



**YPF ENERGÍA ELÉCTRICA S.A.
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS AS OF JUNE 30, 2019
AND COMPARATIVE INFORMATION (UNAUDITED)**

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GLOSSARY OF TERMS

Term	Definition
AESA	Related party A-Evangelista S.A.
AFIP	Argentine Tax Authority
Associate	Company over which YPF EE has significant influence as provided for in IAS 28
BNR	BNR Infrastructure Co-Investment Limited
CAEE	Electric Energy Supply contract
CAMMESA	Compañía Administradora del Mercado Mayorista Eléctrico S.A.
CDS	Related Party Central Dock Sud S.A.
CGU	Cash Generation Unit
CNV	Argentine Securities Commission
COD	Respect to a thermal Power Plant, the commercial operation date
Energía Base	Power generation from SEE Resolution 01/2019 and earlier, and SGE Resolution 70/2018
EUR	Euro
FACPCE	Argentine Federation of Professional Councils of Economic Sciences
GE	General Electric Corporation, Inc., or any of its subsidiaries and/or affiliates
GE EFS	GE EFS Power Investments B.V., an affiliate of GE
Group	YPF EE and its subsidiaries
GW	Gigawatts
GWh	Gigawatts per hour
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IDS	Joint Venture Inversora Dock Sud S.A.
IFRIC	International Financial Reporting Standards Committee
IFRS	International Financial Reporting Standard
IGJ	Argentine Superintendence of Corporations
IGMP	Minimum presumed income tax
CPI	Consumer Price Index
Joint Venture	Company jointly owned by YPF EE as provided for in IFRS 11
LGS	Argentine General Corporations Act No. 19,550 (T.O. 1984), as amended
Loma Campana I	Loma Campana I thermal power plant located in the district of Añelo, Province of Neuquén.
Loma Campana II	Loma Campana II thermal power plant located in the district of Añelo, Province of Neuquén.
MATER	Renewable energy forward market
MW	Megawatts
MWh	Megawatts per hour
NO	Negotiable Obligations
OPESSA	Related party and non controlling interest Operadora de Estaciones de Servicios S.A.
PPA	Capacity and/or power purchase agreements
SADI	Argentine Interconnection System
SE	Secretariat of Energy
SEC	U.S. Securities and Exchange Commission
SEE	Secretariat of Energy Electric
SGE	Government Secretary of Energy
SIC	Standing Interpretation Committee
Subsidiary	Company controlled by YPF EE in accordance with the provisions of IFRS 10.
US\$	US dollars
VAT	Value added tax
Y-GEN	Subsidiary Y-GEN Eléctrica S.A.U. (previously Y-GEN ELÉCTRICA S.R.L.)
Y-GEN II	Subsidiary Y-GEN Eléctrica II S.A.U. (previously Y-GEN ELÉCTRICA II S.R.L.)
Y-GEN III	Subsidiary Y-GEN Eléctrica III S.R.L.
Y-GEN IV	Subsidiary Y-GEN Eléctrica IV S.R.L.
YPF	YPF Sociedad Anónima
YPF EE	YPF Energía Eléctrica S.A. or the Company
YPF EE Comercializadora	Subsidiary YPF EE Comercializadora S.A.U.

YPF ENERGÍA ELÉCTRICA S.A.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2019 AND COMPARATIVE INFORMATION (UNAUDITED)



LEGAL INFORMATION

Legal address

111 Córdoba Avenue, 14th Floor – Autonomous City of Buenos Aires – Argentina

Fiscal year

No. 7 beginning on January 1, 2019

Principal business of the Company

Generation, transport and commercialization of electric power from all kind of primary sources of production, and exploration and exploitation of oil and natural gas in the Ramos Area, province of Salta (operations related to Ramos Consortium constitute discontinued operations, see Note 3.a to the annual consolidated financial statements).

Tax identification code ("CUIT"): 30-71412830-9.

Registration date with the Public Commerce Registry:

- Of the articles of incorporation: August 26, 2013
- Last amendment to by laws: March 20, 2018

Registration with the IGJ: 16,440 of Book 65, Volume A of Corporations ("Sociedades Anónimas").

Duration of the company: Through August 26, 2112

Capital Stock

(Amounts expressed in Argentine pesos - See Note 23)

<u>Class of shares</u>	<u>Subscribed, paid-in, issued and registered</u>
Commons, book entry shares, with a nominal value of 1 each and entitled to one vote per share:	
Class A	2,810,302,991
Class B	936,767,364
	<u>3,747,070,355</u>

YPF ENERGÍA ELÉCTRICA S.A.
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2019 AND DECEMBER 31, 2018 (UNAUDITED)**

(Amounts expressed in thousands of Argentine pesos)

	Notes	June 30, 2019	December 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	9	52,892,502	37,650,465
Intangible assets	8	220,088	196,835
Right of use assets	10	505,738	-
Investments in associates and joint ventures	11	2,449,135	1,948,492
Other receivables	12	1,971,318	1,846,127
Investment in financial assets	7	-	69,901
Deferred income tax assets, net	15	15,741	54,153
Total non-current assets		58,054,522	41,765,973
Current assets			
Other receivables	12	1,813,930	6,234,304
Trade receivables	13	3,617,187	3,724,234
Investment in financial assets	7	8,573	-
Other financial assets		1,722,042	1,489,031
Cash and cash equivalents	14	6,729,958	4,701,336
Total current assets		13,891,690	16,148,905
TOTAL ASSETS		71,946,212	57,914,878
SHAREHOLDERS' EQUITY			
Shareholders' contributions		8,411,982	8,411,982
Reserves, other comprehensive income and non-retained earnings		22,475,020	17,109,294
TOTAL SHAREHOLDERS' EQUITY		30,887,002	25,521,276
LIABILITIES			
Non-current liabilities			
Provisions		40,923	35,421
Deferred income tax liability, net	15	3,025,246	2,430,623
Leases liabilities	16	331,553	-
Loans	17	23,599,146	18,256,570
Other financial liabilities	7	17,723	-
Total non-current liabilities		27,014,591	20,722,614
Current liabilities			
Taxes payable		67,439	340,436
Salaries and social security		173,228	151,256
Leases liabilities	16	99,099	-
Loans	17	7,452,431	6,514,408
Other financial liabilities	7	4,271	-
Other liabilities		61,653	99,359
Accounts payable	18	6,186,498	4,565,529
Total current liabilities		14,044,619	11,670,988
TOTAL LIABILITIES		41,059,210	32,393,602
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		71,946,212	57,914,878

Accompanying notes are an integral part of these condensed interim consolidated financial statements.

YPF ENERGÍA ELÉCTRICA S.A.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019 AND 2018 (UNAUDITED)

(Amounts expressed in thousands of Argentine pesos, except per share information, expressed in Argentine pesos)

	Notes	For the six-month period ended June 30,		For the three-month period ended June 30,	
		2019	2018	2019	2018
Revenues	19	6,567,165	2,230,028	3,875,483	1,585,639
Production costs	20	(2,866,297)	(697,818)	(1,973,479)	(464,098)
Gross profit		3,700,868	1,532,210	1,902,004	1,121,541
Administrative and selling expenses	20	(572,388)	(116,002)	(324,622)	(66,785)
Remeasurement of pre-existing equity interest ..		-	1,785,033	-	-
Other operating results, net.....		46,438	4	12,600	298
Operating profit		3,174,918	3,201,245	1,589,982	1,055,054
Income from equity interest in associates and joint ventures	11	247,891	43,939	116,745	2
Finance income	21	575,637	2,464,391	59,881	2,194,641
Finance loss	21	(1,342,842)	(3,118,484)	(425,355)	(2,675,591)
Net financial results		(767,205)	(654,093)	(365,474)	(480,950)
Profit before income tax from continuing operations		2,655,604	2,591,091	1,341,253	574,106
Income tax.....	15	(445,337)	(861,784)	(248,257)	(748,637)
Net profit / (loss) for the period from continuing operations		2,210,267	1,729,307	1,092,996	(174,531)
Profit after income tax for the period from discontinued operations	22	-	13,296	-	-
Net profit / (loss) for the period		2,210,267	1,742,603	1,092,996	(174,531)
Other comprehensive income / (loss) for the period					
<i>Items that may not be reclassified to net income in subsequent periods</i>					
Translation differences.....		3,222,243	5,558,186	(711,581)	5,225,198
<i>Items that may be reclassified to net income in subsequent periods</i>					
Fair value changes on derivatives instruments, net of tax effects ⁽¹⁾		(66,784)	49,244	(40,611)	24,434
Net variation of other comprehensive income		3,155,459	5,607,430	(752,192)	5,249,632
Total comprehensive income for the period ..		5,365,726	7,350,033	340,804	5,075,101
Net income / (loss) for the period attributable to shareholders					
Continuing operations		2,210,267	1,729,307	1,092,996	(174,531)
Discontinued operations		-	13,296	-	-
Total comprehensive income for the period attributable to shareholders					
Continuing operations		5,365,726	7,336,737	340,804	5,075,101
Discontinued operations		-	13,296	-	-
Basic and diluted earnings per share from continuing and discontinued operations:					
Basic and diluted (ARS)	24	0.590	0.525	0.292	(0.047)
Basic and diluted earnings per share from continuing operations:					
Basic and diluted (ARS)	24	0.590	0.521	0.292	(0.047)

(1) Net of income tax effect for the six-month and three-month period ended June 30, 2019 of 23,221 and (17,123), respectively, and for the six-month and three-month period ended June 30, 2018 of 14,121 and (8,496), respectively.

Accompanying notes are an integral part of these condensed interim consolidated financial statements.

YPF ENERGÍA ELÉCTRICA S.A.
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019 AND 2018 (UNAUDITED)**

(Amounts expressed in thousands of Argentine pesos)

	For the six-month period ended June 30, 2019								
	Shareholders' contributions			Reserves			Other comprehensive income	Retained earnings	Total
	Subscribed capital	Share Premium	Other shareholders' contributions	Legal reserve	Special Reserve RG No. 609 ⁽¹⁾	Reserve for future investments			
As of January 1, 2019	3,747,070	4,604,483	60,429	52,755	-	881,681	11,739,242	4,435,616	25,521,276
As decided by the the General Ordinary Shareholders' Meeting on May 7, 2019:									
- Appropriation to RG No. 609 CNV special reserve	-	-	-	-	11,532	-	-	(11,532)	-
- Appropriation to legal reserve	-	-	-	225,271	-	-	-	(225,271)	-
- Appropriation to reserve for future investments	-	-	-	-	-	4,198,813	-	(4,198,813)	-
Other comprehensive income for the period	-	-	-	-	-	-	3,155,459	-	3,155,459
Net profit for the period	-	-	-	-	-	-	-	2,210,267	2,210,267
As of June 30, 2019	3,747,070	4,604,483	60,429	278,026	11,532	5,080,494	14,894,701	2,210,267	30,887,002

(1) Corresponds to the initial adjustment arising from the IFRS implementation. See Note 25.

Accompanying notes are an integral part of these condensed interim consolidated financial statements.

YPF ENERGÍA ELÉCTRICA S.A.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019 AND 2018 (UNAUDITED) (Cont.)**

(Amounts expressed in thousands of Argentine pesos)



	For the six-month period ended June 30, 2018							Total
	Shareholders' contributions			Reserves		Other comprehensive income	Retained earnings	
	Subscribed capital	Share Premium	Other shareholders' contributions	Legal reserve	Reserve for future investments			
As of January 1, 2018	2,506,556	-	-	6,351	-	542,191	858,289 ⁽¹⁾	3,913,387
As decided by the General Extraordinary Shareholders' Meeting of January 12, 2018:								
- Capital increase	303,747	-	-	-	-	-	-	303,747
As decided by the General Ordinary and Extraordinary Shareholders' Meeting of March 20, 2018:								
- Capital increase	936,767	-	-	-	-	-	-	936,767
- Contribution in share premium	-	4,604,483	-	-	-	-	-	4,604,483
Sale of Ramos Consortium and Central Dock Sud S.A. interests in (Note 3.a. to the annual consolidated financial statements)	-	-	60,429	-	-	-	-	60,429
As decided by the General Ordinary Shareholders' Meeting of April 26, 2018:								
- Appropriation to legal reserve	-	-	-	46,404	-	-	(46,404)	-
- Appropriation to reserve for future investments	-	-	-	-	881,681	-	(881,681)	-
Other comprehensive income for the period	-	-	-	-	-	5,607,430	-	5,607,430
Net profit for the period	-	-	-	-	-	-	1,742,603	1,742,603
As of June 30, 2018	3,747,070	4,604,483	60,429	52,755	881,681	6,149,621	1,672,807	17,168,846

(1) Includes 11,532 corresponding to the initial adjustment arising from the IFRS implementation, that was allocated to a special reserve by the shareholders' meeting held on May 7, 2019 that approved the financial statements as of December 31, 2018.

Accompanying notes are an integral part of these condensed interim consolidated financial statements.

YPF ENERGÍA ELÉCTRICA S.A.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019 AND 2018 (UNAUDITED)**

(Amounts expressed in thousands of Argentine pesos)

	For the six-month period ended June 30,	
	2019	2018
OPERATING ACTIVITIES		
Net profit for the period from continuing operations	2,210,267	1,729,307
Net profit for the period from discontinued operations	-	13,296
Net profit for the period	<u>2,210,267</u>	<u>1,742,603</u>
Adjustments to reconcile net profit to net cash flows from operating activities:		
Income from equity interest in associates and joint ventures	(247,891)	(43,939)
Remeasurement of pre - existing equity interest	-	(1,785,033)
Depreciation of property, plant and equipment	1,016,567	285,108
Depreciation of right of use assets	42,205	-
Decreases of property, plant and equipment	6,515	4,579
Net financial results	767,205	654,093
Net increase in provisions	5,502	30,019
Income tax charge	445,337	863,864
Increase in allowance for doubtful trade receivables	48,772	-
Changes in operating assets and liabilities:		
Trade receivables	367,166	(938,474)
Other receivables	(788,186)	(441,054)
Accounts payable	154,743	1,404,976
Salaries and social security	21,972	13,625
Taxes payable	(165,385)	165,139
Income tax payments	(107,612)	(33,195)
Net cash flows from operating activities	<u>3,777,177</u>	<u>1,922,311</u>
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(9,395,517)	(3,486,194)
Acquisition of interest in subsidiaries ⁽¹⁾	(53,261)	(1,480,437)
Advances to suppliers of property, plant and equipment	(909,191)	(41,748)
Other financial assets	(45,463)	(272,927)
Sale of interests in subsidiaries	-	283,247
Contributions in associates	-	(4,076)
Net cash flows used in investing activities	<u>(10,403,432)</u>	<u>(5,002,135)</u>
FINANCING ACTIVITIES		
Proceeds from loans	4,903,671	2,956,560
Capital contributions	5,691,000	2,720,250
Payments of loans	(1,457,178)	(823,376)
Payments of leases liabilities	(58,526)	-
Payment of interest and other financial costs	(1,007,464)	(276,307)
Net cash flows from financing activities	<u>8,071,503</u>	<u>4,577,127</u>
Net increase in cash and cash equivalents	1,445,248	1,497,303
Effect of exchange rate variations on cash and cash equivalents	583,374	463,099
Cash and cash equivalents at the beginning of the fiscal year	4,701,336	139,082
Cash and cash equivalents at the end of the period	<u>6,729,958</u>	<u>2,099,484</u>
For the six-month period ended June 30,		
	2019	2018
Acquisitions of property, plant and equipment pending to be cancelled at the beginning of the fiscal year	1,743,008	795,893
Acquisitions of property, plant and equipment pending to be cancelled at the end of the period	2,444,818	1,066,634
Transfer of advances for purchase of property, plant and equipment	971,961	126,511

(1) Net of cash and cash equivalents of 172,612, incorporated by business combination (See Note 3.b) to the annual consolidated financial statements).

Accompanying notes are an integral part of these condensed interim consolidated financial statements.

YPF ENERGÍA ELÉCTRICA S.A.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2019 AND COMPARATIVE INFORMATION (UNAUDITED)**

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

1. GENERAL INFORMATION, STRUCTURE AND ORGANIZATION OF THE BUSINESS OF THE GROUPGeneral information

YPF Energía Eléctrica S.A. (hereinafter “the “Company” or “YPF EE”) is a Sociedad Anónima (Argentine business association type akin to a stock corporation) organized under the laws of Argentina. Its registered office is at 111 Córdoba Av., 14th Floor, Buenos Aires City.

YPF EE and the companies that make up the business Group are mainly engaged in (i) generating and selling electric power through three thermal generation plants located in the Province of Tucumán, two thermal generation plants and moto generators located in the Province of Neuquén, a cogeneration plant in the Province of Buenos Aires and a wind farm in the Province of Chubut; (ii) building new thermal generation plants project in the Province of Tucumán and a cogeneration plant in La Plata; (iii) building wind farms in the Province of Santa Cruz and Buenos Aires; (iv) selling energy; (v) indirect participation through IDS in the generation and commercialization of electric energy through CDS thermal power plant; and (vi) exploring, exploiting, producing, transporting and/or storing liquid and gaseous hydrocarbons (discontinued operation, see Note 3.a) to the annual consolidated financial statements).

The Group has an installed capacity, at the date of issuance of these condensed interim consolidated financial statements, of 1,819MW, representing approximately 6.6% of the maximum power and approximately 8.5% of the average energy demanded in Argentina, according to information published by CAMMESA.

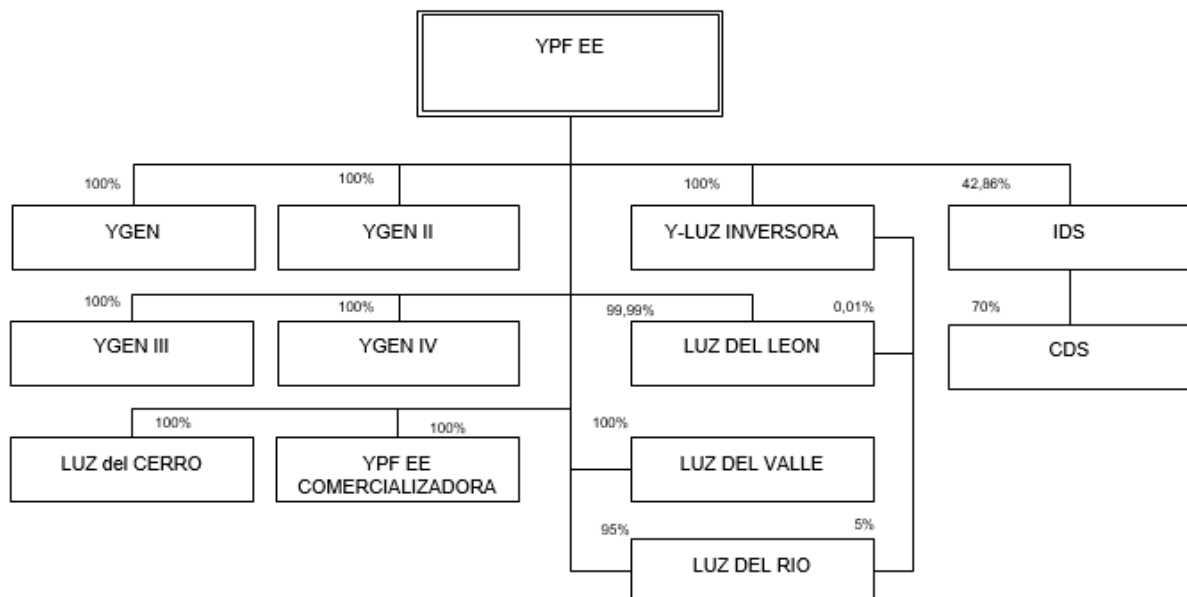
Additionally, the Group has projects under construction with an installed capacity of more than 634MW.

On April 17, 2019, the Board of Directors of National Securities Commission (CNV) approved the YPF EE registration into the Public Offering regime for securities, and the launch of a Global Program for the Issuance of Simple Negotiable Obligations (non-convertible in shares) up to US\$ 1,500 millions (or its equivalent in other currencies). With this resolution, the Company should comply with the regulations established by the CNV's Regulatory Framework as its new regulatory body and it is authorized to seek financing in local or international capital markets.

The Group's assets and generation projects portfolio are located in the provinces of Tucumán, Neuquén, Buenos Aires, Chubut and Santa Cruz.

Structure and organization of the economic group

The following chart shows the organizational structure, including the main companies of the Group, as of June 30, 2019:



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2019 AND COMPARATIVE INFORMATION (UNAUDITED)**

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

2. BASIS OF PREPARATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2.a) Basis of preparation

The condensed interim consolidated financial statements of YPF EE for the six-month period ended June 30, 2019, are presented in accordance with IAS 34 "Interim Financial Reporting". These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group as of December 31, 2018 prepared in accordance with IFRS as issued by IASB and interpretations issued by the IFRIC.

Likewise, additional disclosures required by the LGS and/or CNV regulations have been included with the only purposes of complying with such regulatory requirements.

These condensed interim consolidated financial statements were approved by the Board of Directors' meeting and authorized to be issued on August 7, 2019.

These condensed interim consolidated financial statements for the six-month period ended June 30, 2019 are unaudited. The Company's Management believes that they include all necessary adjustments to reasonably present the results of each period on a basis consistent with the audited annual consolidated financial statements. Net income for the six-month period ended on June 30, 2019 does not necessarily reflect the proportion of the Group's full-year income.

2.b) Significant Accounting Policies

The most significant accounting policies are described in Note 2.3 to the annual consolidated financial statements.

The accounting policies adopted for the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements. Likewise, as from January 1, 2019, the Group has applied the guidelines of the IFRS 16, "Leases". See detailed accounting policy below.

Functional and reporting currency

As mentioned in Note 2.3.1. to the annual consolidated financial statements, YPF EE has defined the US dollar as its functional currency. Additionally, according to CNV Resolution No. 562, YPF EE must present its financial statements in Argentine pesos.

Adoption of new standards and interpretations effective as of January 1, 2019

The Group has adopted new and revised standards and interpretations, issued by the IASB, relevant to its operations and whose application is effective as of June 30, 2019, as specified in Note 2.6 to the annual consolidated financial statements. The aforementioned new standards and interpretations that have had an effect on these condensed interim consolidated financial statements are described below:

- IFRS 16 - Leases

The model introduced by this standard is based on the definition of lease, which is mainly related to the concept of control. IFRS 16 distinguishes between lease agreements and service contracts based on whether an identified asset is under the client control, which exists as long as the customer has the right to: i) obtain substantially all the economic benefits from the use of the asset; and ii) to direct the use of that asset.

The Group as lessee:

Once the lease is identified, the Group recognizes the following items:

- Right of use assets, whose cost includes:
 - a. the amount of the initial measurement of the lease liability;
 - b. any lease payments made to the lessor prior to the start date or on the same date, after discounting any incentive received for the lease;
 - c. any initial direct costs incurred by the lessee; and
 - d. an estimate of costs to be incurred in dismantling and removing of the underlying asset, restoring the location in which the underlying asset is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless incurred costs when producing inventories. The Group may incur obligations for these costs either at the beginning date or as a consequence of having used the underlying asset during a given period.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2019 AND COMPARATIVE INFORMATION (UNAUDITED)**

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

Subsequently, the valuation of the right of use assets is based on the cost model set in IAS 16 "Property, plant and equipment" (recognizing therefore depreciation and impairment in the statement of comprehensive income). Depreciation is calculated following the straight-line method based on the lease term of each contract, unless the useful life of such underlying asset is negligible.

The lease agreements in which the Group is a lessee correspond mainly to the rental of:

- Usufruct contracts for the land in which the Group is building its wind farms.
These contracts have an average term of 17 years, with the option to renew for other 20 years, and do not have contingent canons.
- Rental contracts for the Group administrative offices
These contracts establish monthly payments and last three years.
- Rental contracts for motor generator equipment
These contracts have a 5 - year term with a purchase option at the end of the term. They do not have contingent canons.
- Lease liabilities, measured as the sum of the future lease payments, discounted using the incremental borrowing rate of the lessee given the complexity of determining the interest rate implicit in the leases. The Group applied to the lease liabilities recognized in the statement of financial position the incremental borrowing rate of the lessee since the date of initial application.

The lease liabilities include:

- a. fixed payments (including essentially fixed payments), less any lease incentive receivable;
- b. variable payments, which depend on an index or a rate, initially measured using the index or rate at the commencement date of the contract;
- c. amounts that the Group expects to pay as residual value guarantees;
- d. the exercise price of a purchase option if the Group is reasonably certain of exercising that option; and
- e. payment of penalties for terminating the lease, if the lease period reflects that the Group will exercise an option to terminate it (ie, because there is reasonable certainty in this respect).

Subsequently, the Group increases the liability for the lease to reflect the accrued interest (and recognized in the statement of comprehensive income), deducts the payments that are paid from the liability and recalculates the book value to reflect any revision, modification of the lease or revision of the so-called "in substance" fixed payments, applying a revised discount rate if applicable.

The Group reviews the lease liability in the following cases:

- a. when there is a change in the expected amount to be paid under a residual value guarantee;
- b. when there is a change in future lease payments resulting from a change in an index or an interest rate used to determine those payments (including, for example, a market rent review);
- c. when there is a change in the lease term as a result of a change in the non-cancelable period of the lease (for example, if the lessee does not exercise an option previously included in the determination of the lease term); or
- d. when there is a change in the evaluation of the purchase option of the underlying asset.

The Group recognized right of use assets and lease liabilities of 206,006 as of January 1, 2019 in the statement of financial position, measured at the present value of future payments. In addition, the Group reclassified 282,278 from property, plant and equipment to right of use assets, and reclassified 210,166 from loans to lease liabilities.

The application of this standard had no effect on the accumulated results since the Group applied the simplified model without restating the comparative figures, recognizing a right of use asset equivalent to the lease liability on the initial date of transition (January 1, 2019). There were no adjustments to be made due to impairment arising from onerous contracts related to these right of use assets.

For leases that qualify as short-term leases, and leases with low-value underlying assets, the Group continues to recognize them as straight-line expense over the term of the lease, unless another systematic basis is more representative, in accordance with the option indicated by the rule. The group did not identify low value leases other than those whose underlying assets respond to printers, cell phones, computers, photocopiers, among them, which amounts are not significant.

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The Group applied the practical solution of the rule by which those leases whose term ends within 12 months from the date of initial application, regardless of the original date, and fulfilling the conditions to be classified as short term, continue the treatment described in the previous paragraph.

The Group does not have significant assets leased to third parties.

- IAS 23 – Borrowing Costs

The amendment to this standard clarifies that, for the capitalization of borrowing costs from generic loans, it must necessarily consider all outstanding loans when determining the capitalization rate, except those taken specifically to finance an eligible asset that is not yet ready for its intended use or sale. Then, if any specific loan remains unpaid after the related eligible asset is ready for its intended use or for sale, that loan becomes part of the funds that the entity took as generic loans.

The Group has applied the mentioned modification from the fiscal year beginning on January 1, 2019.

2.c) Accounting Estimates and Judgments

The preparation of financial statements at a certain date requires Management to make estimates and assessments affecting the amount of assets and liabilities recorded, contingent assets and liabilities disclosed at such date, as well as income and expenses recorded during the period. Actual future results might differ from the estimates and assessments made as of the date of preparation of these condensed interim consolidated financial statements.

In preparing these condensed interim consolidated financial statements, significant estimates and judgments were made by Management in applying the Group's accounting policies and the main sources of uncertainty were consistent with those applied by the Group in the preparation of the annual consolidated financial statements, which are disclosed in Note 2.4 to the annual consolidated financial statements about estimates and accounting judgements.

2.d) Comparative information

Amounts and other information corresponding as of December 31, 2018 and to the six-month period ended June 30, 2018 are an integral part of these condensed interim consolidated financial statements and are intended to be read only in relation to these financial statements.

3. SEASONALITY OF OPERATIONS

The Company's revenues for the six-month period ended June 30, 2019 are not significantly affected by seasonal effects.

4. ACQUISITIONS AND DISPOSITIONS

During the six-month period ended June 30, 2019, there have been no significant acquisitions or dispositions. Details of the transactions carried out in 2018 are described in Note 3 to the annual consolidated financial statements.

5. FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group performs risk management activities concerning financial risks arisen from financial instruments to which the Group is exposed during a period or as of a specific date.

The condensed interim consolidated financial statements do not include all the information and disclosures on financial risk management. Therefore, they should be read in conjunction with the Group's annual consolidated financial statements.

There have been no significant changes in risk management or risk management policies applied by the Group since the last fiscal year end. See Note 4 to the annual consolidated financial statements.

6. SEGMENT INFORMATION

For management purposes, the Group is organized as a single business segment to generate and sell electric energy.

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7. FINANCIAL INSTRUMENTS BY CATEGORY
Fair value measurements

Fair value measurements are described in Note 5 to the annual consolidated financial statements.

The tables below show the Group's financial assets and liabilities measured at fair value as of June 30, 2019 and December 31, 2018, and their allocation to fair value hierarchies:

Financial assets	As of June 30, 2019			Total
	Level 1	Level 2	Level 3	
Cash and Cash equivalents:				
- Mutual funds	171,794	-	-	171,794
Investments in financial assets:				
- Hedging Instruments	-	-	8,573	8,573
	171,794	-	8,573	180,367

Financial liabilities	As of June 30, 2019	
	Level 3	Total
Other financial liabilities		
- Hedging Instruments	21,994	21,994 ⁽¹⁾
	21,994	21,994

(1) As of June 30, 2019, 17,723 was reclassified to Non-current liabilities and 4,271 was reclassified to Current liabilities.

Financial assets	As of December 31, 2018			Total
	Level 1	Level 2	Level 3	
Investments in financial assets:				
- Hedging Instruments	-	-	69,901	69,901
	-	-	69,901	69,901

Fair value estimates

From December 31, 2018 until June 30, 2019, there have been no significant changes in the commercial or economic circumstances affecting the fair value of the Group's assets and financial liabilities, whether measured at fair value or amortized cost.

Furthermore, during the six-month period ended June 30, 2019, there were no transfers among the different hierarchies used to determine the fair value of the Group's financial instruments.

Fair value of financial assets and financial liabilities measured at amortized cost

The estimated fair value of loans, considering interest rates offered to the Group (Level 3) for its financial loans, amounted approximately to 29,400,770 and 24,569,978 as of June 30, 2019 and December 31, 2018, respectively.

The fair value of other receivables, trade receivables, cash and cash equivalents, accounts payable, lease liabilities and other liabilities do not differ significantly from their book value.

8. INTANGIBLE ASSETS

Changes in the Group's intangible assets for the six-month period ended June 30, 2019 and the fiscal year ended December 31, 2018 are as follows:

	Intangible assets
Balances as of December 31, 2017	-
<u>Cost</u>	
Increases	143,385
Translation effect	53,450
Cost	196,835
Accumulated amortization	-
Balances as of December 31, 2018	196,835
<u>Cost</u>	
Translation effect	23,253
Cost	220,088
Accumulated amortization	-
Balances as of June 30, 2019	220,088

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9. PROPERTY, PLANT AND EQUIPMENT

Changes in Group's property, plant and equipment for the six-month period ended June 30, 2019 and the fiscal year ended December 31, 2018 are as follows:

	Land and buildings	Mineral property, wells and related equipment ⁽¹⁾	Production facilities, machinery, equipment and spare parts of power plants	Transportation equipment	Materials and equipment in ware house	Work in progress	Furniture, fixtures, computer and communication equipment	Total
Cost.....	28,667	395,476	4,051,063	10,446	205,092	2,388,215	10,295	7,089,254
Accumulated depreciation	3,701	336,576	1,503,638	4,698	-	-	5,918	1,854,531
Balances as of December 31, 2017	24,966	58,900	2,547,425	5,748	205,092	2,388,215	4,377	5,234,723
Cost								
Increases	-	-	708,481	8,090	736,145	8,410,746 ⁽²⁾	14,548	9,878,010
Business combination.....	-	-	8,664,782	-	-	-	-	8,664,782
Translation effect	30,011	-	11,777,620	9,601	321,773	4,972,124	9,505	17,120,634
Transfers	220	2,583	8,219,391	-	-	(8,222,194)	-	-
Disposals	(764)	(398,059)	-	(1,662)	(49,572)	(19,316)	(1,350)	(470,723)
Accumulated depreciation								
Increases	1,054	3,407 ⁽³⁾	1,275,173	2,424	-	-	1,216	1,283,274
Translation effect	3,474	-	1,822,951	4,219	-	-	5,646	1,836,290
Disposals	(636)	(339,983)	-	(1,320)	-	-	(664)	(342,603)
Cost.....	58,134	-	33,421,337	26,475	1,213,438	7,529,575	32,998	42,281,957
Accumulated depreciation	7,593	-	4,601,762	10,021	-	-	12,116	4,631,492
Balances as of December 31, 2018	50,541	-	28,819,575	16,454	1,213,438	7,529,575	20,882	37,650,465
Cost								
Increases	2,370	-	62,456	14,120	223,343	11,180,126 ⁽²⁾	1,214	11,483,629
Translation effect	7,365	-	4,177,983	3,734	151,354	1,323,509	(380)	5,663,565
Transfers	-	-	788,874	-	41,821	(830,695)	-	-
Disposals and reclassifications	-	-	(282,278) ⁽⁴⁾	-	(4,056)	-	(2,459)	(288,793)
Accumulated depreciation								
Increases	825	-	1,010,811	3,591	-	-	1,340	1,016,567
Translation effect	979	-	595,938	1,319	-	-	1,561	599,797
Cost.....	67,869	-	38,168,372	44,329	1,625,900	19,202,515	31,373	59,140,358
Accumulated depreciation	9,397	-	6,208,511	14,931	-	-	15,017	6,247,856
Balances as of June 30, 2019	58,472	-	31,959,861	29,398	1,625,900	19,202,515	16,356	52,892,502

(1) Discontinued operation (See Note 3.a to annual consolidated financial statements).

(2) Includes 414,341 and 517,606 of financial cost related to financing from third parties for extended works in progress for the period ended June 30, 2019 and the fiscal year ended December 31, 2018, respectively.

(3) Depreciation has been calculated using the unit-of-production method (Note 2.3.7.2. to the annual consolidated financial statements).

(4) Corresponds to machinery and equipment reclassified to Right of use assets due to IFRS 16 application (See Note 10).

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10. RIGHT OF USE ASSETS

Changes in Group's right of use assets for the six-month period ended June 30, 2019 are as follows:

	Buildings	Land	Machinery and equipment	Total
Balances as of January 1, 2019 due to the initial application of IFRS 16	56,313	149,693	-	206,006
Cost				
Translation effect	7,133	18,963	35,758	61,854
Reclassifications ⁽¹⁾	-	-	282,278	282,278
Accumulated depreciation				
Increases	11,653	1,290	29,262	42,205
Translation effect	243	27	1,925	2,195
Cost	63,446	168,656	318,036	550,138
Accumulated depreciation	11,896	1,317	31,187	44,400
Balances as of June 30, 2019	51,550	167,339	286,849	505,738

(1) Reclassifications from Property, plant and equipment, according to IFRS 16. See Note 9.

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The following table shows the value of the investments in associates and joint ventures at an aggregate level, as of June 30, 2019 and December 31, 2018:

	June 30, 2019	December 31, 2018
Amount of investments in associates and joint ventures	2,449,135	1,948,390
Total	2,449,135	1,948,390
Disclosed in Investment in associates and Joint ventures	2,449,135	1,948,492
Disclosed in Accounts payable	-	(102)

The main movements during the six-month period ended June 30, 2019 and for the fiscal year ended December 31, 2018, which affected the value of the aforementioned investments, correspond to:

	Investments in associates and joint ventures
Amount as of December 31, 2017	2,424,677
Shareholders' contributions	4,076
Income on investments in associates and joint ventures	268,015
Fair value changes on derivatives instruments	24,810
Translation differences	1,026,147
Dividends distribution	(53,996)
Decrease due to acquisition of control	(1,439,691) ⁽¹⁾
Dispositions	(305,648)
Amount as of December 31, 2018	1,948,390
Income on investments in associates and joint ventures	247,891
Translation differences	252,854
Amount as of June 30, 2019	2,449,135

(1) See Note 3.b to the annual consolidated financial statements.

The following table shows the principal amounts of the results of the investments in associates and joint ventures of the Group, calculated according to the equity method therein, for the six-month period ended June 30, 2019 and 2018. The Group has adjusted, if applicable, the figures reported by these companies to adapt them to the accounting principles used by the Group for the calculation of the equity method as of the abovementioned dates:

	Associates and Joint Ventures for the six-month period ended June 30,	
	2019	2018
Net income	247,891	43,939
Other comprehensive income	252,854	293,397
Total comprehensive income for the period	500,745	337,336

The Group does not own investments in associates and joint ventures that are significant, with the exception of the investment in IDS.

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The management information corresponding to assets and liabilities as of June 30, 2019 and December 31, 2018 of IDS is detailed below:

	June 30, 2019	December 31, 2018
Non-current assets	5,695,370	4,529,672
Current assets	18,516	15,901
Total assets	5,713,886	4,545,573
Current liabilities	165	162
Total liabilities	165	162
Total shareholders' equity	5,713,721	4,545,411
Investment book value	2,448,901	1,948,163

The following table shows information of investments in associates and joint ventures as of June 30, 2019 and December 31, 2018.

Name and issuer	06.30.2019				12.31.2018		
	Class	Face value	Amount	Book value	Cost	Book value	Cost
Investments under joint control:							
Inversora Dock Sud S.A.	Common	1	335,270,372	2,448,901	538,065	1,948,163	538,065
Other companies:							
Miscellaneous ⁽¹⁾				234	234	329	329
				2,449,135	538,299	1,948,492	538,394

Name and issuer	Registered address	Main business	Issuers' information					Holding in capital stock
			Last available financial statements					
			Date	Capital stock	Net profit / (loss)	Shareholders' equity		
Investments under joint control:								
Inversora Dock Sud S.A.	San Martín 140, P.2º, Buenos Aires.	Realization of financial and investment operations.	06/30/2019	828,942	828,112	7,469,589	42.86%	

(1) Includes Y-GEN Eléctrica III S.R.L., Y-GEN Eléctrica IV S.R.L., Y-Luz Inversora S.A.U. and Luz del Río S.A.

12. OTHER RECEIVABLES

	June 30, 2019		December 31, 2018	
	Non-current	Current	Non-current	Current
Loans and advances to employees	-	7,764	-	6,309
Advances to suppliers of property, plant and equipment	1,351,218	-	1,231,559	-
Minimum presumed income tax	167,219	-	161,687	-
Related parties (Note 29)	452,881	163,406	452,881	5,374,731
Tax credits	-	1,221,278	-	736,536
Advances to suppliers	-	164,040	-	4,179
Trust	-	172,573	-	27,116
Prepaid Insurance	-	53,454	-	5,526
Prepaid expenses	-	19,777	-	71,490
Miscellaneous	-	14,694	-	11,473
	1,971,318	1,816,986	1,846,127	6,237,360
Allowance for doubtful receivables	-	(3,056)	-	(3,056)
	1,971,318	1,813,930	1,846,127	6,234,304

13. TRADE RECEIVABLES

	June 30, 2019	December 31, 2018
	Current	Current
Trade receivables	95,201	71,305
Related Parties (Note 29)	3,570,758	3,652,929
	3,665,959	3,724,234
Allowance for doubtful trade receivables	(48,772)	-
	3,617,187	3,724,234

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YPF LUZ**13. TRADE RECEIVABLES (Cont.)**

The following is the evolution of the allowance for doubtful trade receivables during the six-month period ended June 30, 2019:

	<u>Allowance for doubtful trade receivables</u>
As of December 31, 2018	-
Increases with impact on net income	48,772
As of June 30, 2019	<u>48,772</u>

14. CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statements of financial position and the consolidated statements of cash flow, cash and cash equivalents comprise the following items:

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Mutual funds	171,794	-
Fixed interest deposits	2,727,757	4,209,240
Cash and banks	3,830,407	492,096
	<u>6,729,958</u>	<u>4,701,336</u>

Bank balances accrue interest at variable rates based on the bank deposits daily rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash needs of the Group and bear interest at the respective fixed rates for short-term deposits.

15. INCOME TAX

The calculation of the income tax expense accrued for the six-month period ended June 30, 2019 and 2018 is as follows:

	<u>For the six-month period ended June 30,</u>	
	<u>2019</u>	<u>2018</u>
Deferred income tax	(445,337)	(863,865)
Income Tax	<u>(445,337)</u>	<u>(863,865)</u>
	<u>For the six-month period ended June 30,</u>	
	<u>2019</u>	<u>2018</u>
Income tax from continued operations	(445,337)	(861,784)
Income tax from discontinued operations (Note 22)	-	(2,081)
Income Tax	<u>(445,337)</u>	<u>(863,865)</u>

The reconciliation between the charge to income tax expense for the six-month period ended June 30, 2019 and 2018 and the one that would result from applying the prevailing tax rate on income before income tax arising from the consolidated statements of comprehensive income for those periods is as follows:

	<u>For the six-month period ended June 30,</u>	
	<u>2019</u>	<u>2018</u>
Income before income tax from continued operations	2,655,604	2,575,714
Income before income tax from discontinued operations	-	15,377
Profit for the period before income tax	2,655,604	2,591,091
Statutory tax rate	30%	30%
Income tax charge at statutory tax rate	(796,681)	(777,327)
Effects of the valuation of non-monetary assets in its functional currency	357,848	(1,604,435)
Exchange differences	831,137	1,113,610
Income on investments in associates and joint ventures	(74,367)	(13,182)
Remeasurement of pre-existing equity interest	-	535,510
Effect of tax inflation adjustment in monetary balances	(841,204)	-
Effect of change of tax rate ⁽¹⁾	18,422	18,506
Others	59,508	(136,547)
Income tax for the period	<u>(445,337)</u>	<u>(863,865)</u>

(1) Effect of applying the changes in the enacted tax rate established by Law No. 27,430, as described in Note 25 to the annual consolidated financial statements, to the deferred assets and liabilities, according to its expected term of realization and settlement, respectively.

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Breakdown of deferred income tax as of June 30, 2019 and December 31, 2018 is as follows:

	June 30, 2019	December 31, 2018
Deferred tax assets		
Provisions and other liabilities non-deductible.....	12,957	764
Tax loss carryforwards	1,176,362	1,465,492
Interest rate hedging instruments	3,463	-
Miscellaneous	12,352	9,386
Total deferred tax assets	1,205,134	1,475,642
Deferred tax liabilities		
Property, plant and equipment	(3,619,351)	(3,790,713)
Receivables from deferred income	(43,411)	(43,412)
Subsidiaries hedging instruments	-	(17,987)
Effect of tax inflation adjustment in monetary balances	(551,877)	-
Total deferred tax liabilities	(4,214,639)	(3,852,112)
Total deferred tax, net	(3,009,505)	(2,376,470)

Deferred tax assets and liabilities are disclosed net when: a) a legal right to compensate asset and liabilities exists and; b) when tax assets and liabilities are against the same tax authority.

As of June 30, 2019, and December 31, 2018, 15,741 and 54,153 were classified as deferred tax assets, respectively, and 3,025,246 and 2,430,623 as deferred tax liabilities, respectively, which correspond to net deferred tax positions of each of the individual companies that are included in these condensed interim consolidated financial statements.

As of June 30, 2019, the Group estimated a tax loss carryforward of 1,176,362 at the tax rate. Deferred income tax assets are recognized for tax loss carryforwards to the extent their set off through future taxable profits is probable. Tax loss carryforwards in Argentina expire within 5 years.

In order to fully realize the deferred income tax asset, the Group will need to generate taxable income. Based upon the level of historical taxable income and projections for future over the years in which the deferred income tax is deductible, Management of the Company believes that as of June 30, 2019 it is probable that the Group will realize all the deferred income tax assets.

As of June 30, 2019, Group's tax loss carryforwards at the expected recovery rate were as follows:

<u>Date of generation</u>	<u>Date of expiration</u>	<u>Amount</u>
2018	2023	1,152,489
2019	2024	23,873
		1,176,362

As of June 30, 2019, and December 31, 2018, the causes that generate charges to other comprehensive income, did not create temporary differences for income tax.

The evolution of net deferred tax liabilities as of June 30, 2019 and December 31, 2018 is as follows:

	Total
Deferred tax asset as of December 31, 2017	-
Business combination (Nota 3.b to the annual consolidated financial statements)	82,047
Other comprehensive income	(165)
Charge to net income of the year	(27,729)
Balances as of December 31, 2018	54,153
Charge to net income of the period	(38,412)
Balances as of June 30, 2019	15,741
	Total
Deferred tax liabilities as of December 31, 2017	(347,288)
Other comprehensive income	(4,882)
Business combination (Note 3.b to the annual consolidated financial statements)	(1,034,213)
Translation effect on business combination assets	(783,713)
Charge to net income of the year	(260,527)
Balances as of December 31, 2018	(2,430,623)
Other comprehensive income	21,450
Translation effect on business combination assets	(209,148)
Charge to net income of the period	(406,925)
Balances as of June 30, 2019	(3,025,246)

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The Law No. 27,468, published in the Official Gazette on December 4, 2018, provided that the tax inflation adjustment procedure will be in force for the years beginning on January 1, 2018. With respect to the first, second and third fiscal year afterwards, this procedure will be applicable in the event that the variation in the Consumer Price Index ("CPI"), calculated from the beginning and until the end of each of those exercises exceeds 55%, 30% and 15%, for the first, second and third fiscal year of application, respectively. Considering the projections of the CPI as of December 31, 2019, the Company has applied the tax inflation adjustment procedure in the estimation of annual effective rate.

16. LEASES LIABILITIES

The evolution of the lease liability during the six-month period ended June 30, 2019 is as follows:

	<u>Total</u>
Lease liability as of January 1, 2019 due to the initial application of IFRS 16	206,005
Reclassifications	210,166
Finance accretion	14,177
Payments.....	(58,526)
Translation effect.....	58,830
Lease liability as of June 30, 2019.....	<u>430,652</u>

The reconciliation between the balances for operating lease commitments as of December 31, 2018 and the lease liability due to initial application of IFRS 16 is detailed as follows:

	<u>Total</u>
Operating lease commitments as of December 31, 2018	499,953
Finance discount	(293,948)
Lease liability as of January 1, 2019	<u>206,005</u>

The following is a breakdown of the lease liabilities recorded by the Group as of June 30, 2019, with identification of the term of the lease and each rates:

Lease term	Annual effective rate used	June 30, 2019
Two to three year	9.87%	53,119
Three to four year	7.75% - 8.35%	208,916
More than five years.....	9.88% - 9.90%	168,617
Total		<u>430,652</u>

The financial accretion accrued in the six-month period ended June 30, 2019, arising from lease contracts, amounts to 14,177, which are exposed in the line "Financial accretion" in the "Financial loss" included in "Net financial results" of the statement of comprehensive income (Note 21).

As of June 30, 2019, the maturities of the liabilities related to lease agreements are:

	<u>June 30, 2019</u>
Up to one year	99,099
Current leases liabilities	<u>99,099</u>
One to five years	230,724
From the 6th year onwards	100,829
Non current leases liabilities	<u>331,553</u>
Total	<u>430,652</u>

17. LOANS

	Interest rate ⁽¹⁾	<u>June 30, 2019</u>		<u>December 31, 2018</u>	
		Non-current	Current	Non-current	Current
Negotiable obligations	10.24%	4,269,657	62,753	-	-
Loans	6.28% - 9.09%	19,329,489	7,389,678	18,096,828	6,463,984
Financial leases.....	8.35% - 8.40%	-	-	159,742	50,424
		<u>23,599,146</u>	<u>7,452,431</u>	<u>18,256,570</u>	<u>6,514,408</u>

(1) Annual interest rate as of June 30, 2019.

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The evolution of the Group's loans as of the six-month period ended on June 30, 2019 and for the fiscal year ended December 31, 2018 is as follows:

	Total
Amount as of December 31, 2017	4,080,979
Proceeds from loans	9,877,729
Payments of loans	(2,355,833)
Payments of interest.....	(949,923)
Accrued interest ⁽¹⁾	1,114,414
Non-cash transactions ⁽²⁾	(352,971)
Incorporation by business combinations ⁽³⁾	4,176,661
Net exchange rate differences and translation effect	9,179,922
Amount as of December 31, 2018	24,770,978
Proceeds from loans	4,903,671
Payments of loans	(1,457,178)
Payments of interest.....	(1,007,464)
Accrued interest ⁽¹⁾	1,118,625
Net exchange rate differences and translation effect	2,933,111
Reclassifications ⁽⁴⁾	(210,166)
Amount as of June 30, 2019	31,051,577

(1) Includes capitalized financial costs.

(2) The "Non-cash transactions" includes the loans capitalization with YPF and the offsetting effect of the loan with YPF related to disposal of the interest in the Ramos Consortium. The group classifies interest paid as cash flows from financing activities.

(3) Corresponds to the addition of balances from Y-GEN and Y-GEN II. See Note 3.b) to the annual consolidated financial statements.

(4) Corresponds to reclassification of lease liabilities according to IFRS 16.

The description of the Group's principal loans is included in Note 13 to the annual consolidated financial statements. Updates for the six-month period ended June 30, 2019 are described below:

Citi NY Loans

In March 2018, the Company took out a loan from Citibank NY for a total amount of US\$ 30 million with quarterly interest at 3-month LIBOR rate + 1.6%, and principal bullet repayment at maturity, on August 28, 2018. After such date, the Company extended the maturity of the loan through February 28, 2019, at 3-month LIBOR rate + 2.25%. On the due date, the Company renewed such loan up to February 26, 2021 at 3-month LIBOR rate + 4.875%.

On June 28, 2018, the Company took out a second loan with the same bank for a total amount of US\$ 30 million with quarterly interest at 3-month LIBOR rate + 1.85%, and principal bullet repayment at maturity, on June 28, 2019. On the due date, the Company renewed such loan up to September 30, 2019 at 3-month LIBOR rate + 3.95%.

Negotiable Obligations

As mentioned in Note 1, on April 17, 2019 the Board of Directors of National Securities Commission (CNV) approved the YPF EE registration into the Public Offering regime for securities, and the launch of a Global Program for the Issuance of Negotiable Obligations Non-convertible in shares up to US\$ 1,500 million (the "Global Program"). On April 30, 2019, the Board of Directors of YPF EE approved, within the framework of the Global Program, the issuance and placement by public offering of negotiable obligations for an amount of up to US\$ 100 million (or its equivalent in other currencies), in one or more classes and / or series, in the terms that are determined in the respective price supplements.

On May 7, 2019, the Company issued Class I Negotiable Obligations (the "NO"), under the mentioned Global Program. The placement reached US\$ 75 million, at a 10.24% fixed rate with a maturity date on 2021 and interest payable quarterly since August 10, 2019.

In addition, on June 12, 2019, the Company issued additional NO for an amount of US\$ 25 million, which accrue interests at a fixed rate of 10.24%, with a maturity date on 2021 and interest payable quarterly since August 10, 2019.

The obtained financing from both emissions will be allocated to the investments the Group is currently developing.

Pre-cancellation Itaú Unibanco S.A., Nassau Branch – Banco Itaú Argentina S.A. Loan

On September 24, 2018, the Company obtained a loan from Itaú Unibanco S.A., Nassau Branch, for an aggregate amount of US\$ 50 million with quarterly interest at 3-month LIBOR rate + 5.00% and bullet repayment of principal at maturity, on September 24, 2019.

On June 21, 2019, the Company pre-cancelled US\$ 10 millions corresponding to such loan and took out a new loan with Banco Itaú Argentina S.A. for the same amount, with maturity on December 18, 2019 and a fixed interest rate of 7.25%.

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YPF LUZ**18. ACCOUNTS PAYABLE**

	June 30, 2019	December 31, 2018
	Current	Current
Trade ⁽¹⁾	1,567,538	934,147
Related parties ^{(1) (2)}	4,618,960	3,631,382
	6,186,498	4,565,529

(1) Commercial balances payable do not accrue interest and are normally cancelled within 90 days.

(2) For information on related parties, see Note 29.

19. REVENUES

Type of good or services	For the six-month period ended June 30,	
	2019	2018
Energía Base	2,793,241 ⁽¹⁾	1,306,682
Revenues under PPA	3,364,888	767,240
Steam sales	409,036	135,348
Other income for services	-	20,758
	6,567,165	2,230,028

(1) Includes 941,734 by the application of SGE Resolution 70/2018.

By Customer	For the six-month period ended June 30,	
	2019	2018
CAMMESA ⁽¹⁾	4,953,459	1,970,959
YPF ⁽¹⁾	1,420,950	207,681
Y-GEN ^{(1) (2)}	-	10,209
Y-GEN II ^{(1) (2)}	-	10,549
UT Loma Campana ⁽¹⁾	54,620	30,630
Profertil S.A. ⁽¹⁾	47,224	-
Coca-Cola FEMSA de Buenos Aires S.A.	29,111	-
Toyota Argentina S.A.	25,844	-
Other	35,957	-
	6,567,165	2,230,028

(1) Related parties (Note 29).

(2) Companies controlled since March 31, 2018.

Target Market

The Group's revenues are aimed at the domestic market as a whole.

20. EXPENSES BY NATURE

The Group presents the statement of comprehensive income by classifying expenses according to their function as part of the "Production Costs" and "Administrative and selling expenses" lines. The following additional information is disclosed as required, on the nature of the expenses and their relation to the function within the Group for the six-month periods ended June 30, 2019 and 2018:

	For the six-month period ended June 30, 2019		
	Production costs	Administrative and selling expenses	Total
Depreciation of property, plant and equipment	1,016,567	-	1,016,567
Depreciation of right of use assets	30,552	11,653	42,205
Consumable materials and supplies	57,181	3,901	61,082
Banking expenses	-	743	743
Rentals	2,466	5,195	7,661
Fees and compensation for services	18,399	31,960	50,359
Other personnel expenses	14,710	27,164	41,874
Preservation, repair and maintenance	63,801	53	63,854
Insurance	71,408	87	71,495
Salaries and social security taxes	239,143	184,738	423,881
Operation services and other contracts	136,176	-	136,176
Transportation, products and charges	283,141	-	283,141
Fuel, gas, energy and miscellaneous	856,974 ⁽¹⁾	-	856,974
Provision for doubtful trade receivables	-	48,772	48,772
Taxes, rates and contributions	5,569	253,314	258,883
Publicity and advertising expenses	-	1,550	1,550
Miscellaneous	70,210	3,258	73,468
Total 2019	2,866,297	572,388	3,438,685

(1) Includes 941,734 by the application of SGE Resolution 70/2018.

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For the six-month period ended June 30, 2018

	Production costs ⁽¹⁾	Administrative and selling expenses ⁽¹⁾	Total
Depreciation of property, plant and equipment	281,701	-	281,701
Consumable materials and supplies	19,401	1,517	20,918
Banking expenses	57	318	375
Rentals	1,279	392	1,671
Fees and compensation for services	4,821	13,665	18,486
Other personnel expenses	39,146	6,482	45,628
Preservation, repair and maintenance	71,513	1,565	73,078
Insurance	27,587	-	27,587
Salaries and social security taxes	146,045	37,873	183,918
Operation services and other contracts	53,585	-	53,585
Transportation, products and charges	30,838	-	30,838
Fuel, gas, energy and miscellaneous	7,326	-	7,326
Taxes, rates and contributions	5,475	46,510	51,985
Publicity and advertising expenses	-	24	24
Miscellaneous	9,044	7,656	16,700
Total 2018	697,818	116,002	813,820

(1) Net of discontinued operations (Note 22).

21. NET FINANCIAL RESULTS

	For the six-month period ended June 30,	
	2019	2018
<u>Finance income</u>		
Interest income	157,911	42,501
Exchange differences	417,726	2,421,890
Total finance income	575,637	2,464,391
<u>Finance loss</u>		
Interest loss	(863,126)	(145,188)
Exchange rate differences	(465,539)	(2,973,296)
Finance accretion	(14,177)	-
Total finance loss	(1,342,842)	(3,118,484)
Total net financial results	(767,205)	(654,093)

The following charts presents financial instruments by category for the six-month periods ended June 30, 2019 and 2018:

	For the six-month period ended June 30, 2019			
	Financial assets and liabilities at amortized cost	Financial assets at fair value through profit or loss	Non-financial assets and liabilities	Total
Interest income	116,795	41,116	-	157,911
Interest loss	(863,126)	-	-	(863,126)
Exchange rate differences, net	(8,881)	3,823	(42,755)	(47,813)
Finance accretion	(14,177)	-	-	(14,177)
	(769,389)	44,939	(42,755)	(767,205)

	For the six-month period ended June 30, 2018			
	Financial assets and liabilities at amortized cost	Financial assets at fair value through profit or loss	Non-financial assets and liabilities	Total
Interest income	28,953	13,548	-	42,501
Interest loss and others	(145,188)	-	-	(145,188)
Exchange differences, net	364,692	(912)	(915,186)	(551,406)
	248,457	12,636	(915,186)	(654,093)

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YPF LUZ**22. DISCONTINUED OPERATIONS – RAMOS CONSORTIUM**

	For the six-month period ended June 30,	
	2019	2018
Revenues	-	41,502
Production costs	-	(22,048)
Gross profit	-	19,454
Administrative and selling expenses	-	(4,077)
Net profit for the period before income tax from discontinued operations	-	15,377
Income tax for the period	-	(2,081)
Net profit for the period from discontinued operations	-	13,296

23. SHAREHOLDERS' EQUITY

As of June 30, 2019, the common stock of the Company amounted to 3,747,070,355 represented by ordinary shares with a par value of 1, with the right to one vote per share, which is subscribed, integrated, issued and registered.

As of June 30, 2019, the shareholders of YPF EE are as follows:

Shareholder	Number of Shares	Participation in the common stock	Class of Share
YPF	2,723,826,879	72.69218%	A
OPESSA	86,476,112	2.30783%	A
GE EFS Power Investment B.V.	936,767,364	24.99999%	B
Total	3,747,070,355	100.00000%	

On May 7, 2019, the Ordinary Shareholder's Meeting approved the financial statements of YPF EE for the fiscal year ended December 31, 2018 and decided regarding profit allocation, as follows: a) allocate the sum of 225,271 to constitute a legal reserve in accordance with the provisions of Article 70, first paragraph of the LGS; b) allocate the sum of 4,198,813 to constitute a Reserve for future investments under the terms of Article 70, third paragraph of the LGS; and c) allocate the sum of 11,532 corresponding to the initial adjustment for the IFRS implementation to constitute a special reserve in accordance with the provisions of General Resolution No. 609 of the CNV.

On July 30, 2019, the Company was notified by its shareholder GE EFS Power Investments B.V. ("GE EFS"), owner of 24.99% of the shares of YPF Energía Eléctrica, that 100% of the shares issued by GE EFS was transferred to BNR Infrastructure Co-Investment Limited ("BNR"), a private company established in the United Kingdom. General Electric Company indirectly owns 50% of the economic rights of BNR and Silk Road Fund Co. Ltd. indirectly holds the remaining 50%. BNR, in turn, owns 100% of the capital stock of GE EFS. General Electric Company will continue to indirectly manage and control BNR and will therefore continue to exercise the voting rights corresponding to 24.99% of the shares of YPF Energía Eléctrica S.A. owned by GE EFS.

24. EARNINGS PER SHARE

The following table shows the net income and the number of shares that have been used for the calculation of the basic and diluted earnings per share:

	For the six-month period ended June 30,	
	2019	2018
Net profit for the period attributable to holders of the parent company:		
Continuing operations	2,210,267	1,729,307
Discontinuing operations	-	13,296
	2,210,267	1,742,603
Weighted average per share	3,747,070	3,318,067
Earnings per share from continued and discontinued operations (expressed in Argentine pesos):		
- Basic and diluted	0.590	0.525
Earnings per share from continued operations (expressed in Argentine pesos)		
- Basic and diluted	0.590	0.521

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Basic and diluted earnings per share are calculated as shown in Note 20 to the annual consolidated financial statements.

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of issuance of these condensed interim consolidated financial statements that may produce a dilution effect.

25. RESTRICTION ON RETAINED EARNINGS

Pursuant to the Argentine Companies Act and the corporate by law, 5% of the net profit for the fiscal year must be allocated to the legal reserve until such reserve reaches 20% of the capital stock.

Also, in accordance with General Resolution 609/12 of the CNV, a special reserve was created ("Special reserve RG N° 609"), which contains the positive difference resultant of the initial balance of the accumulated results exposed in the financial statements of the first closing of the fiscal year of IFRS application and the final balance of the results not allocated at the end of the last fiscal year under the previous accounting standards. Special reserve RG N° 609 is not allowed to be distributed in cash or in kind and it can only be dipped into a capitalization or an absorption of any negative balances of retained earnings.

26. MAIN CONTRACTUAL COMMITMENTS AND GUARANTEES GRANTED

Contractual commitments are described in Note 23 to the annual consolidated financial statements. During the six-month period ended June 30, 2019 there have been no new contractual commitments.

27. CONTINGENT LIABILITIES

Within the framework of the Contract to Close the Gas Turbine Cycle of El Bracho, Province of Tucumán ("Cycle Closing Contract"), celebrated between General Electric Parts & Products GmbH, as equipment supplier ("GEPP"), General Electric Suc. Arg., as contractor of the work ("GESA" and, together with GEPP, "GE") and Y-GEN II, as acquirer and commissioner respectively, Y-GEN II was notified on March 20, 2019 by GE that part of the equipment that GE has to provide for the completion of this project was lost due to an incident related to the ship that was carrying those materials to Argentina.

This vessel was carrying essential equipment to complete the project object of the Cycle Closing Contract.

Under the Cycle Closing Contract, the risk of loss of the equipment is under GE's responsibility until they are received at the construction site, located in El Bracho.

GE also contracted an insurance policy covering the possible damages and / or material losses that the equipment could have during transport and whose beneficiary is Y-GEN II. On June 28, 2019, the Company obtained the reimbursement of the value of the equipment from the insurance company in accordance with the terms established in the policy.

The loss of such equipment may cause delays in the completion of the work according to the Cycle Closing Contract. As of the date of these financial statements, the Group's Management estimates that this project will be completed in December 2020, which represents with respect to the date of August 24, 2020 committed to CAMMESA under the contract for the sale of energy and committed power ("PPA") an estimated delay of 4 months. In accordance with the terms of mentioned PPA, CAMMESA may impose fines of approximately US\$ 0.44 million per day with a limit of up to US\$ 26.4 million.

Given the circumstances of the delay, the Company has requested CAMMESA and the Government Secretary of Energy, an extension, without penalty, of the date committed by virtue of the characteristics of this fact. In this order and based on the information available as of the date of these interim consolidated financial statements, and the assessment of legal advisors, the Group's Management believes that it is more likely than not that the Group does not have significant negative impacts arising from this event.

The Group is currently discussing with GE how to accelerate the construction of the Cycle Closing Contract and, eventually, the reimbursement by GE of any penalty (or a part thereof) that may apply to Y-GEN II.

Additionally, with respect to the El Bracho project, Y-GEN II has insurance coverage that covers the loss of earnings due to delays on the end date committed from July 2020 to June 2021.

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**28. MAIN REGULATIONS AND OTHERS**

Main regulations and others are described in Note 24 to the annual consolidated financial statements. Updates for the six-month period ended June 30, 2019 are described below:

28.a) Regulatory framework for the electric industry

- **Resolution 1-SRRyME/2019:** On February 28, 2019, with the purpose of securing sustainability of the wholesale electricity market, the Secretariat of Renewable Resources and Electricity Market issued Resolution No. 1-SRRyME/2019, pursuant to which the remuneration criteria established in Resolution 19/2017 of the former Secretary of Electric Energy were adjusted to economically reasonable and efficient conditions, which may be assigned and/or transferred to demand in the electricity market.

Like Resolution No. 19/2017, Resolution No. 1 will be provisionally applied until gradual definition and implementation of the regulatory mechanisms to achieve the autonomous, competitive and sustainable operation of the electricity market that will allow for the free interaction of supply and demand, and a technical, economic and operating functioning towards the integration of the different generation technologies to ensure a reliable system at a minimum cost.

The remuneration to authorized thermal generators is composed of a payment for the monthly available power, a payment for generated power and another for operated power.

a. Remuneration for available power

Power availability remuneration is subdivided into a base price associated to Actual Power Availability (DRP, by its acronym in Spanish) and a price for guaranteed power in compliance with the Offered Guaranteed Power (DIGO, by its acronym in Spanish). Power remuneration will be adjusted depending on the actual usage factor of generation equipment.

The DRP remuneration will range from 3,050 to 5,200 US\$/MW-month, according to the technology made available for the system and the DIGO remuneration will be 7,000 US\$/MW-month for winter and summer periods and 5,500 US\$/MW for the rest of the year.

b. Remuneration for Generated Energy

The remuneration for conventional thermal generation will contemplate as a maximum, per type of fuel consumed by each generation unit, the non-fuel variable costs, which are 4 US\$/MW hour for equipment consuming Natural Gas, 7 US\$/MW hour for Fuel Oil or Gasoil, 10 US\$/MW hour for Biofuels and 12 US\$/MW hour for mineral coal.

c. Remuneration for Operated Energy

Additionally, generators will receive a monthly remuneration for Operated Energy, represented by the integration of hourly power capacities for the period, valued at 1.4 US\$/MWh for any type of fuel. The hourly volume of Operated Energy must correspond to the optimum dispatch in order to comply with the energy and reserves assigned.

A generation plant that has declared the option to purchase fuels for the generation of energy, which upon request does not have sufficient fuel for the delivery, will lose its delivery order until, if necessary, CAMMESA shall assign fuel to it for its operation, and the remuneration concepts mentioned above will be reduced by 50% of their value.

Remuneration is denominated in US dollars and is payable at the reference exchange rate of the date prior to maturity date.

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YPF LUZ**28.b) Other regulatory requirements**• **Regulatory Frame CNV (N.T. 2013)**

a) General Resolution No. 622 of CNV

- i. In accordance with the requirements of Article 1, Chapter III, Title IV of the aforementioned resolution, the notes to the consolidated financial statements that set forth the information requested by the Resolution in the form of appendix are detailed below.

Appendix A – Property, plant and equipment	Note 9 Property, plant and equipment.....
Appendix B – Intangible assets.....	Note 8 Intangible assets
Appendix C – Investments in shares	Note 11 Investments in Associates and Joint Ventures
Appendix D – Other Investments	Note 7 Financial Instruments by category
Appendix E – Provisions	Note 13 Trade receivables
	Note 12 Other receivables
Appendix F – Cost of sales and services.....	Note 20 Expenses by nature
Appendix G – Assets and liabilities in currencies other than Argentine peso	Note 30 Information required by article 63 of Law No. 19,550 - Assets and liabilities in currencies other than Argentine peso.....

b) General Resolution No. 629 of CNV

As a result of General Resolution No. 629 of the CNV, we inform that the supporting documentation of the Company's operations that is not located at the registered office is in the deposits of the following companies:

- Adea S.A., located in Plant 3 – Route 36, Km 31.5 – Florencio Varela – Buenos Aires Province.
- File S.R.L. located in Panamericana and R. S. Peña – Blanco Encalada – Luján de Cuyo – Mendoza Province.

Likewise, it is recorded that the detail of the documentation given in the custody is available at the registered headquarters, as well as the documentation referred to in article 5 clause a.3), Section I of Chapter V of Title II of the Regulations of the CNV.

29. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The information detailed in the tables below shows the balances with associates and joint ventures as of June 30, 2019 and December 31, 2018 and transactions with those parties for the six-month periods ended June 30, 2019 and 2018.

	As of June 30, 2019			
	Other receivables		Trade receivables	Accounts payable
	Non Current		Current	Current
	Current	Current	Current	Current
Joint controlling shareholder:				
YPF S.A.	-	-	1,241,624	741,405
GE EFS Power Investment B.V.	10,874	-	-	-
Associates:				
Refinería del Norte S.A.	-	-	26,515	-
Metroenergía S.A.	-	-	4,588	175,573
A-Evangelista S.A.	-	-	-	486,170
U.T. Loma Campana	-	-	38,233	40,786
General Electric International Inc.	-	-	-	46,340
GE Global Parts and Products GmbH	-	-	-	1,013,418
GE Packaged	-	-	-	81,439
GE Energy Parts Inc.	-	-	-	848
GE International Inc. Sucursal Argentina	-	-	-	1,375,202
GE Wind Energy Equipment	-	-	-	653,696
GE Intelligent Platforms	-	-	-	521
GE Sensing & Inspection Technologies	-	-	-	1,920
GE Jenbacher GMBH & CO OG	-	-	-	1,642
Profertil S.A.	-	-	20,678	-
Argentine federal government-controlled entities:				
CAMMESA	152,532	452,881	2,239,120	-
Total	163,406	452,881	3,570,758	4,618,960

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	As of December 31, 2018			
	Other receivables		Trade receivables	Accounts payable
	Non Current		Current	Current
	Current	Current	Current	Current
Joint controlling shareholder:				
YPF S.A.	-	-	1,758,720	1,819,452
GE EFS Power Investment B.V. ⁽¹⁾	5,250,000	-	-	-
Associates:				
Refinería del Norte S.A.	-	-	25,558	-
Metroenergía S.A.	-	-	2,892	-
A-Evangelista S.A.	-	-	-	342,895
U.T. Loma Campana	-	-	38,290	-
General Electric International Inc.	-	-	-	3,067
GE Global Parts and Products GmbH	-	-	-	822,572
GE Water & Process Technologies SC	-	-	-	6,502
GE Energy Parts Inc.	-	-	-	753
GE Packaged Power Inc.	-	-	-	18,750
GE International Inc. Sucursal Argentina	-	-	-	615,538
GE Intelligent Platforms	-	-	-	367
GE Senging & Inspection Technologies	-	-	-	397
GE Jenbacher GMBH & CO OG	-	-	-	683
YPF Tecnología S.A.	-	-	-	406
Profertil S.A.	-	-	11,138	-
Argentine federal government-controlled entities:				
CAMMESA	124,731	452,881	1,816,331	-
Total	5,374,731	452,881	3,652,929	3,631,382

(1) Corresponds to GE EFS Power Investments B.V. ("GE") shares subscription for US\$ 140 millions contributed on March 2019.

	For the six-month period ended June 30,					
	2019			2018		
	Revenues	Purchases of goods and services	Interest gain (loss) net	Revenues	Purchases of goods and services	Interest gain (loss) net
Joint controlling shareholder:						
YPF S.A.	1,420,950	761,340	-	207,681	64,674	(8,483)
Associates:						
A-Evangelista S.A.	-	921,300	-	-	71,508	-
Bajo del Toro II S.R.L.	-	-	-	-	-	(29,784)
U.T. Loma Campana	54,620	-	-	30,630	-	-
General Electric International Inc.	-	1,604,781	-	-	17,059	-
GE Global Parts and Products GmbH	-	2,457,387	-	-	498,812	-
GE Water & Process Technologies SC	-	14,142	-	-	6,685	-
GE Inspection Technologies	-	-	-	-	268	-
GE Wind Energy Equipment	-	1,534,426	-	-	-	-
GE Packaged Power Inc.	-	105,985	-	-	89,956	-
GE International Inc. Sucursal Argentina	-	129,621	-	-	-	-
GE Senging & Inspection Technologies	-	1,495	-	-	-	-
GE Jenbacher GMBH & CO OG	-	2,232	-	-	-	-
YPF Tecnología S.A.	-	454	-	-	-	-
Profertil S.A.	47,224	-	-	-	-	-
Argentine federal government-controlled entities:						
CAMMESA	4,953,459	249,552	4,970	1,970,959	32,882	12,855
Subsidiaries:						
Y-GEN Eléctrica S.A.U. ⁽¹⁾	-	-	-	10,209	-	-
Y-GEN II Eléctrica S.A.U. ⁽¹⁾	-	-	-	10,549	-	-
Total	6,476,253	7,782,715	4,970	2,230,028	781,844	(25,412)

(1) Companies consolidated since March 31, 2018. See Note 3.b) to the annual consolidated financial statements.

Remuneration of the Administration

During the six-month period ended June 30, 2019, the Directors' fees and compensation to key executives amounted to 76,757, being the same short-term benefits and constituting the only benefits granted to directors and key executives.

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(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

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30. ASSETS AND LIABILITIES IN CURRENCIES OTHER THAN ARGENTINE PESO

Account	06.30.2019			12.31.2018		
	Class and amount of currencies other than peso	Exchange rate ⁽¹⁾	Booked amount in pesos	Class and amount of currencies other than peso	Booked amount in pesos	
NON-CURRENT ASSETS						
Investment in financial assets	US\$	-	-	US\$	1,864	69,901
Total of Non-Current Assets			-			69,901
CURRENT ASSETS						
Investment in financial assets		203	42.26	8,573	US\$	-
Other receivables	US\$	659	42.26	27,849	US\$	140,751
Trade receivables	US\$	70,641	42.26	2,985,289	US\$	95,756
Other financials assets	US\$	40,749	42.26	1,722,042	US\$	39,707
Cash and cash equivalents	US\$	153,898	42.26	6,503,729	US\$	107,679
Total of Current Assets				11,247,482		14,396,021
Total of Assets				11,247,482		14,465,922
NON-CURRENT LIABILITIES						
Loans	US\$	558,105	42.46	23,697,138 ⁽²⁾	US\$	487,868
Leases liabilities	US\$	7,809	42.46	331,553	-	-
Other financial liabilities		417	42.46	17,723	-	-
Total of Non-Current Liabilities				24,046,414		18,392,637 ⁽²⁾
CURRENT LIABILITIES						
Accounts payable	US\$	96,693	42.46	4,105,585	US\$	51,076
	EUR	6,699	48.32	323,696	EUR	5,986
Loans	US\$	176,109	42.46	7,477,588 ⁽³⁾	US\$	173,694
Other liabilities	US\$	1,445	42.46	61,337	US\$	2,631
Leases liabilities	US\$	2,334	42.46	99,099	US\$	-
Other financial liabilities		101	42.46	4,271	US\$	-
Total of Current Liabilities				12,071,576		8,831,399
Total of Liabilities				36,117,990		27,224,036

(1) Exchange rate in force at June 30, 2019 according to Banco Nación Argentina.

(2) Corresponds to the nominal amount owed, which is disclosed under loans for 23,599,146 and 18,256,570 as of June 30, 2019 and December 31, 2018, respectively, net of commissions and costs demanded by the transaction.

(3) Corresponds to the nominal amount owed, which is disclosed under loans for 7,452,431 y 6,514,408 as of June 30, 2019 and December 31, 2018, respectively, net of commissions and costs demanded by the transaction.

31. SUBSEQUENT EVENTS
International issuance of Negotiable Obligations

Within the framework of the Public Offering regime for securities granted by the CNV to the Global Program for the Issuance of Simple Negotiable Obligations described in Note 1, dated April 17, 2019, on July 25, 2019, the Company made an international issuance of negotiable obligations Class II for an amount of US\$ 400 million which will pay a 10% coupon semiannually and which capital will be amortized in a single payment on July 25, 2026. The semi-annual interest payment dates will be July 25 and January 25 of each year, beginning in January 2020 and ending in July 2026.

At any time or periodically before July 25, 2023, the Company, at its option, may allocate net cash funds obtained from one or more Share Offers to redeem up to 35% of the total face value of the NO in circulation, at a redemption price of 110% plus interest accrued, if any.

Agreement for the subscription of shares in Luz del León S.A.

On August 5, 2019, the Company, Y-Luz Inversora S.A.U., Luz del León S.A. ("Luz del León") and Wind Power AS, a subsidiary of Equinor ASA, a company established in the Kingdom of Norway, ("Equinor"), entered into an agreement for the subscription of shares in Luz del León, a company 100% controlled by YPF EE (the "Stock Subscription Agreement"). Luz del León holds all rights and obligations relating to Cañadón León Wind Farm Project for approximately 120MW, located in the Province of Santa Cruz (the "Project"). Such Project is currently under construction and the total installed capacity and power corresponding to the Project has already been sold to CAMMESA under the RENOVAR 2 Program and to YPF S.A. under a private power purchase agreement for the following 20 and 15 years respectively, from agreed date of the commercial operation date.

YPF ENERGÍA ELÉCTRICA S.A.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2019 AND COMPARATIVE INFORMATION (UNAUDITED)****YPF LUZ**

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

The Stock Subscription Agreement establishes that, subject to the fulfillment of certain condition precedents such as approval of the relevant antitrust authorities and obtaining specific financing for the Project, Equinor shall subscribe shares in Luz del León in order to acquire a 50% participation equity in such company. To that effect Equinor will contribute US\$ 30 million, US\$ 20 million as equity and US\$ 10 million as share premium. Such conditions shall be satisfied before December 31, 2019. After the subscription, the Company and Equinor will jointly control Luz del León.

Upon closing of the transaction, the parties will subscribe a shareholder's agreement and an asset management agreement. The Company will be the asset manager of the Project.

The total amount of the Project is estimated in approximately US\$ 190 million, tax included. Luz del León is working towards obtaining the specific financing for the Project amounting to approximately US\$ 144 million.

As of the date of issuance of these condensed interim consolidated financial statements, there have been no other significant subsequent events, whose effect on the Group's financial position and the results of operations for the six months period ended June 30, 2019 or their disclosure in these condensed interim consolidated financial statements, if applicable, have not been considered in accordance with IFRS.