:		
Property, plant and equipment depreciation	36,639	35,254
Net book value of disposed property, plant and equipment	-	40
Increase in allowances and provisions for contingencies (net of recoveries)	170,940	54,183
Exchange rate differences and other net financial results	338,789	42,632
Results from investments in affiliate companies	(501)	(274)
Net changes in operating assets and liabilities:		
Increase in trade accounts receivable	(318,100)	(132,256)
Decrease (increase) in other accounts receivable	10,575	(60,172)
Increase in materials and spare parts and other assets	(9,164)	(5,976)
Increase (decrease) in trade accounts payable	146,820	(28,991)
Decrease in salaries and social security contributions	(22,989)	(23,423)
Increase (decrease) in taxes payable	1,734	(14,257)
Increase (decrease) in other debts	5,476	(3,641)
Cash generated by (used in) the operations	<u>71,691</u>	<u>(168,580)</u>

24 - RELATED PARTIES

The transactions performed between related parties are the following:

	<u>03.31.2016</u>	<u>03.31.2015</u>
Controlling shareholder		
<u>Other net income</u>		
Gasinvest S.A.	<u>35</u>	<u>24</u>
<u>Total other net income</u>	35	24
Affiliate companies		
<u>Revenues</u>		
Comgas Andina S.A.	322	145
Companhia Operadora do Rio Grande do Sul	<u>73</u>	<u>36</u>
<u>Total revenues</u>	395	181
<u>Recovery of expenses</u>		
Comgas Andina S.A.	<u>64</u>	<u>-</u>
<u>Total recovery of expenses</u>	64	-
Other related parties		
<u>Revenues</u>		
Litoral Gas S.A.	26,257	15,398
Siderar S.A.	3,718	2,185
Siderca S.A.	2,399	1,495
Transportadora de Gas del Mercosur S.A.	2,783	1,819
Total Gas Marketing Cono Sur S.A. (Note 24.1)	277	(1)
Gasoducto Gasandes Argentina S.A.	<u>675</u>	<u>292</u>
<u>Total revenues</u>	36,109	21,188

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	<u>03.31.2016</u>	<u>03.31.2015</u>
<u>Cost of services</u>		
Total Gas y Electricidad Argentina S.A. (Note 24.1)	(287)	(417)
Tecpetrol S.A.	(482)	(417)
Compañía General de Combustibles S.A.	(482)	(417)
Siderca S.A.	-	(8)
Total Especialidades Argentina S.A. (Note 24.1)	-	(1)
<u>Total cost of services</u>	<u>(1,251)</u>	<u>(1,260)</u>
<u>Administrative expenses</u>		
Cainzos, Fernández & Premrou Soc. Civ.	(3)	(328)
<u>Total administrative expenses</u>	<u>(3)</u>	<u>(328)</u>
<u>Other net income and expenses</u>		
Gasoducto Gasandes Argentina S.A.	17	15
<u>Total other net income and expenses</u>	<u>17</u>	<u>15</u>
<u>Financial income</u>		
Transportadora de Gas del Mercosur S.A.	762	701
<u>Total financial income</u>	<u>762</u>	<u>701</u>
<u>Financial expenses (interest)</u>		
Tecpetrol S.A.	(343)	(201)
Compañía General de Combustibles S.A.	(343)	(201)
Total Gas y Electricidad Argentina S.A. (Note 24.1)	(198)	(201)
VR Global Partners L.P.	(2,451)	(1,392)
<u>Total financial expenses</u>	<u>(3,335)</u>	<u>(1,995)</u>
<u>Recovery of expenses</u>		
Transportadora de Gas del Mercosur S.A.	1	274
<u>Total recovery of expenses</u>	<u>1</u>	<u>274</u>
Key management personnel		
Board of Directors' fees	(851)	(776)
Statutory auditors committee's fees	(571)	(403)

Balances with related parties are the following:

	<u>03.31.2016</u>	<u>12.31.2015</u>
Trade accounts receivable		
<u>Other related parties</u>		
Transportadora de Gas del Mercosur S.A.	33,643	28,053
Litoral Gas S.A.	12,042	21,542
Siderar S.A.	1,500	1,521
Siderca S.A.	960	993
Total Gas Marketing Cono Sur S.A. (Note 24.1)	n/a	234
Gasoducto Gasandes Argentina S.A.	196	175
<u>Total other related parties</u>	<u>48,341</u>	<u>52,518</u>
Other accounts receivable		
<u>Assistance fees - controlling shareholder</u>		
Gasinvest S.A.	42	42
<u>Total assistance fees - controlling shareholder</u>	<u>42</u>	<u>42</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

	<u>03.31.2016</u>	<u>12.31.2015</u>
<u>Other receivables - affiliate companies</u>		
Comgas Andina S.A.	678	457
Companhia Operadora do Rio Grande do Sul	467	435
<u>Total other receivables - affiliate companies</u>	<u>1,145</u>	<u>892</u>
<u>Other receivables - related parties</u>		
Total Austral S.A. (Note 24.1)	n/a	166
Litoral Gas S.A.	118	118
Gasoducto Gasandes Argentina S.A.	9	80
Transportadora de Gas del Mercosur S.A.	-	84
Siat S.A.	10,945	10,945
<u>Total other receivables - related parties</u>	<u>11,072</u>	<u>11,393</u>
<u>Key management personnel</u>		
Fees to the Board of Directors and to the statutory auditors committee paid in advance	8,258	6,836
<u>Total key management personnel</u>	<u>8,258</u>	<u>6,836</u>
Loans		
<u>Other related parties</u>		
VR Global Partners L.P.	143,330	126,086
<u>Total other related parties</u>	<u>143,330</u>	<u>126,086</u>
Trade accounts payable		
<u>Other related parties</u>		
Transportadora de Gas del Mercosur S.A.	28	-
Total Gas y Electricidad Argentina S.A. (Note 24.1)	n/a	73,207
Tecpetrol S.A.	123,648	73,207
Compañía General de Combustibles S.A.	123,885	73,418
<u>Total other related parties</u>	<u>247,561</u>	<u>219,832</u>
Other debts		
<u>Key management personnel</u>		
Provision for fees to the Board of Directors and to the statutory auditors committee	8,273	6,851
<u>Total key management personnel</u>	<u>8,273</u>	<u>6,851</u>

24.1 – Purchase and sale of shares

In February 2016, the ENARGAS notified that there are no objections; (i) to the contract of purchase and sale of shares celebrated between the Company's indirect controlling shareholders Total Gas y Electricidad Argentina S.A. ("Total") and Total GasAndes S.A. as sellers and Compañía General de Combustibles S.A. ("CGC") and Tecpetrol Internacional S.L.U. as buyers; and (ii) to Total transfer to CGC and Tecpetrol S.A. of Total's interest in the Technical Assistance Agreement in force with TGN. The previously mentioned operations were fulfilled on March 3rd, 2016. Consequently, in Note 24 transactions accrued with Total (and its related parties) are reported until that date and no balances with those companies are disclosed as of March 31, 2016.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016, PRESENTED IN A COMPARATIVE FORMAT (in thousands of pesos, except where specifically mentioned)

25 - "IMPORTATION OF NATURAL GAS" ADMINISTRATION TRUST

On April 1st, 2016, the Energy and Mining Ministry issued resolution N° 28/16, according to which, the inclusion of Decree N° 2067/08 charges in invoices to be made as from that date, is discontinued.

26 - SUBSEQUENT EVENTS

Subsequent to March 31, 2016, there have been no other events, situations or circumstances, that are not publicly known, that have impacted or could impact significantly on the net worth, or economic and financial situation of the Company that have not been considered or mentioned in these interim condensed financial statements.

Emilio Daneri Conte-Grand
President

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED BY SECTION 68 OF THE BUENOS AIRES STOCK EXCHANGE LISTING RULES AND BY TITLE IV, CHAPTER III, SECTION 12 OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016 (in thousands of pesos, except where specifically mentioned).

i. General matters related to the Company's activities

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

The Natural Gas Act and its regulations, the Specifications for the privatization of Gas del Estado S.E. ("GdE"), the Transfer Contract, the License and the resolutions issued by the ENARGAS make up the regulatory framework in which the Company conducts its operations. The License, granted for a term of 35 years with an option to extend it for a ten year-term, may be revoked by the PEN upon ENARGAS's recommendation in case the Company expressly fails to comply with its obligations. If the License is officially and finally revoked, the Company may be forced to cease operating the assets transferred by GdE to the Company and transfer them to the National State or the person the National State so appointed. Note 1 to TGN's interim condensed financial statements as of March 31, 2016 describes the Company's legal and regulatory aspects.

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

See Notes 1.3.5; 2; 15 and 18 to the Company's financial statements as of December 31, 2015 and Notes 1.1 and 24.1 to the Company's interim condensed financial statements as of March 31, 2016.

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

	03.31.2016		
	Receivables ⁽¹⁾	Loans ⁽²⁾	Other payables ⁽³⁾
Past due			
From 04.01.2006 up to 03.31.2007	6,443	-	10
From 04.01.2007 up to 03.31.2008	149,494	-	55
From 04.01.2008 up to 03.31.2009	314,141	-	39
From 04.01.2009 up to 03.31.2010	447,090	-	244
From 04.01.2010 up to 03.31.2011	571,959	-	69
From 04.01.2011 up to 03.31.2012	306,868	-	31,888
From 04.01.2012 up to 03.31.2013	318,858	-	143
From 04.01.2013 up to 03.31.2014	318,009	-	235,424
From 04.01.2014 up to 03.31.2015	333,673	-	3,469
From 04.01.2015 up to 06.30.2015	43,677	-	202
From 07.01.2015 up to 09.30.2015	3,946	-	82
From 10.01.2015 up to 12.31.2015	287	-	67
From 01.01.2016 up to 03.31.2016	65,057	-	4,120

(1) Includes trade accounts receivable, other accounts receivable and the deferred income tax asset at their nominal value. Not including allowances.

(2) Denominated at their present value.

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

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED BY SECTION 68 OF THE BUENOS AIRES STOCK EXCHANGE LISTING RULES AND BY TITLE IV, CHAPTER III, SECTION 12 OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016 (in thousands of pesos, except where specifically mentioned).

	Receivables ⁽¹⁾	03.31.2016 Loans ⁽²⁾	Other payables ⁽³⁾
Without due date	623,037	-	160,070
To be due			
06.30.2016	124,934	-	145,644
09.30.2016	4,887	-	14,362
12.31.2016	3,720	143,605	
03.31.2017	1,305	-	
03.31.2018	161	409,745	12,585
03.31.2019	760	-	12,585
03.31.2020	-	2,706,553	12,585
03.31.2021	-	-	12,585
03.31.2022	-	-	12,585
03.31.2023	-	-	12,585
03.31.2024	-	-	12,585
03.31.2025	-	-	12,585
03.31.2026	-	-	12,585
03.31.2027	-	-	12,585
03.31.2028	-	-	10,527
Total at 03.31.2016	3,638,306	3,259,903	732,265

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

	Receivables ⁽¹⁾	03.31.2016 Loans ⁽²⁾	Other payables ⁽³⁾
In local currency	636,432	-	376,899
In foreign currency	2,905,632	3,259,903	354,279
In-kind	96,242	-	1,087
Total at 03.31.2016	3,638,306	3,259,903	732,265
Balances subject to adjustment	-	-	-
Balances not subject to adjustment	-	3,259,903	732,265
Total at 03.31.2016	-	3,259,903	732,265
Interest bearing balances	11,724	3,105,303	352,319
Non-interest bearing balances	3,626,582	154,600	379,946
Total at 03.31.2016	3,638,306	3,259,903	732,265

(1) Includes trade accounts receivable, other accounts receivable and the deferred income tax asset at their nominal value. Not including allowances.

(2) Denominated at their present value.

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

5. Percentage of interest in affiliate companies - Argentine Corporations Law, Section 33 -, in capital and total votes:

See Note 6 to the Company's interim condensed financial statements as of March 31, 2016.

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED BY SECTION 68 OF THE BUENOS AIRES STOCK EXCHANGE LISTING RULES AND BY TITLE IV, CHAPTER III, SECTION 12 OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016 (in thousands of pesos, except where specifically mentioned).

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

	Comgas Andina S.A.		Companhia Operadora do Rio Grande do Sul	
	Receivables	Other payables	Receivables	Other payables
Past due				
From 01.01.2015 up to 03.31.2016	-	-	-	-
Without due date	-	-	467	-
To be due				
From 04.01.2016 up to 06.30.2016	678	-	-	-
Total at 03.31.2016	678	-	467	-
In local currency	-	-	-	-
In foreign currency	678	-	467	-
In-kind	-	-	-	-
Total at 03.31.2016	678	-	467	-
Balances subject to adjustment	-	-	-	-
Balances not subject to adjustment	678	-	467	-
Total at 03.31.2016	678	-	467	-
Interest bearing balances	-	-	-	-
Non-interest bearing balances	678	-	467	-
Total at 03.31.2016	678	-	467	-

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

None.

ii. Physical count of inventories:

7. Periodicity and scope of physical count of inventories:

Physical count of materials and spare parts is performed on an annual basis, and is carried over 100% of stocks. Slow-moving and obsolete materials and spare parts amount to \$ 90,6 million and are totally written-off. (Refer to Note 9 to the Company's interim condensed financial statements as of March 31, 2016).

iii. Current values:

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

The only assets the Company values using current values are disclosed under "Investments at fair value". The sources of information used to calculate those current values are included in Note 3.6 to the financial statements for the year ended December 31, 2015.

9. Technically appraised fixed assets:

None.

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED BY SECTION 68 OF THE BUENOS AIRES STOCK EXCHANGE LISTING RULES AND BY TITLE IV, CHAPTER III, SECTION 12 OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016 (in thousands of pesos, except where specifically mentioned).

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

None.

iv. Equity investments in other companies:

11. Equity investments in other companies exceeding the provisions of Section 31 of Argentine Corporations Law:

None.

v. Recoverable values:

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

- Materials and spare parts and Property, plant and equipment: the recoverable value of such assets was determined based on their economic use - Notes 2.7 and 2.5, respectively - to the Company's financial statements as of December 31, 2015, subject to the resolution of the uncertainties generated by the changes in the economic context and the legal and contractual conditions under which the Company operates.

- Minimum presumed income tax credit: the projections of future taxable income have been taken into consideration for the calculation of the recoverable value. Such projections have been built on the basis of the best estimate in accordance with the guidelines pointed out in Notes 2.13.b) and 4 to the Company's financial statements as of December 31, 2015, and taking into consideration the resolution of the uncertainties mentioned in Notes 1.2 and 1.3 to the Company's financial statements as of December 31, 2015, referring to the modifications of the Argentine economic context and of the legal and contractual framework in which the Company operates.

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED BY SECTION 68 OF THE BUENOS AIRES STOCK EXCHANGE LISTING RULES AND BY TITLE IV, CHAPTER III, SECTION 12 OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016 (in thousands of pesos, except where specifically mentioned).

vi. Insurance:

13. Insurance covering the Company's tangible assets:

Property insured	Risks covered	Amount insured in thousands	Book value in thousands of \$
<ul style="list-style-type: none"> Personal and real property allocated to the provision of services, except for machinery and equipment 	All physical risks and loss of profits.	US\$ 85,000	248,098
	Liability insurance.	US\$ 50,000	
<ul style="list-style-type: none"> Compressor plants 	Terrorism.	US\$ 35,000	273,712
<ul style="list-style-type: none"> Machinery 	Machinery breakdown.	US\$ 10,000	100,054
<ul style="list-style-type: none"> Automobiles: <ul style="list-style-type: none"> - Management's fleet - Operational fleet (cars and pick ups) - Trucks and trailers 	Limited liability insurance.	\$ 4,000	446
	Total loss car accident.	\$ 4,765	10,829
	Total or partial loss due to fire, robbery or theft.	\$ 4,765	
	Limited liability insurance.	\$ 4,000	56
<ul style="list-style-type: none"> Personal property located in Head Office and IT equipments 	Fire of contents. Theft.	US\$ 8,500	7,352

vii. Positive and negative contingencies:

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

Allowances and provisions balances amount to 1,630,506. A breakdown of these allowances and provisions as well as its following up during the period, are presented in Annex E to the additional information to the notes to the interim condensed financial statements required by Title IV, Chapter III, Section 1st of the CNV.

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

None.

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED BY SECTION 68 OF THE BUENOS AIRES STOCK EXCHANGE LISTING RULES AND BY TITLE IV, CHAPTER III, SECTION 12 OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016 (in thousands of pesos, except where specifically mentioned).

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

16. Status of the capitalization process:

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

17. Unpaid cumulative dividends of preferred shares:

None.

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

Under the terms of the financial agreements currently in force, TGN shall not make dividend payments in the event of default or grounds for default and in no case in excess of the Available Basket Amount (as defined in the contract). See Note 15 to the Company's financial statements as of December 31, 2015.

In accordance to what has been decided by the Ordinary Shareholders Meeting held on April 21, 2015, in relation to the loss for the fiscal year ended on December 31, 2014, the Legal Reserve does not register any balance. In conformity with section 70 of the Argentine Corporations Law, the Company cannot distribute any profits until that reserve is reimbursed.

On March 31, 2016, the ENARGAS issued resolution I/3723, establishing a TGN's rates increase of 289.2% as from April 1st, 2016. In return, the ENARGAS established a mandatory investment plan for \$ 1.041 billion to be carried out in a term of one year, under penalty of law. Meanwhile, TGN will not be allowed to distribute dividends without ENARGAS' prior authorization.

Autonomous City of Buenos Aires, May 9, 2016

Emilio Daneri Conte-Grand
President

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED BY TITLE IV, CHAPTER III, SECTION 1ST OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016 (in thousands of pesos, except where specifically mentioned).

ANNEX A – PROPERTY, PLANT AND EQUIPMENT

See Note 5 to the Company's interim condensed financial statements as of March 31, 2016.

ANNEX B - INTANGIBLE ASSETS

Not applicable.

ANNEX C - INVESTMENTS IN OTHER COMPANIES (Section 33 – Argentine Corporations Law)

See Note 6 to the Company's interim condensed financial statements as of March 31, 2016.

ANNEX D - OTHER INVESTMENTS

	<u>03.31.2016</u>	<u>12.31.2015</u>
Mutual funds in \$	18,566	37,010
Government bonds in US\$	53,980	101,031
Government bonds in \$	72,959	17,400
VRD bonds in \$	9,119	8,867
Time deposits in US\$	75,934	81,525
Total current	230,558	245,833
Other investments in US\$	5,644	5,111
VRD bonds in \$	42,414	44,508
Total non current	48,058	49,619

ANNEX F - COST OF PRODUCTS SOLD OR SERVICES PROVIDED

See Note 19 to the Company's interim condensed financial statements at March 31, 2016.

ANNEX H – INFORMATION REQUIRED BY ARGENTINE CORPORATIONS LAW, SECTION 64, SUB-SECTION I.b)

See Note 19 to the Company's interim condensed financial statements at March 31, 2016.

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED BY TITLE IV, CHAPTER III, SECTION 1ST OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016 (in thousands of pesos, except where specifically mentioned).

ANNEX E - ALLOWANCES AND PROVISIONS

Description	03.31.16				12.31.15	
	Balances at the beginning of the fiscal year	Increases (net of recoveries)	Transfers	Decreases (payment / usage)	Balances at the end of the period	Balances at the end of the fiscal year
Deducted from assets						
Non-current assets						
Investments in affiliate companies						
Impairment of investment in affiliate companies	602	(47)	-	-	555	602
Materials and spare parts						
Allowance for slow-moving and obsolete materials and spare parts	86,454	4,099 (1)	-	-	90,553	86,454
Other accounts receivable						
Allowance for receivables from actions for refund	11,966	493 (2)	-	-	12,459	11,966
Trade accounts receivables						
Allowance for doubtful accounts and disputed amounts	1,225,276	157,184 (3)	-	-	1,382,460	1,225,276
Current assets						
Other accounts receivable						
Allowance for doubtful accounts	828	209 (4)	-	-	1,037	828
Trade accounts receivables						
Allowance for doubtful accounts and disputed amounts	33,548	5,854 (4)	-	-	39,402	33,548
Total allowances deducted from assets	1,358,674	167,792	-	-	1,526,466	1,358,674
Included in liabilities						
Non-current liabilities						
Contingencies						
Provisions for labor, civil and contentious lawsuits	74,023	3,160 (5)	-	-	77,183	74,023
Current liabilities						
Contingencies						
Provisions for labor, civil and contentious lawsuits	26,916	(59) (5)	-	-	26,857	26,916
Total provisions included in liabilities	100,939	3,101	-	-	104,040	100,939
Total at 03.31.16	1,459,613	170,893	-	-	1,630,506	-
Total at 12.31.15	1,012,869	449,662	-	(2,918)	-	1,459,613

(1) Charged to Cost of services - Slow moving and obsolete materials and spare parts (Note 19 to the Company's interim condensed financial statements as of March 31, 2016).

(2) Charged to Administrative expenses - Contingencies (Note 19 to Company's interim condensed financial statements as of March 31, 2016).

(3) Charged to Net financial results - Generated by exchange rate differences (Note 21 to the Company's interim condensed financial statements as of March 31, 2016).

(4) Charged to Selling expenses - Doubtful accounts (Note 19 to the Company's interim condensed financial statements as of March 31, 2016).

(5) (59) charged to Administrative expenses - Contingencies (Note 19 to the Company's interim condensed financial statements as of March 31, 2016) and 3,160 to Net financial results - Financial expenses - Results on discounting at present value (Note 21 to the Company's interim condensed financial statements as of March 31, 2016).

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED BY TITLE IV, CHAPTER III, SECTION 1ST OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016 (in thousands, except where specifically mentioned).

ANNEX G - ASSETS AND LIABILITIES IN FOREIGN CURRENCY

	03.31.16			12.31.15			
	Foreign currency class and amount ⁽¹⁾	Exchange rate in \$	Amount in local currency ⁽¹⁾	Foreign currency class and amount ⁽¹⁾	Amount in local currency ⁽¹⁾		
ASSETS							
NON-CURRENT ASSETS							
Investments in affiliate companies							
Comgas Andina S.A.	\$ch	960,304	0.023	22,086	\$ch	938,477	18,488
Companhía Operadora do Rio Grande do Sul	R\$	154	3.60	555	R\$	154	602
				22,641			19,090
Trade accounts receivable							
Trade accounts receivable with third parties	US\$	189,378	14.60	2,764,920	US\$	189,378	2,450,552
				2,764,920			2,450,552
Investments at amortised cost							
Other investments	US\$	387	14.60	5,644	US\$	395	5,111
				5,644			5,111
Total non-current assets				2,793,205			2,474,753
CURRENT ASSETS							
Other accounts receivable							
Prepaid expenses and advances	US\$	3,317	14.60	48,428	US\$	3,253	42,094
	£	4	20.98	84	£	285	5,458
	€	55	16.61	914	€	55	774
Other receivables – affiliate companies	US\$	57	14.60	829	US\$	46	590
	R\$	88	3.60	316	R\$	77	302
				50,571			49,218
Trade accounts receivable							
Trade accounts receivable with third parties	US\$	7,371	14.60	107,604	US\$	6,974	90,240
Trade accounts receivable with related parties	US\$	1,988	14.60	33,108	US\$	2,243	29,018
				140,712			119,258
Investments at fair value							
Government bonds	US\$	3,697	14.60	53,980	US\$	7,808	101,031
				53,980			101,031
Cash and cash equivalents							
Time deposits	US\$	5,201	14.60	75,934	US\$	6,300	81,525
Balances in bank accounts	US\$	1,468	14.60	21,438	US\$	4,037	52,238
				97,372			133,763
Total current assets				342,635			403,270
Total assets				3,135,841			2,878,023

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED BY TITLE IV, CHAPTER III, SECTION 1ST OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016 (in thousands, except where specifically mentioned).

	03.31.16			12.31.15	
	Foreign currency class and amount ⁽¹⁾	Exchange rate in \$	Amount in local currency ⁽¹⁾	Foreign currency class and amount ⁽¹⁾	Amount in local currency ⁽¹⁾
LIABILITIES					
NON-CURRENT LIABILITIES					
Loans					
Step-up Notes					
Principal	US\$ 150,066	14.70	2,205,970	US\$ 150,066	1,956,861
Interests	US\$ 10,517	14.70	154,600	US\$ 10,429	135,994
Capitalized interests	US\$ 23,536	14.70	345,980	US\$ 22,119	288,428
Five-Year Negotiable Obligations					
Principal	US\$ 19,546	14.70	287,323	US\$ 19,545	254,867
Capitalized interests	US\$ 8,328	14.70	122,425	US\$ 7,501	97,808
			3,116,298		2,733,958
Total non-current liabilities			3,116,298		2,733,958
CURRENT LIABILITIES					
Trade accounts payable					
Suppliers – purchases and services	US\$ 2,494	14.70	36,662	US\$ 2,774	36,173
	£ 61	21.16	1,291	£ 196	3,791
Unbilled services and purchases	US\$ 5,257	14.70	77,278	US\$ 4,170	54,377
	£ 21	21.16	444	£ 38	735
	€ 76	16.76	1,274	€ 6	85
Other related parties	US\$ 16,155	14.70	237,479	US\$ 16,155	210,661
			354,428		305,822
Loans					
Five-Year Negotiable Obligations					
Principal	US\$ 9,769	14.70	143,605	US\$ 9,769	127,388
			143,605		127,388
Total current liabilities			498,033		433,510
Total liabilities			3,614,331		3,167,168

US\$: US Dollars

\$ ch: Chilean Pesos

R\$: Brazilian Reais

£: Pound sterling

€: Euro

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

Emilio Daneri Conte-Grand
President

Free translation from the original in Spanish for publication in Argentina

REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

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

Introduction

We have reviewed the attached condensed interim financial statements of Transportadora de Gas del Norte S.A. (the "Company" or "TGN"), which consist of the statement of financial position as of March 31, 2016 and the statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement for the three month period then ended and the selected explanatory notes.

The balances and other information for the fiscal year 2015 and interim periods are an integral part of the above-mentioned financial statements and therefore they should be considered in relation with those financial statements.

Management Responsibility

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

Scope of our review

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

Conclusion

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

Emphasis of matter paragraph

Without modifying our conclusion, we want to emphasize the information contained in note 1 to the attached interim condensed financial statements, which indicates that the modifications upon enactment of the Public Emergency Law N° 25,561 introduced by the National Government to the Company's license, generated an accumulated loss of \$806.2 million as of the period ended March 31, 2016, situation that led the Company to fall within article 206 of the General Companies Law. These circumstances, along with other matters described in notes 1 and 2, indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern.

Report on compliance with current regulations

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

- a) The condensed interim financial statements of Transportadora de Gas del Norte S.A. are transcribed into the "Inventory and Balance Sheet" book and are in compliance, as regards matters within our field of competence, with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;
- b) The condensed interim financial statements of Transportadora de Gas del Norte S.A. arise from accounting records kept in their formal respects in conformity with legal provisions;
- c) We have read the summary of activity and the additional information to the notes to the condensed interim financial statements required by Section 68 of the Buenos Aires Stock Exchange Regulations and section 12, Chapter III, Title IV, of CNV regulations, on which we have no observations to make insofar as concerns matters within our field of competence.
- d) The debt accrued as of March 31, 2016 in favor of the Argentine Integrated Social Security System, as shown by the Company's accounting records, amounted to \$ 7.974.633 and was not claimable at that date.

Autonomous City of Buenos Aires, May 9, 2016

PRICE WATERHOUSE & CO. S.R.L.

by _____ (Partner)
Carlos N. Martínez

STATUTORY AUDIT COMMITTEE'S REPORT

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

I.- In accordance with the provisions of Section 63, subsection b, of the Buenos Aires Stock Exchange Listing Rules, we have performed a limited review of Transportadora del Gas del Norte S.A.'s Interim Condensed Balance Sheet as of March 31, 2016 and the related Interim Condensed Statement of Comprehensive Income, Interim Condensed Statement of Changes in Shareholders' Equity and Interim Condensed Statement of Cash Flows, as well as supplementary additional reports and explanatory notes for the three-month period then ended. The Board of Directors, within the scope of its exclusive functions, is responsible for the preparation and presentation of these documents in full compliance with current regulations. This responsibility includes the design, implementation and maintenance of an adequate and efficient control system so that such Statements are free from significant distortions caused by errors or irregularities, and also includes the selection and application of appropriate accounting policies and the most reasonable estimates in light of conditioning circumstances. Our responsibility is to report on these documents based on the work mentioned in the following paragraph.

II.- Our work on the documents mentioned in the first paragraph consisted in assessing the consistency of significant information contained in those statements with the information on corporate decisions set forth in minutes, and the compliance of those decisions with the Law and the Company's Bylaws insofar as formal and documentary aspects are concerned. To carry out such work, we also considered the Review Report on the Interim Condensed Financial Statements by independent auditor Carlos N. Martínez (CPA), Partner of Price Waterhouse & Co. S.R.L., dated May 9, 2016, issued in compliance with current standards in Argentina for the "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." We have not conducted any management control and therefore we have not evaluated business decisions and criteria concerning the provision of the natural gas carriage public service, its administration and marketing, since these issues are the sole responsibility of the Board and fall outside the competence of this Statutory Audit Committee.

III.- There is a material uncertainty that may cast a significant doubt as to whether future cash inflows will be sufficient to recover the value of non-current assets and whether the Company will be able to repay its financial debts, as well as to future results, consistent with assessments and/or estimates made. As set forth in Note 1 to the interim condensed financial statements, changes introduced by the National Government to the license, under which the Company operates, generated accumulated losses that, at the end of the period ended on March 31, 2016, caused the Company to be under the scope of Section 206 of the Argentine Corporations Law. Consequently, there is a material uncertainty that may cast a significant doubt regarding the Company's ability to continue as a going concern.

The evolution of contractual disputes with certain clients is uncertain, as is the possibility to recover receivable balances past due and pending collection resulting

therefrom, which is why they have been partially allowed for, according to the most reasonably collection perspectives.

On February 29, 2016, TGN entered into a new Temporary Agreement with the "Finance" and "Energy and Mining" Ministries, that set the basic guidelines for a temporary adjustment of its rates and a future Comprehensive Rates Review ("CRR"). On March 31, 2016, the ENARGAS issued resolution I/3723, following "Energy and Mining Ministry" instructions, establishing a TGN's rates increase of 289.2% as from April 1st, 2016, which represents a temporary adjustment of its rates in force, within CRR procedures, subject to the celebration of a Comprehensive Contractual Renegotiation Agreement. Consequently, it can be said that it is likely that the Company's economic and financial situation will be recomposed.

The Interim Condensed Financial Statements have been prepared using accounting principles applicable to a going concern.

Consequently, the Interim Condensed Financial Statements should be analyzed from the perspective of the prevailing uncertainties.

IV.- Finally, we consider that the scope of our work and the Independent Auditor's report provide us with a reasonable basis for our opinion and, in compliance with applicable regulations, we report that:

a) The Interim Condensed Financial Statements as of March 31, 2016, considered and approved on this date by the Company's Board of Directors, contemplate all significant facts and circumstances of which we are aware.

b) The Interim Condensed Financial Statements arise from accounting records kept in all formal respects in conformity with current legal provisions, and comply with the regulations of the Companies Law and pertinent resolutions of the CNV [National Securities Commission].

c) As regards such Interim Condensed Financial Statements and the additional information to the notes thereto, required by section 68 of the Buenos Aires Stock Exchange Listing Rules and by sections 1 and 12, Chapter III, Title IV, of the CNV regulations, we have no further observations to make in addition to what we have previously stated.

d) During the period under review, we complied with the provisions of section 294 of Companies Law.

Autonomous City of Buenos Aires, May 9, 2016.

By Statutory Audit Committee

Dr. Juan Carlos Pitrelli
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