TRANSPORTADORA DE GAS DEL NORTE S.A.

City of Buenos Aires, May 8, 2019

Transportadora de Gas del Norte S.A. (hereinafter the "Company" or "TGN") is pleased to announce results for the three month period ended March 31, 2019

Stock information:

Market capitalization as of March 31, 2019: ***AR$ 28,471.4 million.***

20% of its capital stock trades on BYMA(*);

Ticker: TGNO4

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(*) Bolsas y Mercados Argentinos S.A.

Main indicators for the three month period ended March 31, 2019:

- Income for the first quarter 2019 amounted to AR$ 606.8 million (AR$ 1.3810 per share) compared to AR$ 282.6 million (AR$ 0.6433 per share) during the same period in previous year, principally explained by higher operating results and lower exposure to the peso depreciation.

- Revenues for the three month period reached AR$ 3,036.3 million, equivalent to an increase of 22.7% in comparison with the same period in previous year where revenues amounted to AR$ 2,474.4 million. This increase is the result the Company continued applying the tariff framework established by Resolution 4363/2017 issued by the National Gas Regulatory Entity ("ENARGAS") and ratified by the rate tables approved by said regulatory entity and higher revenues due to the increase in transported volumes.

- EBITDA[1] for the period reached AR$ 2,076.5 million, representing an increase of 36.4% compared to the same period in 2018 where EBITDA amounted to AR$ 1,521.9 million.

[1] EBITDA: Earnings before interest, tax, depreciation and amortization, have been calculated as "Income before other income and expenses" plus depreciation for the period for items of "Property, plant and equipment".

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1- Accounting news for the period:

As of March 31, 2019, our Financial Statements were adjusted by inflation as the International Accounting Standard N° 29 on “Financial Reporting in Hyperinflationary Economies” (“IAS 29”) requires that interim condensed financial statements of an entity which functional currency is that of an hyperinflationary economy, whether based on the historical or current cost approach, be stated in terms of the measuring unit current as of the closing date of the reporting period. Consequently, in general terms, non-monetary items should include actual inflation since their acquisition or revaluation date, as appropriate. Said requirements also apply to comparative information included in interim condensed financial statements.

The standard describes a number of factors indicative of a hyperinflationary economy under IAS 29, such as when the cumulative inflation rate over three years approaches, or exceeds 100%. This is why Argentina’s economy should be regarded as hyperinflationary as from July 1, 2018.

The inflation adjustment to initial balances was determined considering the indexes established by FACPCE on the basis of price indexes published by INDEC. The average price index variation for the three-month period ended March 31, 2019 was 12%, while the year-on-year variation amounted to 55%.

2- Revenues for the three month period ended March 31, 2019:

Revenues for the period increased by AR$ 561.9 million in comparison with the three month period ended March 31, 2018. The breakdown of this increase is as follows:

- AR$ 298.4 million increase in billing, as a result of higher domestic transportation rates;
- AR$ 240 million increase in income as a result of higher transportation volumes and others; and
- AR$ 23.5 million increase in Gas pipeline operation and maintenance and other services.

During the three month period ended 03.31.2019 the Company saw its revenues increased compared to the same period in 2018, as a result of the Integral Tariff Revision (ITR) and higher transported volumes and others.

As of March 31, 2019, 96.2% of the Company’s revenues came from the gas transportation services (regulated business), and the remaining 3.8% being represented by gas pipeline operation and maintenance and other services (non-regulated business). As of March 31, 2018, revenues from the regulated business accounted for 96.3% while those from the non-regulated business accounted for the remaining 3.7%.

National Executive Branch Decree No. 251/2018 dated as of March 27, 2018, ratified and implemented the Memorandum of Understanding for Updating the License Agreement executed between TGN and the Ministry of Energy and Mining and Ministry of Finance on March 30, 2017 (“Memorandum of Understanding”).

The Memorandum of Understanding contains the terms and conditions agreed between the National Executive Branch and TGN for updating the Transportation License, and puts an end to the renegotiation process conducted pursuant to the Economic Emergency Law. The Memorandum covers the contractual period beginning January 6, 2002 to the expiration date of the Transportation License.

Accordingly, ENARGAS approved TGN rate tables resulting from the Integral Tariff Review carried out during 2017.

Actually, as part of the biannual adjustment applicable as from October 1, 2018, ENARGAS resolved to apply the simple average of the Domestic Wholesale Price Index – General Level (“IPIM”) published by the National Institute of Statistics and Census, the Construction Cost Index (February 2018 - August 2018), and the Labor Cost Index (December 2018 - June 2018), which resulted in an increase (19.7%) lower than would have otherwise resulted by applying the IPIM (30.7%).

The Company has been unable to confirm whether the ENARGAS has reasonably analyzed and concluded that the polynomial formula applied for said biannual adjustment actually maintains the economic-financial sustainability and quality of the service rendered by TGN, as required under item 7.1 of the License Comprehensive Agreement. Assuming that the regulator intended to soften the rate impact on consumers through a price control, the Company requested ENARGAS to discuss the terms of an equivalent compensation (including a review of the scope of the mandatory investment plan), as established in item 9.8 of the Basic Rules of the License.

In March 2019 ENARGAS published the transportation rate tables to be applied by the Company during “April 2019 – September 2019” period. This time, ENARGAS resumed the IPIM adjustment, applying the variation recorded by this index between August 31, 2018 and February 28, 2019, which resulted in an average 26% increase. ENARGAS also established a new rate zone called “Greater Buenos Aires – Greater Buenos Aires”, and further, that the “Neuquén – Neuquén” zone rate will be applied to said newly created zone until the next five-year rate review.

In April 2019, the national government announced that after the coming into effect of the rate tables applicable as of April 1, 2019, the natural gas utility rates will not be adjusted until the end of the current year.

The Company assumes that the rates resulting from the ITR will remain at constant values along time in order to be able to meet expenses and investments required for gas pipeline operation and maintenance. However, the outcome of biannual rate adjustment could actually differ from current assumptions and the outcome of the next five-year rate review cannot be anticipated.

3- Costs and expenses for the three month period ended March 31, 2019:

During the first three month period of 2019, the cost of services amounted to AR$ 1,891.7 million, which meant an increase of 33.6% in comparison with the same period in previous year. A 90.5% of the aforementioned increase is due to higher depreciation charge mainly as a result of the PP&E revaluation implemented in December 2018.

Administrative and selling expenses for the period amounted to AR$ 359.8 million, showing a variation of - 5.0% in comparison with previous year, explained by a decrease in Doubtful accounts due to lower allowances set up during this period.

4- Financial situation:

As of the end of March, the Company has a gross debt of US$ 226.0 million associated with the syndicated loan it borrowed from three banks, due in October 2020 and being its debt profile as follows:

Date	Concept	Principal
April 2019	Amortization	25%
October 2019	Amortization	25%
April 2020	Amortization	25%
October 2020	Amortization	25%

The applicable interest rate to the financial debt during the three-month period contemplated in this report was Libor plus 3.50%. The net debt as of the end of March 2019 amounts to US$ 54.6 million.

On April 29, 2019, TGN has paid interests for a total amount of US$ 7.1 million and paid the first principal installment for US$ 55.0 million.

In respect of dividends, on April 22, 2019 the Company has paid AR$ 2,378.8 million (AR$ 5.4140 per share) for the results generated in 2018.

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5- Operating data:

Volumes dispatched during the first three month period of 2019 increased by 4.5% compared to the same period in 2018. This was basically due to higher availability of gas in Neuquén as a consequence of the increase in unconventional gas production net of less importation from Bolivia.

Below are volumes dispatched broken down by type of source, contract and destination:

Per source in million m³	***Al 31.03***	
	2019	***2018***
Northern Pipeline	*2.092*	*2.394*
Central West Pipeline	*3.531*	*2.989*
Total	***5.623***	***5.383***

Dispatched volumes in million m³	***Al 31.03***	
	2019	***2018***
Firm	*3.345*	*3.534*
Interruptible & exchange and displacement	*2.278*	*1.849*
Total	***5.623***	***5.383***

Per destination in million m³	***Al 31.03***	
	2019	***2018***
Domestic market	*5.294*	*5.374*
Export market	*329*	*9*
Total	***5.623***	***5.383***

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ANNEXES:

1- STATEMENTS OF COMPREHENSIVE INCOME (in millions AR$)

	Periodo de tres meses finalizado	
	31.03.2019	31.03.2018
Revenues	3.036,3	2.474,4
Cost of service	-1.891,7	-1.415,7
Gross profit	**1.144,6**	**1.058,7**
Selling expenses	-137,2	-179,2
Administrative expenses	-222,5	-199,6
Other net income and expenses	4,3	6,5
Income before financial income	**789,1**	**686,3**
Other net financial income	50,9	-282,0
Financial income	69,6	63,3
Financial expenses	-134,4	-98,5
Gain on monetary position	66,9	69,9
Income from investments in affiliated companies	3,3	1,1
Income before income tax	**845,4**	**440,1**
Income tax	-238,6	-157,4
Income for the fiscal year	**606,8**	**282,6**
Other comprehensive income for fiscal year	598,3	344,7
Comprehensive income for the year	**1.205,1**	**627,4**

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2- Balance Sheet (in millions AR$)

	03.31.2019	03.31.2018
ASSETS		
Non-current assets		
Property, plant and equipment	39.057,8	39.747,0
Investments in affiliated companies	34,7	31,3
Materials and spare parts	560,5	555,6
Other accounts receivable	2,8	11,2
Trade accounts receivable	3.691,0	3.593,3
Investments at amortized cost	17,3	21,7
Total non-current assets	**43.364,1**	**43.960,1**
Current assets		
Materials and spare parts	102,6	62,3
Other accounts receivable	318,3	339,1
Trade accounts receivable	1.458,3	1.594,7
Investments at amortized cost	3.363,1	2.739,1
Investments at fair value	547,1	406,1
Cash and cash equivalents	3.496,3	2.617,9
Total current assets	**9.285,8**	**7.759,2**
Total assets	**52.649,9**	**51.719,3**
SHAREHOLDERS´ EQUITY		
Common stock	439,4	439,4
Common stock integral adjustment	9.781,1	9.781,1
Property, plant and equipment revaluation allowance	15.520,3	16.118,5
Statutory Reserve	145,0	145,0
Other reserves	-1,4	-1,5
Retained earnings	7.224,5	6.019,5
Total shareholders´ equity	**33.108,9**	**32.502,0**
LIABILITIES		
Non-current liabilities		
Deferred income tax liability	7.033,4	7.160,6
Loans	4.769,8	4.623,8
Lease debts	10,958	-
Other debts	36,2	36,6
Trade accounts payable	234,8	270,9
Total non-current liabilities	**12.085,1**	**12.092,0**
Current liabilities		
Contingencies	167,0	185,5
Loans	5.028,5	4.743,1
Lease debts	7,731	-
Salaries and social security contributions	192,3	255,7
Income tax	1.090,6	986,8
Taxes payable	176,9	164,0
Other debts	75,8	78,7
Trade accounts payable	716,9	711,5
Total current liabilities	**7.455,8**	**7.125,3**
Total liabilities	**19.540,9**	**19.217,3**
Total liabilities and shareholders´ equity	**52.649,9**	**51.719,3**

3- Statement of Cash Flows (in millions AR$)

	03.31.2019	03.31.2018
Profit for the period	606,8	282,6
Adjustments to cash generated by (used in) operating activities:		
Property, plant and equipment depreciation	1.291,6	842,1
Residual value of property, plant and equipment written-off	4,7	-
Income tax	238,6	157,4
Accrued interest generated by liabilities	179,4	94,1
Accrued interest generated by assets	-46,9	-9,5
Increase in allowances and provisions (net of recoveries)	26,1	1.809,7
Exchange rate differences and other net financial income	-239,9	-85,9
Loss from investments in affiliated companies	-3,3	-1,1
Net changes in operating assets and liabilities		
Decrease (increase) in trade accounts receivable	520,1	-1.470,3
Decrease (increase) in other accounts receivable	37,5	-140,4
Increase in materials and spare parts	-40,9	-25,0
Decrease (increase) in trade accounts payable	-54,3	220,2
Decrease in salaries and social security contributions	-63,3	-69,0
Decrease (Increase) in taxes payable	-250,8	82,3
Decrease in other debts	-3,2	-14,3
Decrease in contingencies	-37,0	-10,5
Net cash flow generated by operating activities	**2.165,1**	**1.662,5**
Acquisition of property, plant and equipment	-587,1	-452,6
Subscriptions net of recovery of investments at amortized cost and investments at fair value (non-cash equivalents)	-720,6	-1.492,5
Principal received from investments at amortized cost and investments at fair value	2,1	3,2
Interest received from investments at amortized cost and investments at fair value	2,9	4,7
Net cash flow used in investing activities	**-1.302,6**	**-1.937,2**
Lease payment	2,1	-
Net cash flow generated by financing activities	**2,1**	**0,0**
Net increase (decrease) in cash and cash equivalents	864,6	-274,7
Cash and cash equivalents at the beginning of fiscal year	2.617,9	784,7
Financial income generated by cash	13,8	30,5
Cash and cash equivalents at the end of the period	**3.496,3**	**540,6**

This earnings release should be read in connection with the financial statements for the period ended March 31, 2019 that are available at:

www.tgn.com.ar

www.cnv.gov.ar