TRANSPORTADORA DE GAS DEL NORTE S.A.

Unaudited interim financial statements as of and for the nine-month period ended September 30, 2012, presented in comparative form

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

TRANSPORTADORA DE GAS DEL NORTE S.A.

In accordance with the terms of General Resolution 368/01 and its modifications issued by the National Securities Commission ("CNV"), we detail below an analysis of the results of the operations of Transportadora de Gas del Norte S.A. ("TGN" or "the Company") (1), its financial situation, its business prospects and other financial indicators, as well as the progress in the International Financial Reporting Standards ("IFRS") implementation plan, which should be read in conjunction with the attached unaudited interim financial statements, the additional information to the Notes required by Section 68 of the Buenos Aires Stock Exchange Listing Rules and the press releases opportunely notified to the CNV.

I) ANALYSIS OF RESULTS AND FINANCIAL SITUATION

** Result for the nine-month period ended September 30, 2012*

(In million of pesos)

	Nine-month period ended 09.30		
	2012	**2011**	**Variation**
Revenues			
Gas carriage service	326.0	307.1	18.9
Allowances for disputed amounts and others	(35.8)	(31.2)	(4.6)
Subtotal gas carriage service	**290.2**	**275.9**	**14.3**
Other services:			
Gas pipeline operation and maintenance ("O&M") services	23.0	21.4	1.6
Management fees – Gas Trust Program	5.9	4.3	1.6
Subtotal other services:	**28.9**	**25.7**	**3.2**
Total Revenues	**319.1**	**301.6**	**17.5**
Cost of services			
Operating and maintenance costs	(178.9)	(146.1)	(32.8)
Fixed assets depreciation	(100.0)	(97.3)	(2.7)
Subtotal	**(278.9)**	**(243.4)**	**(35.5)**
Gross profit	**40.2**	**58.2**	**(18.0)**
Administrative and Selling expenses	(165.0)	(81.6)	(83.4)
Operating loss	**(124.8)**	**(23.4)**	**(101.4)**
Results from foreign investments	1.3	-	1.3
Financial and holding results	(141.1)	(164.0)	22.9
Results from loans restructuring	576.2	-	576.2
Other income and expenses, net (3)	38.1	95.7	(57.6)
Income (loss) before income tax	**349.7**	**(91.7)**	**441.4**
Income tax	(135.3)	17.8	(153.1)
Income (loss) for the period	**214.4**	**(73.9)**	**288.3**
EBITDA *(2) and (3)*	**19.2**	**174.4**	**(155.2)**

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

(2) Income before income tax, financial and holding results, results from loans restructuring, depreciation and charges for consumable goods not entailing outlays of funds. If the item "Other income and expenses, net", mainly made up by commercial indemnifications (as explained in (3) below) had not been included, the level of EBITDA in both periods would have been $ (18.9) million and $ 78.7 million, respectively.

(3) Including earnings for $ 34.8 million and $ 95.1 million in 2012 and 2011, respectively, from settlement agreements entered into with export customers (Note 14).

(In million of pesos)

	09.30.12	**12.31.11**
Total assets	2,818	3,358
Total liabilities	1,458	2,212
Shareholders' equity	1,360	1,146

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

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

*** Revenues***

By type of service:

(In million of pesos)

Type of service	***Nine-month period ended 09.30***			
	2012	**%**	**2011**	**%**
Gas carriage	290.2	90.9	275.9	91.5
Gas pipeline O&M services – Gas Trust Program	28.9	9.1	25.7	8.5
Total revenues	**319.1**	**100.0**	**301.6**	**100.0**

- Gas carriage services

The net increase of $ 14.3 million between 2012 and 2011 third quarter is mainly explained by:

i. increase of $ 14.4 million in billings nominated in foreign currency as a result of the joint effect of the increase in the dollar exchange rate and in the Producer Price Index (“PPI”);

ii. $ 4.6 million decrease in 2012 due to higher allowances for disputed amounts, compared to 2011, related to the situation of Metrogas Chile S.A. (refer to Note 13.g); and

iii. higher income for $ 6.0 million mainly in interruptible services and exchange and displacement services.

- “Gas pipeline O&M” and “Management Fee – Gas Trust Program”

The $ 3.2 million net increase between 2012 and 2011 third quarter is mainly explained by higher revenues for $ 1.6 million related to management fee accrued in favor of TGN according to the gas trust programs mentioned in Note 16.b) and a price increase regarding O&M agreements in force for $ 1.6 million.

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

** Cost of services*

(In million of pesos)

Accounts	Nine-month period ended 09.30		
	2012	2011	Variation
Fees for professional services	3.7	1.2	2.5
Salaries, wages and other personnel benefits and social security contributions	79.1	64.5	14.6
Fees for technical operator and audit services	10.1	9.2	0.9
Foreign staff residence	-	1.2	(1.2)
Consumption of spare parts and materials	13.9	12.1	1.8
Maintenance and repair of fixed assets and third–party services and supplies	44.3	35.3	9.0
Communications, freight, transportation and travel expenses	10.2	8.0	2.2
Insurance	4.6	3.8	0.8
Rentals and office supplies	2.0	1.9	0.1
Easements	9.4	5.9	3.5
Fixed assets depreciation	100.0	97.3	2.7
Slow-moving and obsolete materials and spare parts	0.3	1.9	(1.6)
Others	1.3	1.1	0.2
Total	**278.9**	**243.4**	**35.5**
% of Costs of services on revenues	**87.4%**	**80.7%**	

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

i. a $ 14.6 million increase in Salaries, wages and other personnel benefits and social security contributions as a result of pay increases, partially corresponding to inflation adjustment; and

ii. a $ 9.0 million increase in Maintenance and repairs of fixed assets and third party services and supplies, mainly due to the fact that in the period ended September 30, 2012 higher expenses were made in: a) gas pipeline and integrity projects ($ 3.0 million) and b) third party services and supplies and others ($ 6.0 million).

** Administrative and Selling expenses*

(In million of pesos)

Accounts	Nine-month period ended 09.30		
	2012	2011	Variation
Salaries, wages and other personnel benefits and social security contributions	35.6	32.5	3.1
Fixed assets depreciation	1.4	1.4	-
Fees for professional services	5.5	4.1	1.4
Taxes, rates and contributions	84.8	29.9	54.9
Communications, freight, transportation and travel expenses	1.7	1.3	0.4
Maintenance and repair of fixed assets and third-party services and supplies	2.2	1.3	0.9
Rentals and office supplies	1.3	1.1	0.2
Doubtful accounts	13.5	4.5	9.0
Contingencies	2.9	3.2	(0.3)
Statutory auditors committee’s fees	0.7	0.7	-
Board of Director’s fees	0.6	-	0.6
Fees for technical-administrative services	0.7	0.7	-
Compensation for damages	13.0	-	13.0
Others	1.1	0.9	0.2
Total	**165.0**	**81.6**	**83.4**
% of Administrative and Selling expenses on revenues	**51.7%**	**27.1%**	

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

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

** Administrative and Selling expenses (Cont.)*

i. A $ 54.9 million increase in Taxes, rates and contributions due to allowances and provisions set up during the current period, related to the litigation taxes generated by the presentation of an Insolvency Proceeding as well as the Restructuring Agreement Proposal (“APE”) (Note 10), the litigation tax related to the legal actions against the National State (Note 13.h)) and the higher charge for the verification and control rate in favor of the Ente Nacional Regulador del Gas (“ENARGAS”);

ii. a $ 13.0 million increase in Compensation for damages, related to the situation described in Note 13.b); and

iii. a $ 9.0 million increase in Doubtful accounts due to higher valuation allowances set up during this period in relation to defaulted customer’s balances.

** Financial and holding results*

(In million of pesos)

Accounts	Nine-month period ended 09.30		
	2012	**2011**	**Variation**
Interest and indexing generated by liabilities	(133.4)	(133.0)	(0.4)
APE and Insolvency Proceeding - Fees and expenses	(28.9)	-	(28.9)
Results on discounting at present value	86.0	-	86.0
Commissions, taxes and expenses on banking and financial operations	(6.4)	(5.4)	(1.0)
Subtotal financial and holding results generated by liabilities before exchange rate differences	**(82.7)**	**(138.4)**	**55.7**
Interest, indexing and expenses generated by assets	8.3	5.1	3.2
Holding results generated by assets	6.8	3.5	3.3
Results on discounting at present value	(3.1)	14.4	(17.5)
Subtotal financial and holding results generated by assets before exchange rate differences	**12.0**	**23.0**	**(11.0)**
Exchange rate differences:			
Generated by liabilities	(173.4)	(101.6)	(71.8)
Generated by assets	103.0	53.0	50.0
Subtotal exchange rate differences	**(70.4)**	**(48.6)**	**(21.8)**
Total	**(141.1)**	**(164.0)**	**22.9**

Financial and holding results for the period ended September 30, 2012 decreased by $ 22.9 million compared to the same period in the previous year. Items recording the most significant variations between both periods are as follows:

i. higher losses for $ 71.8 million resulting from exchange rate differences generated by liabilities nominated in US dollars;

ii. a higher profit for $ 86.0 million related to the Claim Protection Notes´ valuation. Refer to Note 10;

iii. the US dollar asset positions produced a higher exchange rate profit of $ 50.0 million;

iv. lower profit for $ 17.5 million related to the valuation of disputed trade receivables; and

v. higher losses for $ 28.9 million due to the fees and expenses charged to results, related to the APE and the Insolvency Proceeding. See Note 10.

TRANSPORTADORA DE GAS DEL NORTE S.A.

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

**** Results from loans restructuring***

As described in Note 10, on July 12, 2012, TGN launched a new private swap offer of the totality of its Class A and B Negotiable Obligations, under the terms and conditions that are described in the Information Memorandum dated July 12, 2012. The offer had a level of acceptance of 88.0388% of computable liabilities, which permitted the completion of the private swap with consenting holders on August 22, 2012, generating income of $ 576.2 million from the restructuring of loans.

In addition, on October 30, 2012, TGN launched a second swap offer related to Class A and B Negotiable Obligations for an amount of principal of US$ 41,255,472 that did not enter into the previous restructuring agreement. The terms and conditions of this second swap offer are described in the Information Memorandum dated October 30, 2012. This offer will remain open until November 9, 2012, except postponement.

**** Other income and expenses, net***

(In million of pesos)

Accounts	**Nine-month period ended 09.30**		
	2012	**2011**	**Variation**
Income from commercial indemnifications (Note 14)	34.8	95.1	(60.3)
Result of disposal of fixed assets	(1.1)	(1.4)	0.3
Net income from sundry sales and others	4.4	2.0	2.4
Total	**38.1**	**95.7**	**(57.6)**

Note 14 describes the agreements reached with export customers Sociedad Eléctrica Santiago S.A., Colbun S.A. and Gasoducto Norandino Argentina S.A. Those agreements, among others, have generated incomes amounting to $ 34.8 million and $ 95.1 million during the periods ended September 30, 2012 and 2011, respectively, on account of income from commercial indemnifications. Compromise and settlement agreements result in TGN no longer collecting agreed future income in exchange for compensation, which generates a negative effect on its expected cash flows.

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

(In million of pesos)

	Nine-month period ended 09.30	
	2012	**2011**
Income (loss) for the period	214.4	(73.9)
Income tax	135.3	(17.8)
Interest and indexing generated by liabilities	133.4	133.0
Adjustments to reach net cash flow generated by the operations	(314.4)	209.6
Net changes in operating assets and liabilities	(8.1)	(113.9)
Net cash flows generated by the operations	**160.6**	**137.0**
Purchase of fixed assets	(35.0)	(55.7)
Collection of cash dividends	0.7	0.2
Variation of short-term investments (non-cash equivalents)	240.8	(105.3)
Net cash flows generated by (used in) investing activities	**206.5**	**(160.8)**
Financial loans payment	(460.0)	-
Increase in attachments and guarantee deposit	(11.6)	(5.4)
Net cash flows used in financing activities	**(471.6)**	**(5.4)**
Financial and holding results generated by cash and cash equivalents	**38.4**	**14.4**
Net decrease in cash	**(66.1)**	**(14.8)**
Cash as of beginning of the year	**208.2**	**282.1**
Cash as of the end of the period	**142.1**	**267.3**

***Breakdown of cash and cash equivalents**

(In million of pesos)

	Nine-month period ended 09.30	
	2012	2011
Cash and banks	13.0	106.1
Mutual funds in $	44.2	27.8
Mutual funds in US$	-	28.1
Time deposits in US$	69.9	58.3
Time deposits in $	13.0	18.9
Stock exchange securities in $	2.0	28.1
Cash as of the end of the period	**142.1**	**267.3**

II) BUSINESS PROSPECTS

The Company’s business, operating, financial and regulatory prospects are fully described in the Notes to the unaudited interim financial statements and the additional information required by Section 68 of the Buenos Aires Stock Exchange Listing Rules as of September 30, 2012; this information should be jointly read, analyzed and interpreted to have a full vision of the significant corporate matters for the period and of the Company’s future.

III) COMPARATIVE BALANCE SHEET STRUCTURE AT SEPTEMBER 30, 2012, 2011, 2010, 2009 and 2008

(In million of pesos)

	Period ended 09.30.				
	2012	2011	2010	2009	2008
Current Assets	570	883	597	434	238
Non-current Assets	2,248	2,463	2,469	2,392	2,345
Total	**2,818**	**3,346**	**3,066**	**2,826**	**2,583**
Current Liabilities	513	2,050	1,763	1,549	199
Non-current Liabilities	945	70	61	58	1,041
Subtotal	1,458	2,120	1,824	1,607	1,240
Shareholders’ Equity	1,360	1,226	1,242	1,219	1,343
Total	**2,818**	**3,346**	**3,066**	**2,826**	**2,583**

IV) COMPARATIVE STRUCTURE OF RESULTS FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012, 2011, 2010, 2009 and 2008

(In million of pesos)

	Period ended 09.30.				
	2012	2011	2010	2009	2008
Operating (loss) income	(124.8)	(23.4)	33.9	131.4	133.7
Financial and holding results	(141.1)	(164.0)	(179.8)	(208.0)	(68.3)
Results from foreign investments	1.3	-	1.4	1.7	0.9
Results from loans restructuring	576.2	-	-	-	-
Other income and expenses, net	38.1	95.7	190.9	5.1	0.9
Income (loss) before income tax	**349.7**	**(91.7)**	**46.4**	**(69.8)**	**67.2**
Income tax	(135.3)	17.8	(30.4)	11.0	(35.9)
Income (loss) for the period	**214.4**	**(73.9)**	**16.0**	**(58.8)**	**31.3**

V) COMPARATIVE STATISTICAL DATA CORRESPONDING TO THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012, 2011, 2010, 2009 and 2008

Volume dispatched in million of cubic meters:

According to the type of carriage agreement

	Period ended 09.30.				
	2012	**2011**	**2010**	**2009**	**2008**
Firm carriage	10,934	10,213	10,417	10,227	10,851
Interruptible carriage and Exchange and displacement	5,034	4,195	3,212	3,376	2,667
Total	**15,968**	**14,408**	**13,629**	**13,603**	**13,518**

According to the type of source

	Period ended 09.30.				
	2012	**2011**	**2010**	**2009**	**2008**
Norte Gas pipeline	6,415	6,007	5,758	5,635	5,371
Centro-Oeste Gas pipeline	9,553	8,401	7,871	7,968	8,147
Total	**15,968**	**14,408**	**13,629**	**13,603**	**13,518**

VI) COMPARATIVE INDICATORS AT SEPTEMBER 30, 2012, 2011, 2010, 2009 and 2008

	Period ended 09.30.				
	2012	**2011**	**2010**	**2009**	**2008**
Current liquidity (1)	1.11	0.43	0.34	0.28	1.19
Solvency (2)	0.93	0.58	0.68	0.76	1.08
Freezing capital (3)	0.80	0.74	0.81	0.85	0.91

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

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

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

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

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

The Company has analyzed those IFRS that will be applicable to the preparation of its financial statements in the first fiscal year of adoption of those standards.

As a result of such analysis the most significant impact in the shareholders’ equity that the adoption of the above-mentioned rules would generate arises from the application of “IAS 12 – Income Tax”. The application of this standard will require the recording of the deferred tax liability generated by recognizing the inflation adjustment

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

of fixed assets as a temporary difference. Such deferred tax liability is mentioned in Note 7 to these unaudited interim financial statements.

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

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

Since the date of issuance of these unaudited interim financial statements and until the date of adoption of the IFRS, new standards and/or interpretations could be issued as well as new events could occur in the Company, which could have additional effects in the Company’s financial statements.

Autonomous City of Buenos Aires, November 6, 2012

Eduardo Ojea Quintana
Chairman

TRANSPORTADORA DE GAS DEL NORTE S.A.

Unaudited Balance Sheets as of September 30, 2012
compared with the year ended on December 31, 2011
(in thousands of Argentine Pesos)

	September 30, 2012	December 31, 2011
ASSETS		
Current assets		
Cash and banks..........................	12,990	6,033
Short-term investments (Note 19.c))......	337,305	651,201
Accounts receivables (Note 4.a)).........	55,332	57,192
Other receivables (Note 4.b))...........	146,343	242,099
Materials and spare parts (Note 4.c))....	18,072	18,072
Total current assets......................	570,042	974,597
Non-current assets		
Accounts receivables (Note 4.a))	201,277	152,101
Other receivables (Note 4.b))...........	106,081	228,722
Materials and spare parts (Note 4.c))....	38,812	35,043
Fixed assets (Note 19.a))...............	1,868,793	1,937,935
Foreign investments (Note 19.b)).........	2,545	1,226
Other assets – gas stock................	30,509	28,027
Total non–current assets..................	2,248,017	2,383,054
Total Assets.............................	**2,818,059**	**3,357,651**
LIABILITIES		
Current liabilities		
Accounts payable (Note 4.d))............	117,523	83,817
Loans (Note 10).........................	256,733	1,942,330
Salaries and social security payable.....	23,939	12,535
Taxes payable (Note 4.e))...............	3,404	39,687
Others (Note 4.f))......................	27,941	23,605
Subtotal.................................	429,540	2,101,974
Contingencies (Note 13 and 19.d))........	83,137	33,103
Total current liabilities	512,677	2,135,077
Non–current liabilities		
Accounts payable (Note 13.b))...........	49,009	-
Loans (Note 10).........................	857,612	-
Others (Note 4.f))......................	38,695	34,727
Subtotal.................................	945,316	34,727
Contingencies (Note 13 and 19.d))........	-	42,179
Total non–current liabilities.............	945,316	76,906
Total Liabilities.........................	**1,457,993**	**2,211,983**
SHAREHOLDERS´ EQUITY......................	**1,360,066**	**1,145,668**
Total liabilities and shareholders´ equity	**2,818,059**	**3,357,651**

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

TRANSPORTADORA DE GAS DEL NORTE S.A.

Unaudited Statements of operations for the nine-month periods ended September 30, 2012 and 2011
(in thousands of Argentine Pesos)

	September 30, 2012	**September 30, 2011**
Revenues (Note 4.g))	319,092	301,647
Cost of services (Note 19.f))	(278,884)	(243,446)
Gross Profit	**40,208**	**58,201**
Selling expenses (Note 19.f))	(38,937)	(17,775)
Administrative expenses (Note 19.f))	(126,061)	(63,898)
Operating loss	**(124,790)**	**(23,472)**
Results from foreign investments	1,319	59
Financial and holding results:		
Generated by assets:		
Interest and indexing	8,730	5,807
Exchange rate differences	103,040	53,089
Other financial and holding results (Note 4.h))	3,168	17,193
Subtotal	114,938	76,089
Generated by liabilities:		
Interest and indexing	(133,372)	(133,004)
Exchange rate differences	(173,397)	(101,594)
Other financial and holding results (Note 4.h))	50,725	(5,434)
Subtotal	(256,044)	(240,032)
Results from loans restructuring	576,173	-
Other income and expenses, net (Note 4.i) and Note 14)	38,061	95,690
Income (loss) before income tax	**349,657**	**(91,666)**
Income tax (Note 7)	(135,259)	17,757
Income (loss) for the period	**214,398**	**(73,909)**
Result per common stock in pesos (Note 6)	**0.4880**	**(0.1682)**

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

TRANSPORTADORA DE GAS DEL NORTE S.A.

Unaudited Statements of Changes in Shareholders' Equity
for the nine-month periods ended September 30, 2012 and 2011
(in thousands of Argentine Pesos)

Item	Shareholders' contributions			Legal reserve	Optional reserve	Voluntary reserve for future dividends	Retained earnings	Total shareholders' equity
	Common stock	Inflation adjustment of common stock	Total					
Balances as of December 31, 2010	**439,374**	**506,053**	**945,427**	**57,216**	**-**	**224,039**	**73,064**	**1,299,746**
Resolution adopted by the Ordinary Shareholders´ Meeting held on April 14, 2011:								
Increase of the Legal reserve	-	-	-	3,653	-	-	(3,653)	-
Increase of the Voluntary reserve for future dividends	-	-	-	-	-	69,411	(69,411)	-
Loss for the nine-month period ended September 30, 2011	-	-	-	-	-	-	(73,909)	(73,909)
Balances as of September 30, 2011	**439,374**	**506,053**	**945,427**	**60,869**	**-**	**293,450**	**(73,909)**	**1,225,837**
Complementary loss for the three-month period up to December 31, 2011	-	-	-	-	-	-	(80,169)	(80,169)
Balances as of December 31, 2011................	**439,374**	**506,053**	**945,427**	**60,869**	**-**	**293,450**	**(154,078)**	**1,145,668**
Resolution adopted by the Ordinary Shareholders´ Meeting held on April 13, 2012:								
Absorption of losses for fiscal year 2011 against the Voluntary reserve for future dividends..	-	-	-	-	-	(154,078)	154,078	-
Release of the Voluntary reserve for future dividends and set up of an Optional reserve......	-	-	-	-	139,372	(139,372)	-	-
Income for the period..........................	-	-	-	-	-	-	214,398	214,398
Balances as of September 30, 2012..............	**439,374**	**506,053**	**945,427**	**60,869**	**139,372**	**-**	**214,398**	**1,360,066**

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

TRANSPORTADORA DE GAS DEL NORTE S.A.

Unaudited Statements of Cash Flows for the nine-month periods ended September 30, 2012 and 2011
(in thousands of Argentine Pesos)

	September 30, 2012	September 30, 2011
Cash as of beginning of the year	208,174	282,106
Cash as of the end of the period (Note 4.j))	142,060	267,282
Net decrease in cash	**(66,114)**	**(14,824)**
Cash flows from operating activities		
Income (loss) for the period	214,398	(73,909)
Income tax	135,259	(17,757)
Interest and indexing generated by liabilities	133,372	133,004
Adjustments to reach net cash flow generated by operating activities:		
Depreciation of fixed assets	101,449	98,679
Net book value of disposed fixed assets	2,751	1,564
Net increase in allowances and provisions for contingencies	126,008	52,588
Results from loans restructuring	(576,173)	-
Other financial results, net	32,962	56,802
Results from foreign investments, net	(1,319)	(59)
Net changes in operating assets and liabilities:		
Increase in accounts receivable	(119,995)	(91,608)
Decrease (increase) in other receivables	92,846	(35,481)
(Increase) decrease in materials and spare parts and other assets	(3,052)	388
Increase (decrease) in accounts payable	82,715	(1,205)
Increase (decrease) in salaries and social security payable	11,404	(2,139)
(Decrease) increase in taxes payable	(36,283)	14,661
Increase in other payables	8,304	2,369
Decrease in provisions for contingencies	(44,016)	(870)
Net cash flows generated by operating activities	**160,630**	**137,027**
Cash flows from investing activities		
Purchase of fixed assets	(35,058)	(55,731)
Collection of cash dividends	707	173
Changes in short-term investments (non-cash equivalents)	240,825	(105,293)
Net cash flows generated by (used in) investing activities	**206,474**	**(160,851)**
Cash flows from financing activities		
Financial loans payment	(459,979)	-
Increase in attachments and guarantee deposits	(11,577)	(5,415)
Net cash flows used in financing activities	**(471,556)**	**(5,415)**
Financial and holding results generated by cash		
Interest, exchange rate differences and other financial results generated by cash	38,338	14,415
Total financial and holding results generated by cash	**38,338**	**14,415**
Net decrease in cash	**(66,114)**	**(14,824)**

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

Notes to the unaudited interim financial statements as of and for the nine-month period ended September 30, 2012 presented in comparative form
(in thousands of Argentine Pesos, except where specifically mentioned)

1. Situation of the Company and regulatory framework

(a) Incorporation of the Company

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

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

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

In view of the major changes in the main macroeconomic variables Argentina has recorded since the end of 2001, as from January 2002 the National State issued laws, executive orders and regulations that involved a profound change to the then prevailing economic model, which produced the material effects on the Company's economic and financial equation, its business and the regulatory framework. The most significant changes are mentioned below:

(i) The Public Emergency Law 25,561 ("LEP") established the pesification of the rates of carriage of natural gas destined for the domestic market and the repeal of the semi-annual adjustment mechanism based on the Producer Price Index ("PPI"). Furthermore, the LEP authorized the PEN to renegotiate the public works and services contracts and rates. At the date of issuance of these unaudited interim financial statements, and considering the transitory agreement mentioned in section c.iii) of this Note, no substantial progress has been made regarding rates renegotiation.

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

(ii) As from 2004 the National State adopted a series of measures to redistribute in the short term the effects of the energy sector crisis derived from a natural gas and electricity shortage. The Energy Secretariat, the Fuel Under-secretariat and the National Gas Regulatory Entity ("ENARGAS") have issued a number of rules establishing precautionary measures to prevent a shortfall in domestic natural gas supply and its effects on the wholesale electricity supply, including measures severely restricting exports of natural gas to first ensure the supply of domestic consumption. The creation of trust funds was also established to finance investments in the expansion of the capacity of the natural gas carriage and distribution systems and gas imports.

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

(iii) As indicated in Note 1.c.vi) and in Note 10, on December 22, 2008 the Board of Directors of the Company decided to postpone the payment of the principal and interest installments on the negotiable obligations that would fell due since that date. In that context, on December 29, 2008, through Resolution I/587 the ENARGAS established an intervention in TGN for 120 days, as well as a comprehensive audit in charge of the intervener. Upon expiration of such term, the intervention was repeatedly extended by ENARGAS resolutions up to early February 2013.

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

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

(iii) In August 2012, a private swap was completed with holders of negotiable obligations representing approximately 88.0388% of the Company's financial liabilities, as explained in Note 10.

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

The impact generated by all the measures adopted so far by the National State on the balance sheet and financial position of the Company as of September 30, 2012 was calculated on the basis of evaluations and estimates made by the Company's Board of Directors at the date these unaudited interim financial statements were issued.

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

(c) Regulatory framework

c.i) General

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

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

c.ii) Rates

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

The Natural Gas Act establishes that rates must cover reasonable operating costs, taxes and amortization charges, enable obtaining reasonable profit margins similar to those derived from other comparable or equivalent risky activities and must be related to the degree of efficiency in the providing of the services.

In accordance with the original conditions of the License, rates were subject to the following until expiration thereof:

(i) adjustments for the five-yearly review of rates by the ENARGAS, which affect as far as possible the "X" efficiency factor and "K" investment factor, where "X" reduces the rate as a counterpart for increased efficiency and "K" increases rates to encourage unprofitable investments;

(ii) semi-annual adjustments to reflect PPI variations;

(iii) non-recurring adjustments to reflect the variations in the costs resulting from changes in tax regulations (except in the case of variations in income tax); and

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

(c) Regulatory framework (Continued)

c.ii) Rates (Continued)

(iv) unplanned adjustments for other objective and justifiable reasons at the discretion of the ENARGAS.

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

c.iii) License

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

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

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

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

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

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

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

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

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

(c) Regulatory framework (Continued)

c.iii) License (Continued)

No. 311/03 and section 11 of the Joint Resolution No. 188/03 and No. 44/03 of the MEP and MPFIPyS.

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

At the date of issuance of these unaudited interim financial statements no significant progress had been made to ensure compliance with the objective to sign a comprehensive agreement in the short term. Furthermore, it cannot be assured that the final outcome of the renegotiation will effectively restore the balance of the License and award a fair and reasonable rate in order to redress TGN for the damage suffered as a result of the LEP. Refer to Note 13.h) and i).

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

c.iv) Technical Operator and Audit Services agreement

Within its regulatory framework, TGN receives technical and auditing assistance from its shareholders or their related companies. Such assistance covers issues relating to system performance, security, environment, preventive maintenance, in-house procedures, training, information technology systems and compliance with certain international standards governing the gas carriage industry.

The agreement for technical operator and audit services in force since January 2006 will expire on December 31, 2017. In consideration for the services under the contract, an annual compensation is envisaged, which shall be the higher of (i) US$ 3,000,000 or (ii) 7% of EBIT for each fiscal year. As of September 30, 2012 the Company accrued this compensation according to point (i) previously mentioned.

In consideration of the decision to postpone the due dates of TGN financial debt adopted on December 22, 2008, the Board of Directors resolved to temporarily suspend effective December 31, 2008 the payments of fees envisaged in the contract for technical operator and audit services.

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

(c) Regulatory framework (Continued)

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

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

Dispatched export volume has systematically decreased from 2006 until the end of the period. In that context, YPF S.A. ("YPF") ceased to pay and initiated administrative and judicial actions to obtain the rescission without negligence of the gas carriage contract, and Metrogas Chile S.A. ("Metrogas") attempted to unilaterally rescind the agreement and claimed compensation. YPF and Metrogas recorded unpaid balances of $ 349.1 million and $ 280.9 million, respectively, as of September 30, 2012, so the Company has set up an allowance of $ 315.0 million to cover the uncollectible past due balance for the carriage service. Disputes with these customers are described in Note 13.

Other loaders entered into compromise and settlement agreements replacing and/or rescinding the contracts previously in force (Sociedad Eléctrica Santiago S.A., Gasoducto Norandino Argentina S.A. and Colbun S.A., as described in Note 14). Although the abovementioned compromise and settlement agreements contemplate the collection of compensation amounts, TGN shall cease to collect revenue in the future, which will eventually produce a negative net effect on its expected cash flows.

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

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

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

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

Resolution I/587 was successively extended until early February, 2013, term over which TGN will continue to be subject to surveillance and control of the usual acts of administration and disposition that may affect the normal provision of the gas carriage public utility service under its charge.

2. Preparation and presentation of unaudited interim financial statements

(a) Purpose of these unaudited interim financial statements

These unaudited interim financial statements have been translated from the unaudited interim financial statements for the nine-month period ended September 30, 2012 including the summary of information required by General Resolution Nº 368/01, prepared in Spanish and originally issued in Argentina.

The translation into English has been made solely for the convenience of English–speaking readers, and certain notes have been rephrased to facilitate the understanding of legislation and the local economic environment.

(b) Basis of preparation and presentation

These unaudited interim financial statements are stated in thousands of pesos, and were prepared in accordance with accounting disclosure and valuation standards contained in Technical Resolutions issued by the Federación Argentina de Consejos Profesionales de Ciencias Económicas (“FACPCE”), as approved by the Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires (“CPCECABA”), and with Comisión Nacional de Valores (“CNV”) resolutions.

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

A limited review was performed on the unaudited interim financial statements corresponding to the nine-month period ended September 30, 2012 and 2011. The Company’s Board of Directors estimates that these unaudited interim financial statements include all the necessary adjustments to reasonably disclose the results for each period. The results for the nine-month periods ended September 30, 2012 and 2011 do not necessarily reflect the proportion of the results of the Company for the complete fiscal years.

(c) Consideration of inflation effects

The unaudited interim financial statements have been prepared in constant currency recognizing the overall effects of inflation up to August 31, 1995. Restatement of financial statements was discontinued from that date to December 31, 2001, according to accounting standards. From January 1, 2002 to March 1, 2003 the effects of inflation were recognized due to the existence of an inflationary period. As from that date, restatement of financial statements was discontinued again, according to CNV´s regulations. The criterion required by the CNV differs from that previously required by professional accounting standards in force, under which financial statements were to be restated until September 30, 2003. Nevertheless, at September 30, 2012 this deviation has not had a significant impact on the unaudited interim financial statements.

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

(d) Use of estimates

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

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

(d) Use of estimates (Continued)

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

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

(e) Comparative information

The figures at September 30, 2011 and December 31, 2011 that are disclosed in these unaudited interim financial statements for comparative purposes arise from financial statements at those dates.

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

(f) New accounting pronouncements

On December 29, 2009, the CNV has established the application of Technical Pronouncement Nº 26 of the FACPCE which adopted the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), for all the entities encompassed by the public offering regime of Law N° 17,811, either because of their capital or negotiable obligations, or because those entities have requested authorization to be encompassed by this regime.

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

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

The Company has analyzed those IFRS that will be applicable to the preparation of its financial statements in the first year of adoption of those standards.

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

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

(f) New accounting pronouncements (Continued)

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

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

Since the date of issuance of these unaudited interim financial statements and until the date of adoption of the IFRS, new standards and/or interpretations may be issued as well as new events could occur in the Company, which could have additional effects in the Company’s financial statements.

3. Summary of significant accounting policies

Below there is a detail of the most important accounting standards and policies used by the Company in preparing these unaudited interim financial statements, which have been applied consistently with those as of September 30, 2011 and December 31, 2011.

(a) Cash and banks

Cash and banks are stated at nominal value.

(b) Assets and liabilities nominated in foreign currency

Assets and liabilities nominated in foreign currency have been valued at period / year-end exchange rates.

(c) Short-term investments

Short-term investments in mutual funds have been valued at the prices of units at the end of each period / year. Government bonds have been valued at estimated net realizable value, or at nominal value plus interest, based on whether the Company decides to hold them until maturity or not. Time deposits, stock exchange securities and other investments in US$ have been valued at nominal invested capital plus accrued interests.

(d) Accounts receivables and accounts payable

Non-current trade receivables, related to disputed customer balances mentioned in Note 1.c.v) have been valued on the basis of the best estimate of the amount to be collected, using a discount rate to reflect the time value of money and the specific risks associated with the transaction, estimated at the time of its addition to assets and considering the estimated collection term.

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

3. Summary of significant accounting policies (Continued)

(e) Other receivables and liabilities

Other non-current receivables have been valued on the basis of the best estimate of the sum to be used, discounted at a rate reflecting the time value of money and the specific risks of the transaction estimated at the date of their addition to assets.

The assets and liabilities derived from deferred income tax and minimum presumed income tax have been stated at nominal value.

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

(f) Foreign investments

The investments in foreign related companies Comgas Andina S.A. (“COMGAS”) and Companhía Operadora do Rio Grande do Sul (“COPERG”), in which TGN exercises significant influence, have been valued according to the equity method of accounting, on the basis of the last issued financial statements of those companies at the date of issuance of these unaudited interim financial statements (Note 19.b)).

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

The Company keeps its investment in COPERG fully covered with an allowance because the business of that company fell short of expectations. Consequently, it is estimated that the reduced level of activity of that company will not allow recovering the value of the investment in it.

(g) Materials and spare parts

Materials and spare parts are stated at replacement cost. An allowance is set up for obsolete and slow-moving inventory. Materials and spare parts have been broken down into current and non-current on the basis of the estimated consumption plan approved by the Company’s Board of Directors.

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

(h) Fixed assets

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

The Company has considered as elements forming part of the value of fixed assets the net financial costs generated by third parties’ capital, referred to fixed assets whose construction extends over time and until they are placed into service.

3. Summary of significant accounting policies (Continued)

(h) Fixed assets (Continued)

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

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

Furthermore, from 2005 to September 30, 2012 pipeline recoating campaigns were carried out over a length of 370 km. In accordance with ENARGAS Resolutions Nos. 1,660/00 and 1,903/00, $ 137 million were capitalized and were included in the “Investments in pipeline maintenance” line (Note 19.a)), becoming part of the Company's essential fixed assets and, consequently, of its tariff base.

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

(i) Other assets - gas stock

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

(j) Loans

The “Step-up Notes” and the “Claim Protection Notes” are to be valued on the basis of the best estimate of the amounts payable discounted at the internal rates of return determined at the beginning of the transaction.

In view of the circumstances described in Note 10, at September 30, 2012 and December 31, 2011, defaulted loans have been stated at nominal value of principal, interest and penalties accrued and unpaid, calculated at the contractual rates.

(k) Income tax

The Company has recognized the income tax charge according to the deferred tax method, thus considering the timing differences between measurements of accounting and taxable assets and liabilities, as indicated in Note 7.

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

(l) Minimum presumed income tax

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

3. Summary of significant accounting policies (Continued)

(l) Minimum presumed income tax (Continued)

The Company has recognized the minimum presumed income tax paid in previous years as a credit, due to the fact that it estimates that in future fiscal years it may be able to record it as a payment on account of income tax. The abovementioned credit has been recorded at its nominal value.

(m) Allowances and provisions

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

- Allowance for disputed amounts (charged to Revenues): set up on the basis of an individual analysis of the recoverability of the receivables portfolio, as indicated in section p) of this Note.

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

- Provision for contingencies (charged to Administrative expenses): set up to cover possible payments claimed to the Company, under lawsuits to which it is a defendant.

(n) Shareholders' equity accounts

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

The Voluntary reserve for future dividends, the Legal reserve, the Optional reserve and the Retained earnings have been restated in accordance with the guidelines indicated in Note 2.c).

(o) Profit and loss accounts

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

(p) Revenue recognition

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

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

3. Summary of significant accounting policies (Continued)

(p) Revenue recognition (Continued)

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

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

(q) Balances with related parties

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

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

(in thousands of Argentine Pesos, except where specifically mentioned)

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

Accounts	September 30, 2012	December 31, 2011
a) Accounts receivable		
Current		
Gas carriage service		
Billed		
Distributors	26,638	22,486
Industrial	13,100	14,787
Generators	781	2,638
Unbilled	30,666	29,368
Subtotal	71,185	69,279
Other services		
Billed	20,001	14,242
Unbilled	5,331	2,822
Subtotal	25,332	17,064
Allowance for doubtful accounts (Note 19.d))	(29,485)	(17,491)
Allowance for disputed amounts (Note 19.d))	(11,700)	(11,660)
Total	**55,332**	**57,192**
Non Current		
Gas carriage service		
Billed		
Distributors	217,366	137,729
Industrial	292,386	262,928
Unbilled	6,502	5,776
Subtotal	516,254	406,433
Allowance for disputed amounts (Note 19.d))	(314,977)	(254,332)
Total	**201,277**	**152,101**
b) Other receivables		
Current		
Commercial indemnifications receivable (Note 14)	94,280	140,427
Attachments and guarantee court deposits	36,176	34,613
VAT, net	-	903
Tax credits – withholdings and perceptions	2,421	4,426
Key management personnel (Note 5)	2,121	1,871
Prepaid expenses	3,066	7,887
Fees and expenses – loans restructuring	-	29,080
Guarantee deposits	-	845
Sundry	18	161
Management fees – Gas Trust Program	4,542	4,866
Controlling shareholder (Note 5)	8	8
Foreign related parties (Note 5)	315	1,148
Other related parties (Note 5)	304	276
Transactions on behalf of third parties	802	1,608
Advances and loans to employees	974	983
Receivables from sundry sales	5,763	16,554
Allowance for doubtful accounts (Note 19.d))	(4,447)	(3,557)
Total	**146,343**	**242,099**

(in thousands of Argentine Pesos, except where specifically mentioned)

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

Accounts	September 30, 2012	December 31, 2011
b) Other receivables (Continued)		
Non Current		
Commercial indemnifications receivable (Note 14)	-	1,487
Deferred tax asset, net (Note 7)	26,435	109,770
Minimum presumed income tax (Note 7)	58,219	102,147
Turnover tax withholdings	113	113
Deposit in escrow and disputed tax payments	8,654	8,383
Guarantee deposits	579	-
Allowance for deposit in escrow and disputed tax payments (Note 19.d))	(8,654)	(8,383)
Management fees – Gas Trust Program	20,503	14,584
Loans to employees and sundry	232	621
Total	**106,081**	**228,722**
c) Materials and spare parts		
Current		
Consumable materials and spare parts	18,072	18,072
Total	**18,072**	**18,072**
Non-current		
Consumable materials and spare parts	124,494	120,428
Allowance for slow-moving and obsolescence (Note 19.d))	(85,682)	(85,385)
Total	**38,812**	**35,043**
d) Accounts payable		
Current		
Suppliers	17,268	1,937
Administration trust ("Importation of natural gas") (Note 17)	4,951	2,464
Other related parties (Note 5)	62,974	61,586
Unbilled services and purchases	32,330	17,830
Total	**117,523**	**83,817**
e) Taxes payable		
Minimum presumed income tax	-	6,081
VAT, net	851	-
VAT withholdings and perceptions	701	2,586
Income tax withholdings	1,641	2,191
Provision for income tax withholdings to foreign parties (Note 19.e))	-	28,405
Turnover tax withholdings and perceptions	211	424
Total	**3,404**	**39,687**

(in thousands of Argentine Pesos, except where specifically mentioned)

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

Accounts	September 30, 2012	December 31, 2011
f) Others		
Current		
Section 9.6.2 – Basic rules of the License	18,433	18,433
Easements	2,492	2,492
Key management personnel fees (Note 5)	2,148	1,871
Advanced payments	4,695	528
Customer’s warrants and others	173	281
Total	**27,941**	**23,605**
Non-current		
Easements	38,695	34,727
Total	**38,695**	**34,727**

	September 30, 2012	September 30, 2011
g) Revenues		
Gas carriage service		
Gas carriage service	326,040	307,109
Allowance for disputed amounts and others (Note 3.p))	(35,861)	(31,193)
Subtotal	290,179	275,916
Other services		
Pipeline O&M services	22,994	21,444
Management fees – Gas Trust Program (Notes 3.p))	5,919	4,287
Subtotal	28,913	25,731
Total	**319,092**	**301,647**
h) Other financial and holding results:		
Generated by assets:		
Bank commissions and expenses	(559)	(696)
Holding results	6,811	3,517
Result on discounting at present value	(3,084)	14,372
Total	**3,168**	**17,193**
Generated by liabilities:		
Bank commissions, taxes and expenses on banking and financial operations	(6,835)	(5,555)
APE and Insolvency Proceeding - Fees and expenses (Note 10)	(28,895)	-
Result on discounting at present value	85,969	-
Discounts	486	121
Total	**50,725**	**(5,434)**
i) Other income and expenses, net		
Income from commercial indemnifications (Note 14)	34,804	95,118
Net result from disposal of fixed assets	(1,084)	(1,386)
Net income from sundry sales and others	4,341	1,958
Total	**38,061**	**95,690**
j) Statements of Cash Flows - Cash and cash equivalents:		
Cash and banks	12,990	106,145
Mutual funds in $	44,191	27,769
Mutual funds in US$	-	28,073
Time deposits in $	13,017	18,923
Time deposits in US$	69,860	58,315
Stock exchange securities in $	2,002	28,057
Cash and cash equivalents as of end of the period	**142,060**	**267,282**

(in thousands of Argentine Pesos, except where specifically mentioned)

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

Balances with controlling shareholder, foreign related parties, other related parties and key management personnel	September 30, 2012	December 31, 2011
Accounts receivable:		
Current:		
Other related parties	29,841	21,400
Other receivables:		
Current:		
Controlling shareholder (Note 4.b))	8	8
Foreign related parties (Note 4.b))	315	1,148
Other related parties (Note 4.b))	304	276
Key management personnel (Note 4.b))	2,121	1,871
Accounts payable:		
Current:		
Other related parties (Note 4.d))	62,974	61,586
Others:		
Current:		
Key management personnel (Note 4.f))	2,148	1,871

Transactions with controlling shareholder, foreign related parties, other related parties and key management personnel	September 30, 2012	September 30, 2011
Controlling shareholder:		
Other income and expenses, net	19	19
Foreign related parties:		
Revenues	154	34
Recovery of expenses	204	-
Collection of cash dividends	707	173
Other related parties:		
Revenues	54,146	54,226
Cost of services	(8,214)	(10,261)
Administrative expenses	(2,242)	(555)
Other income and expenses, net	145	435
Interests and indexing generated by assets	2,286	-
Purchase of fixed assets	(35)	(2,441)
Key management personnel:		
Technical-administrative services (Note 19.f))	(744)	(723)
Board of Director´s fees (Note 19.f))	(561)	-
Statutory auditors committee’s fees(Note 19.f))	(711)	(653)

6. Income per share

Income per ordinary share has been calculated as the quotient obtained by dividing the results for the periods ended September 30, 2012 and 2011, by the weighed average of outstanding ordinary shares, which made a total of 439,373,939 shares at those dates.

At September 30, 2012 and 2011 there are no debt securities convertible into shares, so no diluted earnings per share have been disclosed.

(in thousands of Argentine Pesos, except where specifically mentioned)

7. Income tax and minimum presumed income tax

A breakdown of the Company's deferred tax assets and liabilities as of September 30, 2012 and December 31, 2011 is presented below:

	September 30, 2012	December 31, 2011
Breakdown of deferred tax assets and liabilities:		
Short-term investments (valuation)	(257)	-
Accounts receivable (doubtful accounts and discount at present value)	(25,307)	(28,164)
Other receivables (doubtful accounts and discount at present value)	14,597	19,300
Fixed assets (valuation)	(22,402)	(22,323)
Materials and spare parts (valuation)	29,989	29,885
Other assets (valuation)	(9,026)	(8,157)
Accounts payable and loans	13,521	22,736
Contingencies (claims and taxes)	24,615	21,771
Tax loss carry-forward	-	74,080
Fees for technical-administrative services, Board of Directors and statutory auditor´s committee	705	642
Net deferred tax asset	**26,435**	**109,770**

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

Had there been recognized the inflation adjustment as a temporary difference, the deferred liability would have increased by approximately $ 286.5 million, and its reversal would have taken place in a total approximate term of 16 years, according to the following annual detail:

Year	**Inflation adjustment that would be reversed**	**Effect on the income tax charge**
	Million $ (projected figures – not audited)	
2012 (one quarter)	12.6	4.4
2013	50.0	17.5
2014	49.9	17.5
2015	49.6	17.4
2016	49.0	17.1
2017	48.6	17.0
2018	43.2	15.1
2019	42.8	15.0
2020	41.1	14.4
2021	40.2	14.1
2022	39.5	13.8
2023	33.3	11.6
2024	29.1	10.2
2025	27.4	9.6
2026	23.1	8.1
2027	239.0	83.7
Total	**818.4**	**286.5**

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

(in thousands of Argentine Pesos, except where specifically mentioned)

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

	September 30, 2012	**September 30, 2011**
Result before income tax	349,657	(91,666)
Statutory income tax rate	35%	35%
Subtotal income tax charge at statutory tax rate	**(122,380)**	**32,083**
Permanent differences at statutory income tax rate:		
Inflation adjustment	(13,790)	(13,687)
Results from foreign investments	462	21
Others	449	(660)
Income tax charge	**(135,259)**	**17,757**
Current income tax charge	(51,924)	-
Deferred income tax charge	(83,335)	17,757
Income tax charge	**(135,259)**	**17,757**

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

	09.30.2012	**09.30.2011**
Recorded income tax	**(135,259)**	**17,757**
Temporary differences:		
Variation in valuation of short-term investments	257	-
Variation in valuation of accounts receivable	1,846	49,982
Variation in valuation of fixed assets	79	(185)
Variation of the provision for contingencies	(2,844)	(817)
Variation of the allowance for obsolete and slow-moving materials and spare parts and other assets	765	(544)
Variation in valuation of loans and expenses related to their restructuring	29,583	-
Net variation of tax loss carry forwards	74,080	(62,193)
Variation of accounts payable and other liabilities	(20,431)	(4,000)
Total tax assessed for fiscal purposes (estimated)	**(51,924)**	**-**

Below is a detail of the breakdown of the credit for the minimum presumed income tax accumulated at September 30, 2012:

Year	**Amount**	**Expires in**
2004	14,683	2014
2005	16,294	2015
2006	12,362	2016
2007	13,426	2017
2008	6,797	2018
2009	17,085	2019
2011	21,413	2021
2012 (estimated)	(43,841)	2022
Balance at September 30, 2012 (Note 4.b))	**58,219**	

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

(in thousands of Argentine Pesos, except where specifically mentioned)

8. Business Segment information

The following tables show additional information about the income statements at September 30, 2012 and 2011 and the main balance sheet captions of the Company at September 30, 2012 and December 31, 2011, segregated by business segment:

Result for the nine-month period ended September 30, 2012	**Gas carriage service**		**Other Services**	**Total**
	Domestic	**Exports**		
Revenues	229,155	61,023	28,914	319,092
Cost of services, administrative and selling expenses (before depreciation)	(316,764)	(10,810)	(14,859)	(342,433)
Depreciation	(93,942)	(7,406)	(101)	(101,449)
Other income and expenses, net	3,016	35,042	3	38,061
Result from foreign investments	-	-	1,319	1,319
Financial and holding results	(130,664)	(10,301)	(141)	(141,106)
Result from loans restructuring	533,536	42,061	576	576,173
Income tax	(92,836)	(38,064)	(4,359)	(135,259)
Result for the period	**131,501**	**71,545**	**11,352**	**214,398**

Balances as of September 30, 2012	**Gas carriage service**		**Other services**	**Total**
	Domestic	**Exports**		
Fixed assets	1,730,502	136,422	1,869	1,868,793
Accounts receivable	26,565	204,712	25,332	256,609
Loans	1,031,884	81,347	1,114	1,114,345
Other assets (net of liabilities)	323,182	25,478	349	349,009
Shareholders’ equity	1,048,365	285,265	26,436	1,360,066
Purchase of fixed assets	32,464	2,559	35	35,058

Result for the nine-month period ended September 30, 2011	**Gas carriage service**		**Other services**	**Total**
	Domestic	**Exports**		
Revenues	220,932	54,984	25,731	301,647
Cost of services, administrative and selling expenses (before depreciation)	(178,321)	(35,647)	(12,472)	(226,440)
Depreciation	(83,581)	(15,039)	(59)	(98,679)
Other income and expenses, net	484	95,206	-	95,690
Result from foreign investments	-	-	59	59
Financial and holding results	(138,860)	(24,985)	(98)	(163,943)
Income tax	51,309	(28,958)	(4,594)	17,757
Result for the period	**(128,037)**	**45,561**	**8,567**	**(73,909)**

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

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

(in thousands of Argentine Pesos, except where specifically mentioned)

9. Restricted assets

(i) A substantial portion of the assets transferred by GdE (mainly pipelines, compressor Plants and high-pressure control and measurement Stations), just to mention those that represent the most significant balances (Note 19.a)), has been defined in the License as "Essential assets for the performance of the licensed service". Pursuant to the License, the Company is required to segregate and maintain the essential assets, together with any future improvements and expansions, in accordance with certain standards defined in License. The Company can not, for any reason, dispose of, encumber, lease, sublease or lend essential assets for purposes other than the provision of the licensed service without ENARGAS´ prior authorization.

(ii) There are funds subject to court attachments for approximately US$ 4.9 million and $ 11.4 million.

10. Loans

Creation of a global program for the issuance of ordinary negotiable obligations, non convertible

Resolutions adopted by TGN´s Board of Directors on December 11, 2007 and by the Ordinary Meeting of Shareholders held on January 22, 2008 established the creation of a "global program for the issuance of ordinary negotiable obligations non convertible for shares", which qualify as negotiable obligations under the terms of Law No. 23,576 (text pursuant to Law No. 23,962), for a nominal value of up to US$ 400 million or its equivalent in other currencies at any time (the "Program"). The duration of this global program shall be five years counted as from July 17, 2008, date on which the CNV issued Resolution No. 15,928, approving its creation.

It is important to mention that in 2006 TGN had created another program with the sole and exclusive intention of issuing the class A and B Negotiable Obligations that were issued within the framework of the financial debt restructuring that took place that year. Hence, this program had been fully extinguished with the issuance of these Negotiable Obligations, which have the following characteristics:

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

The terms and conditions of Class A and B negotiable obligations are fully detailed in the pertinent Offering Circular under the Negotiable Obligation issue program, which was published at the CNV on September 14, 2006. It is important to mention that Class A and B Negotiable Obligations representing 88.0388% of the outstanding capital were cancelled as a result of a restructuring process of the financial debt that took place in August 2012, as explained further in section "Restructuring of the financial debt".

Postponement of December 2008 financial loan payments

In view of the continuous deterioration of the Company's economic and financial equation due to the effect of the depreciation of the peso on the

10. Loans (Continued)

Postponement of December 2008 financial loan payments (Continued)

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

In this context, for exogenous reasons and for the purpose mentioned above, it has been necessary for TGN to postpone the principal and interest payments on the Class A and B Negotiable Obligations at their due date.

Restructuring of the financial debt

A swap offer and request of consideration for a Restructuring Agreement Proposal (“APE”) (“Swap Offer”) made on September 8, 2009 had a level of acceptance of 87.97% of liabilities subject to restructuring.

However, the excessive delay in obtaining the court approval of the APE due to reasons escaping TGN’s control, and, some situations that adversely changed the economic and financial scenario in which TGN conducts its business, proved that the assumptions used at the time of launching the Swap Offer in 2009 had not materialized. In this context, TGN understood that the offer was no longer effective and that pursuing the judicial approval of the APE would lead to damages both for TGN and its creditors.

As a result, to protect the Company’s assets, guarantee that the creditors rank *pari passu* and ensure the regular carriage of natural gas, on June 1st, 2012 the TGN´s Board of Directors resolved to: (a) abandon the request for judicial approval of the APE and file a petition for Insolvency Proceeding and, (b) call an Ordinary Shareholders’ Meeting, which was held on July 12, 2012 and confirmed the Board’s decision of filing a petition for Insolvency Proceeding.

However, on June 6, 2012, notice was served upon the Company on the court’s rejection of its petition based on section 31 in fine of the Bankruptcy Law insofar as two petitions for bankruptcy had been filed against TGN at the time the Company decided to abandon the request for judicial approval of the APE and filed a petition for Insolvency Proceeding. On July 13, 2012 the Company was served notice of the ruling passed by Panel C of the Court of Appeals rejecting our appeal in the alternative and confirming the decision of the lower court.

In the meantime, and considering the uncertainty inherent in any court decision, on July 12, 2012 TGN launched a private swap offer (“Restructuring Offer”) of the totality of its Class A and B Negotiable Obligations (the “Outstanding Debt”), according to the terms and conditions described in the Information Memorandum dated July 12, 2012.

In the framework of the Restructuring Offer, TGN offered, at the option of the holders of the Outstanding Debt, for any US$ 1,000 of Outstanding Debt, a combination of: (i) US$ 494.20 in Step-up Notes; (ii) US$ 164.68 in Claims Protection Notes; and (iii) only for holders accepting the Restructuring Offer until 5 p.m. New York time before July 25, 2012 (postponed until August 8, 2012), a cash payment of US$ 329.45, and for the remaining holders accepting the Restructuring Offer after July 25, 2012 until 11.59 p.m. New York time of August 8, 2012 (“the Expiration Date”), a cash payment of US$ 280.00.

The Restructuring Offer had a level of acceptance of 88.0388% of computable liabilities, with the private swap with accepting holders being completed on August

(in thousands of Argentine Pesos, except where specifically mentioned)

10. Loans (Continued)

Restructuring of the financial debt (Continued)

22, 2012. Consequently, TGN agreed on the denial of the opening of the Insolvency Proceeding and that the case record was closed.

As a result of restructuring, TGN paid to the accepting holders an accumulated amount of US$ 100,038,998 in cash, issued Step-up Notes for US$ 150,065,959 and Claim Protection Notes for US$ 50,005,735.

The characteristics of the negotiable obligations issued by the Company in 2012 under the Program are as follows:

	Step-up Notes	**Claim Protection Notes**
Amount	NV US$ 150.07 million	NV US$ 50.00 million
Due date	August 22, 2019	(*)
Amortization	100% at the due date	(*)
Interest	They accrue interest at an annual rate of 3.5% during the first two years, at 7% during the following 3 years and at 9% as from the fifth year and until maturity. (**)	Non-interest bearing.

(*)If no “Triggering Event” occurs, they will be automatically settled without payment from TGN, on August 22, 2013. If a “Triggering Event” takes place before such date, they will fall due on August 22, 2019.

(**) Step-up Notes may capitalize interest as per the schedule below:

From	**To**	**Maximum amount to be capitalized**
August 22, 2012	August 22, 2015	100 %
August 22, 2015	August 22, 2016	50 %
August 22, 2016	August 22, 2019	0 %

The terms and conditions of Step-up Notes and Claim Protection Notes are detailed in the pertinent Offering Circular dated August 21, 2012, which was published at the CNV on August 21, 2012.

According to the terms of the Step-up Notes, TGN allocates part of its cash available to its prepayment and, in case a Triggering Event takes place, to prepay the Claim Protection Notes. During the transition period that falls due on September 30, 2014, TGN will only distribute incremental cash resulting from rates increases and/or agreements entered into with export customers. As from that moment, the Company will distribute the available cash among holders, after deducting certain reserves. The Company will make the first calculation for distribution purposes on March 31, 2013, if rates are increased and/or agreements are entered into with export customers.

11. Impact and possible implications of the postponement of the payment of the financial debt

As the August 2012 Restructuring Offer, which is described in Note 10, was not accepted by all holders of Class A and B Negotiable Obligations, at this date, the Company records a past-due liability under those negotiable obligations which amounts to US$ 54,658,810, including principal and contractual and punitive interests at September 30, 2012.

Holders of Class A and B Negotiable Obligations that started summary proceedings against TGN in 2009 for an amount of principal of US$ 8.3 million and have final orders for judicial sale with attached funds, are in the process of a judicial recovery of their claims. Two pending petitions in bankruptcy have been finally rejected when the Company paid the amounts owed.

(in thousands of Argentine Pesos, except where specifically mentioned)

11. Impact and possible implications of the postponement of the payment of the financial debt (Continued)

On October 30, 2012 TGN launched a second swap offer related to Class A and B Negotiable Obligations for an amount of principal of US$ 41,255,472 that did not enter into the previous restructuring agreement. The terms and conditions of this second swap offer are described in the Information Memorandum dated October 30, 2012. This offer will remain open until November 9, 2012, except postponement.

12. Shareholders´ equity

(a) Common stock

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

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

Gasinvest S.A. (“Gasinvest” or “the controlling shareholder”), the controlling shareholder of the Company, and Gasinvest´s shareholders, are restricted by the Bidding Terms and the Transfer Agreement as to dispose of a portion of their interests in the Company and Gasinvest, respectively. Unless a prior regulatory approval from ENARGAS is obtained, Gasinvest is precluded from reducing its interest in the Company to less than 51% (“Controlling interest”). The ENARGAS will approve the transfer of the Controlling interest provided that (i) the shares are transferred in whole but not in part, or the new acquirer purchases all of the outstanding Class A shares of common stock and (ii) the quality of the service is not affected.

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

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

(c) Restriction on the distribution of profits

Under the Argentine Commercial Law N° 19,550, the By-laws of the Company and the CNV Resolution N° 195, a minimum of 5% of net income for the year calculated in accordance with Argentine GAAP must be appropriated by resolution of the shareholders to the Legal Reserve until such reserve reaches 20% of the outstanding capital.

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

(d) Voluntary reserves for future dividends and Optional reserve

The Shareholders’ Meetings that approved the respective annual financial statements set up the sums included in these items. Restrictions are presented in Note 12.c).

13. Legal matters

The Company is a party to several legal proceedings and claims that have arisen in the ordinary course of its business. Although there can be no assurance as to the ultimate disposition of these matters, it is the opinion of the Company's Board of Directors, based upon the estimations described in Note 2.d), that the expected outcome of these claims and legal actions, individually or in the aggregate, would not have a material effect on the Company’s financial position or results of operations in excess of the reserves that the Company has established.

However, the actual future outcome of these claims could differ from the estimated recorded amounts as of the date of issuance of these unaudited interim financial statements.

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

(a) Fines imposed by the ENARGAS

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

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

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

In essence, subject to a condition precedent which has already been fulfilled, such agreement establishes the following consequences:

(1) For settlement purposes only and allocated to the single and full compensation for all damages claimed by AES due to TGN's failure to fulfill its obligations under the contract mentioned above, TGN undertakes to pay as from the date of the compliance of the mentioned condition:

   a. *“Payment A”:* equivalent to 36% of certain access and use charges applied to the volume available at each time as reserve capacity for AES or its concessionaire under *“TGN Open Bid No. N°01/2005”*, which will be monthly payable until 12/28/2027.

   b. *“Payment B":* equivalent to the amount payable by AES for interruptible carriage and exchange and displacement services rendered by TGN to AES the month before the month of payment, which will be automatically terminated if the sum of "Payments B" made totals US$ 2 million, or the condition precedent is not complied with as of 12/28/2027, whichever occurs first.

(2) The contract mentioned above will be considered terminated by mutual agreement with effects as from May 27, 2003 and TGN and AES will be deemed to have abandoned the legal action and the rights related to the controversies.

13. Legal matters (Continued)

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

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

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

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

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

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

(e) YPF debt for the provision of carriage services

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

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

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

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

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

(f) Intervention in TGN established by the ENARGAS

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

13. Legal matters (Continued)

(g) Dispute with Metrogas Chile S.A. (“Metrogas”)

On April 21, 2009, TGN was notified of a declarative action filed by Metrogas, the Chilean gas distributor, seeking the judicial declaration of inapplicability of the US dollar denominated rate envisaged in its carriage contract, if the gas is not actually carried. No sentence has been pronounced to date.

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

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

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

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

(h) Previous administrative claim against the National State and later action for damages

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

The filing of this claim was due to the necessity of protecting TGN’s rights, which otherwise could be affected by the course of the statute of limitation on the legal action for damages. Nevertheless, TGN intends to continue participating in the process of renegotiation of its License according to the procedure ruled by Decree 311/03 and its supplementary rules. In the face of the silence of the Public Administration, and upon the expiration of the term prescribed by section 31 of the Administrative Procedure Law 19549, to protect the company’s interest, on October 11, 2012 TGN brought an action against the National State for the damage caused to TGN as from January 1, 2006 and until December 31, 2011 (and reserving the right to extend the action) as a result of the pesification and freezing of its tariffs set forth by Law 25,561, for the amount of $ 1,436 million (including interest). Furthermore, considering the distressing financial and equity position of the Company and due to the need to apply its limited resources to the provision of a safe and reliable public utility, the Company filed a motion to proceed in *forma pauperis*.

13. Legal matters (Continued)

(i) Actions for protection against the National State

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

(j) TGN´s claim against Nación Fideicomisos S.A. and the National Secretariat of Energy

In May 2012, TGN filed an action against Nación Fideicomisos S.A., as trustee of the financial trust for the northern gas pipeline expansion work (Financial Trust - Northern Gas Pipeline Expansion Work), and the National Secretariat of Energy as organizer, claiming for $ 20.8 million plus VAT as unpaid invoices plus the delivery of trust bonds “VRDA Obra 3” for $ 10.9 million plus VAT, plus any accrued and unpaid interest under the administration agreement signed between the abovementioned parties for the execution of the “2006-2008 Expansion Work” (Note 16.b)).

14. Compromise and settlement agreements with export customers

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

Until the date of issuance of these unaudited interim financial statements, TGN has collected economic compensations from its customers ESSA, Colbun and NAA for US$ 64.2 million, US$ 45.7 million and US$ 6.6 million, respectively.

Compromise and settlement agreements result in TGN no longer collecting agreed future income in exchange for compensation, which generates a negative net effect on its expected cash flows. The effect of these compromise and settlement agreements is charged under "Other income and expenses, net."

15. Financial trust for expansion on the exportation market

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

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

15. Financial trust for expansion on the exportation market (Continued)

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

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

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

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

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

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

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

a) Trust for the 2005 northern gas pipeline expansion work

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

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

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

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

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

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

The total fee to be collected by TGN as the project manager was $ 75.8 million (before value added tax ("VAT")) and was supposed to be monthly collected

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

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

in 44 installments between February 2006 and September 2009. The first $ 31 million (including VAT) were supposed to be collected in trust bonds.

As of the date of issuance of these unaudited interim financial statements the management fee billed by TGN amounted to $ 91.7 million, including VAT, totalizing the 44 installments envisaged by the contract. The Company received from NAFISA $ 57.5 million in cash that, jointly with the $ 17.9 million received in trust bonds, has been applied partially to past due invoices.

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

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

In connection with the delay in the payment of management services, on May 9, 2011 TGN claimed the total amount of $ 108.4 million including past due principal, contractual interest and punitive interest. A similar claim against the National Secretariat of Energy was rejected by that office. For further information regarding this claim, refer to Note 13.j) to these unaudited interim financial statements.

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

17. "Importation of Natural Gas" administration trust

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

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

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

17. “Importation of Natural Gas” administration trust (Continued)

Resolution I/1,988 establishes that in the case of partial collections, the payment received shall be proportionally distributed between all the items included in the respective invoice. As of September 30, 2012 the balance to be transferred to the Administration Trust amounts to $ 5.0 million.

18. Subsequent events

Subsequent to September 30, 2012, there have been no other events, situations or circumstances, that are not publicly known, that have impacted or could impact significantly on the net worth, or economic and financial situation of the Company that have not been considered or mentioned in these unaudited interim financial statements.

19. Other unaudited interim financial statement information

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

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

(in thousands of Argentine Pesos, except where specifically mentioned)

19. Other unaudited interim financial statement information (Continued)

(a) Fixed assets

	09.30.2012														12.31.2011
	Original values					Depreciation							Net book value		
Account	At the beginning of the year	Increases	Disposals	Transfers	At the end of the period	At the beginning of the year	For the period %	For the period Amount	Disposals	Transfers	Accumulated at the end of the period	Total	Essential items	Non-essential items	Total
Land	3,274	-	-	-	3,274	-	-	-	-	-	-	**3,274**	1,976	1,298	**3,274**
Buildings and constructions	77,411	-	-	487	77,898	24,793	2	1,166	-	-	25,959	**51,939**	39,368	12,571	**52,618**
Installations	2,344	-	-	-	2,344	916	4	69	-	-	985	**1,359**	-	1,359	**1,428**
Gas pipelines	2,076,347	-	(53)	20,198	2,096,492	806,913	3,33 and 2,22	43,710	(32)	-	850,591	**1,245,901**	1,245,901	-	**1,269,434**
Investments in pipeline maintenance (Note 3.h))	126,466	-	-	10,729	137,195	25,732	5,88	7,125	-	-	32,857	**104,338**	104,338	-	**100,734**
High-pressure branch lines	890	-	-	-	890	355	3,33 and 2,22	20	-	-	375	**515**	515	-	**535**
Compressor plants	929,950	-	(337)	2,446	932,059	539,102	4	38,774	(161)	-	577,715	**354,344**	354,344	-	**390,848**
High-pressure control and/or measurement stations	71,395	-	-	528	71,923	46,335	5	2,892	-	-	49,227	**22,696**	22,696	-	**25,060**
Other technical installations	45,548	-	-	-	45,548	32,178	6,67	1,849	-	-	34,027	**11,521**	11,281	240	**13,370**
Machinery, equipment and tools	26,118	253	(34)	-	26,337	24,021	10, 20 and 50	540	(34)	-	24,527	**1,810**	-	1,810	**2,097**
IT and telecommunication systems	89,037	2,304	(7,239)	-	84,102	60,775	10 and 20	3,341	(4,845)	-	59,271	**24,831**	2,096	22,735	**28,262**
Vehicles	19,844	1,712	(1,004)	-	20,552	15,257	20	1,264	(952)	-	15,569	**4,983**	-	4,983	**4,587**
Furniture and office supplies	10,540	139	(3)	-	10,676	9,512	10	143	(2)	-	9,653	**1,023**	-	1,023	**1,028**
Assets held at third parties facilities	11,162	-	(125)	1,076	12,113	7,160	12,5	556	(120)	-	7,596	**4,517**	1,498	3,019	**4,002**
Works in process	40,254	28,150	(102)	(33,776)	34,526	-	-	-	-	-	-	**34,526**	15,988	18,538	**40,254**
Advances to suppliers	404	2,500	-	(1,688)	1,216	-	-	-	-	-	-	**1,216**	-	1,216	**404**
Total as of 09.30.2012	**3,530,984**	**35,058**	**(8,897)**	**-**	**3,557,145**	**1,593,049**		**101,449**	**(6,146)**	**-**	**1,688,352**	**1,868,793**	**1,800,001**	**68,792**	**-**
Total as of 12.31.2011	**3,473,876**	**61,150**	**(4,042)**	**-**	**3,530,984**	**1,462,375**		**133,103**	**(2,429)**	**-**	**1,593,049**	**-**	**1,867,674**	**70,261**	**1,937,935**

(in thousands of Argentine Pesos, except where specifically mentioned)

19. Other unaudited interim financial statement information (Continued)

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

					Book value		Information on the issuer						
							Principal activity	Latest financial statements					
Issuer	**Shares**	**Par value**	**Amount**	**Cost value**	**09.30.2012**	**12.31.2011**		**Date**	**Capital stock and capital adjustment**	**Other Reserves**	**Retained earnings**	**Shareholders' equity**	**% of direct holding**
Comgas Andina S.A.	Common	(a) 1	490	246	2,545	1,226	Gas pipeline O&M services	09.30.12	11	2,490	2,692	5,193	49.0
Companhía Operadora do Rio Grande do Sul	Common	(b) 1	49	0.1	132	114	Gas pipeline O&M services	12.31.11	1	48	184	233	49.0
Impairment of investment(Note 19.(d) and 3.f))					(132)	(114)							
Total					**2,545**	**1,226**							

(a) Chilean Pesos
(b) Brazilian Reais

(in thousands of Argentine Pesos, except where specifically mentioned)

19. Other unaudited interim financial statement information (Continued)

(c) Short-term investments

	September 30, 2012	December 31, 2011
Mutual funds in $	44,191	18,261
Mutual funds in US$ (1)	-	28,734
Time deposits in $	13,017	30,019
Time deposits in US$ (1)	98,739	213,621
US Treasury bills (1)	82,135	326,578
Other investments in US$ (1)	-	29,776
Stock exchange securities in $	2,002	3,200
Government bonds in US$ (1)	66,879	1,012
Government bonds in $	30,342	-
Total	**337,305**	**651,201**

(1) Refer to note 19.e)

(in thousands of Argentine Pesos, except where specifically mentioned)

19. Other unaudited interim financial statement information (Continued)

(d) Allowances and provisions

	09.30.2012				12.31.2011
	Balances at the beginning of the year	**Net increases**	**Decreases (payment / usage)**	**Balances at the end of the period**	**Balances at the end of the year**
Deducted from assets					
Current					
Accounts receivables					
Allowance for doubtful accounts	17,491	12,406 (2)	(412)	29,485	17,491
Allowance for disputed amounts	11,660	46 (1)	(6)	11,700	11,660
Other receivables					
Allowance for doubtful accounts	3,557	1,128 (2)	(238)	4,447	3,557
Non Current					
Accounts receivables					
Allowance for disputed amounts	254,332	60,645 (1)	-	314,977	254,332
Other receivables					
Allowance for disputed tax payments and judicial escrow accounts	8,383	271 (3)	-	8,654	8,383
Materials and spare parts					
Allowance for slow-moving and obsolescence	85,385	297 (4)	-	85,682	85,385
Investments					
Allowance for impairment (Note 19.(b) and 3.(f))	114	18	-	132	114
Total allowances deducted from assets	**380,922**	**74,811**	(656)	455,077	380,922
Included in liabilities					
Current					
Contingencies					
Provision for contingencies	33,103	50,480 (3)	(446)	83,137	33,103
Non Current					
Contingencies					
Provision for contingencies	42,179	735 (3)	(42,914)	-	42,179
Total provisions included in liabilities	**75,282**	**51,215**	**(43,360)**	**83,137**	**75,282**
Total as of 09.30.2012	**456,204**	**126,026**	**(44,016)**	**538,214**	**-**
Total as of 12.31.2011	**383,686**	**73,870**	**(1,352)**	**-**	**456,204**

(1) 35,861 charged to Revenues (Note 4.g)) and 24,830 to Financial and holding results generated by assets.
(2) Charged to Selling Expenses – Doubtful accounts (Note 19.f)).
(3) 2,873 charged to Administrative expenses – Contingencies (Note 19.f)) and 48,613 charged to Administrative expenses – Taxes, rates and contribution (Note 19.f)).
(4) Charged to Cost of Services, slow-moving and obsolete consumption materials and spare parts (Note 19.f)).

19. Other unaudited interim financial statement information (Continued)

(e) Assets and liabilities in foreign currency

	09.30.2012				12.31.2011		
	Foreign currency class and amounts (1)		Exchange rate	Amount in Thousands of $ (1)	Foreign currency class and amounts (1)		Amount in Thousands of $ (1)
Assets							
Current assets							
Cash and banks							
Banks	US$	1,271	4.657	5,917	US$	175	747
				5,917			747
Short-term investments							
Time deposit	US$	21,202	4.657	98,739	US$	50,099	213,621
Mutual funds		-		-	US$	6,739	28,734
US Treasury bills	US$	17,637	4.657	82,135	US$	76,590	326,578
Other investments		-		-	US$	6,983	29,776
Government bonds	US$	14,361	4.657	66,879	US$	237	1,012
				247,753			599,721
Accounts receivable							
Gas carriage services	US$	737	4.657	3,434	US$	1,183	5,045
Other services	US$	4,453	4.657	20,737	US$	3,663	15,618
				24,171			20,663
Other receivables							
Commercial indemnifications receivable	US$	20,272	4.657	94,406	US$	34,845	148,580
Court attachments and deposits	US$	5,301	4.657	24,688	US$	8,111	34,586
Guarantee deposits		-		-	US$	200	853
Prepaid expenses and others		-		-	€	100	553
	US$	1,821	4.657	8,479	US$	4,380	18,676
Foreign investments	R$	54	2.200	118	R$	345	790
				127,691			204,038
Total current assets				**405,532**			**825,169**
Non-current assets							
Accounts receivables							
Gas carriage services	US$	135,270	4.657	629,954	US$	119,293	508,664
				629,954			508,664
Other receivables							
Guarantee deposits	US$	200	4.657	931			
Commercial indemnifications receivable		-		-	US$	400	1,706
				931			1,706
Foreign investments							
Comgas Andina (Note 19.b)	$ch	265,085	0.0096	2,545	$ch	161,293	1,226
Companhía Operadora do Rio Grande do Sul (Note 19.b)	R$	60	2.200	132	R$	50	114
				2,677			1,340
Total non-current assets				**633,562**			**511,710**
Total assets				**1,039,094**			**1,336,879**

19. Other unaudited interim financial statement information (Continued)

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

	09.30.2012				12.31.2011		
	Foreign currency class and amounts (2)		Exchange rate	Amount in Thousands of $ (2)	Foreign currency class and amounts (2)		Amount in Thousands of $ (2)
Liabilities							
Current liabilities							
Accounts payable							
Suppliers and unbilled services..........................	US$	3,341	4.697	15,692	US$	315	1,355
Unbilled services and purchases..........................	US$	1,238	4.697	5,816		-	-
Other related parties..................................	US$	13,223	4.697	62,108	US$	14,259	61,533
				83,616			62,888
Loans							
Ordinary non-convertible Class A							
Principal...	US$	22,271	4.697	104,609	US$	141,280	608,069
Interest..	US$	6,200	4.697	29,123	US$	31,258	134,535
Punitive..	US$	1,889	4.697	8,873	US$	7,641	32,887
Ordinary non-convertible Class B							
Principal...	US$	16,235	4.697	76,255	US$	203,630	876,424
Interest..	US$	6,681	4.697	31,380	US$	58,035	249,781
Punitive..	US$	1,382	4.697	6,493	US$	9,441	40,634
				256,733			1,942,330
Taxes payable							
Provision for income tax withholdings to foreign parties and others...		-		-	US$	6,600	28,405
				-			28,405
Total current liabilities				**340,349**			**2,033,623**
Non Current liabilities							
Loans							
Step-Up Notes							
Principal...	US$	150,066	4.697	704,860			-
Interest..	US$	407	4.697	1,911			-
Capitalized interest....................................	US$	412	4.697	1,933			-
Claim Protection Notes							
Principal...	US$	50,006	4.697	234,877			-
				943,581			-
Total Non current liabilities				**943,581**			**-**
Total liabilities				**1,283,930**			**2,033,623**

US$: United States dollars; $ch: Chilean Pesos; R$: Brazilian Reais; €: Euros
(1) Nominal value of assets, not considering the allowances for doubtful accounts nor discount at present value.
(2) Not including contingencies nor discounts at present value.

(in thousands of Argentine Pesos, except where specifically mentioned)

19. Other unaudited interim financial statement information (Continued)

(f) Cost of services, administrative and selling expenses

	Total at 09.30.2012	Cost of services			Selling expenses	Administrative expenses	Investments in fixed assets	Total at 09.30.2011
		Carriage service	Other services	Total				
Fees for technical-administrative services ..	744	-	-	-	-	744	-	723
Board of Director's fees	561	-	-	-	-	561	-	-
Statutory auditors committee's fees	711	-	-	-	-	711	-	653
Fees for professional services	9,787	1,419	2,315	3,734	4	5,490	559	5,882
Salaries, wages and other personnel benefits	97,256	59,937	7,309	67,246	1,123	28,308	579	83,697
Social security contributions	18,001	10,825	1,052	11,877	249	5,875	-	13,662
Fees for technical operator and audit services	10,052	10,052	-	10,052	-	-	-	9,197
Foreign staff residences	-	-	-	-	-	-	-	1,164
Consumption of spare parts and materials	14,584	13,487	395	13,882	-	75	627	14,703
Third party services and supplies	8,898	7,914	636	8,550	31	317	-	6,222
Maintenance and repair of fixed assets	41,145	34,557	1,207	35,764	73	1,824	3,484	48,083
Travel expenses	9,774	7,412	1,052	8,464	28	1,146	136	7,340
Freight and transportation	1,207	1,015	33	1,048	-	24	135	1,281
Communications	1,217	562	143	705	30	476	6	1,058
Insurance	5,056	4,557	3	4,560	-	496	-	4,195
Office supplies	1,822	804	102	906	8	898	10	1,722
Rentals	1,481	594	454	1,048	16	387	30	1,327
Easements	9,429	9,429	-	9,429	-	-	-	5,943
Taxes, rates and contributions	85,286	407	76	483	10,624	74,179	-	30,342
Fixed assets depreciation	101,449	99,928	101	100,029	203	1,217	-	98,679
Fixed assets improvements	5,088	19	-	19	-	-	5,069	2,831
Compensation for damages	13,000	-	-	-	13,000	-	-	-
Doubtful accounts	13,534	-	-	-	13,534	-	-	4,493
Contingencies	2,873	-	-	-	-	2,873	-	3,204
Slow-moving and obsolete consumption materials and spare parts	297	297	-	297	-	-	-	1,890
Others	1,465	708	83	791	14	460	200	1,357
Total at 09.30.2012	**454,717**	**263,923**	**14,961**	**278,884**	**38,937**	**126,061**	**10,835**	**-**
Total at 09.30.2011	-	**232,030**	**11,416**	**243,446**	**17,775**	**63,898**	**24,529**	**349,648**

(in thousands of Argentine Pesos, except where specifically mentioned)

19. Other unaudited interim financial statement information (Continued)

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

	09.30.2012			
	Short-term investments (a)	**Receivables (b)**	**Loans (c)**	**Other payables (d)**
Past due:				
Up to 09.30.2011	-	298,165	256,733	-
From 10.01.2011 up to 12.31.2011	-	15,478	-	-
From 01.01.2012 up to 03.31.2012	-	15,981	-	-
From 04.01.2012 up to 06.30.2012	-	14,121	-	-
From 07.01.2012 up to 09.30.2012	-	35,719	-	-
Without due date	118,164	150,287	-	106,628
To be due				
12.31.2012	116,784	139,540	-	99,622
03.31.2013	44,217	2,611	-	3,005
06.30.2013	34,892	4,168	-	1,311
09.30.2013	23,248	150	-	936
09.30.2014	-	218	692	5,852
09.30.2015	-	3	-	3,630
09.30.2016	-	117,846	-	3,227
09.30.2017	-	579	-	3,227
09.30.2018	-	83,430	-	3,227
09.30.2019	-	-	856,920	29,846
Total at 09.30.2012.....................	**337,305**	**878,296**	**1,114,345**	**260,511**
Balances subject to adjustment	45,327	-	-	-
Balances not subject to adjustment	291,978	878,296	1,114,345	260,511
Total at 09.30.2012.....................	**337,305**	**878,296**	**1,114,345**	**260,511**
Interest bearing balances	291,900	18,773	1,036,564	41,187
Non – interest bearing balances	45,405	859,523	77,781	219,324
Total at 09.30.2012.....................	**337,305**	**878,296**	**1,114,345**	**260,511**

(a) Excludes investments in other companies.
(b) Includes accounts receivable and other receivables at their present value, not including allowances.
(c) Nominated at their present value.
(d) Includes all non-financial liabilities, excluding contingencies.

TRANSPORTADORA DE GAS DEL NORTE S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS REQUIRED BY SECTION 68 OF THE BUENOS AIRES STOCK EXCHANGE LISTING RULES FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2012.

General matters related to the Company's activities

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

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

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

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

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

   See Notes 1.c.v), 2.f), 10 and 14 to the Company's unaudited interim financial statements as of September 30, 2012.

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

   See Note 19.g) to the Company's unaudited interim financial statements as of September 30, 2012.

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

   See Note 19.e) and g) to the Company's unaudited interim financial statements as of September 30, 2012.

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

   See Note 19.b) to the Company's unaudited interim financial statements as of September 30, 2012. Balances with related companies are disclosed in Note 5 to those unaudited interim financial statements.

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

   None.

7. **Physical count of inventories:**

   Physical count of materials and spare parts is performed on an annual basis. Slow-moving and obsolete materials and spare parts amount to $ 85.7 million and are totally written-off (Note 3.g)) and 19.d) to the Company’s unaudited interim financial statements as of September 30, 2012).

Current Values:

8. Other Assets and Inventories:

- Other assets (gas stock): gas stock in the gas pipe network has been valued at the replacement cost of the gas cubic meter, plus the average carriage price (Note 3.i) to the Company´ unaudited interim financial statements as of September 30, 2012).

- Inventories (materials and spare parts): they are valued at their replacement cost net of an allowance for slow-moving and obsolescence (Note 3.g) and Note 19.d) to the Company’s unaudited interim financial statements as of September 30, 2012).

Fixed Assets:

9. Technically appraised fixed assets:

None.

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

None.

Equity investments in other companies:

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

None.

Recoverable value:

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

- Materials and spare parts and fixed assets: the recoverable value of such assets was determined based on their economic use - Notes 3.g) and 3.h), respectively - to the Company’s unaudited interim financial statements as of September 30, 2012, subject to the resolution of the uncertainties generated by the changes in the economic context and the legal and contractual conditions under which the Company operates.

- Other assets: for the gas stock, the criterion followed to determine its recoverable value is the net realization value (Note 3.i) to the Company’s unaudited interim financial statements as of September 30, 2012).

- Deferred tax asset and minimum presumed income tax: the projections of future taxable income have been taken into consideration for the calculation of the recoverable value. Such projections have been built on the basis of the best estimate in accordance with the guidelines pointed out in Note 2.d) to the Company’s unaudited interim financial statements as of September 30, 2012, and taking into consideration the resolution of the uncertainties mentioned in Notes 1.b) and 1.c) to the Company’s unaudited interim financial statements as of September 30, 2012, referring to the modifications of the Argentine economic context and of the legal and contractual framework in which the Company operates.

ADDITIONAL INFORMATION TO THE NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS REQUIRED BY SECTION 68 OF THE BUENOS AIRES STOCK EXCHANGE LISTING RULES FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2012.

Insurance:

13. Insurance covering the Company's tangible assets:

Property insured	Risks Covered	Amount insured in thousands	Book value in thousands of $
• Personal and real property allocated to the provision of services, except for machinery and equipment	All physical risks and loss of profits Liability insurance	US$ 75,000 US$ 50,000	284,647
• Compressor plants	Terrorism	US$ 35,000	354,344
• Machinery	Machinery breakdown	US$ 10,000	142,742
• Automobiles: - Management's fleet	Limited liability insurance	$ 3,000	431
	Total loss car accident	Replacement value	
- Operational fleet (cars and pick ups)	Total or partial loss due to fire, robbery or theft	$ 3,000	4,064
- Trucks and trailers	Limited liability insurance Limited liability insurance	$ 10,000	488
• Personal property located in Head Office, IT equipment and IT items	Fire of contents Theft	US$ 8,650 US$ 10	6,765

Contingencies:

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

The provision for contingencies represents approximately 6.1% of the Company’s shareholders' equity as of September 30, 2012 and was set up to face payments the Company would have to make in the event of claims and/or complaints filed against it (Refer to Note 19.d) to the Company’s unaudited interim financial statements as of September 30, 2012). In estimating amounts, the likelihood of occurrence was taken into account based on the opinion of the legal consultants and the criteria detailed in Note 2.d) to the Company's unaudited interim financial statements as of September 30, 2012.

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

Except for the provisions mentioned in Note 13 to the Company's unaudited interim financial statements as of September 30, 2012, there are no such situations.

TRANSPORTADORA DE GAS DEL NORTE S.A.

ADDITIONAL INFORMATION TO THE NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS REQUIRED BY SECTION 68 OF THE BUENOS AIRES STOCK EXCHANGE LISTING RULES FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2012.

Irrevocable advances on account of future subscription of shares:

16. Status of the capitalization process:

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

17. Unpaid cumulative dividends of preferred shares:

None.

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

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

See Note 12.c) to the Company's unaudited interim financial statements as of September 30, 2012.

Autonomous City of Buenos Aires, November 6, 2012

Free translation from the original in Spanish for publication in Argentina

Limited Review Report

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

1. We have reviewed the accompanying balance sheet of Transportadora de Gas del Norte S.A. ("TGN") as of September 30, 2012, and the related statements of operations, of changes in shareholders equity and of cash flows for the nine-month periods ended September 30, 2012 and 2011, and their supplementary notes. The preparation and issuance of the mentioned financial statements are the responsibility of the Company.

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

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

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

   With regard to the recovery of non-current assets, as explained in Notes 3.h) and 7 to the accompanying financial statements, the Company tested its fixed assets and its tax credits for recoverability based on which it estimates that their carrying value is not in excess of their recoverable value. The assumptions, premises and estimates of future events used in that test evidence the vision projected by the Company's Board of Directors, which may occur or materialize in the future or not; furthermore, those assumptions, premises and estimates are affected mainly by the uncertainty regarding the rate adjustment and the evolution of certain commercial contracts. In view of this, we are not in a position to anticipate whether the premises used by the management in preparing its projections will materialize in the future in order to corroborate the recoverable value of fixed assets and tax credits, whose net book value at September 30, 2012 amounts to $ 1,869 million and $ 84.7 million, respectively (at December 31, 2011 $ 1,938 million and $ 212 million, respectively).

4. As mentioned in Notes 1.c) , 13.e) and 13.g) to the attached financial statements, at September 30, 2012 the Company has contractual disputes for significant amounts with certain customers that provide gas carriage services for export for outstanding balances of $ 630.0 million ($ 508.6 million at December 31, 2011) not yet collected from those customers. In view of the uncertainty as to the possibility of recovering those receivables in the future, the balances due and pending collection have been covered by an allowance partially at the balance sheet date. In addition, as explained in Note 16.b), the Company is a party to the work management contract entered into in relation to the 2006-2008 expansion project and carries at September 30, 2012 a net receivable for $ 20.5 million ($ 14.6 million at December 31, 2011) for its services, which is in arrears under the contract terms agreed upon. There is a delay in the performance of this work project as well as limitations on its scope, the work schedules and conditions agreed under the contract being subject to possible changes in the future. Consequently, there is uncertainty as to the effects this situation could have on the value of receivables and allowances recorded and on the future revenues from those contracts.

5. As explained in Notes 1 and 10 to the attached financial statements, the Company's Board of Directors decided to suspend effective December 22, 2008 principal and interest payments on its financial debt. Subsequently, on August 22, 2012, the Company completed a private swap of its financial debt with accepting holders of negotiable obligations representing approximately 88% of outstanding principal. At September 30, 2012, the Company carries financial debts denominated in US dollars "in default" for a total of US$ 54.7 million. International Accounting Standard No. 1 ("IAS 1"), of complementary application to Argentine GAAP, provides that debts "in default" are to be disclosed as current in view of the possibility of creditors accelerating the maturities, thus, the Company has disclosed all balances due under loans "in default", in current liabilities. As mentioned in Note 10, on October 30, 2012, the Company launched a new private exchange offer for all its financial debts "in default" and the term for acceptance of the offer will expire on November 9, 2012, except postponement.

6. The September 30, 2012 financial statements of TGN have been prepared following accounting principles applicable to a going concern; therefore, those financial statements do not include the effects of possible adjustments and/or reclassifications, if any, that might be required if the situations described above are not resolved in favor of the normal course of the Company's business. Consequently, the Company's financial statements should be read in the light of these uncertain circumstances**.**

7. Based on the work done and on our examinations of the Company's financial statements for the years ended December 31, 2011 and 2010, on which we issued our report on March 6, 2012 including qualifications regarding the circumstances referred to in paragraphs 3., 4., 5. and 6. of this report, we state that:

   a) The financial statements of TGN at September 30, 2012 and 2011 detailed in paragraph 1., prepared in accordance with accounting standards in effect in the Autonomous City of Buenos Aires, give consideration to all significant facts and circumstances which are known to us and that we have no further observations to make on them other than those mentioned in paragraphs 3., 4., 5. and 6.

b) The comparative information included in the balance sheet and in the complementary notes and exhibits to the attached financial statements arises from the financial statements of the Company at December 31, 2011.

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

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

b) the financial statements of TGN arise from accounting records carried in all formal aspects in accordance with current legal regulations;

c) we have read the Summary of Activities, except for the titled chapter "Progress in the IFRS implementation plan", and the additional information to the notes to the financial statements required by Section 68 of the Buenos Aires Stock Exchange Regulations, on which, as regards those matters that are within our competence, we have no observation to make other than those indicated in paragraphs 3., 4., 5. and 6.;

d) at September 30, 2012, the debt accrued in favor of the Argentine Integrated Social Security System amounted, as shown by the Company´s accounting records, to $ 3,006,137 which was not yet due at that date.

Autonomous City of Buenos Aires, November 6, 2012

PRICE WATERHOUSE & CO. S.R.L.

by (Partner)
Fernando A. Rodríguez