TRANSPORTADORA
DE GAS DEL NORTE S.A.

Interim condensed financial statements as of March 31, 2018 in thousand pesos, on a comparative basis

Transportadora de Gas del Norte S.A.

Registered address: Don Bosco 3672 – 3rd floor – City of Buenos Aires.

INTERIM CONDENSED FINANCIAL STATEMENTS for the three-month period ended March 31, 2018, on a comparative basis.

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

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

Registration number with the Superintendence of Corporations: 11,667 – Book 112 - Volume A - 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; August 18, 2006 and September 15, 2017.

Date of expiry of Company's existence: December 1st, 2091.

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

Capital Structure (Note 14 to the Company's Financial Statements as of December 31, 2017)

Classes of Shares	**Subscribed and Paid-in**	
	03.31.18	**12.31.17**
	Thousand $	
Book-entry Class A common shares, of $1 par value each and entitled to one vote per share	179,264	179,264
Book-entry Class B common shares, of $1 par value each and entitled to one vote per share	172,235	172,235
Book-entry Class C common shares, of $1 par value each and entitled to one vote per share[1]	87,875	87,875
Total	**439,374**	**439,374**

[1] Authorized for public offering in Argentina. Listed on Argentine markets and stock exchanges.

See our report dated
May 9, 2018
PRICE WATERHOUSE & CO. S.R.L.

(Partner)
C.P.C.E.C.A.B.A. T° 1 F° 17
Dr. Alejandro J. Rosa
Chartered Accountant (UM)
C.P.C.E.C.A.B.A. T° 286 F° 136

Juan José Valdez Follino
Regular Statutory Auditor

Emilio Daneri Conte-Grand
President

Transportadora de Gas del Norte S.A.

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Transportadora de Gas del Norte S.A.

INTERIM CONDENSED BALANCE SHEET AS OF MARCH 31, 2018 AND DECEMBER 31, 2017 (in thousand pesos)

	Note	03.31.2018	12.31.2017
ASSETS			
Non-current assets			
Property, plant and equipment	**5**	21,468,441	21,696,171
Investments in affiliated companies	**6**	11,719	9,872
Materials and spare parts	**10**	109,114	98,353
Other accounts receivable	**11**	158,861	148,353
Trade accounts receivable	**12**	1,582,670	1,434,545
Investments at amortized cost	**8**	42,497	35,085
Total non-current assets		23,373,302	23,422,379
Current assets			
Materials and spare parts		44,620	36,848
Other accounts receivable	**11**	205,723	102,580
Trade accounts receivable	**12**	783,366	895,972
Investments at amortized cost	**8**	281,148	8,645
Investments at fair value	**8**	814,441	117,991
Cash and cash equivalents	**13**	349,370	475,496
Total current assets		2,478,668	1,637,532
Total assets		25,851,970	25,059,911

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INTERIM CONDENSED BALANCE SHEET AS OF MARCH 31, 2018 AND DECEMBER 31, 2017 (in thousand pesos)

	Note	03.31.2018	12.31.2017
SHAREHOLDERS' EQUITY			
Common stock	**14**	439,374	439,374
Property, plant and equipment revaluation allowance		13,775,687	14,135,790
Other reserves		5,902	4,725
Retained earnings		952,102	455,552
Total shareholders' equity		15,173,065	15,035,441
LIABILITIES			
Non-current liabilities			
Contingencies	**18**	26,605	25,521
Deferred income tax liability	**7**	5,054,418	4,993,937
Loans	**15**	4,387,762	4,047,412
Other debts	**16**	22,320	21,061
Trade accounts payable	**17**	150,620	154,924
Total non-current liabilities		9,641,725	9,242,855
Current liabilities			
Contingencies	**18**	77,546	76,341
Loans	**15**	84,314	31,250
Salaries and social security contributions		104,520	139,801
Taxes payable		127,761	69,897
Other debts	**16**	103,006	105,119
Trade accounts payable	**17**	540,033	359,207
Total current liabilities		1,037,180	781,615
Total liabilities		10,678,905	10,024,470
Total liabilities and shareholders' equity		25,851,970	25,059,911

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

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INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018 AND 2017 (in thousand pesos)

	Note	Three-month period ended	
		03.31.2018	03.31.2017
Revenues	**19**	1,561,747	633,792
Cost of service	**20**	(932,004)	(274,634)
Gross profit		**629,743**	**359,158**
Selling expenses	**20**	(113,466)	(38,368)
Administrative expenses	**20**	(127,164)	(73,736)
Income before other net income and expenses		**389,113**	**247,054**
Other net income and expenses	**21**	4,133	25,993
Income before financial income		**393,246**	**273,047**
Net financial income			
Other net financial income	**22**	(175,307)	67,208
Financial income	**22**	55,113	52,181
Financial expenses	**22**	(76,792)	(81,671)
Net financial (loss) income		**(196,986)**	**37,718**
Income from investments in affiliated companies	**6**	670	221
Income before income tax		**196,930**	**310,986**
Income tax			
Current	**7**	-	-
Deferred	**7**	(60,483)	(108,615)
Subtotal income tax		**(60,483)**	**(108,615)**
Income for the period		**136,447**	**202,371**
Items that will be reclassified through profit or loss			
Affiliated companies' financial statements currency translation adjustment	**6**	1,177	(117)
Other comprehensive income for the period [(1)]		**1,177**	**(117)**
Comprehensive income for the period		**137,624**	**202,254**
Net earnings per share, basic and diluted	**23**	0.3106	0.461

[(1)] Comprehensive income is net of the income tax effect.

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INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FORT HE THREE-MONTH PERIODS ENDED MARCH 31, 2018 AND 2017 (in thousand pesos)

ITEM	Common stock	Property, plant and equipment revaluation allowance	Other reserves	Retained earnings	Total shareholders' equity
Balances as of December 31, 2016	**439,374**	**-**	**2,796**	**(386,304)**	**55,866**
Profit for the three-month period ended March 31, 2017	-	-	-	202,371	202,371
Other comprehensive income	-	-	(117)	-	(117)
Balances as of March 31, 2017	**439,374**	**-**	**2,679**	**(183,933)**	**258,120**
Profit for the nine-month period ended December 31, 2017	-	-	-	639,485	639,485
Creation of Property, plant and equipment revaluation allowance	-	14,135,790	-	-	14,135,790
Other comprehensive income	-	-	2,046	-	2,046
Balances as of December 31, 2017	**439,374**	**14,135,790**	**4,725**	**455,552**	**15,035,441**
Profit for the three-month period ended March 31, 2018	-	-	-	136,447	136,447
Reversal of Property, plant and equipment revaluation allowance	-	(360,103)	-	360,103	-
Other comprehensive income	-	-	1,177	-	1,177
Balances as of March 31, 2018	**439,374**	**13,775,687**	**5,902**	**952,102**	**15,173,065**

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INTERIM CONDENSED STATEMENTS OF CASH FLOWS FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018 AND 2017 (in thousand pesos)

	Note	03.31.2018	03.31.2017
Profit for the period		136,447	202,371
Adjustments to cash generated by (used in) operating activities:			
Property, plant and equipment depreciation		568,884	43,698
Income tax	**7**	60,483	108,615
Accrued interest generated by liabilities	**22**	73,957	67,012
Accrued interest generated by assets	**22**	(20,524)	(8,862)
Increase in allowances and provisions (net of recoveries)		57,665	(24,348)
Exchange rate differences and other net financial income		180,661	(115,728)
Gain (loss) from investments in affiliated companies		(670)	(221)
Net changes in operating assets and liabilities:			
(Decrease) in trade accounts receivable		59,552	47,871
Increase in other accounts receivable		(108,979)	(24,556)
Increase in materials and spare parts		(25,752)	(4,947)
Increase in trade accounts payable		164,921	22,748
Decrease in salaries and social security contributions		(35,281)	(39,012)
Increase (decrease) in taxes payable		49,081	(14,625)
(Decrease) increase in other debts		(854)	4,100
Decrease in contingencies		-	(6,013)
Net cash flow generated by operating activities		**1,159,591**	**258,103**
Acquisition of property, plant and equipment	**6**	(341,154)	(128,179)
Subscriptions net of recovery of investments at amortized cost and investments at fair value (non-cash equivalents)		(964,823)	(34,724)
Principal received from investments at amortized cost and investments at fair value		2,094	2,094
Interest received from investments at amortized cost and investments at fair value		3,007	2,720
Net cash flow used in investing activities		**(1,300,876)**	**(158,089)**
Interest payment on notes		-	(68,770)
Net cash flow used in financing activities		**-**	**(68,770)**
Net (decrease) increase in cash and cash equivalents		**(141,285)**	**31,244**
Cash and cash equivalents at the beginning of fiscal year		475,496	250,865
Financial income generated by cash		15,159	5,409
Cash and cash equivalents at the end of period	**13**	**349,370**	**287,518**

The accompanying notes 1 to 25 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, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

1 - OVERVIEW

1.1 – Incorporation of the Company

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

1.2 – Economic Emergency and Renegotiation of the License

In January 2002, the Public Emergency Law No. 25,561 ("LEP") established the pesification of the rates for natural gas transportation services within the domestic market and repealed the semi-annual adjustment mechanism based on the Producer Price Index ("PPI"). Furthermore, the LEP authorized the National Executive Branch to renegotiate public works and services contracts. Within said legal framework, in March 2017, the Company entered into an Agreement for the Comprehensive Renegotiation of the License (the "Comprehensive Agreement") with the National Government, which came into force and was ratified by means of National Executive Branch Decree No. 251, dated March 27, 2018. This put an end to the renegotiation process conducted under the LEP. The provisions under the Comprehensive Agreement cover the contractual period from January 6, 2002 to the termination date of the License.

The Comprehensive Agreement contains an indemnity clause for the benefit of the National Government. On the one hand, TGN agrees to hold the National Government harmless in the event that any of TGN's and/or controlling shareholder, Gasinvest S.A.'s shareholders and/or any assignee thereof obtain a final award or judgment, in Argentina or abroad, consisting of any type of economic indemnity, relief or compensation in connection with License related matters resulting from the LEP and/or PPI discontinuation, including legal costs and fees. In such case, the Company shall not be entitled to seek any relief, indemnity or compensation from the National Government, and costs and expenses incurred by TGN shall not be transferred to users of the transportation service.

On the other hand, the Company agrees to hold the National Government harmless from and against any arbitration awards obtained by former shareholders CMS and Total prior to the execution of the Comprehensive Agreement. The amount of that indemnity, to be determined, will not include the proportional reduction percentage established or to be established under the respective payment agreements, will exclude default interest accrued against the National Government, and will be calculated at present value. By way of illustration, the amounts awarded are as follows: CMS Gas Transmission Company v. Argentine Republic (Case No. ARB/01/8 in favor of CMS for US$133.2 million, dated May 12, 2005) and Total S.A. v. Argentine Republic (Case No. ARB/04/1 in favor of Total for US$85.2 million, dated November 27, 2013).

TGN shall indemnify the National Government – for such amount to be determined based on the above – only through sustainable investments, additional to those established by ENARGAS as mandatory investments, in gas pipelines and complementary facilities in the "Neuquina Basin". These investments shall not form part of the Company's rate base.

1 - OVERVIEW (Cont.)

1.2 – Economic Emergency and Renegotiation of the License (Cont.)

The Comprehensive Agreement also established the guidelines to carry out TGN's rate review. See Note 1.3.3 to these interim condensed financial statements of the Company as of March 31, 2018.

1.3 - Regulatory framework

1.3.1 - General

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

1.3.2 - Rates

Natural gas transportation rates were established under the License and are regulated by ENARGAS. Section 38 of the Natural Gas Act establishes that rates must cover reasonable operating costs, taxes and depreciation charges, enable to obtain a reasonable profit margin similar to that derived from other comparable or equivalent risky activities and must be in line with the degree of efficiency in the provision of the services. Rates are subject to:

i. adjustments under the five-year rate review by ENARGAS, concerning the "X" efficiency factor and "K" investment factor, where "X" reduces rates as a result of increased efficiency, while "K" increases rates to promote unprofitable investments;
ii. non-recurring adjustments to reflect changes in costs resulting from changes in tax regulations (except for changes in income tax); and
iii. non-scheduled adjustments for other objective and justifiable reasons at the discretion of ENARGAS.

1.3.3 – Comprehensive Rate Review

Between April 2014 and December 2017 TGN received successive interim rate increases, until March 2018 when ENARGAS implemented the rate tables under the Comprehensive Rate Review ("CRR") that said entity has conducted since March 2016. In return, between April 1, 2017 and March 31, 2022, the Company must implement a Mandatory Investment Plan for approximately $5.6 billion, which amount shall be adjusted in the same proportion as TGN's rates.

In order to maintain rates at constant values along time and thus be able to meet expenses and investments required for gas pipeline operation and maintenance, the CRR conducted by ENARGAS introduces non-automatic bi-annual transportation rate adjustments, between five-year rate reviews, due to changes experienced in the cost of the service, in order to maintain the economic-financial balance and quality of the service.

2 – BASIS OF PREPARATION AND PRESENTATION

These interim condensed financial statements for the three-month period ended March 31, 2018 have not been audited. The Company's Management believes that all adjustments necessary have been made to reasonably present the results for each period. The results for the three-month period ended March 31, 2018 do not necessarily reflect the Company's full year results.

In addition, these financial statements have been prepared in accordance with the International Accounting Standard 34 ("Interim Financial Reporting").

The National Securities Commission ("CNV") established, through General Resolution No. 622/13, the implementation of Technical Resolutions No. 26 and 29 of the Argentine Federation of Professional Councils in Economic Sciences, which adopt International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"), for entities comprised in the public offering regime, either because of their capital or notes, or because they have requested authorization to be included in said regime.

These interim condensed financial statements should be read in conjunction with the Company's financial statements as of December 31, 2017, which have been prepared in accordance with IFRS. Additionally, these interim condensed financial statements have been prepared applying the same accounting policies used in preparing the Company's financial statements as of December 31, 2017.

Furthermore, the provisions of ENARGAS Resolution No. 1,660/00 (as amended by Resolution No. 1,903/00), which regulates certain valuation and disclosure criteria for the regulated natural gas transportation and distribution activity have been applied.

2.1 – Use of Estimates and Accounting Policies

The preparation of interim condensed financial statements requires the Company´s Board to make estimates 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 estimates used in the preparation of interim condensed financial statements. Estimates and accounting policies applied by the Company during the three-month period ended March 31, 2018 are consistent with those applied for fiscal year ended December 31, 2017, save as described below.

Upon initial adoption of IFRS 9, as of January 1, 2018, the recognition of impairment losses associated with trade accounts receivable is based on the Company's best estimate of default risk and expected loss ratios, considering customers' historic performance, current market conditions and prospective estimates at the end of each reporting period.

2 – BASIS OF PREPARATION AND PRESENTATION (Cont.)

2.2 – Financial Reporting in Hyperinflationary Economies

International Accounting Standard N° 29 (“IAS 29”) requires that financial statements of an entity which functional currency is that of an hyperinflationary economy, whether based on the historical or current cost method, be stated in terms of the unit of measurement current as of the closing date of the reporting period. Consequently, in general terms, non-monetary items should include actual inflation since their acquisition or revaluation date, as appropriate. The standard describes a number of factors indicative of a hyperinflationary economy, such as when the cumulative inflation rate over three years approaches or exceeds 100%.

The cumulative inflation rate over the three-year period ended on March 31, 2018 cannot be determined using the National Institute of Statistics and Census (“INDEC”) official database, due to the fact that in October 2015 that institute discontinued the calculation of the domestic Wholesale Price Index, which was resumed in January 2016.

Based on the above, at the end of the reported period, the Board has determined that the Argentine Peso does not meet the characteristics to be rated as the currency of a hyperinflationary economy, according to the guidelines established in IAS 29. Consequently, these Interim Condensed Financial Statements have not been restated at constant currency.

2.3 – Changes in Interpretation and Accounting Standards

a) New accounting standards, amendments and interpretations issued by IASB applicable as from March 31, 2018, adopted by the Company

The Company has adopted the following standards and amendments for the first time for fiscal year beginning on January 1, 2018:

- Amendments to IAS 7 "Statement of Cash Flows": Disclosure by the Company of changes in liabilities arising from financing activities made it necessary to introduce additional information under Note 15. Said disclosure has had no impact on the Company’s financial position or results of operations.

- Amendments to IAS 12 “Income Taxes”: Recognition by the Company of deferred tax assets for unrealized losses has had no impact on the Company’s financial position or results of operations.

- IFRS 15 "Revenue from Contracts with Customers": The Company decided to adopt IFRS 15 retrospectively for all those contracts pending performance as of the initial adoption date, recognizing, where appropriate, the resulting cumulative effect as an adjustment to the opening balance of cumulative earnings as of January 1, 2018.

2 – BASIS OF PREPARATION AND PRESENTATION (Cont.)

2.3 – Changes in Interpretation and Accounting Standards (Cont.)

a) New accounting standards, amendments and interpretations issued by IASB applicable as from March 31, 2018, adopted by the Company (Cont.)

Management has assessed the effects of adopting IFRS 15 with respect to contracts in effect as of January 1, 2018 and has not identified any differences related to reporting of performance obligations or transaction price allocation methodology, which might affect revenue recognition or timing of revenue recognition. Therefore, no adjustment to the opening balance of cumulative earnings as at the beginning of the period has been recognized by the Company. Finally, no contractual assets or liabilities required to be disclosed on a separate basis in accordance with IFRS 15 have been identified.

- IFRS 9 "Financial Instruments": The Company has adopted IFRS 9 retrospectively as of January 1, 2018, through the use of allowed practical resources, without restating comparative periods. The impact of its initial adoption amounted to $31.4 million (loss).

The Company has reviewed the financial assets currently measured and classified at fair value through profit or loss or at amortized cost and has concluded that they meet the requirements to maintain their classification, Consequently, its initial adoption has not affected the classification and measurement of the Company's financial assets.

As for the new hedge accounting model, the Company has not elected to designate any hedge ratio as of IFRS 9 initial adoption date; consequently, there has been no resulting impact on the Company's financial position or results of operations.

Finally, as for the change in the impairment methodology based on expected credit losses, the Company applies the IFRS 9 simplified approach for trade accounts payable, regardless of actual impairment signs.

To measure expected credit losses, trade accounts receivable are grouped based on shared credit risk characteristics and default days counted as from maturity dates.

Trade accounts receivable are written off when reasonable recovery expectation no longer exists.

Although cash, cash equivalents, investments measured at fair value and other accounts receivable are also subject to the impairment requirements under IFRS 9, the identified impairment loss is negligible.

As for investments measured at amortized cost, the application of the expected credit risk model has caused no impact on the Company's financial position or results of operations.

2 – BASIS OF PREPARATION AND PRESENTATION (Cont.)

2.3 – Changes in Interpretation and Accounting Standards (Cont.)

a) New accounting standards, amendments and interpretations issued by IASB applicable as from March 31, 2018, adopted by the Company (Cont.)

- IFRIC 22 "Foreign Currency Transactions and Advance Consideration": Issued in December 2016. The interpretation refers to the determination of the "date of the transaction" for the exchange rate to be used on initial recognition of the related asset, expense or income when an entity has paid or received an advance consideration in a foreign currency. The date of the transaction is the date when a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration is recognized. IFRIC 22 is effective for annual reporting periods beginning on or after January 1, 2018. The adoption of IFRIC 22 has had no impact on the Company's financial position or results of operations.

- Annual improvements to IFRSs – 2014-2016 Cycle: These amendments were issued in December 2016 and are effective for annual reporting periods beginning on or after January 1, 2018. The adoption of this standard has had no impact on the Company's financial position or results of operations.

b) New standards, amendments and interpretations issued by the IASB yet not effective and not early adopted by the Company

- IFRS 16 "Leases": This standard was issued in January 2016 and replaces IAS 17. IFRS 16 defines a lease as a contract or part of a contract that conveys a party the right to use an asset (underlying asset) for a period of time in exchange for a consideration. Under this standard, lessee is required to recognize a lease liability that reflects the present value of future payments and a right-of-use asset. This is a significant change with respect to IAS 17, which required lessees to make a distinction between a financial lease (reported in the balance sheet) and an operating lease (with no impact on the balance sheet). IFRS 16 contains an optional exception for short term leases and for leases where the underlying asset has a low value. IFRS 16 applies to annual reporting periods beginning on or after January 1, 2019. The Company believes that the adoption of this standard will have no impact on its financial position or results of operations.

- IFRS 9 "Financial Instruments": In October 2017 changes were introduced to the application guidelines concerning classification of financial assets where contractual terms modify the timing or amount of contractual cash flows to determine if cash flows to be derived due to the amendment are solely payments of principal and interest. These changes are mandatorily effective for annual reporting periods beginning on or after January 1, 2019. Early application is permitted. The Company believes that the adoption of this standard will have no impact on its financial position or results of operations.

2 – BASIS OF PREPARATION AND PRESENTATION (Cont.)

2.3 – Changes in Interpretation and Accounting Standards (Cont.)

b) New standards, amendments and interpretations issued by the IASB yet not effective and not early adopted by the Company (Cont.)

- IAS 28 "Investments in Associates and Joint Ventures": Amended in October 2017 outlines that IFRS 9 applies to other financial instruments in an associate or joint venture to which the equity method is not applied. IAS 28 is effective for annual reporting periods beginning on or after January 1, 2019. Early application is permitted. The Company believes that the adoption of this standard will have no impact on its financial position or results of operations.

- Annual Improvements to IFRSs - 2015-2017 Cycle: These amendments were issued in December 2017 and are effective for annual reporting periods beginning on or after January 1, 2019. The Company believes that their adoption will have no impact on its financial position or results of operations.

3 – FINANCIAL RISK MANAGEMENT

Except as mentioned in Note 3.1. below, as of March 31, 2018 no significant variations in financial risks have been identified with respect to Note 3 to the Company's Financial Statements as of December 31, 2017.

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 $23.6 million, provided that the other economic and financial variables affecting the Company remain stable. This sensitivity analysis is based on reasonable assumptions and information. Yet, actual results might differ significantly from such analysis.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

3 – FINANCIAL RISK MANAGEMENT (Cont.)

Foreign Currency denominated Assets and Liabilities

	03.31.18				12.31.17		
	Amount and type of foreign currency (1)		Current trading price in $	Amount in local currency (1)	Amount and type of foreign currency (1)		Amount in local currency (1)
ASSETS							
NON-CURRENT ASSETS							
Investments in affiliated companies							
Comgas Andina S.A.	$ch	351,605	0.033	11,719	$ch	331,642	9,872
Companhia Operadora do Rio Grande do Sul	R$	207	6.20	1,283	R$	201	1,145
				13,002			11,017
Trade accounts receivable							
Trade accounts receivable with third parties	US$	189,378	20.049	3,796,840	US$	189,378	3,512,773
				3,796,840			3,512,773
Investments at amortized cost							
Other investments	US$	403	20.049	8,088	US$	395	7,326
				8,088			7,326
Total non-current assets				**3,817,930**			**3,531,116**
CURRENT ASSETS							
Other accounts receivable							
Commercial compensations and other	US$	1,518	20.049	30,437	US$	822	15,251
Other receivables with controlling companies	US$	4	20.049	82	US$	4	76
Other receivables with affiliated companies	US$	4	20.049	80	US$	6	108
	R$	103	6.20	641	R$	93	530
				31,240			15,965
Trade accounts receivable							
Trade accounts receivable with third parties	US$	1,458	20.049	29,231	US$	411	7,624
Trade accounts receivable with related parties	US$	93	20.049	1,863	US$	4,457	82,673
Trade accounts receivable with affiliated companies	US$	23	20.049	470	US$	25	471
				31,564			90,768
Investments at fair value							
Mutual funds	US$	3,396	20.049	68,082			-
Government bonds	US$	4,520	20.049	90,615			-
				158,697			-
Cash and cash equivalents							
Term deposits	US$	8,113	20.049	162,659	US$	11,006	204,146
Bank balances	US$	6,897	20.049	182,439	US$	317	5,877
				345,098			210,023
Total current assets				**566,599**			**316,756**
Total assets				**4,384,529**			**3,847,872**

See our report dated
May 9, 2018

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

3 – FINANCIAL RISK MANAGEMENT (Cont.)

Foreign Currency denominated Assets and Liabilities (Cont.)

	03.31.18				12.31.17		
	Amount and type of foreign currency (1)		Current trading price in $	Amount in local currency (1)	Amount and type of foreign currency (1)		Amount in local currency (1)
LIABILITIES							
NON-CURRENT LIABILITIES							
Loans							
Syndicated Loan	US$	217,766	20.149	4,387,762	US$	217,031	4,047,412
Total Non-Current Liabilities				4,387,762			4,047,412
CURRENT LIABILITIES							
Trade Accounts Payable							
Suppliers – Goods and Services	US$	787	20.149	15,867	US$	3,194	59,568
	£	65	28.463	1,844	£	65	1,637
Unbilled Goods and Services	US$	12,400	20.149	249,844	US$	6,698	124,906
	£	52	28.463	1,479	£	33	842
	€	84	24.840	2,099	€	14	305
				271,133			187,258
Loans							
Syndicated Loan	US$	4,182	20.149	84,258	US$	1,673	31,194
				84,258			31,194
Total Current Liabilities				**355,391**			**218,452**
Total Liabilities				**4,743,153**			**4,265,864**

US$: US Dollars
£: Pound sterling
€: Euros
R$: Brazilian Reais
$ch: Chilean Pesos
(1) Does not include allowances, provisions for contingencies or discounts at present value.

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4 - BUSINESS SEGMENT INFORMATION

Segment reporting is presented in a manner consistent with the internal reporting submitted to the Chief Operating Decision Maker ("CODM"). The Company's General Director has been identified as CODM. The management information used by the CODM for decision making is prepared on a quarterly basis and in million pesos and does not include any breakdown by business segment, which means that the information is presented as a single segment for the Company as a whole. It has been determined that the representative measure used for decision making by the CODM is the "management EBITDA", together with acquisition of "Property, Plant and Equipment". Information submitted to the CODM (in million pesos) is included bellow:

	03.31.2018	03.31.2017
Revenues	1,561.7	633.8
Operating costs	(603.7)	(343.0)
Management EBITDA	958.0	290.8
Acquisition of "Property, plant and equipment"	(341.2)	(128.1)

The reconciliation of management EBITDA to net income, before income tax is shown below:

	03.31.2018	03.31.2017
Management EBITDA in million pesos	958.0	290.8
"Property, plant and equipment" depreciation	(568.9)	(43.7)
Other net income and expenses	4.1	26.0
Net financial income	(197.0)	37.8
Income from investments in affiliated companies	0.7	0.2
Income before income tax	196.9	311.0

Transportadora de Gas del Norte S.A.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

5 – PROPERTY, PLANT AND EQUIPMENT

		03.31.2018									Net book value		
	Cost of acquisition						Depreciation						
	At the beginning of fiscal year	Additions	Disposals	Transfers	Revaluation	At the end of period	At the beginning of fiscal year	Period	Disposals	At the end of period	03.31.2018	12.31.2017	03.31.2017
Essential assets:													
Gas pipelines and branch lines	16,617,403	-	-	4,901	-	16,622,304	-	394,833	-	394,833	16,227,471	16,617,403	1,305,573
Compressor plants	2,619,025	-	-	43,383	-	2,662,408	-	134,920	-	134,920	2,527,488	2,619,025	259,151
Meter and regulating stations	253,300	-	-	-	-	253,300	-	5,635	-	5,635	247,665	253,300	24,147
SCADA system	358,876	-	-	-	-	358,876	-	14,047	-	14,047	344,829	358,876	34,507
Gas inventory	335,814	-	-	-	-	335,814	-	-	-	-	335,814	335,814	54,054
Lands	23,814	-	-	(10)	-	23,804	-	-	-	-	23,804	23,814	2,102
Buildings and civil construction works	401,613	-	-	-	-	401,613	-	3,496	-	3,496	398,117	401,613	35,176
Other technical installations	216,521	-	-	-	-	216,521	-	11,583	-	11,583	204,938	216,521	14,983
Sub-total essential assets	**20,826,366**	**-**	**-**	**48,274**	**-**	**20,874,640**	**-**	**564,514**	**-**	**564,514**	**20,310,126**	**20,826,366**	**1,729,693**
Other revalued assets:													
Lands	14,688	-	-	10	-	14,698	-	-	-	-	14,698	14,688	1,299
Buildings and civil construction works	124,948	-	-	-	-	124,948	-	1,098	-	1,098	123,850	124,948	11,322
Sub-total other revalued assets	**139,636**	**-**	**-**	**10**	**-**	**139,646**	**-**	**1,098**	**-**	**1,098**	**138,548**	**139,636**	**12,621**
Total revalued assets	**20,966,002**	**-**	**-**	**48,284**	**-**	**21,014,286**	**-**	**565,612**	**-**	**565,612**	**20,448,674**	**20,966,002**	**1,742,314**
Non-essential assets:													
Building installations	10,035	-	-	-	-	10,035	1,960	100	-	2,060	7,975	8,075	10,318
Machinery, equipment and tools	34,365	107	(11)	-	-	34,461	29,591	410	(11)	29,990	4,471	4,774	5,991
Other technical installations	42,582	-	-	-	-	42,582	36,017	552	-	36,569	6,013	6,565	6,248
Communication equipment and devices	5,776	-	(11)	-	-	5,765	5,417	45	(11)	5,451	314	359	536
Vehicles	57,575	1,138	-	-	-	58,713	27,284	2,051	-	29,335	29,378	30,291	9,092
Furniture and fixtures	14,027	-	-	-	-	14,027	11,128	114	-	11,242	2,785	2,899	2,927
Works in progress	677,206	339,909	-	(48,284)	-	968,831	-	-	-	-	968,831	677,206	316,967
Sub-total non-essential assets	**841,566**	**341,154**	**(22)**	**(48,284)**	**-**	**1,134,414**	**111,397**	**3,272**	**(22)**	**114,647**	**1,019,767**	**730,169**	**352,079**
Balances as of March 31, 2018	**21,807,568**	**341,154**	**(22)**	**-**	**-**	**22,148,700**	**111,397**	**568,884**	**(22)**	**680,259**	**21,468,441**		
Balances as of December 31, 2017	**4,285,279**	**788,137**	**(4,701)**	**-**	**19,091,011**	**24,159,726**	**2,275,367**	**192,512**	**(4,324)**	**2,463,555**		**21,696,171**	
Balances as of March 31, 2017	**4,285,279**	**128,179**	**-**	**-**	**-**	**4,413,458**	**2,275,367**	**43,698**	**-**	**2,319,065**			**2,094,393**

See our report dated
May 9, 2018

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

5 – PROPERTY, PLANT AND EQUIPMENT (Cont.)

5.1 – Commitments

As of March 31, 2018, the Company has firm contractual commitments with suppliers for the acquisition of Property, Plant and Equipment for 582,310.

6 – INVESTMENTS IN AFFILIATED COMPANIES

	03.31.2018	12.31.2017
Balance at the beginning of fiscal year	9,872	5,364
Income from investments in affiliated companies (1)	1,847	4,508
Balance at the end of period / fiscal year	11,719	9,872

(1) Includes 1,177 and 1,929 that have been charged to "Other Comprehensive Income" in the Statement of Comprehensive Income, as of March 31, 2018 and December 31, 2017, respectively.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

6 – INVESTMENTS IN AFFILIATED COMPANIES (Cont.)

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

Issuer	Description		Amount	Cost	Book Value as of		Information on issuer						
								Most recent Financial Statements					
	Shares	Face Value			03.31.18	12.31.17	Main Activity	Date	Capital Stock and Capital Adjustment	Other Reserves	Retained Earnings	Shareholders' Equity	Percentage of Direct Interest
Comgas Andina S.A.	Common	(1) 1 per share	490	246	11,719	9,872	Gas pipeline operation and maintenance service	03.31.18	34	-	23,882	23,916	49.0
Companhia Operadora do Rio Grande do Sul	Common	(2) 1 per share	49	0.1	1,283	1,145	Gas pipeline operation and maintenance service	12.31.17	1	1,354	981	2,336	49.0
Investment allowance					(1,283)	(1,145)							
Total					**11,719**	**9,872**							

(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, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

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 authority on a net basis. The deferred income tax net position is as follows:

	03.31.2018	12.31.2017
Deferred income tax assets:		
Deferred income tax assets to be recovered after 12 months	93,862	139,993
Deferred income tax assets to be recovered within 12 months	198,010	343,187
	291,872	483,180
Deferred income tax liabilities:		
Deferred income tax liabilities to be recovered after 12 months	(4,412,477)	(5,491,254)
Deferred income tax liabilities to be recovered within 12 months	(933,813)	14,137
	(5,346,290)	(5,477,117)
Deferred income tax liabilities (net)	(5,054,418)	(4,993,937)

Deferred tax assets and liabilities, excluding the settlement of balances, are as follows:

Deferred income tax assets	Trade accounts payable and financial liabilities	Materials and spare parts	Contingencies	Tax-loss	Other debts	Other accounts receivable	Total
Balances as of December 31, 2016	137,206	111,535	32,425	611,801	254	6,583	899,803
Charged to statement of comprehensive income	(83,003)	(18,790)	(8,305)	(323,106)	20,509	(3,929)	(416,624)
Balances as of December 31, 2017	54,203	92,745	24,120	288,695	20,763	2,654	483,180
Charged to statement of comprehensive income	1,332	(31,660)	687	(162,649)	505	477	(191,308)
Balances as of March 31, 2018	55,535	61,085	24,807	126,046	21,268	3,131	291,872

Deferred income tax liabilities	Property, plant and equipment	Trade accounts receivable	Revaluation of property, plant and equipment(1)	Investments at fair value	Total
Balances as of December 31, 2016	(261,149)	(332,379)	-	(3,358)	(596,886)
Charged to statement of comprehensive income	85,730	(14,636)	(4,955,221)	3,896	(4,880,231)
Balances as of December 31, 2017	(175,419)	(347,015)	(4,955,221)	538	(5,477,117)
Charged to statement of comprehensive income	3,296	(26,112)	154,330	(687)	130,827
Balances as of March 31, 2018	(172,123)	(373,127)	(4,800,891)	(149)	(5,346,290)

(1) As of March 31, 2018, included net of revaluation balance of "Property, Plant and Equipment" under Shareholders' Equity

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

7 - INCOME TAX (Cont.)

Reconciliation between income tax charged to income and the amounts obtained by applying the income tax rate to pre-tax income is presented below:

	03.31.2018	03.31.2017
Income before income tax	196,930	310,986
Statutory income tax rate	30%	35%
Income tax charge determined by applying statutory tax rate to the income for the fiscal year	(59,079)	(108,845)
Exceptions to statutory income tax rate:		
- Income from investments in affiliated companies	201	77
- Non-deductible items	(258)	153
- Adjustment to income tax provision balance	4,826	-
- Other	(6,173)	-
Total income tax charge	(60,483)	(108,615)

A detailed breakdown of the minimum presumed income tax credit as of March 31, 2018 is shown below:

Fiscal Year	Amount	Expiration year
2008	6,797	2018
2009	436	2019
2011	21,413	2021
2013	20,320	2023
2014	21,630	2024
2015	20,342	2025
2016	22,716	2026
2017	31,198	2027
First quarter of 2018 (estimated)	10,278	2028
Balance as of March 31, 2018	155,130	

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

7 – INCOME TAX (Cont.)

A detailed breakdown of the Company's tax-loss carry-forwards as of March 31, 2018 is shown below:

Year	Amount	Expiration year
2015	700,743	2020
2016	277,660	2021
First quarter of 2018 (estimated)	(558,248)	N/A
Balance as of March 31, 2018	420,155	

Projections of future taxable income have been taken into consideration to determine the recoverability of tax-loss carry-forwards and the minimum presumed income tax credit. Such projections have been prepared on a best estimate basis, in accordance with the guidelines described in Note 4 to the Company's Financial Statements as of December 31, 2017. According to such projections, the book value of the minimum presumed income tax credit and tax-loss carry-forward does not exceed their recoverable value.

8 - INVESTMENTS

	03.31.2018	12.31.2017
Non-current:		
Financial assets at amortized cost:		
Other investments in US$	8,088	7,326
VRD bonds in $	34,409	27,759
Total financial assets at amortized cost	**42,497**	**35,085**
Current:		
Financial assets at amortized cost:		
LEBAC bonds	281,148	-
VRD bonds in $	-	8,645
Total financial assets at amortized cost	**281,148**	**8,645**
Financial assets at fair value (1):		
Mutual funds in $	655,744	-
Mutual funds in US$	68,082	-
Government bonds in US$	90,615	-
LEBAC bonds	-	117,991
Total financial assets at fair value	**814,441**	**117,991**

(1) All financial assets at fair value have been measured using Level 1 fair values. The value of financial instruments traded on active markets is based on quoted market prices at the date of the Financial Statements. The quoted market price used for financial assets held by the Company is the ask price as of March 31, 2018 and December 31, 2017.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

9 – FINANCIAL INSTRUMENTS BY CATEGORY

	03.31.2018	12.31.2017
Financial assets at fair value:		
Classified as "Investments at fair value":		
Mutual funds in $	655,744	-
Mutual funds in US$	68,082	-
Government bonds in US$	90,615	-
LEBAC bonds	-	117,991
Subtotal	814,441	117,991
Classified as "Cash and cash equivalents":		
Mutual funds in $ (Note 13)	40,477	241,322
Subtotal	40,477	241,322
Total financial assets at fair value - Current	**854,918**	**359,313**
Financial assets at amortized cost:		
Current:		
Classified as "Investments at amortized cost":		
LEBAC bonds	281,148	-
VRD bonds in $	-	8,645
Subtotal	281,148	8,645
Classified as "Cash and cash equivalents":		
Cash and banks (Note 13)	146,234	30,028
Term deposits in US$ (1) (Note 13)	162,659	204,146
Subtotal	308,893	234,174
Classified as "Trade accounts receivable" and "Other accounts receivable"	875,817	900,260
Total financial assets at amortized cost - Current	**1,465,858**	**1,143,079**
Non-Current:		
Classified as "Investments at amortized cost":		
Other investments in US$	8,088	7,326
VRD bonds in $	34,409	27,759
Subtotal	42,497	35,085
Classified as "Trade accounts receivable" and "Other accounts receivable"	1,586,398	1,438,046

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

Total financial assets at amortized cost – Non-Current	**1,628,895**	**1,473,131**

9 - FINANCIAL INSTRUMENTS BY CATEGORY (Cont.)

Financial liabilities at amortized cost:

	03.31.2018	12.31.2017
Current:		
Loans	84,314	31,250
Trade accounts payable, other debts and taxes payable	770,800	534,223
Total financial liabilities at amortized cost – Current	**855,114**	**565,473**
Non-Current:		
Loans	4,387,762	4,047,412
Trade accounts payable and other debts	172,940	175,985
Total financial liabilities at amortized cost – Non-Current	**4,560,702**	**4,223,397**

(1) Investments 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.

10 - MATERIALS & SPARE PARTS

	03.31.2018	12.31.2017
Non-Current		
Spare parts and consumables	220,369	202,258
Allowance for slow-moving and obsolete materials	(111,255)	(103,905)
Total non-current materials and spare parts	109,114	98,353

Changes in allowance for slow-moving and obsolete materials:

	Non-Current
Balance as of December 31, 2016	95,582
– Increases, net of recoveries	8,323
Balance as of December 31, 2017	103,905
– Increases, net of recoveries	7,350
Balance as of March 31, 2018	111,255

11 - OTHER ACCOUNTS RECEIVABLE

	03.31.2018	12.31.2017
Non-current		
Minimum presumed income tax (Note 7)	155,130	144,852
Other	3,731	3,501
Total other accounts receivable – Non-current	158,861	148,353

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(Partner)
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

11 - OTHER ACCOUNTS RECEIVABLE (Cont.)

	03.31.2018	12.31.2017
Current		
Commercial compensation and loss recoveries	14,401	13,324
Tax credits	25,025	-
Key management personnel (Note 24)	12,415	9,841
Prepaid expenses and advances	138,791	79,660
Attachments, guarantee court deposits and expenses to be recovered	83	84
Assistance fees from controlling company and expense recovery (Note 24)	257	76
Other receivables – affiliated companies (Note 24)	721	638
Other receivables – related parties (Note 24)	744	736
Transactions on behalf of third parties	2,254	995
Allowance for doubtful accounts	(7,655)	(7,120)
Other accounts receivable	18,687	4,346
Total other accounts receivable - Current	205,723	102,580

12 - TRADE ACCOUNTS RECEIVABLE

Non-current		
Trade accounts receivable – third parties	3,481,089	3,190,931
Less: Allowance for doubtful accounts and disputed amounts	(1,898,419)	(1,756,386)
Total trade accounts receivable – Non-current	1,582,670	1,434,545
Current		
Trade accounts receivable – third parties	722,179	707,380
Trade accounts receivable – related parties (Note 24)	158,489	237,933
Trade accounts receivable – affiliated companies (Note 24)	-	471
Less: Allowance for doubtful accounts and disputed amounts	(97,302)	(49,812)
Total trade accounts receivable – Current	783,366	895,972

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

	03.31.2018	12.31.2017
Balance at the beginning of fiscal year	1,813,318	1,622,878
- Increases – net of recoveries	48,026	(37,849)
- Exchange rate differences	142,032	261,247
- Decreases	-	(32,958)
Balance at the end of period / fiscal year	2,003,376	1,813,318

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

13 - CASH AND CASH EQUIVALENTS

	03.31.2018	12.31.2017
Cash and banks	146,234	30,028
Mutual funds in $	40,477	241,322
Term deposits in US$	162,659	-
LEBAC bonds	-	204,146
Total	349,370	475,496

14 - COMMON STOCK AND RESERVES

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

At the Shareholders' meeting held on April 12, 2018 it was resolved to allocate the profit derived in fiscal year 2017 for an amount of $841,855,694, which after deducting the balance standing in the "Retained Earnings" account amounts to $455,552,000, as follows; (i) $87,874,788 to reinstate the Statutory Reserve as provided in Section 70 of the Argentine General Companies Law and (ii) payment of a cash dividend for the amount of $367,677,212. Additionally, the Company resolved to pay a compensation of $18,743,621 to the Board members and $3,394,718 to the Supervisory Committee's members.

The profit derived in fiscal year 2017 allowed TGN to normalize its financial position.

14.1 - Restrictions on the Transfer of the Company's Shares

Gasinvest , TGN's controlling company, and Gasinvest´s shareholders, are restricted by the Bidding Terms and the Transfer Agreement to dispose of their interests in the Company and in Gasinvest, respectively. Consequently, Gasinvest may not reduce its shareholding and votes in the Company to less than 51% ("Controlling Interest") without ENARGAS prior approval. ENARGAS will approve the transfer of the Controlling Interest provided that (i) shares are transferred in whole but not in part, or the new buyer purchases all of the outstanding Class A shares of common stock and (ii) the quality of the gas transportation service rendered by the Company is not affected. Any transfer or other disposition as a result of which the interest of Gasinvest's original shareholders in said company's capital stock is reduced to less than 51%, including said shareholders' failure to subscribe for any capital increase in Gasinvest, can only be made with ENARGAS' prior consent. The foregoing restrictions do not apply to transfers between parties belonging to the same economic group, as established in the Bidding Terms and Conditions.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

14 - COMMON STOCK AND RESERVES (Cont.)

14.2 - Restriction on Distribution of Profits

At the Shareholders' Meeting held on October 3, 2017 the Board was delegated the power to establish restrictions on payment of dividends. (See Note 15 to the Company's Financial Statements as of December 31, 2017).

15 - LOANS

Information on the terms and conditions of TGN's financial indebtedness in included in Note 15 to the Company's Financial Statements as of December 31, 2017.

15.1 – Changes in Loans

Loan Balance as of 12-31-2017	**4,078,662**
Accrual of interest on Syndicated Loan	63,925
Exchange difference on Syndicated Loan	329,489
Loan Balance as of 03-31-2018	**4,472,076**

16 – OTHER DEBTS

	03.31.2018	12.31.2017
Non-current		
Allowance for easements	22,320	21,061
Total other debts – Non-current	22,320	21,061

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

16 – OTHER DEBTS (Cont.)

	03.31.2018	12.31.2017
Current		
Easements	18,608	15,173
Key management personnel (Note 24)	12,433	9,858
Advances	1,063	1,063
Various fees payable	64,878	63,194
Other debts and customer's guarantees	6,024	15,831
Total other debts - Current	103,006	105,119

17 - TRADE ACCOUNTS PAYABLE

Non-current		
AES Argentina Generación S.A.	150,620	154,924
Total trade accounts payable – Non current	150,620	154,924
Current		
Suppliers – goods and services	103,486	97,400
AES Argentina Generación S.A.	18,648	18,648
Other related parties (Note 24)	28	28
Unbilled goods and services	417,871	243,131
Total trade accounts payable - Current	540,033	359,207

18 - CONTINGENCIES

Provision for labor, civil and administrative lawsuits	Non-current	Current
Balances as of December 31, 2016	25,158	88,947
– Increases, net of recoveries	363	40,042
– Decreases (payments / uses)	-	(52,648)
Balances as of December 31, 2017	25,521	76,341
– Increases, net of recoveries	1,084	1,205
Balances as of March 31, 2018	26,605	77,546

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

18 – CONTINGENCIES (Cont.)

18.1 – Legal Matters

The Company is party to several legal proceedings and claims that have arisen in the ordinary course of its business. Although there can be no assurance as to the ultimate disposition of these matters due to their complexity and current status, it is the opinion of the Company's Board, based upon the estimates described in Note 4 to the Company's Financial Statements as of December 31, 2017, that the expected outcome of these claims and legal actions, individually or in the aggregate, would not have a material effect on the Company's financial position or results of operations in excess of the provisions recorded by the Company. However, the actual future outcome of these claims could differ from the estimates and assessments performed as of the date of issuance of these Interim Financial Statements. The most significant claims and legal actions, including those brought by and against TGN are summarized under Note 18 to the Company's Financial Statements as of December 31, 2017.

19 – REVENUES

	Three-month period as of	
	03.31.2018	03.31.2017
Gas transportation service	1,503,740	592,180
Gas pipeline operation and maintenance and other services	58,007	41,612
Total revenues	1,561,747	633,792

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

20 – EXPENSES BY NATURE

Item	Cost of service		Selling expenses		Administrative expenses		Total as of 03.31.2018	Total as of 03.31.2017
	2018	2017	2018	2017	2018	2017		
Directors' fees	-	-	-	-	(820)	1,140	**(820)**	**1,140**
Supervisory Committee's fees	-	-	-	-	3,395	766	**3,395**	**766**
Fees for professional services	3,795	3,709	4	7	8,160	5,948	**11,959**	**9,664**
Salaries, wages and other personnel benefits	106,399	84,224	2,493	1,050	33,083	24,907	**141,975**	**110,181**
Social security contributions	20,472	17,026	519	196	7,276	5,075	**28,267**	**22,297**
Technical assistance fees	-	3,400	-	-	-	-	**-**	**3,400**
Materials and spare parts	22,171	16,366	5	2	197	59	**22,373**	**16,427**
Third party services and supplies	11,670	9,185	54	28	551	290	**12,275**	**9,503**
Maintenance and repair of property, plant and equipment	164,726	61,886	99	38	1,781	1,107	**166,606**	**63,031**
Travel expenses	15,416	10,458	142	35	1,799	1,074	**17,357**	**11,567**
Freight and transportation	1,851	1,116	-	-	20	1	**1,871**	**1,117**
Post and telecommunication expenses	899	847	52	43	542	692	**1,493**	**1,582**
Insurance	10,406	6,329	1	1	810	503	**11,217**	**6,833**
Office supplies	1,697	1,074	52	20	1,752	1,334	**3,501**	**2,428**
Rentals	3,167	2,267	51	22	634	284	**3,852**	**2,573**
Easements	5,199	9,437	-	-	-	-	**5,199**	**9,437**
Taxes, rates and contributions	583	698	61,809	25,934	52,379	24,159	**114,771**	**50,791**
Property, plant and equipment depreciation	555,255	42,607	149	10	13,480	1,081	**568,884**	**43,698**
Doubtful accounts	-	-	48,026	10,979	-	-	**48,026**	**10,979**
Lawsuits	-	-	-	-	656	5,015	**656**	**5,015**
Slow-moving and obsolete materials and spare parts	7,355	3,495	-	-	-	-	**7,355**	**3,495**
Other	943	510	10	3	1,469	301	**2,422**	**814**
Balances as of March 31, 2018	**932,004**	-	**113,466**	-	**127,164**	-	**1,172,634**	-
Balances as of March 31, 2017	-	**274,634**	-	**38,368**	-	**73,736**	-	**386,738**

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

21 – OTHER NET INCOME AND EXPENSES

	Three-month period as of	
	03.31.2018	03.31.2017
Commercial compensation	387	-
Disposal of property, plant and equipment, net	184	-
Other sales, loss recovery and other, net	3,562	25,993
Total other net income and expenses	4,133	25,993

22 – NET FINANCIAL INCOME

	Three-month period as of	
	03.31.2018	03.31.2017
Other net financial income		
Foreign exchange gains	171,720	121,756
Foreign exchange losses	(347,027)	(54,548)
Total other net financial income	(175,307)	67,208
Financial income		
Interest	20,524	8,862
Income from changes in fair values	22,542	3,013
Income from discount at present value	11,233	40,303
Other financial income	814	3
Total financial income	55,113	52,181
Financial expenses		
Interest	(73,957)	(67,012)
Expense from discount at present value	(3,579)	(3,516)
Banking and financial fees, expenses and taxes	744	(11,143)
Total financial expenses	(76,792)	(81,671)
Total net financial (loss) income	(196,986)	37,718

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

23 – NET EARNINGS PER SHARE

Earnings per common share have been calculated by dividing the income for the three-month periods ended March 31, 2018 and 2017, by the weighted average of outstanding common shares, which as at said dates totaled 439,373,939 shares. Basic earnings per share are calculated by dividing profits attributable to the Company's equity holders by the weighted average number of common shares outstanding during the fiscal year. The Company has no preferred shares or debt convertible into shares, so the basic earnings per share are equal to the diluted earnings per share.

24 – RELATED PARTIES

Transactions with related parties are as follows:

	03.31.2018	03.31.2017
Controlling company		
Other net income and expenses		
Gasinvest S.A.	67	48
Total other net income and expenses	67	48
Affiliated companies		
Revenues		
Comgas Andina S.A.	(34)	361
Companhia Operadora do Rio Grande do Sul	-	78
Total revenues	(34)	439
Recovery of expenses		
Comgas Andina S.A.	55	152
Total recovery of expenses	55	152
Other related parties		
Revenues		
Litoral Gas S.A.	265,049	100,930
Siderar S.A.	42,962	14,045
Siderca S.A.	24,091	9,241
Transportadora de Gas del Mercosur S.A.	3,954	3,084
Gasoducto Gasandes Argentina S.A.	1,687	643
Total revenues	337,743	127,943

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

24 – RELATED PARTIES (Cont.)

Transactions with related parties are as follows (Cont.):

Other Related Parties (Cont.)

	03.31.2018	03.31.2017
Cost of service		
Tecpetrol S.A.	-	(625)
Compañía General de Combustibles S.A.	-	(625)
Total cost of service	-	(1,250)
Other net income and expenses		
Gasoducto Gasandes Argentina S.A.	627	12
Total other income and expenses	627	12
Financial income		
Transportadora de Gas del Mercosur S.A.	-	821
Total financial income	-	821
Financial expenses (interest)		
Tecpetrol S.A.	-	(814)
Compañía General de Combustibles S.A.	-	(815)
VR Global Partners L.P.	-	(3,484)
Total financial expenses	-	(5,113)
Recovery of expenses		
Transportadora de Gas del Mercosur S.A.	1,699	710
Total Recovery of expenses	1,699	710
Acquisition of materials and property, plant and equipment		
Siat S.A.	-	(38,562)
Total acquisition of materials and property, plant and equipment	-	(38,562)
Key management personnel		
Board of Directors' fees	(1,881)	(1,140)
Supervisory Committee's fees	(694)	(766)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

24 – RELATED PARTIES (Cont.)

Balances with related parties are as follows:

	03.31.2018	12.31.2017
Trade accounts receivable		
Other related parties		
Transportadora de Gas del Mercosur S.A.	1,594	82,424
Litoral Gas S.A.	129,592	129,431
Siderar S.A.	16,793	15,619
Siderca S.A.	9,829	10,210
Gasoducto Gasandes Argentina S.A.	681	249
Total trade accounts receivable - other related parties	158,489	237,933
Accounts receivable – affiliated companies		
Comgas Andina S.A.	-	372
Companhia Operadora do Rio Grande do Sul	-	99
Total other accounts receivable –affiliated companies	-	471
Other accounts receivable		
Assistance fee – controlling company		
Gasinvest S.A.	257	76
Total assistance fee – controlling company	257	76
Other accounts receivable – affiliated companies		
Comgas Andina S.A.	80	108
Companhia Operadora do Rio Grande do Sul	641	530
Total other accounts receivable – affiliated companies	721	638
Other accounts receivable – related parties		
Litoral Gas S.A.	118	117
Transportadora de Gas del Mercosur S.A.	59	55
Siat S.A.	567	564
Total other accounts receivable – related parties	744	736
Key management personnel		
Board of Directors and Supervisory Committee's fees paid in advance	12,415	9,841
Total key management personnel	12,415	9,841

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24 – RELATED PARTIES (Cont.)

Balances with related parties are as follows:

	03.31.2018	12.31.2017
Trade accounts payable		
Other related parties		
Transportadora de Gas del Mercosur S.A.	28	28
Total other related parties	28	28
Other debts		
Key management personnel		
Provision for Board of Directors and Supervisory Committee's fees	12,433	9,858
Total key management personnel	12,433	9,858

25 – SUBSEQUENT EVENTS

As of the date of issuance of these interim condensed financial statements, the US dollar exchange rate published by Banco de la Nación Argentina amounts to 22.40 pesos per US dollar. See Note 3.3.1, where the impact on the Company's equity is explained.

No events or circumstances have occurred subsequent to March 31, 2018 which may significantly impact on the Company's financial or economic position as of that date other than those made available to the public and disclosed in these interim condensed financial statements.

OVERVIEW FOR THE THREE MONTH-PERIODS ENDED MARCH 31, 2018 AND 2017

As required by the National Securities Commission ("CNV"), an overview of Transportadora de Gas del Norte S.A. ("TGN" or the "Company") revenues, financial position, business prospects and other economic-financial indicators for current fiscal year, that must be read in conjunction with the Company's Interim Condensed financial statements as of March 31, 2018, additional information to the Notes required under Title IV, Chapter III, Section 12 of CNV's regulations , relevant facts timely informed to the CNV and the Company's financial statements as of December 31, 2017.

I) ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

- *Comprehensive income for the period:*

	(in million pesos)		
	Three-month period ended March 31		
	2018	***2017***	***Variation***
Revenues			
Gas transportation service	*1,503.7*	*592.2*	*911.5*
Gas pipeline operation & maintenance and other services	*58.0*	*41.6*	*16.4*
Total revenues	***1,561.7***	***633.8***	***927.9***
Cost of service			
Operation and maintenance costs	*(376.7)*	*(232.0)*	*(144.7)*
Property, plant and equipment depreciation	*(555.3)*	*(42.6)*	*(512.7)*
Subtotal	***(932.0)***	***(274.6)***	***(657.4)***
Gross profit	***629.7***	***359.2***	***270.5***
Administrative and selling expenses	*(240.6)*	*(112.1)*	*(128.5)*
Income before other net income and expenses	***389.1***	***247.1***	***142.0***
Other net income and expenses	*4.1*	*26.0*	*(21.9)*
Income before financial income	***393.2***	***273.1***	***120.1***
Net financial income	*(197.0)*	*37.7*	*(234.7)*
Income from investments in affiliated companies	*0.7*	*0.2*	*0.5*
Income before income tax	***196.9***	***311.0***	***(114.1)***
Deferred income tax	*(60.5)*	*(108.6)*	*48.1*
Income for the period	***136.4***	***202.4***	***(66.0)***
Currency conversion of interim financial statements	*1.2*	*(0.1)*	*1.3*
Other comprehensive income	***1.2***	***(0.1)***	***1.3***
Comprehensive income for the period	***137.6***	***202.3***	***(64.7)***
EBITDA (1)	***970.2***	***320.5***	***649.7***

(1) Earnings before income tax, financial income, property, plant and equipment depreciation and charges on consumable assets that do not involve cash outflows.

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OVERVIEW FOR HE THREE-MONTH PERIODS ENDED MARCH 31, 2018 AND 2017

I) ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION (Cont.)

(in million pesos)

	03.31.2018	*12.31.2017*
Total assets	***25,852***	***25,060***
Total liabilities	***10,679***	***10,025***
Shareholders' equity	***15,173***	***15,035***

The following paragraphs describe the reasons for main variations in TGN's comprehensive income and cash flows, and disclose some economic-financial indicators in connection with the Company's equity.

- *Revenues*

Revenue variation of $927.9 million between the three-month periods ended March 31, 2018 and 2017 is due to:

i. an increase of $851.6 million as a result of higher domestic transportation rates;

ii. an increase of $59.9 million associated with various transportation services; and

iii. an increase of $16.4 million in "*Gas pipeline operation and maintenance and other services*".

I)) ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION (Cont.)

- *Cost of service*

(in million pesos)

	Three-month period ended March 31		
	2018	***2017***	***Variation***
Fees for professional services	*3.8*	*3.7*	*0.1*
Salaries, wages and other personnel benefits and social security contributions	*126.9*	*101.3*	*25.6*
Technical assistance fee	*-*	*3.4*	*(3.4)*
Materials and spare parts	*22.2*	*16.4*	*5.8*
Maintenance and repair of property, plant and equipment and third-party services and supplies	*176.4*	*71.1*	*105.3*
Post, telecommunications, transportation, freight and travel expenses	*18.2*	*12.4*	*5.8*
Insurance	*10.4*	*6.3*	*4.1*
Rentals and office supplies	*4.9*	*3.3*	*1.6*
Easements	*5.2*	*9.4*	*(4.2)*
Taxes, rates and contributions	*0.5*	*0.7*	*(0.2)*
Property, plant and equipment depreciation	*555.3*	*42.6*	*512.7*
Slow-moving and obsolete materials and spare parts	*7.4*	*3.5*	*3.9*
Other	*0.8*	*0.5*	*0.3*
Total	***932.0***	***274.6***	*657.4*
% of Cost of service on revenues	***59.7%***	***43.3%***	

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

i. an increase of $25.6 million in *Salaries, wages and other personnel benefits and social security contributions*, principally as a result of pay increases for inflation adjustment ($24.6 million), headcount increase ($2.7 million) and other;

ii. an increase of $105.3 million in *Maintenance and repair of property, plant and equipment and third-party services and supplies*, mainly due to the fact that during the period ended March 31, 2018 higher disbursements were made in cleaning, painting and weeding of facilities ($5.9 million), critical maintenance of gas pipelines ($0.9 million), outsourced maintenance works ($5.6 million), layout changes ($53.3 million), cathodic protection ($4.6 million), costs associated with revenues from projects related to the integrity of ancillary compression and safety facilities ($13.2 million), security and surveillance ($1.8 million), partially offset by inline inspection projects ($7.5 million), and pipe repairs ($2.4 million); and

iii. an increase of $512.7 million in *Property, plant and equipment depreciation* due to depreciation over the period of items of "*Property, plant and equipment*" which were revalued as of December 31, 2017.

- *Administrative and selling expenses*

(in million pesos)

	Three-month period ended March 31		
	2018	**2017**	**Variation**
Salaries, wages and other personnel benefits and social security contributions	43.4	31.2	12.2
Property, plant and equipment depreciation	13.6	1.1	12.5
Fees for professional services	8.2	6.0	2.2
Taxes, rates and contributions	114.2	50.1	64.1
Post, telecommunications, transportation, freight and travel expenses	2.6	1.8	0.8
Maintenance and repair of property, plant and equipment and third-party services and supplies	2.5	1.5	1.0
Rentals and office supplies	2.3	1.7	0.6
Doubtful accounts	48.0	11.0	37.0
Lawsuits	0.7	5.0	(4.3)
Supervisory Committee's fees	3.4	0.8	2.6
Board of Directors' fees	(0.8)	1.1	(1.9)
Other	2.5	0.8	1.7
Total	**240.6**	**112.1**	**128.5**
% of Administrative and Selling expenses on revenues	**15.4%**	**17.7%**	

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

i. an increase of $12.2 million in *Salaries, wages and other personnel benefits and social security contributions* as a result of pay increases for inflation adjustment ($8.0 million), headcount increase ($6.0 million) and other;

ii. an increase of $64.1 million in *Taxes, rates and contributions* principally due to a higher verification and control fee charged by ENARGAS ($14.7 million), tax on bank transactions ($11.7 million) and turnover tax ($35.9 million);

iii. an increase of $37.0 million in *Doubtful accounts*, due to lower provisions created during the period ended March 31, 2018 with respect to clients in arrears; and

iv. a decrease of $4.3 million in *Lawsuits*, as a result of an adjustment to the provision for contingencies to reflect the current status of lawsuits and complaints in which the Company is involved; and

v. an increase of $12.5 million in *Property, plant and equipment depreciation* due to depreciation over the period of items of *Property, plant and equipment* which were revalued as of December 31, 2017.

I) ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION (Cont.)

- *Net financial income*

(in million pesos)

	Three-month period ended March 31		
	2018	***2017***	***Variation***
Other net financial income:			
Exchange rate gain	*171.7*	*121.8*	*49.9*
Exchange rate loss	*(347.0)*	*(54.5)*	*(292.5)*
Total Other net financial (loss) income	***(175.3)***	***67.3***	***(242.6)***
Financial income:			
Interest	*20.5*	*8.9*	*11.6*
Income due to changes in fair values	*22.5*	*3.0*	*19.5*
Other financial income	*0.8*	*-*	*0.8*
Income due to discount at present value	*11.2*	*40.3*	*(29.1)*
Total financial income	***55.0***	***52.2***	***2.8***
Financial expenses:			
Interest	*(74.0)*	*(67.0)*	*(7.0)*
Expense due to discount at present value	*(3.5)*	*(3.5)*	*-*
Banking, financial and other fees, expenses and taxes	*0.8*	*(11.3)*	*12.1*
Total financial expenses	***(76.7)***	***(81.8)***	***5.1***
Total net financial (loss) income	***(197.0)***	***37.7***	***(234.7)***

Net financial income for the three-month period ended March 31, 2018 showed a higher loss by $234.7 million as compared to the three-month period ended March 31, 2017. Accounts with the most relevant variations between both periods were:

i. a higher loss for $292.5 million due to exchange rate losses on US dollar denominated liabilities;

ii. a higher gain for $49.9 million due to exchange rate fluctuations on US dollar denominated assets;

iii. an increase of $4.6 million in interest income, due to a higher investment balance;

iv. a higher loss for $29.1 million due to long-term receivables and payables discounted at present value;

v. a higher gain for $19.5 million due to changes in fair values accrued during the period ended March 31, 2018; and

vi. a higher gain for $12.1 million due to lower expenses and bank and financial taxes during the period ended March 31, 2018.

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I) ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION (Cont.))

- *Deferred income tax*

Deferred income tax for the three-month period ended March 31, 2018 reported a lower loss for $48.1 million as compared to the same period in previous year. Said variation is mainly the result of the estimated use of tax-loss carry-forward in the three-month period ended March 31, 2018. Note 7 to the Company's interim condensed financial statements as of March 31, 2018 includes a breakdown of deferred income tax assets and liabilities and their variation during the three-month period ended March 31, 2018.

- *Summary of statement of cash flows*

(in million pesos)

	Three-month period ended March 31	
	2018	***2017***
Cash generated by operating activities	*1,025.1*	*82.5*
Income tax	*60.5*	*108.6*
Interest accrued on liabilities	*74.0*	*67.0*
Net cash flow generated by operating activities	***1,159.6***	***258.1***
Acquisition of property, plant and equipment	*(341.2)*	*(128.2)*
Principal and interest received from investments at amortized cost and investments at fair value	*5.1*	*4.8*
Subscriptions, net of recovery of investment at amortized cost and investments at fair value (non-cash equivalents)	*(964.8)*	*(34.7)*
Net cash flow used in investing activities	***(1,300.9)***	***(158.1)***
Interest payment on notes	*-*	*(68.8)*
Net cash flow used in financing activities	***-***	***(68.8)***
Net (decrease) increase in cash and cash equivalents	***(141.3)***	***31.2***
Cash and cash equivalents at the beginning of fiscal year	***475.5***	***250.9***
Financial income generated by cash	***15.2***	***5.4***
Cash and cash equivalents at the end of period	***349.4***	***287.5***

- *Breakdown of cash and cash equivalents*

(in million pesos)

	Three-month period ended March 31	
	2018	***2017***
Cash and banks	*176.5*	*15.5*
LEBAC bonds	*-*	*36.4*
Term deposits in US$	*162.7*	*49.0*
Mutual funds in $	*40.5*	*186.6*
Cash and cash equivalents at the end of period	***379.7***	***287.5***

See our report dated
May 9, 2018
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 17

OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018 AND 2017

II) COMPARATIVE BALANCE SHEETS AS OF MARCH 31, 2018, 2017, 2016, 2015 AND 2014

(in million pesos)

	As of March 31				
	2018	2017	2016	2015	2014
Non-current assets	23,373	3,667	3,450	2,551	2,422
Current assets	2,479	975	674	684	839
Total	**25,852**	**4,642**	**4,124**	**3,235**	**3,261**
Shareholders' equity	15,173	258	28	798	1,030
Non-current liabilities	9,642	3,307	3,380	2,015	1,919
Current liabilities	1,037	1,077	716	422	312
Subtotal liabilities	10,679	4,384	4,096	2,437	2,231
Total	**25,852**	**4,642**	**4,124**	**3,235**	**3,261**

III) COMPARATIVE COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018, 2017, 2016, 2015 AND 2014

(in million pesos)

	As of March 31				
	2018	2017	2016	2015	2014
Income (loss) before other net income and expenses	**389.1**	**247.1**	**(65.8)**	**(51.6)**	**(23.7)**
Other net income and expenses	4.1	26.0	(108.0)	(0.6)	32.5
Income (loss) before financial income	**393.2**	**273.1**	**(173.8)**	**(52.2)**	**8.8**
Net financial(loss) income	(197.0)	37.7	(269.5)	9.8	(96.9)
Income from investments in affiliated companies	0.7	0.2	0.5	0.3	2.2
Income (loss) before income tax	**196.9**	**311.0**	**(442.8)**	**(42.1)**	**(85.9)**
Deferred income tax	(60.5)	(108.6)	154.3	10.4	30.2
Income (loss) for the period	**136.4**	**202.4**	**(288.5)**	**(31.7)**	**(55.7)**
Other comprehensive income for the period	1.2	(0.1)	4.4	-	-
Comprehensive income (loss) for the period	**137.6**	**202.3**	**(284.1)**	**(31.7)**	**(55.7)**

IV) COMPARATIVE STATISTICAL DATA FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018, 2017, 2016, 2015 AND 2014

Dispatched volumes in million m3:

By type of transportation

	As of March 31				
	2018	2017	2016	2015	2014
Firm	3,534	3,493	3,502	3,600	3,466
Interruptible & exchange and displacement	1,849	1,602	1,891	2,001	2,046
Total	**5,383**	**5,095**	**5,393**	**5,601**	**5,512**

See our report dated
May 9, 2018
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. Tº 1 Fº 17

IV) COMPARATIVE STATISTICAL DATA FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018, 2017, 2016, 2015 AND 2014 (Cont.)

By source

	As of March 31				
	2018	***2017***	***2016***	***2015***	***2014***
Northern Pipeline	*2,394*	*2,377*	*2,451*	*2,546*	*2,698*
Central West Pipeline	*2,989*	*2,718*	*2,942*	*3,055*	*2,814*
Total	***5,383***	***5,095***	***5,393***	***5,601***	***5,512***

By destination

	As of March 31				
	2018	***2017***	***2016***	***2015***	***2014***
Domestic market	*5,374*	*5,094*	*5,392*	*5,403*	*5,461*
Export market	*9*	*1*	*1*	*198*	*51*
Total	***5,383***	***5,095***	***5,393***	***5,601***	***5,512***

V) COMPARATIVE RATIOS AS OF MARCH 31, 2018, 2017, 2016, 2015 AND 2014

	As of March 31				
	2018	***2017***	***2016***	***2015***	***2014***
Liquidity (1)	*2.39*	*0.91*	*0.94*	*1.62*	*2.69*
Solvency (2)	*1.42*	*0.06*	*0.01*	*0.33*	*0.46*
Equity Immobility(3)	*0.90*	*0.79*	*0.84*	*0.79*	*0.74*

(1) Current assets / current liabilities
(2) Equity / total liabilities
(3) Non-current assets / total assets

VI) BUSINESS PROSPECTS (*not covered by the Independent Accountants' Report)*

This section about the Company's business, operating, financial and regulatory prospects should be read, analyzed and interpreted in conjunction with the notes to the interim condensed financial statements as of March 31, 2018 and the additional information required under Title IV, Chapter III, Section 12 of the National Securities Commission regulations as of March 31, 2018, in order to have a full picture of corporate matters.

See our report dated
May 9, 2018
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 17

Business perspectives for the fiscal year:

Rate increases implemented since 2016 have allowed the Company to cover its operating and maintenance expenses, execute certain works, meet its financial liabilities when due, and derive during the year ended December 31, 2017 a profit that allowed it to distribute dividends in April 2018. In order to maintain transportation rates updated over time and thus be able to meet gas pipeline operation and maintenance requirements, the Comprehensive Rate Review (CRR) conducted by the ENARGAS introduces non-automatic bi-annual transportation rate adjustments, between five-year rate reviews, due to changes experienced in the cost of service, in order to maintain the economic-financial balance and quality of the service. The Company is confident that the new rates shall be maintained at constant values to be able to face such expenses and investments required for the operation and maintenance of gas pipelines.

City of Buenos Aires, May 9, 2018

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED UNDER TITLE IV, CHAPTER III, SECTION 12 OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 (in thousand pesos, except as otherwise expressly stated)

i. General matters related to the Company's activities:

1. Legislation and regulations applicable to the Company and potential contingencies:

The Natural Gas Act and its regulations, the Bidding Terms and Conditions for the privatization of Gas del Estado S.E. ("GdE"), the Transfer Agreement, the License and the resolutions adopted by ENARGAS establish the legal framework pursuant to which the Company carries out its business. The License, granted for an original term of 35 years, with an option for a ten year extension, may be revoked by the National Executive Branch upon ENARGAS' recommendation in case the Company fails to comply with the duties thereunder expressly established. If the License is revoked, the Company may be forced to cease operating the assets received from GdE and transfer them to the National Government or any designee thereof. Note 1 to the Company's interim condensed financial statements as of March 31, 2018 contains a description of the legal and regulatory aspects applicable to the Company.

2. Major changes in the Company's business activities or other similar circumstances that took place during the periods covered by the interim condensed financial statements which affect or could affect the ability to compare them with those submitted in previous and future periods:

See Notes 1.3.5; 2; 15 and 18 to the Company's Financial Statements for the fiscal year ended December 31, 2017, and Note 1 to the Company's interim condensed financial statements as of March 31, 2018.

3. Classification of receivables and payables based on aging and due dates:

	March 31, 2018		
	Receivables (1)	Loans (2)	Other Payables (3)
Past due			
From 04.01.2007 to 03.31.2008	214,093	-	3,302
From 04.01.2008 to 03.31.2009	431,381	-	14
From 04.01.2009 to 03.31.2010	613,943	-	9,894
From 04.01.2010 to 03.31.2011	784,444	-	4,868
From 04.01.2011 to 03.31.2012	418,655	-	20,415
From 04.01.2012 to 03.31.2013	430,012	-	10,949
From 04.01.2013 to 03.31.2014	429,688	-	10,726
From 04.01.2014 to 03.31.2015	434,310	-	10,668
From 04.01.2015 to 03.31.2016	134,503	-	10,571
From 04.01.2016 to 03.31.2017	34,947	-	4,225
From 04.01.2017 to 06.30.2017	8,245	-	2,944
From 07.01.2017 to 09.30.2017	25,330	-	3,769
From 10.01.2017 to 12.31.2017	10,288	-	6,087
From 01.01.2018 to 03.31.2018	31,955	-	13,497

(1) Includes trade accounts receivable, other accounts receivable and deferred income tax asset, at face value, and excludes allowances.
(2) Recorded at present value.
(3) Includes all non-financial liabilities, excluding contingencies.

See our report dated
May 9, 2018
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 17

Transportadora de Gas del Norte S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED UNDER TITLE IV, CHAPTER III, SECTION 12 OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 (in thousand pesos, except as otherwise expressly stated)

	March 31, 2018		
	Receivables (1)	**Loans (2)**	**Other Payables (3)**
Without due date	251,628	-	286,464
To become due			
06.30.2018	823,398	84,314	486,335
09.30.2018	19	-	4,303
12.31.2018	140	-	4,303
03.31.2019	22	-	15,780
03.31.2020	668	2,216,390	17,214
03.31.2021	3,049	2,171,372	17,214
03.31.2022	-	-	17,214
03.31.2023	-	-	17,214
03.31.2024	-	-	17,214
03.31.2025	-	-	17,214
03.31.2026	-	-	17,214
03.31.2027	-	-	17,214
12.31.2028	-	-	1,434
Total as of 03.31.2018	**5,080,718**	**4,472,076**	**1,048,260**

4. Classification of receivables and payables based on their financial effects:

	03.31.2018		
	Receivables (1)	**Loans (2)**	**Other payables (3)**
In local currency	1,221,074	56	944,533
In foreign currency	3,859,644	4,472,020	103,727
In kind	-	-	-
Total as of 03.31.2018	**5,080,718**	**4,472,076**	**1,048,260**
Balances subject to adjustment clause	-	-	-
Balances not subject to adjustment clause	5,080,718	4,472,076	1,048,260
Total as of 03.31.2018	**5,080,718**	**4,472,076**	**1,048,260**
Interest bearing balances	306	-	22,320
Non-interest bearing balances	5,080,412	4,472,076	1,025,940
Total as of 03.31.2018	**5,080,718**	**4,472,076**	**1,048,260**

(1) Includes trade accounts receivable, other accounts receivable and deferred income tax asset, at face value, and excludes allowances.
(2) Recorded at present value.
(3) Includes non-financial liabilities and excludes contingencies.

5. Interest Percentage and Votes in Affiliated Companies – Argentine General Company Law, Section 33:

See Note 6 to the Company's interim condensed financial statements as of March 31, 2018.

See our report dated
May 9, 2018
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. Tº 1 Fº 17

ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED UNDER TITLE IV, CHAPTER III, SECTION 12 OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 (in thousand pesos, except as otherwise expressly stated)

5.1. Debit and/or Credit balances by company, based on their financial effects

	Comgas Andina S.A.		Companhia Operadora do Rio Grande do Sul	
	Receivables	**Other payables**	**Receivables**	**Other payables**
Past due				
From 01.01.2018 to 03.31.2018	-	-	-	-
Without due date	80	-	641	-
To become due				
From 04.01.2018 to 12.31.2018	-	-	-	-
Total as of 03.31.2018	**80**	**-**	**641**	**-**
In local currency	-	-	-	-
In foreign currency	80	-	641	-
In kind	-	-	-	-
Total as of 03.31.2018	**80**	**-**	**641**	**-**
Balances subject to adjustment clause	-	-	-	-
Balances not subject to adjustment clause	80	-	641	-
Total as of 03.31.2018	**80**	**-**	**641**	**-**
Interest bearing balances	-	-	-	-
Non-interest bearing balances	80	-	641	-
Total as of 03.31.2018	**80**	**-**	**641**	**-**

6. Trade receivables or loans with Directors, Statutory Auditors and their second-degree relatives:

None.

ii. Physical count of inventories:

7. Frequency and scope of physical count of inventories.

The physical count of all (100%) materials and spare parts is performed on an annual basis. Slow-moving and obsolete materials and spare parts amount to $111.3 million and are totally covered by an allowance. (See Note 10 to the Company's interim condensed financial statements as of March 31, 2018).

See our report dated
May 9, 2018
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 17

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 appraises using current values are disclosed under "Investments at fair value". The sources used to calculate those current values are included in Note 3.6 to the Company´s Financial Statements as of December 31, 2017.

9. Technically Appraised Fixed Assets:

See Note 2.5 to the Company's Financial Statements as of December 31, 2017.

10. Value of Obsolete Fixed Assets:

None.

iv. Equity Investments in Other Companies:

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

None.

v. Recoverable Values:

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

-Materials and spare parts, and property, plant and equipment: the recoverable value of said assets was determined based on their economic use - Note 2.7 to the Company's Financial Statements as of December 31, 2017.

-Minimum presumed income tax asset and tax-loss carry-forward: projections of future taxable income have been considered in calculating the recoverable value. Said projections are based on the best estimate in accordance with the guidelines contained in Notes 2.13.b), 4 and 8 to the Company's Financial Statements as of December 31, 2017.

See our report dated
May 9, 2018
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 17

vi. Insurance:

13. Insurance covering the Company's tangible assets are as follows:

Property Insured	Risks covered	Insured amount in thousands	Book value in thousand $
Personal and real property allocated to the provision of service	Operational all risk and loss of profit	US$87,000	21,396,807
	Third party Liability	US$220,000	
	Terrorism	US$35,000	
Machinery.	Machinery breakdown	US$10,000	910,378
Vehicles:			
- Management fleet.	Limited liability	$6,000	2,106
	Total loss for car accident	$9,720	
	Total or partial loss due to fire, robbery or theft	$9,720	
- Operational fleet (cars and pickups).	Limited liability	$6,000	27,272
- Trucks and trailers.	Limited liability	$18,000	-
Personal property at Head Office and IT equipment.	Fire Theft	US$8,650 US$10	9,067
Works in progress.	All risk, construction and assembly	US$5,000	968,831

vii. Positive and negative contingencies:

14. Balance of allowances and provisions, which jointly or individually exceed 2% of equity:

The allowances and provisions deducted from assets and included under liabilities amount to 2,220,065. The interim condensed financial statements as of March 31, 2018 contain a breakdown of these allowances and provisions and their changes during the period.

15. Contingencies with an impact on equity likely to occur, which have not been reported in these Financial Statements:

None.

viii. Irrevocable advances toward future subscription of shares:

16. Status of capitalization process:

There are no irrevocable advances toward future subscription of shares pending to be capitalized.

17. Unpaid cumulative dividends on preferred shares:

None.

18. Conditions, circumstances or terms for the cessation of restrictions on distribution of retained earnings:

At the Shareholders Meeting held on October 3, 2017, the Board was delegated the power to establish restrictions on payment of dividends (see Note 15.1 to the Company's Financial Statements as of December 31, 2017).

See our report dated
May 9, 2018

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 17

Dr. Alejandro J. Rosa

Chartered Accountant (UM)

C.P.C.E.C.A.B.A. T° 286 F° 136

Juan José Valdez Follino
Regular Statutory Auditor

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

Introduction

We have reviewed the accompanying condensed interim financial statements of Transportadora de Gas del Norte S.A. (hereinafter, the Company), which comprise the interim condensed balance sheet at March 31, 2018, the interim condensed statement of comprehensive income, the interim condensed statement of changes in equity and the interim condensed statement of cash flow for the three months period then ended, and the selected explanatory notes.

The amounts and other information related to the fiscal year 2017 are an integral part of the audited financial statements mentioned above; therefore, they should be considered in connection with these financial statements.

Management's responsibilities

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 included by the National Securities Commission (CNV) in its regulations, as approved by the International Accounting Standards Board (IASB), and is therefore responsible for the preparation and presentation of the interim condensed consolidated 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 Standards 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 making inquiries to the Company's personnel responsible for preparing the information included in the interim condensed consolidated financial statements and performing analytical and other review procedures. This review is substantially less in scope than an audit examination conducted in accordance with international standards on auditing and consequently it does not enable us to be sure that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion on the Company's consolidated financial position, consolidated comprehensive income and consolidated cash flows.

Conclusion

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

Report on compliance with regulations in force

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

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

b) the interim condensed financial statements of Transportadora de Gas del Norte S.A. arise from accounting records carried in all formal aspects in conformity with legal requirements;

a) we have read the Overview and the Additional Information to the notes to the interim condensed financial statements required by section 12, Chapter III, Title IV of the regulations of National Securities Commission, on which we have no observations to make insofar as concerns matters within our field of competence;

d) at March 31, 2018, the debt accrued by Transportadora de Gas del Norte S.A. in favor of the Argentine Integrated Social Security System according to the Company's accounting records and calculations amounted to $ 14,171,622, none of which was claimable at that date.

Autonomous City of Buenos Aires, May 9, 2018

PRICE WATERHOUSE & CO.S.R.L.

(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 17

Dr. Alejandro J. Rosa

Chartered Accountant (UM)

C.P.C.E.C.A.B.A. T° 286 F° 136

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REPORT FROM THE SUPERVISORY COMMITTEE

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

Documents reviewed

In accordance with the provisions of Section 63, Subsection b) of Buenos Aires Stock Exchange (Bolsa de Comercio de Buenos Aires) Regulations, we have reviewed the enclosed Interim Condensed Financial Statements of Transportadora de Gas del Norte S.A. (hereinafter "the Company" or "TGN"), which comprise the Interim Condensed Balance Sheet as of March 31, 2018, Interim Condensed Statement of Comprehensive Income for the three month period ended March 31, 2018, and Statement of Changes in Shareholders' Equity and Statement of Cash Flows for the three month period ended as of that date, and selected notes.

Balances and other information for fiscal year 2017 and interim periods thereof, are an integral part of the financial statements above mentioned and therefore should be considered in relation to those financial statements.

Management Responsibility

The preparation and presentation of said Financial Statements are the responsibility of the Company's Board, in exercise of its exclusive duties, and in full observance of applicable regulations. This responsibility includes the design, implementation and maintenance of an adequate and efficient control system so that such Statements are free from material mistakes, whether due to error or fraud, and also includes the selection and application of appropriate accounting policies and the most reasonable estimates under the prevailing circumstances.

Supervisory Committee's Responsibility

We conducted our review of the Financial Statements in accordance with Statutory Auditing Standards in force. Those standards require that the review is conducted in accordance with standards applicable to assignments for review of interim financial information and that the consistency of significant information contained in those statements is verified against the information on corporate decisions set forth in minutes, including the consistency of those decisions with the Law and the Company's Bylaws concerning their formal and documentary aspects.

We have also examined the review report on the Interim Condensed Financial Statements and the Report by independent auditor Carlos N. Martínez (CPA), Partner of Price Waterhouse & Co. S.R.L., dated May 9, 2018, issued in compliance with standards applicable in Argentina for the "Review of Interim Financial Information developed by the Company's Independent Auditor". Said review included the verification of the work planning, scope, nature and timeliness of the procedures followed and the results of the review conducted by said professional.

We have not reviewed the Company's management performance and therefore we have not assessed the Company's criteria and decisions concerning the gas transportation utility service, its administration and commercialization, since these issues are the exclusive responsibility of the Board and are beyond the scope of this Supervisory Committee.

Conclusion

We believe that the scope of our work and the Independent Auditor's Report provide a reasonable basis for our opinion, and in accordance with applicable regulations we inform that, in our view, the Interim Condensed Financial Statements as of March 31, 2018, discussed and approved by the Company's Board on the date hereof, include all material facts and circumstances that have come to our knowledge.

Report on compliance with applicable regulations

a) The Interim Condensed Financial Statements are derived from books and records kept, in all formal respects, in accordance with applicable legislation, and comply with the provisions of the General Company Law and National Securities Commission resolutions.

b) As regards the above mentioned Interim Condensed Financial Statements, and the Additional Information to the notes to such Interim Condensed Financial Statements required under Title IV, Chapter III, Section 12 of the CNV regulations, we have no other remarks than those above stated.

c) We have complied with the requirements of Section 294 of the Argentine General Company Law, during the reported period.

City of Buenos Aires, May 9, 2018

By the Supervisory Committee

Dr. Juan José Valdez Follino
Regular Statutory Auditor