Free translation from the original prepared in Spanish for publication in Argentina

Generación Mediterránea S.A.

Interim Condensed Financial Statements

At September 30, 2017 and for the nine and three-month periods
ended September 30, 2017 and 2016
presented in comparative format

Free translation from the original prepared in Spanish for publication in Argentina

Generación Mediterránea S.A.

Interim Condensed Financial Statements
At September 30, 2017 and for the nine and three-month periods ended September 30, 2017 and 2016 presented in comparative format

Contents

Generación Mediterránea S.A.

GLOSSARY OF TECHNICAL TERMS

The following are not technical definitions, but they are helpful for the reader's understanding of some terms used in the notes to the financial statements of the Company.

Terms	Definitions
/day	Per day
AISA	Albanesi Inversora S.A.
AJSA	Alba Jet S.A.
ASA	Albanesi S.A.
AFIP	Federal Administration of Public Revenue
AFSA	Albanesi Fueguina S.A.
AISA	Albanesi Inversora S.A.
AVRC	Alto Valle Río Colorado S.A.
AVSA	Albanesi Venezuela S.A.
BADLAR	Interest rates paid by financial institutions on their time deposits for over one million pesos.
BADCOR	Adjusted BADLAR rate
BDD	Bodega del Desierto S.A.
BCRA	Argentine Central Bank
CAMMESA	Compañía Administradora del Mercado Mayorista Eléctrico S.A.
CC	Combined cycle
IFRIC	International Financial Reporting Interpretations Committee
CNV	National Securities Commission
CTE	Central Térmica Ezeiza (Ezeiza Thermal Power Plant), located in Ezeiza, Buenos Aires.
CTF	Central Térmica Frías (Frias Thermal Power Plant), located in Frías, Santiago del Estero (merged with GMSA)
CTI	Central Térmica Independencia (Independencia Thermal Power Plant) located in San Miguel de Tucumán, Tucumán (merged with GMSA)
CTLB	Central Térmica La Banda (La Banda Thermal Power Plant) located in La Banda, Santiago del Estero (merged with GMSA)
CTMM	Central Térmica Modesto Maranzana (Modesto Maranzana Thermal Power Plant), located in Río IV, Córdoba
CTR	Central Térmica Roca S.A.
CTRi	Central Térmica Riojana (Riojana Thermal Power Plant) located in La Rioja, La Rioja (merged with GMSA)
CVP	Variable Production Cost
Dam3	Cubic decameter Volume equivalent to 1,000 (one thousand) cubic meters.
DH	Historical availability
Availability	Percentage of time in which the power plant or machinery, as applicable, is in operation (generating power) or available for power generation, but not called by CAMMESA
DMC	Minimum Availability Committed
DO	Target availability
DR	Registered availability
The Group	Albanesi S.A. and its subsidiaries
Energía Plus	Plan created under ES Resolution No. 1281/06
ENRE	National Electricity Regulatory Authority
EPEC	Empresa Provincial de Energía de Córdoba
FACPCE	Argentine Federation of Professional Councils in Economic Sciences
FONINVEMEM	Fund for investments required to increase the electric power supply in the WEM
GE	General Electric

Generación Mediterránea S.A.

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Terms	Definitions
GFSA	Generación Frías S.A.
GISA	Generación Independencia S.A.
GLBSA	Generación La Banda S.A.
GMSA	Generación Mediterránea S.A.
Large Users	WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs
GRISA	Generación Riojana S.A.
GROSA	Generación Rosario S.A.
GUDIs	Large Demand from Distributors, with declared or demanded supplies of over 300kW.
GUMAs	Major Large Users
GUMEs	Minor Large Users
GUPAs	Particular Large Users
GW	Gigawatt Unit of power equivalent to 1,000,000,000 watts
GWh	Gigawatt hour Unit of energy equivalent to 1,000,000,000 watts hour
IASB	International Accounting Standards Board
IGJ	Superintendency of Commercial Companies
kV	Kilovolt Unit of electromotive force which is equal to 1,000 volts
kW	Kilowatt Unit of power equivalent to 1,000 watts
kWh	Kilowatt hour Unit of energy equivalent to 1,000 watts hour
LGS	General Companies Law
LVFVD	Sales liquidations with maturity date to be defined
MAT	Futures market
MAPRO	Major Scheduled Maintenance
WEM	Wholesale Electric Market
MMm3	Million cubic meters
MW	Megawatt Unit of power equivalent to 1,000,000 watts
MWh	Megawatt hour Unit of energy equivalent to 1,000,000 watts hour
MVA	Mega-volt ampere, unit of energy equivalent to 1 volt x 1 ampere x 106
ARG GAAP	Argentine Generally Accepted Accounting Principles
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ON	Negotiable obligations
PWPS	Pratt & Whitney Power System Inc
Resolution 220/07	Regulatory framework for the sale of energy to CAMMESA through the "WEM Supply Contract" under Energy Secretariat Resolution No. 220/07
GR	General Resolution
RGA	Rafael G. Albanesi S.A.
RT	Technical pronouncements
TRASNOA S.A.	An electric power carriage company by means of a trunk line in the Argentine Northwestern region
SADI	Argentine Interconnection System
ES	Energy Secretariat
CGU	Cash-Generating Unit
USD	US Dollars

Free translation from the original prepared in Spanish for publication in Argentina

Generación Mediterránea S.A.

Composition of the Board of Directors and Syndics' Committee
at September 30, 2017

President
Armando R. Losón

1st Vice-president
Guillermo G. Brun

2nd Vice President
Julián P. Sarti

Full Directors
Carlos A. Bauzas
Sebastián A. Sánchez Ramos
Oscar C. De Luise
Roberto J. Volonté
Juan Carlos Collin
Jorge Hilario Schneider

Alternate Directors
Armando Losón (h)
José Leonel Sarti
Juan G. Daly
Maria de los Milagros D. Grande
Ricardo M. López
Romina S. Kelleyian

Full Syndics
Enrique O. Rucq
Marcelo P. Lerner
Francisco A. Landó

Alternate Syndics
Juan Cruz Nocciolino
Carlos I. Vela
Johanna M. Cárdenas

Free translation from the original prepared in Spanish for publication in Argentina

Legal information

Company Name:	Generación Mediterránea S.A.
Legal address:	Av. L. N. Alem 855, Floor 14, City of Buenos Aires.
Main business activity:	Generation and sale of electric energy Development of energy projects, execution of projects, advisory services, provision of services, management, administration and performance of works of any kind. Investments and financial operations of any kind, except those established by Law No. 21526

Registration with the Superintendency of Commercial Companies:

By-laws:	January 28, 1993
Last amendment:	March 17, 2017
Registration number with the Superintendency of Commercial Companies:	No. 644 of Book 112, Volume "A"
Tax ID: No.	30-68243472-0
Expiration date of Company By-laws:	January 28, 2092
Parent company:	Albanesi S.A.
Legal address:	Av. L. N. Alem 855, Floor 14, City of Buenos Aires.
Main line of business of Parent Company:	Investment and financial activities
Percentage of equity interest held by Parent Company:	95%
Percentage of voting rights of Parent Company:	95%

CAPITAL STATUS (Note 14)	
Class of shares	**Subscribed, paid-in and registered**
	$
Ordinary, registered, non-endorsable shares of $1 par value each and entitled to 1 vote per share.	138,172,150

Free translation from the original prepared in Spanish for publication in Argentina

Generación Mediterránea S.A.

Interim Condensed Statement of Financial Position

At September 30, 2017 and December 31, 2016

Stated in pesos

	Note	09.30.2017	12.31.2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	9,813,702,834	4,491,820,544
Investments in Companies		129,861	129,861
Other receivables		92,060,805	49,598,816
Trade receivables		3,484,381	57,883,839
Total non-current assets		**9,909,377,881**	**4,599,433,060**
CURRENT ASSETS			
Materials and spare parts		43,267,685	27,636,382
Other receivables		1,002,835,744	1,192,569,484
Other financial assets at fair value through profit or loss		2,199,523	136,206,567
Trade receivables		875,925,775	456,444,479
Cash and cash equivalents	13	66,692,949	444,954,591
Total current assets		**1,990,921,676**	**2,257,811,503**
Total Assets		**11,900,299,557**	**6,857,244,563**
EQUITY			
Share Capital	14	138,172,150	125,654,080
Additional paid-in capital		211,405,124	111,514,225
Legal reserve		5,147,981	4,968,948
Optional reserve		51,731,727	48,330,099
Technical revaluation reserve		1,562,856,185	1,275,621
Special Reserve		1,275,621	3,580,661
Retained earnings		241,619,801	1,474,799,111
TOTAL EQUITY		**2,212,208,589**	**1,770,122,745**
LIABILITIES			
NON-CURRENT LIABILITIES			
Allowances and Provisions	17	7,808,261	9,135,552
Deferred tax liabilities, net		1,065,730,841	861,147,900
Loans	16	5,386,253,345	3,458,177,301
Trade payables		895,728,726	250,442,290
Total non-current liabilities		**7,355,521,173**	**4,578,903,043**
CURRENT LIABILITIES			
Other liabilities		60,210	2,752,893
Tax payables		30,159,804	17,221,490
Salaries and social security liabilities		11,060,395	3,748,321
Derivative financial instruments		-	2,175,000
Loans	16	702,521,499	284,868,267
Trade payables		1,588,767,887	197,452,804
Total current liabilities		**2,332,569,795**	**508,218,775**
Total Liabilities		**9,688,090,968**	**5,087,121,818**
Total Liabilities and Equity		**11,900,299,557**	**6,857,244,563**

The accompanying notes form an integral part of these interim condensed financial statements.

Free translation from the original prepared in Spanish for publication in Argentina

Generación Mediterránea S.A.

Interim Condensed Statement of Comprehensive Income

For the nine and three-month periods ended September 30, 2017 and 2016

Stated in pesos

		Nine months at		Three months at	
	Note	09.30.2017	09.30.2016	09.30.2017	09.30.2016
Sales revenue	7	1,786,302,101	1,447,638,028	642,283,369	382,715,265
Cost of sales	8	(1,134,938,850)	(1,091,728,485)	(328,094,315)	(290,560,776)
Gross income		**651,363,251**	**355,909,543**	**314,189,054**	**92,154,489**
Selling expenses	9	18,409,256	(3,626,192)	(291,026)	(978,235)
Administrative expenses	10	(34,543,281)	(22,619,693)	(15,523,445)	(7,025,967)
Other operating income and expenses		14,615,140	6,878,823	14,172,786	7,846,144
Operating income		**649,844,366**	**336,542,481**	**312,547,369**	**91,996,431**
Financial income	11	44,773,149	16,393,723	33,774,031	11,175,277
Financial expenses	11	(227,130,209)	(175,566,723)	(84,182,244)	(56,579,653)
Other financial results	11	(88,257,793)	(74,426,146)	(64,326,805)	(2,896,582)
Financial results, net		**(270,614,853)**	**(233,599,146)**	**(114,735,018)**	**(48,300,958)**
Income before taxes		**379,229,513**	**102,943,335**	**197,812,351**	**43,695,473**
Income tax		(148,386,942)	(44,319,042)	(80,255,310)	(18,038,456)
Income for the period		**230,842,571**	**58,624,293**	**117,557,041**	**25,657,017**
Earnings per share					
Basic and diluted earnings per share	15	1.6707	0.4666		

The accompanying notes form an integral part of these interim condensed financial statements.

Generación Mediterránea S.A.

Interim Condensed Statements of changes in equity

For the nine-month periods ended September 30, 2017 and 2016

Stated in pesos

	Share Capital (Note 14)	Additional paid-in capital	Legal reserve	Optional reserve	Special Reserve	Technical revaluation	Unappropriated retained earnings	Total equity
Balances at December 31, 2015	**76,200,073**	**-**	**2,439,117**	**19,870,827**	**-**	**567,352,214**	**33,487,164**	**699,349,395**
Addition due to merger through absorption at January 1, 2016	49,454,007	111,514,225	457,444	2,128,288	1,275,621	481,086,393	(136,702,916)	509,213,062
Release of optional reserve as per Shareholders' Meeting Minutes dated March 16, 2016	-	-	-	(9,700,000)	-	-	9,700,000	-
- Distribution of dividends	-	-	-	-	-	-	(9,700,000)	(9,700,000)
Minutes of Shareholders' Meeting dated April 20, 2016								
- Setting up of legal reserve	-	-	2,072,387	-	-	-	(2,072,387)	-
- Setting up of optional reserve	-	-	-	36,030,984	-	-	(36,030,984)	-
Reversal of technical revaluation reserve	-	-	-	-	-	(32,534,700)	32,534,700	-
Comprehensive income for the nine-month period	-	-	-	-	-	-	58,624,293	58,624,293
Balances at September 30, 2016	**125,654,080**	**111,514,225**	**4,968,948**	**48,330,099**	**1,275,621**	**1,015,903,907**	**(50,160,130)**	**1,257,486,750**
Other comprehensive income/for the three-month supplementary period	-	-	-	-	-	471,804,937	-	471,804,937
Reversal of technical revaluation reserve	-	-	-	-	-	(12,909,733)	12,909,733	-
Comprehensive income for the three-month supplementary period	-	-	-	-	-	-	40,831,058	40,831,058
Balances at December 31, 2016	**125,654,080**	**111,514,225**	**4,968,948**	**48,330,099**	**1,275,621**	**1,474,799,111**	**3,580,661**	**1,770,122,745**
Addition due to merger through absorption at January 1, 2017	12,518,070	99,890,899	-	-	-	161,984,473	(63,150,169)	211,243,273
Minutes of Shareholders' Meeting dated April 18, 2017								
- Setting up of legal reserve	-	-	179,033	-	-	-	(179,033)	-
- Setting up of optional reserve	-	-	-	3,401,628	-	-	(3,401,628)	-
Reversal of technical revaluation reserve	-	-	-	-	-	(73,927,399)	73,927,399	-
Comprehensive income for the nine-month period	-	-	-	-	-	-	230,842,571	230,842,571
Balances at September 30, 2017	**138,172,150**	**211,405,124**	**5,147,981**	**51,731,727**	**1,275,621**	**1,562,856,185**	**241,619,801**	**2,212,208,589**

The accompanying notes form an integral part of these interim condensed financial statements.

Free translation from the original prepared in Spanish for publication in Argentina

Generación Mediterránea S.A.

Interim Condensed Statements of Cash Flows

For the nine-month periods ended September 30, 2017 and 2016

Stated in pesos

	Notes	09.30.2017	09.30.2016
Cash flow provided by operating activities:			
Income for the period		230,842,571	58,624,293
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax		148,386,942	44,319,042
Accrued interest, net	11	179,289,851	152,401,665
Depreciation of property, plant and equipment	8 and 12	177,552,934	86,322,497
Proceeds from the sale of property, plant and equipment		(10,179,671)	-
Income from changes in the fair value of financial instruments	11	(46,179,621)	(16,168,339)
(Decrease) in provision for contingencies	17	(1,327,291)	(424,982)
(Decrease) / Increase in provision for bad debts	17	(76,869)	2,010,873
Fair value		(3,263,629)	4,039,327
Exchange difference	11	51,262,530	73,231,997
Changes in operating assets and liabilities:			
(Increase) in trade receivables		(153,515,464)	(58,157,001)
(Increase) in other receivables (1)		(355,193,949)	(995,103,134)
(Increase) in materials and spare parts		(15,773,993)	(7,071,614)
Increase in trade payables		212,008,448	64,318,053
(Decrease) in other liabilities		(2,692,683)	(58,184,938)
Increase/(Decrease) in salaries and social security liabilities		6,629,012	(1,159,162)
(Decrease) in tax payables		(15,603,910)	(4,173,162)
Net cash flows provided by (used in) operating activities		**402,165,208**	**(655,174,585)**
Cash flows of investment activities:			
Acquisition of property, plant and equipment	12	(2,080,942,894)	(617,621,841)
Collection from the sale of property, plant and equipment		2,730,000	-
Payment of derivative instruments		(2,175,000)	-
Collection of financial instruments		24,886,223	7,403,600
Acquisition of bills of exchange		-	(92,010,175)
Redemption / (Subscription) of mutual funds, net		166,023,437	(259,809,894)
Addition of cash due to merger		86,524,181	(8,763,199)
Loans granted		(11,870,000)	(60,000,000)
Net cash flows (used in) investing activities		**(1,814,824,053)**	**(1,030,801,509)**
Cash flows of financing activities:			
Loans received	16	3,451,897,424	4,271,266,177
Payment of loans	16	(1,925,909,925)	(1,056,867,240)
Payment of interest	16	(508,464,921)	(182,401,257)
Net cash flows provided by financing activities		**1,017,522,578**	**3,031,997,680**
NET (DECREASE) INCREASE IN CASH		**(395,136,267)**	**1,346,021,586**
Cash and cash equivalents at the beginning of the period		444,954,591	(32,833,887)
Financial results of cash and cash equivalents		16,874,625	18,900,475
Cash and cash equivalents at the end of the period	13	66,692,949	1,332,088,174
		(395,136,267)	**1,346,021,586**

The accompanying notes form an integral part of these interim condensed financial statements.

(1) It includes advances to suppliers for the purchase of property, plant and equipment for $ 196,390,262 at September 30, 2017 and $ 918,282,212 at September 30, 2016.

Free translation from the original prepared in Spanish for publication in Argentina

Generación Mediterránea S.A.

Interim Condensed Statement of Cash Flows (Cont'd)

For the nine-month periods ended September 30, 2017 and 2016

Stated in pesos

	Notes	09.30.2017	09.30.2016
Material transactions not entailing changes in cash			
Acquisition of property, plant and equipment not yet paid	12	(1,264,683,297)	(3,995,884)
Interest and exchange difference capitalized in property, plant and equipment	12	(948,690,309)	(183,276,120)
Advances to suppliers applied to the acquisition of property, plant and equipment	12	(513,057,346)	-
Addition of property, plant and equipment due to merger	12	708,545,901	1,069,605,208
Addition of trade receivables due to merger		59,089,006	120,098,598
Addition of other receivables due to merger		56,066,060	108,259,299
Addition of materials and spare parts due to merger		(9,078,135)	6,270,052
Addition of other financial assets at fair value through profit and loss due to merger		-	1,210,961
Addition of trade payables due to merger		(206,608,339)	(67,806,826)
Addition of other liabilities due to merger		-	(58,184,938)
Addition of loans due to merger		(424,285,831)	(490,716,207)
Addition of salaries and social security liabilities due to merger		(683,062)	(1,628,857)
Addition of tax payables due to merger		(58,326,510)	(193,707,527)
Assignment of receivables with Directors to GROSA		20,785,080	-
Issue of Negotiable Obligations paid up in kind	16	489,219,349	-
Assignment of ASA credit rights in guarantee		3,547,468	-

The accompanying notes form an integral part of these interim condensed financial statements.

NOTE 1: GENERAL INFORMATION

GMSA is a company engaged in the conventional thermal power generation and is controlled by Albanesi S.A., an investing and financing company, which holds 95% of its capital and votes.

ASA was established in 1994. Through its subsidiaries and related entities, the Company has invested in the energy market, in the power generation and commercialization segment, its main line of business to date.

At the date these condensed interim financial statements were signed, the Group had a total installed capacity of 1,190 MW, representing 5.2% of the total installed thermoelectric capacity in Argentina, it being expanded with additional 681 MW with all the new projects awarded and currently under way.

Central Térmica Modesto Maranzana:

GMSA is the owner of Central Térmica Modesto Maranzana (CTMM), located in the city of Río Cuarto, Province of Córdoba. The Power Plant originally had a combined cycle in operation with a capacity of 70 MW, in two blocks of 35 MW each, and each block with a Frame Gas Turbine 5, a Generator and a Steam Turbine in a single axis system.

In October 2008, GMSA completed the first stage of the project to extend the Power Plant. To this end, two new aero-derivative gas turbines FT8-3 SwiftPac 60 PWPS of 60 MW were installed and started-up. Each has two aero-derivative gas turbines of 30MW that transmit their power to a single generator thus offering great flexibility in the operation.

Continuing with its expansion process, CTMM installed a third turbine FT8-3 SwiftPac 60 PWPS of 60 MW in 2010, which became operative in September of that year, thus reaching an installed capacity of 250 MW at the Power Plant.

On March 28, 2016, GMSA signed an agreement with Siemens Industrial Turbomachinery AB for CTMM for the provision and assembly of two Siemens SGT-800 turbines of 50MW nominal each. This enlargement agreement falls within the scope of ES Resolution No. 220/07, and they were commercially authorized in the WEM on July 6, 2017. In this manner, the installed capacity of the Power Plant increased from 250 MW to 350 MW.

NOTE 1: GENERAL INFORMATION (Cont'd)

Central Térmica Independencia

Central Térmica Independencia (CTI, for its acronym in Spanish) is located in the city of San Miguel de Tucumán, province of Tucumán. CTI was out of service and during 2011, Albanesi Group performed all necessary works and tasks to install 120MW with PWPS technology as well as refurbish the existent auxiliary facilities. An authorization for commercial operation was obtained on November 17, 2011.

On June 30, 2016, within the framework of the bidding process called for by the Energy Secretariat through Resolution ES No. 21, GMSA signed a Contract for Wholesale Demand for CTI for the installation of the new thermal generation capacity. The project consists of the installation of 92 MW in two stages.

For this purpose, on April 30, 2016, a contract was executed with Siemens Industrial Turbomachinery AB for the purchase of the first SGT-800 turbine of 50 MW, paying on December 2016 50% and financing the remaining 50% in 24 installments as from September 2017. On August 10, 2017, the commercial operation was obtained for the first stage, for a maximum power of 49.6 MW while operated with natural gas and 46.5 MW while operated with diesel. It is connected to SADI at the transformer station (ET for its acronym in Spanish) INDEPENDENCIA 132 KV of TRANSNOA, province of Tucumán.

For this purpose, on August 9, 2016, a contract was executed with Siemens Industrial Turbomachinery AB for the purchase of a second SGT-800 turbine of 50 MW, paying on March 2017 50% and financing the remaining 50% in 24 installments as from April 2018. The parts belonging to the second turbine and chimneys are already at the plant. The value of the turbine amounts to USD 20 million.

At the date of these interim condensed financial statements, we are working on the second stage of the project, with a 98.2% degree of completion and a total investment amounting to USD 49.7 million.

Central Térmica Riojana

Central Térmica Riojana (CTRi for its acronym in Spanish) is located in the province of La Rioja and has 4 power generation units: Turbomachinery Fiat TG21 of 12MW, Turbomachinery John Brown TG22 of 16MW, Turbomachinery Fiat TG23 of 12MW and Turbomachinery Siemens SGT 800 TG24 of 50 MW, for which an addenda was executed with CAMMESA for the increase in the installed capacity by 50MW under ES Resolution No. 220/07.

The Turbomachinery Siemens was acquired through a contract with Siemens Industrial Turbomachinery AB signed on September 7, 2015. On May 20, 2017, the commercial operation was obtained for a maximum power of 46.68 MW while operated with natural gas and 45 MW while operated with diesel. It is connected to SADI at the ET La Rioja.

NOTE 1: GENERAL INFORMATION (Cont'd)

Central Térmica La Banda

Central Térmica La Banda (CTLB) is located in the province of Santiago del Estero and has currently two power generation units Turbomachinery Fiat TG21 of 16 MW and Turbomachinery Fiat TG22 of 16 MW.

Central Térmica Frías

Central Térmica Frias (CTF) is located in the province of Santiago del Estero and has currently 60 MW of nominal thermal power generation capacity through one turbine with PWPS technology which consist of two gas turbines which transmit their mechanical power to only one generator of 60 MW. The machine transforms the chemical energy of the fuel (either liquid or gas, injected into the combustion chambers) into mechanical energy; this is transmitted to the generator, which in turn converts the energy into electricity.

The agreement for the purchase of the turbine established a 4-year financing for USD 12 million by PWPS, upon provisional acceptance. This amount is disclosed in non-current trade payables for the equivalent to $207,720,000.

Central Térmica Ezeiza

Central Térmica Ezeiza (CTE) is located in the province of Buenos Aires, and has 2 Siemens turbines SGT-800 of 50 MW each, which, on September 29, 2017, were commercially authorized to operate under the framework of ES Resolution No. 21/16 for a total of 93 MW, with rates stated in US dollars and for a term of 10 years. They are connected to SADI at the ET TORRES 132 kV in the province of Buenos Aires. Both turbines form part of the first stage of a total project for 150 MW.

For this purpose, on April 30, 2016, a contract was executed with Siemens Industrial Turbomachinery AB for the purchase of the mentioned turbines, paying on September 2016 50% and financing the remaining 50% in 24 installments as from September 2017.

As regards the second stage of the project, on August 9, 2016, a contract was executed with Siemens Industrial Turbomachinery AB for the purchase of a third SGT-800 turbine of 50 MW, paying on March 2017 50% and financing the remaining 50% in 24 installments as from April 2018. The value of the turbine amounts to USD 20.3 million. The parts belonging to the turbine and chimneys are already at the plant.

At the date of these interim condensed financial statements, we are working on the second stage of the project, with a 98.8% degree of completion and a total investment amounting to USD 108.9 million.

The start of commercial operations for this stage is expected by the first quarter of 2018.

NOTE 1: GENERAL INFORMATION (Cont'd)

Maintenance Agreements

GMSA and PWPS entered into a global service agreement (Long Term Service Agreement), for the power plants CTMM, CTI and CTF. As set forth in the agreement, PWPS must provide on-site technical assistance on a permanent basis, a remote monitoring system to follow up on the efficient performance of the turbines, 24-hour assistance from the engineering department in the USA, original spare parts in a timely manner and repairs for planned and unplanned maintenance. GMSA entered into an equipment lease agreement whereby PWPS must make available to GMSA under EXW conditions replacement equipment (Gas Generator/Power Turbine) for 72 hours, in case of unplanned placing of equipment out of service. PWPS thus guarantees availability of not less than ninety five percent (95%) to the Power Plants for a contractual year. Also, the Power Plants have their own repair shop with tools and stocks of spare parts to perform on-site repairs without having to send the equipment to the shop in the USA. The gas turbine equipment can be sent by plane, thus reducing the transportation time.

In addition, GMSA signed with Siemens S.A. and Siemens Industrial Turbomachinery AB a global service and spare part agreement for the power plants CTRi, CTMM, CTI and CTE. As set forth in the agreements, Siemens must provide on-site technical assistance on a permanent basis, a remote monitoring system to follow up on the performance of the turbines, 24-hour assistance from the engineering department, original spare parts in a timely manner and repairs for planned and corrective maintenance. In addition, the agreement establishes that Siemens will make available for GMSA for CTRi, CTMM, CTI and CTE replacement equipment (engine gas generator) if necessary. Siemens thus guarantees an average availability of not less than ninety six percent (96%) on average to the Power Plants for each biannual measurement period. In addition, the Power Plants have their own repair shop with tools and spare parts in stock to make on-site repairs. Compliance with the energy sale agreement with CAMMESA under Resolution No. 220/07 (for power plants CTRi and CTMM) and Resolution No. 21/16 (for power plants CTI and CTE) is thus guaranteed.

Environmental management

For CTMM, the certifications ISO 9001:2008, ISO14001:2004 and OHSAS 18001:2007 of the Integrated Management System of the Power Plant are effective. The documentation is correctly updated having adjusted it to the organization's demands and objectives for a sure and efficient performance.

The staff has been trained according to the training needs identified for a correct performance of duties, and the controls and pre-emptive follow ups, undertaken, have been performed considering the references of the planning.

NOTE 1: GENERAL INFORMATION (Cont'd)

Environmental management (Cont'd)

For CTI, CTLB, CTRi and CTF the certification ISO 14001: 2004 of the Environmental Management System of the Power Plants is effective and duly implemented, which was proven by the internal audits carried in the first six-month period of the year. Personnel have received the necessary training for the correct performance of their work and environmental care, and effective prevention of contamination. In view of the above, there have been no environmental incidents or other emergencies as a result of the development of the process and the performance of service activities.

In the period June-July 2017, the internal audit was carried out to the Integrated Management System of the Power Plants, proving their duly maintenance and implementation.

As from this second half of the year, the Quality and Environment Systems, specifically, were migrated to their new 2015 versions and made available to personnel once prior classroom and remote training sessions for users have been delivered. This training process, which begun in the second quarter of the year together with the development of documentary changes necessary, will be extended until the third quarter of the following year, when the annual corporate training session will take place with the attendance of representatives from other Power plants of the Group with special interest on environmental issues.

For next November, a new annual external audit is expected for the maintenance of the system (2nd in a three-year period of certifications) under the new versions for Quality and Environment Systems which have been definitively implemented.

Group's companies merger process

GMSA (merging and continuing company) has been part of a merger process with the following companies which have been absorbed: GISA, GLBSA and GRISA. On November 10, 2015, a final merger agreement was signed which established as effective date of the merger January 1, 2016. The merger was approved by the CNV on March 22, 2016 and registered with the Superintendency of Commercial Companies on May 18, 2016 (See Note 24.a).

As a result of the merger, the thermal power plants CTI, CTRi and CTLB owned by the merged companies have been transferred to GMSA.

Furthermore, in 2016 GMSA (merging and continuing company) has been part of a merger process in which GFSA was merged. On November 15, 2016, a final merger agreement was signed which established as effective date of the merger January 1, 2017. The merger was approved by the CNV on March 2, 2017 and registered with the Superintendency of Commercial Companies on March 17, 2017 (See Note 24.b).

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES

The Company's revenue from electricity generation activity is derived from sales to Large Users on the Forward Market (MAT), for surplus demand (ES Resolution No. 1281/06); from sales to CAMMESA under ES Resolution No. 220/07, and sales under ES Resolutions No. 21/16 and 19/17. In addition, the excess electricity generated under the modalities of ES Resolutions No. 1281/06 and 220/07 is sold on the Spot Market, in accordance with the regulations in force in the WEM administered by CAMMESA.

a) Regulations on Energía Plus, Resolution No. 1281/06

The Energy Secretariat approved Resolution No. 1281/2006 which provides that the existing energy sold on the Spot Market follows these priorities:

(1) Demand lower than 300 KW;
(2) Demand over 300 KW, with contracts; and
(3) Demand over 300 KW, without contracts.

It also establishes certain restrictions on the sale of electric power and implements the "Energía Plus" service, which allows generating agents to offer the available additional generation. They must fulfill the following requirements: (i) they must be WEM agents whose generating units were authorized for operation after September 5, 2006 and (ii) they must have fuel supply and transportation contracts

The regulation establishes that:

• Large Users with demand over 300 KW ("GU300") will be authorized to enter into contract for their demand of electricity in the forward market with the generating agents existing in the WEM at the moment, only for the electricity consumption in 2005 ("Basic Demand").

• The electricity consumed by GU300 above their Basic Demand must be supplied by new generation (Energía Plus) and for a price agreed upon by the parties. This may not exceed 50% of the actual demand.

• New Agents entering the system must contract 50% of their total demand under the Energía Plus service, according to the conditions described above.

At the date of these interim condensed financial statements, almost all the nominal power of 135 MW available is under contract. The duration of these contracts is from1 to 2 years.

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

b) Supply Contract with WEM (Resolution No. 220/07).

In January 2007, the Energy Secretariat issued Resolution No. 220/07 authorizing the execution of Supply Contracts between WEM and additional offers of available generation and associated energy submitted by generating, co-generating or self-generating agents which, at the date of publication of the said resolution are not WEM agents or do not have the generation facilities to be agreed under these commercially authorized offers, or are not interconnected with WEM at that date. In this regard, the execution of Supply Contracts was foreseen as another way to generate incentives for the development of additional energy projects.

These Supply Contracts are entered into between generating agents and CAMMESA, with a duration of 10 years or a shorter term that may exceptionally be established. The valuable consideration for availability of generation and energy is established in each contract based on the costs accepted by the ES. The contracts will also establish that the machines and thermal power plants used to cover the Supply Contracts will generate energy as they are dispatched by CAMMESA.

Sales under this modality are denominated in dollars and are paid by CAMMESA under a take or pay clause and the generated surplus is sold to the Spot Market, pursuant to regulations in effect in the WEM administered by CAMMESA.

GMSA and CAMMESA entered into various Wholesale Electric Market (WEM) supply contracts: For CTMM it agreed a power of 45 MW for TG5 and for a term of 10 years counted as from October 2010, and 89.9 MW for TG6 and 7 and a duration of 10 years counted as from July 2017; for CTI it agreed a power of 100 MW and a duration of 10 years counted as from November 2011; for CTF it agreed a power of 55.5 MW and a duration of 10 years counted as from December 2015, and for CTRi it agreed a power of 42 MW and a duration of 10 years counted as from May 2017.

These agreements set forth a remuneration made up of 5 components:

i) fixed charge for power hired, affected by monthly average availability; the remunerated price is

Thermal power Plant	Fixed charge for power hired USD/MW-month	Hired power MW
CTMM TG 5	USD 16,133	45
CTI TG 1 and 2	USD 17,155	100
CTF	USD 19,272	55.5
CTMM TG 6 and 7	USD 15,930	89.9
CTRi TG 24	USD 16,790	42

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

b) Supply Contract with WEM (Resolution No. 220/07) (Cont'd)

ii) the fixed charge recognizes transportation costs plus other costs inherent to the generating agents;
iii) the variable charge associated with the energy effectively prescribed under the contract and which purpose is to remunerate the operation and maintenance of the Plant:

Thermal power Plant	Variable charge in USD/MWh	
	Gas	Diesel
CTMM TG 5	USD 7.83	USD 8.32
CTI TG 1 and 2	USD 7.52	USD 7.97
CTF	USD 10.83	USD 11.63
CTMM TG 6 and 7	USD 8.00	USD 10.50
CTRi TG 24	USD 11.44	USD 15.34

iv) a variable charge for repayment of fuel costs, all of them at reference price; and
v) a discount for penalties.

These penalties are applied to the hours in which 92% of the agreed upon power has not been reached and are valued on a daily basis and according to the operating condition of the machine and the market situation.

c) Sales under ES Resolution No. 21/2016

Through ES Resolution No. 21/2016 dated March 22, interested generating, co-generating and self-generating agents are called for to offer new thermal generation capacity and associated energy production, with the commitment to be available at WEM during the summer periods of (2016/2017 and 2017/2018) and for the winter season of 2017.

Through ES Note No. 161/2016 the Energy Secretariat made public the bidding process whereby 1000 MW of thermoelectric power was expected to be installed. Power to be installed must arise from new generation projects. Offers cannot commit, at each connection point proposed, a generation capacity lower than 40 MW total and, in turn, the net power of each generating unit forming the offer for location may not be lower than 10 MW. Equipment committed in the offers must have dual capacity of fuel consumption to operate interchangeably and consumption must not exceed 2,500 kilocalories per kWh.

Finally, through ES Resolution No. 155/2016 the first projects awarded by ES Resolution No. 2172016 were reported among which were CTE and the enlargement of CTI.

These Supply Contracts are entered into between generating agents and CAMMESA, with a duration of 10 years or a shorter term that may exceptionally be established. The valuable consideration arises from availability of power and energy generated as established in each contract based on the costs accepted by the ES. Sales under this modality are denominated in US dollars and paid by CAMMESA.

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

c) Sales under ES Resolution No. 21/2016 (Cont'd)

These agreements set forth a remuneration made up of 5 components:

i) fixed charge for power hired, affected by monthly average availability; the remunerated price is

Thermal power plants	Fixed charge for power hired	Hired power
	USD/MW-month	MW
CTE TG 1 and 2	USD 21,900	93
CTE TG 3	USD 20,440	46
CTI TG 3	USD 21,900	46
CTI TG 4	USD 20,440	46

ii) the fixed charge recognizes transportation costs plus other costs inherent to the generating agents;

iii) the variable charge associated with the energy effectively prescribed under the contract and which purpose is to remunerate the operation and maintenance of the Plant:

Thermal power plants	Variable charge in USD/MWh	
	Gas	Diesel
CTE TG 1 and 2	USD 8.50	USD 10.00
CTI TG 3 and 4	USD 8.50	USD 10.00

iv) a variable charge for repayment of fuel costs, all of them at reference price; and

v) a discount for penalties. These penalties are applied to the hours in which 92% of the agreed upon power has not been reached and are valued on a daily basis and according to the operating condition of the machine and the market situation.

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

d) Sales under ES Resolution No. 19/2017

On March 22, 2013 the Energy Secretariat published ES Resolution No. 95/13 that aimed at adapting the system for the remuneration of the power generation plants not subject to special regimes, such as Energía Plus and WEM Supply Contracts.

ES Resolution No. 529/14 was published on May 20, 2014, amending and extending application of ES Resolution No. 95/13. The main change was the increase in the remuneration payable to the generators, implemented through a price increase, as well as the creation of a new item, called Remuneration for Non-recurring Maintenance.

As established by ES Resolution No. 529/14, commercial management and fuel dispatch were to be centralized in the Dispatch Management Agency (CAMMESA) as from February 2014. Costs associated with the operation were no longer recognized as the contractual relationships between the WEM Agents and their suppliers of fuels and related inputs became extinguished. ES Resolution No. 1281/06 (Energía Plus) was excluded from these regulations.

ES Resolution No. 482/15 was published on July 10, 2015, amending and extending application of ES Resolution No. 529/14. The main change was the increase in the remuneration payable to the generators, implemented through a price increase, as well as the creation of two new items: 2015-2018 Resource for FONINVEMEM investments" and "Incentives for Energy Production and Operating Efficiency".

On March 30, 2016, ES Resolution No. 22/16 was published amending ES Resolution No. 482/15 above mentioned. The main change was the increase in the remuneration payable to the generators, implemented through a price increase.

There was a 70% increase in the fixed charge remunerating available power and of 40% in the variable cost for the energy generated.

Thermal power plants	Classification	Fixed cost as per Res. No. 22 $/MWhrp
CTLB / CTRi	TG Units with Power (P) < 50 MW (small)	152.30
CTMM CC 1 and CC 2	CC Units with Power (P) < 150 MW (small)	101.20

MinEyM ES Resolution 19-E/17 was published on January 27, 2017, replacing ES Resolution No. 22/16. This resolution adapts certain remuneration criteria to economic conditions which are reasonable, foreseeable and efficient, through medium-term commitments.

The Generating Agents are excluded from this system in the framework of contracts regulated by Resolution No. 1281/2006, 220/2007, 21/2016 as well as any other type of WEM contract having a differential remuneration established or authorized by WEM competent authority.

NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

d) Sales under ES Resolution No. 19/2017 (Cont'd)

Among the main changes, the remuneration is based on the Available Power and Energy generated, valued in US Dollars, simplifying their calculation.

The new resolution is effective from February 1, 2017.

The remuneration system basically comprises the following items:

1. Remuneration per power: this is proportional to the available monthly power and a price in USD/MW-month that varies according to different conditions.

   - MINIMUM price of power per technology and scale.
   - BASE price according to the Offered Guaranteed Power. Valued as from May 2017 until October 2017 at 6,000 USD/MW-month and as from November 2017 onwards, 7,000 USD/MW-month.
   - ADDITIONAL price with maximum in accordance with additional availability Offered and allocated. Valued as from May 2017 until October 2017 at 1,000 USD/MW-month and as from November 2017 onwards, 2,000 USD/MW-month.

2. Remuneration per Energy: It is comprised by:

   2.1 Energy generated: It is the remuneration received for the energy effectively generated, valued according to the type of fuel at 5 USD/MWh for Natural Gas and 8 USD/MWh for Diesel or Fuel Oil.
   2.2 Energy operated: The generators received an additional remuneration of 2 USD/Mwh, irrespective of the type of fuel, for the Energy Operated, represented by the integration of hourly powers in the period.
   2.3 Additional remuneration incentive for efficiency:
   2.3.1 Additional remuneration variable cots efficient thermal power generation: The generating agent may receive an additional remuneration if the fuel consumption objectives are accomplished.
   2.3.2 Additional remuneration for thermal power generators of little use: An additional remuneration is established according to the frequency of starts based on the energy generated.
   2.3.2.1 This price will be valued at 2.6 USD/MWh. It will be multiplied by the energy generated during the pertinent month, by the Use Factor (which is defined as the use factor of the nominal power recorded over the last twelve-month period. It will have a value of 0.5 for thermal units with Use factor < 30% and 1.0 for those with Use factor < 15%. For the rest of the cases it will be 0.
   2.3.2.2 This price will be valued at 2.6 USD/MWh. It will be multiplied by the energy generated during the pertinent month, by the Start Factor (which is determined based on the starts recorded over the last twelve-month period. It will have a value of 0 for <= 74, 0.1 between 75 and 149 and 0.2 for more than 150 starts).

NOTE 3: BASIS FOR PRESENTATION

The interim condensed financial statements for the nine and three-month periods ended September 30, 2017 and 2016 have been prepared in accordance with IAS 34. This interim condensed financial information must be read jointly with the Company's annual financial statements at December 31, 2016.

The presentation in the interim condensed statement of financial position segregates current and non-current assets and liabilities. Current assets and liabilities are those which are expected to be recovered or settled within the twelve months after the end of the reporting period. In addition, the Company reports on the cash flow from operating activities using the indirect method.

The fiscal year commences on January 1 and ends December 31 of each year.

Economic and financial results are presented on the basis of the fiscal year, in proportion to the period elapsed.

These interim condensed financial statements are stated in pesos. They have been prepared under the historical cost convention, modified by the measurement of financial assets and liabilities at fair value through profit or loss.

The interim condensed financial statements for the nine- and three-month periods ended September 30, 2017 and 2016 have not been audited. The Company's management estimates that they include all the necessary adjustments to reasonably present the results for each period. The results for the nine- and three-month periods ended September 30, 2017 and 2016 do not necessarily reflect a proportionate percentage of the Company's results for the full year.

These interim condensed financial statements were approved for issuance by the Company's Board of Directors on November 9, 2017.

Comparative information

Balances at December 31, 2016 and for the nine- and three-month periods ended September 30, 2016 which are disclosed in these interim condensed financial statements for comparative purposes arise from financial statements at that dates. Certain reclassifications have been included in the financial statement figures presented for comparative purposes to conform them to the current period presentation.

A final merger agreement was entered into on November 15, 2016 establishing a merger of GFSA through absorption into GMSA effective as from January 1, 2017. The increase in the variations is mainly due to this condition. The information is not comparative.

NOTE 4: ACCOUNTING POLICIES

The accounting policies adopted for these interim condensed financial statements are consistent with those used in the audited financial information corresponding to the last fiscal year, which ended on December 31, 2016, except for those mentioned below:

There are no new IFRS or IFRIC applicable as from the current period which have a material impact on the interim condensed financial statements of the Company.

These interim condensed financial statements must be read together with the audited financial statements at December 31, 2016 prepared under IFRS.

4.1 New accounting standards, amendments and interpretations issued by the IASB

IAS 7 "Statement of Cash flows": was changed in January 2016. Entities are required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.
This includes changes from cash flows, such as uses of cash and loan amortization; and changes not entailing cash flows, such as purchases, sales and unrealized exchange differences. The amendments are effective for annual periods beginning on or after January 1, 2017. Application of the amendments will not have an impact on the Company's financial position or the results of its operations; it will only imply new disclosures.

IAS 12 - Income Taxes: was amended in January 2016 to clarify the requirements as regards recognition of deferred tax assets for unrealized losses. The amendments clarify how to account for deferred tax when an asset is measured at fair value and such fair value is below the tax base of the asset.

IFRS 9 "Financial instruments": the amendment was issued in July 2014. It includes in a single document all phases of the IASB project to replace IAS 39 "Financial instruments: recognition and measurement". Those stages are the classification and measurement of instruments, impairment and hedge accounting. This version includes a new impairment model based on expected losses and certain minor amendments to the classification and measurement of financial assets. The new version replaces all earlier versions of IFRS 9 and is effective for annual periods beginning on or after January 1, 2018. The Company is analyzing the impact of its application.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.1 New accounting standards, amendments and interpretations issued by the IASB (Cont'd)

IFRIC 23 - Uncertainty over income tax treatments: In June 2017, the IASB issued IFRIC 23 which clarifies application of IAS 12 regarding the existence of uncertain tax positions when determining income tax. According to this interpretation, an entity is to reflect the impact of the uncertain tax position using the method that provides better predictions of the resolution of the uncertainty, whether the most likely amount or the expected value method. Also, an entity is to assume that a taxation authority will examine the uncertain positions and will have full knowledge of all relevant information when doing so. IFRIC 23 is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted. The Company is analyzing the impact of the application of IFRIC 23; however, it estimates that the application thereof will not have a significant impact on the results of operations or the financial position of the Company.

IFRS 17 - Insurance contracts: In May 2017, the IASB issued IFRS 17 which replaces IFRS 4, introduced as a provisional standard in 2004 to account for insurance contracts using the national accounting standards, and resulting in multiple application approaches. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and is effective for annual reporting periods beginning on or after January 1, 2021. Earlier application is permitted if both IFRS 15 and IFRS 9 have also been applied. The Company is analyzing the impact of the application of IFRS 17; however, it estimates that the application thereof will not have a significant impact on the results of operations or the financial position of the Company.

NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires Company Management to make estimates and assessments concerning the future, apply critical judgments and establish premises that affect application of the accounting policies and the reported amounts of assets, liabilities, income and expenses.

These estimates and judgments are continually evaluated and are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual future results may differ from those estimates and assessments made at the date these interim condensed financial statements were prepared.

In the preparation of these interim condensed financial statements, certain critical judgments made by the Management when applying Company's accounting policies and sources of information used for the pertinent estimates are the same as those applied to the audited financial statements for the year ended December 31, 2016.

NOTE 6: FINANCIAL RISK MANAGEMENT

The Company's activities are disclosed under sundry financial risks: market risk (including the foreign exchange risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

These interim condensed financial statements do not include the information required for the annual financial statements regarding risk management. They must be read jointly with the financial statements for the year ended December 31, 2016. No changes have been made to risk management policies since the annual closing.

NOTE 7: SALES REVENUE

	09.30.2017	09.30.2016
Sale of electricity Res. No. No. 95/529/482/22/19	20,306,989	85,254,316
Energy sales in the spot market	67,403,745	200,423,911
Energía Plus sales	840,462,996	580,236,912
Sale of electricity Res. No. 220	858,128,371	581,722,889
	1,786,302,101	**1,447,638,028**

NOTE 8: COST OF SALES

	09.30.2017	09.30.2016
Purchase of electric energy	(606,585,527)	(440,840,628)
Gas and diesel consumption at the plant	(107,194,064)	(398,540,291)
Fees and compensation for services	(2,944,065)	(3,593,932)
Salaries and social security charges	(72,507,902)	(48,339,647)
Other employee benefits	(4,757,110)	(3,265,174)
Taxes, rates and contributions	(12,117,212)	(12,167,171)
Maintenance services	(125,779,584)	(80,105,718)
Depreciation of property, plant and equipment	(177,552,934)	(86,322,497)
Per diem, travel and representation expenses	(1,956,341)	(586,136)
Insurance	(17,663,399)	(12,665,200)
Communication expenses	(3,236,116)	(2,187,355)
Sundry	(2,644,596)	(3,114,736)
	(1,134,938,850)	**(1,091,728,485)**

NOTE 9: SELLING EXPENSES

	Note	09.30.2017	09.30.2016
Salaries and social security charges		-	(378,852)
Taxes, rates and contributions		(1,249,935)	(1,236,467)
Recovery of Turnover tax	27	19,643,732	-
Bad debts		15,459	(2,010,873)
		18,409,256	**(3,626,192)**

NOTE 10: ADMINISTRATIVE EXPENSES

	09.30.2017	09.30.2016
Fees and compensation for services	(25,239,175)	(15,183,658)
Salaries and social security charges	-	(1,136,555)
Other employee benefits	(398,681)	(152,271)
Taxes, rates and contributions	(1,337,387)	(942,025)
Per diem, travel and representation expenses	(976,786)	(2,519,681)
Insurance	(168,871)	(331,133)
Office expenses	(3,123,946)	(1,618,528)
Communication expenses	(134,757)	(5,613)
Leases	(2,943,000)	-
Sundry	(220,678)	(730,229)
	(34,543,281)	**(22,619,693)**

NOTE 11: FINANCIAL RESULTS

	09.30.2017	09.30.2016
Financial income		
Commercial interest	31,325,256	13,604,212
Interest on loans granted	13,447,893	2,789,511
Total financial income	**44,773,149**	**16,393,723**
Financial expenses		
Loan interest	(205,163,240)	(160,254,824)
Commercial and other interest	(18,899,760)	(8,540,564)
Bank expenses and commissions	(3,067,209)	(6,771,335)
Total financial expenses	**(227,130,209)**	**(175,566,723)**
Other financial results		
Exchange difference, net	(51,262,530)	(74,945,714)
Changes in the fair value of financial instruments	46,179,621	47,633,513
Other financial results	(83,174,884)	(47,113,945)
Total other financial results	**(88,257,793)**	**(74,426,146)**
Total financial results, net	**(270,614,853)**	**(233,599,146)**

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Original values						Depreciation					Net book value at end of year/period	
Type of asset	At beginning of year/period	Addition due to merger	Increases	Transfers/ withdrawals	Technical revaluation	At the end of year/period	Accumulated at beginning of period / year	Addition due to merger	For the period (1)	Technical revaluation	Accumulated at the end of year/period	At 09.30.2017	At 12.31.2016
Land	184,769,155	341,200	5,673,832	(7,549,077)	-	183,235,110	-	-	-	-	-	183,235,110	184,769,155
Buildings	92,314,799	16,439,100	-	141,131,189	-	249,885,088	-	-	3,093,246	-	3,093,246	246,791,842	92,314,799
Facilities	238,766,199	49,460,000	263,349	355,409,226	-	643,898,774	-	-	21,000,398	-	21,000,398	622,898,376	238,766,199
Machinery	2,947,847,599	642,121,700	102,730,467	2,776,327,129	-	6,469,026,895	-	-	150,991,899	-	150,991,899	6,318,034,996	2,947,847,599
Works in progress - Extension of Plant	987,294,546	-	4,696,006,898	(3,272,867,544)	-	2,410,433,900	-	-	-	-	-	2,410,433,900	987,294,546
Computer and office equipment	7,473,494	202,354	2,158,388	-	-	9,834,236	3,754,470	18,453	1,467,588	-	5,240,511	4,593,725	3,719,024
Vehicles	6,512,931	-	540,912	-	-	7,053,843	1,403,710	-	999,803	-	2,403,513	4,650,330	5,109,222
Spare parts and materials	32,000,000	-	-	(8,935,445)	-	23,064,555	-	-	-	-	-	23,064,555	32,000,000
Total at 09.30.2017	**4,496,978,723**	**708,564,354**	**4,807,373,846**	**(16,484,522)**	**-**	**9,996,432,401**	**5,158,180**	**18,453**	**177,552,934**	**-**	**182,729,567**	**9,813,702,834**	**-**
Total at 12.31.2016	**1,208,996,997**	**1,069,605,208**	**1,606,372,161**	**-**	**612,004,357**	**4,496,978,723**	**2,816,102**	**731,624**	**115,459,849**	**(113,849,395)**	**5,158,180**	**-**	**4,491,820,544**
Total at 09.30.2016	**1,208,996,997**	**1,069,605,208**	**804,893,845**	**-**	**-**	**3,083,496,050**	**2,816,102**	**731,624**	**86,322,497**	**-**	**89,870,223**	**2,993,625,827**	**-**

(1) Depreciation charges for the nine-month period ended September 30, 2017 and for the year ended December 31, 2016 were allocated to the cost of sales including $113,734,460 and $ 69,914,512, respectively, due to a higher value for technical revaluation.

NOTE 13: CASH AND CASH EQUIVALENTS

	09.30.2017	12.31.2016
Cash	398,269	317,866
Banks in local currency	21,597,384	63,525,280
Banks in foreign currency	6,900,603	2,292,705
Mutual funds	560,709	360,217,751
Checks to be deposited	37,235,984	18,600,989
	66,692,949	**444,954,591**

For the purposes of the cash flows statement, cash, cash equivalents and bank overdraft facilities include:

	Note	09.30.2017	09.30.2016
Cash and cash equivalents		66,692,949	1,332,088,174
Cash and cash equivalents (bank overdrafts included)		**66,692,949**	**1,332,088,174**

NOTE 14: CAPITAL STATUS

Social capital subscribed at September 30, 2017 amounted to $ 138,172,150.

At the Extraordinary Meeting of Shareholders held on October 15, 2015 which approved the merger through absorption of GMSA (the merging company), GISA, GLBSA and GRISA (the merged companies), a capital increase was resolved considering the respective swap ratio as from the effective merger date (January 1, 2016) in the amount of $49,454,007, taking the share capital to $125,654,080 and delegating to the Board, pursuant to Section 188 of the General Companies Law No. 19550, the issuance date of the shares mentioned. In this sense, on January 11, 2016, the Board approved the issue of 49,454,007 ordinary, registered non-endorsable shares of $1 par value each and entitled to one voting right per share, corresponding to the above-mentioned capital increase. This capital increase and the pertinent amendment to bylaws have been duly registered with the Superintendency of Commercial Companies.

Also, the Ordinary and Extraordinary Shareholders' Meeting held on October 18, 2016 approved the merger through absorption of GMSA (the continuing company) and GFSA (merged company) within the framework of the merger process; a GMSA capital increase was decided from $125,654,080 to $138,172,150 by issuing 12,518,070 new ordinary registered non-endorsable shares of GMSA, of $1 par value each and entitled to 1 (one) voting right per share, considering the respective swap ratio, as from the effective merger date (January 1, 2017), delegating to the Board of Directors the power to decide when the new shares will be issued. In this sense, on January 10, 2017, the Board approved the issue of 12,518,070 ordinary, registered non-endorsable shares of $1 par value each and entitled to one voting right per share, corresponding to the above-mentioned capital increase. Furthermore, as a result of that capital increase, the amendment to Section 5 of corporate bylaws was approved. This capital increase and the pertinent amendment to bylaws have been duly registered with the Superintendency of Commercial Companies.

NOTE 15: EARNINGS PER SHARE

Basic

The basic earnings per share are calculated by dividing the income attributable to the holders of the Company's equity instruments by the weighted average number of ordinary shares outstanding during the period.

	09.30.2017	09.30.2016
Comprehensive income for the period	230,842,571	58,624,293
Weighted average of outstanding ordinary shares	138,172,150	125,654,080
Basic earnings per share	**1.6707**	**0.4666**

There are no differences in the calculation of the basic earnings per share and the diluted earnings per share, as there are no preferred shares or negotiable obligations convertible into ordinary shares.

NOTE 16: LOANS

Non-Current	09.30.2017	12.31.2016
International bond	3,019,643,898	2,659,743,432
BAF Loan debt	-	631,249,936
Cargill loan debt	360,048,000	-
Syndicated loans	685,330,098	-
Negotiable obligations	1,284,848,594	139,283,447
CAMMESA	5,061,989	10,123,978
Finance lease debts	31,320,766	17,776,508
	5,386,253,345	**3,458,177,301**
Current		
International bond	27,853,962	89,615,062
BAF Loan debt	-	3,840,614
Cargill loan debt	100,206,114	-
Syndicated loans	190,891,613	-
Negotiable obligations	217,478,804	84,703,205
CAMMESA	8,788,621	6,749,323
Other bank debts	145,888,242	93,451,938
Finance lease debts	11,414,143	6,508,125
	702,521,499	**284,868,267**

NOTE 16: LOANS (Cont'd)

At September 30, 2017, the total financial debt amounts to $6,089 million. The following table shows the total debt at that date.

	Principal	Balances at September 30, 2017	Interest rate	Currency	Date of issuance:	Maturity date:
		(Pesos)	(%)			
Loan Agreement						
Cargill	USD 16,000,000	283,948,023	LIBOR + 5.5%	USD	June 28, 2017	June 28, 2020
Cargill	USD 10,000,000	176,306,091	LIBOR + 5.5%	USD	July 5, 2017	June 28, 2020
BST Syndicated	USD 11,250,000	189,037,993	6.50%	USD	June 12, 2017	June 5, 2018
ICBC Syndicated	USD 40,000,000	687,183,718	7%	USD	September 18, 2017	August 18, 2020
Subtotal		**1,336,475,825**				
Debt securities						
International Bonds	USD 180,000,000	3,047,497,860	9.625%	USD	July 27, 2016	July 27, 2023
Class V Negotiable Obligations	$ 2,384,100	2,465,242	BADLAR + 4%	ARS	June 30, 2016	June 30, 2018
Class VI Negotiable Obligations	USD 34,696,397	597,750,096	8%	USD	February 16, 2017	February 16, 2020
Class VII Negotiable Obligations	$ 553,737,013	576,198,312	BADLAR + 4%	ARS	February 16, 2017	February 16, 2019
Class VIII Negotiable Obligations	$ 312,884,660	307,427,877	BADLAR + 5%	ARS	August 28, 2017	August 28, 2021
Class II Negotiable Obligations (GFSA)	$ 14,350,002	14,219,929	BADLAR + 6.5%	ARS	March 8, 2016	March 8, 2018
Class III Negotiable Obligations (GFSA)	$ 4,154,999	4,265,942	BADLAR + 5.6%	ARS	July 6, 2016	July 6, 2018
Subtotal		**4,549,825,258**				
Other liabilities						
CAMMESA		13,850,610				
Chubut loan	USD 1,532,557	24,698,725	LIBOR + 5%	USD	December 1, 2016	December 1, 2017
Itaú loan	USD 4,375,000	76,454,328	4.25%	USD	January 11, 2017	July 11, 2017
Santander Río loan	USD 1,575,000	27,222,113	4.75%	USD	March 14, 2017	March 14, 2018
BST loan	USD 1,000,000	17,513,076	6.50%	USD	June 21, 2017	June 5, 2018
Finance lease		42,734,909				
Subtotal		**202,473,761**				
Total financial debt		**6,088,774,844**				

a) International Bond Issuance

On July 7, 2016, GMSA, GFSA and CTR obtained under Resolution No. 18110 authorization from the CNV for the co-issuance of ordinary guaranteed unsubordinated bonds, not convertible into shares, in the local and international markets. On July 27, 2016, Negotiable Obligations were issued for USD 250 million, maturing in 7 years. The Bonds are unconditionally and fully guaranteed by ASA.

The Bonds have a Fitch B+ rating and a Moody's B3 rating.

This issuance has permitted financing investments under the Company's expansion plans, by reason of the award by the Energy Secretariat of Wholesale Demand Contracts under Resolution No. 115/2016 dated June 14, 2016, as well as the Group's projects under way, totalizing works for the installation of a 460-MW nominal capacity. In addition, it allows for improving the Group's financial profile with the early repayment of existing loans, obtaining a term for financing in accordance with the projects under financing and also a considerable decrease in related costs, which implies greater financial efficiency and release of guarantees.

NOTE 16: LOANS (Cont'd)

a) International Bond Issuance (Cont'd)

International Bonds:

Principal: Nominal value: USD 250,000,000; amount assigned to GMSA: USD 180,000,000 (Considering GFSA merger effect).

Interest: Interest accrues at a fixed rate of 9.625%.

Amortization term and method: Interest on the International Bonds shall be paid semi-annually in arrears, on the following dates: January 27 and July 27 of each year, commencing on January 27, 2017 and ending on the due date.

Principal on the Bonds shall be amortized in a lump sum payment at maturity, that is, on July 27, 2023.

The balance for that International Bond at September 30, 2017 amounts to $ 3,047,497,860.

By reason of the international Bond issuance, the Company has assumed certain standard commitments that are typical of this type of issuances, and the specific conditions are detailed in the respective prospectus. At the date of these interim condensed financial statements, the Company is complying with all the commitments undertaken in its indebtedness.

b) Negotiable obligations:

To improve the financial profile of the company, on October 17, 2012 GMSA obtained, under CNV Resolution No. 16942, authorization for: (i) incorporation of GMSA to the public offering system; and (ii) creation of a global program to issue simple negotiable obligations (non-convertible into shares), for a total outstanding nominal value of up to USD 100,000,000 (one hundred million US dollars) or its equivalent in other currencies, in one or more classes or series.

In line with the preceding paragraph, on September 26, 2017, GMSA and CTR obtained under RESFC-2017-18947-APN-DIR#CNV Resolution authorization from the CNV for the creation of a program for the co-issuance in the local market of simple negotiable obligations, not convertible into shares, for a total outstanding nominal value of up to USD 100 million (one hundred million United States dollars) or its equivalent in other currencies.

NOTE 16: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

At September 30, 2017 there are Class V, VI, VII and VIII (GMSA) and Class II and III (GFSA) Negotiable Obligations outstanding, issued by the Company for the amounts and under the following conditions:

Class V Negotiable Obligations:

Principal: Nominal value: $ 200,000,000

Interest: BADLAR rate plus 4%

Amortization term and method: Interest on Class V Negotiable Obligations will be paid quarterly in arrears, on the following dates: September 30, 2016, December 30, 2016, March 30, 2017, June 30, 2017, September 30, 2017, December 30, 2017, March 30, 2018 and June 30, 2018.

Principal on Class V Negotiable Obligations shall be amortized in 3 quarterly installments, the first two equivalent to 30% of nominal value of the negotiable obligations and the last installment to 40% of nominal value, payable on December 30, 2017, March 30, 2018 and June 30, 2018, respectively.

The proceeds from the issue of Class V Negotiable Obligations were applied to the repurchase of the remaining balance of Class III Negotiable Obligations of GISA, investments and working capital.

On February 16, 2017, Class VI and Class VII Negotiable Obligations were issued, a portion subscribed in cash and the remainder through a voluntary swap for Class IV and Class V (GMSA) and Class II and Class III (GFSA) Negotiable Obligations, improving the Company's indebtedness profile (term and rate). The amount paid of Class V Negotiable Obligations was $64,838,452.

On August 29, 2017, Class VIII Negotiable Obligations were issued and fully subscribed through a voluntary swap of Class V (GMSA) and Class II and III (GFSA) Negotiable Obligations, improving the Company's indebtedness profile (term and rate). The amount paid of Class V Negotiable Obligations was $132,777,453, with a principal balance outstanding of $2,384,100.

Principal balance on that Negotiable Obligation amounts to $2,384,100 at September 30, 2017.

NOTE 16: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

Class VI Negotiable Obligations:

Principal: Nominal value: USD 34,696,397

Interest: 8% annual nominal, paid quarterly as from May 16, 2017 to maturity.

Amortization term and method: one-off payment once 36 months have elapsed from disbursement of funds

The negotiable obligations were paid up in cash and in kind, in the latter case through a swap of Class V Negotiable Obligations for USD 448,262.

The proceeds from the issue of Class VI Negotiable Obligations were applied to investments in property, plant and equipment on various extension projects of GMSA and refinancing of liabilities, improving the Company's indebtedness profile.

Principal balance on those negotiable obligations outstanding at September 30, 2017 is USD 34,696,397.

Class VII Negotiable Obligations:

Principal: Nominal value: $ 553,737,013

Interest: BADLAR rate plus 4% Payable on a quarterly basis from May 16, 2017 to maturity.

Amortization term and method: in three payments once 18 (30%), 21 (30%) and 24 (40%) months have elapsed from disbursement of funds.

Payments were made in cash and in kind, in this latter case, through the swap of Class II (GFSA) Negotiable Obligations for $ 55,876,354, Class III (GFSA) Negotiable Obligations for $ 51,955,592, Class IV Negotiable Obligations for $ 1,383,920 and Class V Negotiable Obligations for $ 60,087,834. The proceeds from the issue of Class VII Negotiable Obligations were applied to investments in property, plant and equipment on the various extension projects of GMSA and refinancing of liabilities, improving the Company's indebtedness profile.

Principal balance on that Negotiable Obligation amounts to $553,737,013 at September 30, 2017.

NOTE 16: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

Class VIII Negotiable Obligations:

Class VIII negotiable obligations were issued on August 28, 2017 and were fully subscribed in kind.

Principal: Nominal value: $ 312,884,660

Interest: BADLAR rate plus 5% Payable on a quarterly basis from November 29, 2017 to maturity.

Amortization term and method: one-off payment once 48 months have elapsed from disbursement of funds

The proceeds from the issue of Class VIII negotiable obligations were fully applied to the refinancing of liabilities, improving the Company's indebtedness profile.

Class II Negotiable Obligations (GFSA):

Principal: nominal value: $ 130,000,000

Interest: Private Banks BADLAR rate plus 6.5 %

Repayment: Interest will be paid quarterly in arrears, on the following dates: (i) June 08, 2016; (ii) September 08, 2016; (iii) December 08, 2016; (iv) March 08, 2017; (v) June 08, 2017; (vi) September 08, 2017; (vii) December 08, 2017 and (viii) March 08, 2018; or if that date was not a business day, the date for interest payment to be considered shall be the first immediate following business day.

Principal shall be amortized in 3 (three) quarterly and consecutive installments, the first two equivalent to 30% of nominal value of Class II negotiable obligations and the remaining equivalent to 40% of nominal value of Class II negotiable obligations, at the dates in which 18, 21 and 24 months have elapsed counted as from the issue and settlement, (i) September 8, 2017; (ii) December 8, 2017; (iii) March 8, 2018, or if that date was not a business day, on the first following business day. Maturity of Class II Negotiable Obligation: March 8, 2018

On February 16, 2017, Class VI and VII Negotiable Obligations were issued, a portion in cash and the remainder through a voluntary swap for Class II Negotiable Obligations (GFSA), improving the Company's indebtedness profile (term and rate). The amount amortized on Class II Negotiable Obligation was $ 51,254,716.

NOTE 16: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

Class II Negotiable Obligations (GFSA): (Cont'd)

On August 28, 2017, Class VIII Negotiable Obligations were issued and fully subscribed through a voluntary swap of Class V (GMSA) and Class II and III (GFSA) Negotiable Obligations, improving the Company's indebtedness profile (term and rate). The principal amount paid on Class II Negotiable Obligations was $58,245,284.

Principal on that Negotiable Obligation amounts to $14,350,002.

Class III Negotiable Obligation (GFSA):

Principal: nominal value: $ 160,000,000 (Pesos one hundred and sixty million)

Interest: private banks BADLAR rate plus 5.6 %

Repayment: Interest will be paid quarterly in arrears, on the following dates: (i) October 06, 2016; (ii) January 06, 2017; (iii) April 06, 2017; (iv) July 06, 2017; (v) October 06, 2017; (vi) January 06, 2018; (vii) April 06, 2018 and (viii) July 06, 2018; or if that date was not a business day, the date for interest payment to be considered shall be the first immediate following business day.

Principal shall be amortized in 3 (three) quarterly and consecutive installments, the first two equivalent to 30% of nominal value of Class III negotiable obligations and the remaining equivalent to 40% of nominal value of Class III negotiable obligations, at the dates in which 18, 21 and 24 months have elapsed counted as from the issue and settlement, (i) January 06, 2018; (ii) April 06, 2018; (iii) July 06, 2018, or if that date was not a business day, on the first following business day.

Maturity of Class III Negotiable Obligation: July 6, 2018

The proceeds from the issue of Class III Negotiable Obligations were applied to the repayment of the loan with Puente Hnos. S.A., to the repurchase of the remaining balance of Class I (GFSA) Negotiable Obligations, working capital and investment in property, plant and equipment; with the process to formalize the release of timely granted guarantees having been complied with.

On February 16, 2017, Class VI and VII Negotiable Obligations were issued, a portion in cash and the remainder through a voluntary swap for Class III Negotiable Obligations (GFSA), improving the Company's indebtedness profile (term and rate). The amount amortized on Class III Negotiable Obligation was $ 49,540,493.

On August 29, 2017, Class VIII Negotiable Obligations were issued and fully subscribed through a voluntary swap of Class V (GMSA) and Class II and III (GFSA) Negotiable Obligations, improving the Company's indebtedness profile (term and rate). Principal paid on Class III Negotiable Obligations was $106,304,507.

Principal balance on that Negotiable Obligation amounts to $ 4,154,999 at September 30, 2017.

NOTE 16: LOANS (Cont'd)

c) Cargill loan

On June 28, 2017, the Company obtained a loan from Cargill Limited for USD 16,000,000 repayable in 36 installments, with a grace period of 12 months. It will be amortized in half-yearly installments of principal and interest at a LIBOR 360 + 5.5%.

d) Cargill Loan

On July 5, 2017, the Company obtained a loan from Cargill Limited for USD 10,000,000 repayable in 36 installments, with a grace period of 12 months. It will be amortized in half-yearly installments of principal and interest at a LIBOR 360 + 5.5%.

e) Syndicated Loan

On June 13, 2017, the Company obtained a syndicated loan with Banco de Servicios y Transacciones for USD 15,000,000 in 12 consecutive and monthly installments at a fixed rate of 6.5%.

At the date of these interim condensed financial statements, the Company complies with the covenants related to the financial ratios.

f) Syndicated Loan

On August 18, 2017, the Company obtained a loan from Banco ICBC Argentina S.A. for USD 40,000,000 repayable in 36 installments, with a grace period of 12 months. Amortization will be made in quarterly principal installments and interest will accrue at a 7% fixed rate, payable quarterly.

At the date of these interim condensed financial statements, the Company complies with the covenants related to the financial ratios.

g) Loan CAMMESA (GRISA)

At September 30, 2017, the Company holds financial debts with CAMMESA for $13,850,610, guaranteed by the assignment of 100% of the present and future credit rights for the sale of electricity in the Spot market of the WEM, from the implementation of a trust agreement in accordance with Law No. 24441.

NOTE 16: LOANS (Cont'd)

g) Loan with CAMMESA (GRISA) (Cont'd)

This debt was incurred to finance the program for repairing the gas turbines, and for the control systems of turbines and generators, improving the protection system, adapting the natural gas feeding system and other ancillary works.

This loan has a repayment period set in 48 monthly and consecutive installments, to which interest must be added applying the rate equivalent to the average return obtained by the Dispatch Management Agency (CAMMESA) on financial placements in the WEM. At the date of these interim condensed financial statements, 27 installments have been paid, for a total of $15,185,967.

Principal balance on that debt at September 30, 2017 was $13,850,610.

h) Loan CAMMESA (CTMM)

On August 9, 2016, the Company signed a new mutuum agreement with CAMMESA whereby the financing of the execution of several maintenance works in the MMARCC01 and MMARCC02 units was formalized for an amount of up to USD 6,888,920 plus VAT. The most important tasks to be performed include the Overhaul, the replacement of DB20 Brown Boveri switches, the replacement of the CC (EX2000 through EX2100e DFE), and the reengineering of the fire protection network.

At September 2017, the Company made seven filings for $ 16,966,471 through a note to CAMMESA for the accumulated amount paid until August 2017 inclusive.

At September 30, 2017, the total amount disbursed received from CAMMESA was $13,357,481 and has been included in current trade receivables, net of receivables for the Remuneration for Non-Recurring Maintenance (See Note 23).

The due dates of Company loans and their exposure to interest rates are as follows:

	09.30.2017	12.31.2016
Fixed rate:		
Less than 1 year	342,114,916	93,455,683
Between 2 and 3 years	1,241,111,638	604,897,002
More than 3 years	3,059,432,630	2,686,096,366
	4,642,659,184	**3,384,449,051**
Floating rate		
Less than 1 year	360,406,583	191,412,584
Between 1 and 2 years	580,463,869	153,587,756
Between 2 and 3 years	185,417,676	13,455,141
More than 3 years	319,827,532	141,036
	1,446,115,660	**358,596,517**
	6,088,774,844	**3,743,045,568**

NOTE 16: LOANS (Cont'd)

Company loans are denominated in the following currencies:

	09.30.2017	12.31.2016
Argentine pesos	938,214,408	265,144,586
US Dollars	5,150,560,436	3,477,900,982
	6,088,774,844	**3,743,045,568**

Changes in Company loans were as follows:

	09.30.2017	09.30.2016
Loans at beginning of year	3,743,045,568	288,518,491
Addition due to merger	424,285,829	490,716,207
Loans received	3,964,435,369	4,275,262,061
Loans paid	(2,390,210,823)	(1,056,867,240)
Accrued interest	553,845,205	225,299,011
Interest paid	(533,383,372)	(182,401,257)
Exchange difference	409,244,779	48,813,061
Bank overdrafts	-	(61,236,231)
Capitalized expenses/present values	(82,487,711)	30,181,324
Loans at year end	**6,088,774,844**	**4,058,285,427**

NOTE 17: PROVISIONS

	For trade receivables	For contingencies
Balances at December 31, 2016	2,732,633	9,135,552
Decreases	(76,869)	(1,327,291)
Balances at September 30, 2017	**2,655,764**	**7,808,261**

Provisions cover contingencies arising in the ordinary course of business and other sundry risks that could create obligations for the Company. In estimating the amounts and probabilities of occurrence, the opinion of the Company's legal advisors has been considered.

NOTE 18: BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The following transactions were performed with related parties:

	Income / (Loss)	
	$	
a) Sales of energy	**09.30.2017**	**09.30.2016**
Other related parties:		
Solalban Energía S.A.	84,759,366	61,116,871
RGA	41,699,761	33,216,783
	126,459,127	**94,333,654**
b) Purchase of gas and energy		
Other related parties:		
Solalban Energía S.A.	(64,793)	(126,875)
RGA (*)	(1,233,183,428)	(395,113,467)
	(1,233,248,221)	**(395,240,342)**
c) Administrative services		
Other related parties:		
RGA	(18,850,275)	(23,468,268)
	(18,850,275)	**(23,468,268)**
d) Leases		
Other related parties:		
RGA	(2,943,000)	-
	(2,943,000)	**-**
e) Other purchases and services received		
Other related parties:		
RGA - guarantee	(49,659,250)	-
BDD – Purchase of wines	(173,519)	(6,578)
AJSA - Flights made	(14,481,971)	(9,984,451)
ASA - guarantee	(1,726,458)	-
	(66,041,198)	**(9,991,029)**

(*) Corresponding to gas purchases, which are partly assigned to CAMMESA within the framework of the Natural Gas Dispatch Procedure for power generation.

NOTE 18: BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Cont'd)

	Income / (Loss)	
f) Recovery of expenses	$	
	09.30.2017	**09.30.2016**
Other related parties:		
RGA	606,771	1,301
GROSA	6,246,553	6,233,410
CTR	8,182,200	13,938,485
GFSA (1)	-	5,507,676
AESA	108,989	-
AJSA	678	-
AVRC	678	-
BDD	3,391	-
	15,149,260	**25,680,872**
g) Financial cost		
Other related parties:		
RGA	(7,198,326)	(3,515,702)
	(7,198,326)	**(3,515,702)**
h) Purchase of spare parts		
Other related parties:		
GROSA	-	(43,559)
GFSA (1)	-	(10,572,050)
	-	**(10,615,609)**
i) Interest generated due to loans granted		
Other related parties:		
Directors	3,140,111	-
AISA	10,307,782	2,789,511
	13,447,893	**2,789,511**
j) Gas pipeline work		
Other related parties:		
RGA	(140,068,971)	-
	(140,068,971)	-
k) Work management services		
Other related parties:		
RGA	(90,185,100)	-
	(90,185,100)	-

(1) Company merged with GMSA as from January 1, 2017 under a merger through absorption.

NOTE 18: BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Cont'd)

l) Remuneration of key managerial staff

The senior management includes directors (executive and non-executive). Their fees at September 30, 2017 and 2016 amounted to $7,748,497 and $10,505,785, respectively.

	09.30.2017	09.30.2016
Salaries	(7,748,497)	(10,505,785)
	(7,748,497)	**(10,505,785)**

m) Balances at the date of the statements of financial position

	09.30.2017	12.31.2016
Current trade receivables with other related parties		
Solalban Energía S.A.	263,226	-
GROSA	2,773,281	2,773,281
CTR	-	1,815,000
	3,036,507	**4,588,281**
Other current receivables with other related parties		
ASA	85,644,258	60,162,259
AISA	77,106,477	66,798,695
AJSA (3)	4,991,433	-
CTR	472,765	8,061,229
GROSA	16,165,412	8,060,360
AVRC	827	-
	184,381,172	**143,082,543**
Other non-current receivables with other related parties		
GROSA (2)	20,785,080	-
Directors	9,337,317	-
	30,122,397	**-**
Current trade payables with other related parties		
RGA	477,734,052	94,027,202
AJSA	-	13,351,020
Solalban Energía S.A.	-	541,641
	477,734,052	**107,919,863**
Other current debts with other related parties		
BDD	60,210	-
GFSA (1)	-	2,752,893
	60,210	**2,752,893**

(1) Company merged with GMSA as from January 1, 2017 under a merger through absorption.

(2) For assignment of receivables with Directors of GMSA to GROSA dated 06/30/2017.

(3) Includes a receivable for $ 3,547,468 for the assignment of the credit rights from ASA to GMSA, in connection with the guarantee provided to AJSA.

NOTE 18: BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Cont'd)

n) Loans granted to related parties

	09.30.2017	12.31.2016
Loans to Albanesi Inversora S.A.		
Balances at beginning	66,798,695	-
Loans granted	-	60,000,000
Accrued interest	10,307,782	6,798,695
Balance at closing	**77,106,477**	**66,798,695**

Entity	Amount	Interest rate	Conditions
At 09.30.2017			
AISA	60,000,000	BADLAR + 3 %	Maturity date: 1 year, renewable automatically until 5 years.
Total in pesos	**60,000,000**		

	09.30.2017	12.31.2016
Loans to Directors		
Balances at beginning	15,112,286	-
Loans granted	11,870,000	15,112,286
Assignment (2)	(20,785,080)	-
Accrued interest	3,140,111	-
Balance at closing	**9,337,317**	**15,112,286**

Entity	Amount	Interest rate	Conditions
At 09.30.2017			
Directors	8,411,292	BADLAR + 3%	Maturity date: 3 years
Total in pesos	**8,411,292**		

Receivables from related parties arise mainly from transactions of services provided and fall due in the month following the transaction date. No provisions have been recorded for these receivables from related parties in any of the periods covered by these interim condensed financial statements. Trade payables with related parties arise mainly from transactions of purchases of gas and fall due in the month following the transaction date. Transactions with related parties are conducted in conditions similar to those carried out with independent parties.

(2) For assignment of receivables with Directors of GMSA to GROSA dated 06/30/2017.

NOTE 19: RESTRICTED ASSETS AND OTHER COMMITMENTS

19.1 Other commitments

Some of the contractual obligations relating to the supply of electric energy to large customers of the MAT at September 30, 2017 and periods in which those obligations must be fulfilled are detailed below. These commitments are originated in supply contracts (energy and power) entered into between the Company and large users on the Forward Market in accordance with regulations set forth by the Energy Secretariat under Resolution 1281/06 (Energía Plus). They are contracts denominated in United States dollars, entered with private customers.

	Total	Up to 1 year	From 1 to 3 years
Sale Commitments (1)			
Electric energy and power - Plus	767,915,934	404,513,286	363,402,648

(1) Commitments are denominated in pesos and have been valued considering estimated market prices, based on the particular conditions of each contract. They reflect the valuation of the contracts with private customers in force at September 30, 2017, under ES Resolution No. 1281/06.

19.2 Loan BAF Latam Trade Finance Funds B.V.

On February 11, 2015, BAF Latam Trade Finance Funds B.V. became a subordinated beneficiary of the guarantee package provided to UBS AG Stamford Branch under the Contract of Assignment of Fiduciary Rights and Trust for Guarantee Purposes originally executed on May 4, 2011 as collateral for due and proper compliance with all of the payment obligations assumed under the UBS AG Loan. After the UBS AG loan was repaid in full in February 2016, BAF Latam Trade Finance Funds B.V. became the only beneficiary as to all the assets and rights assigned as collateral in accordance with that Contract, with Banco de Servicios y Transacciones S.A. acting as trustee and Generación Mediterránea as trustor.

The rights assigned under the contract are detailed below:

- All the GMSA rights under the Project Documents.
- All rights of GMSA to collect and receive all payments in cash or in kind, for any item, due by the Debtors under present and future Electricity Sales Transactions carried out on the Energía Plus market.
- All rights of GMSA to collect and receive all payments in cash or in kind, for any item, due by GMSA to any Insurance Company, at the date of the amendment or at a future date.
- Fiduciary ownership of the Real Estate Property existing at the date and of any incorporated in the future.

NOTE 19: RESTRICTED ASSETS AND OTHER COMMITMENTS (Cont'd)

19.2 Loan BAF Latam Trade Finance Funds B.V. (Cont'd)

- Fiduciary ownership of the Company's assets.
- The right to make all kinds of claims and file all actions in the event of nonpayment.
- Any collection right related to the rights assigned in these paragraphs.
- Any and all rights that ASA has or may have with GMSA by reason of any Irrevocable Capital Contribution.
- All the Funds existing in GMSA Account that have been received by GMSA in relation to the assigned rights.

At the date of issue of these interim condensed financial statements, and considering that the loan from BAF was repaid on June 28, 2017, GMSA is in the process of releasing the guarantees provided.

NOTE 20: WORKING CAPITAL

The Company reports at September 30, 2017 a deficit in working capital of $ 341,648,119 (calculated as current assets less current liabilities), which means a decrease of $2,091,240,847, compared to the surplus in working capital at the closing of the year ended December 31, 2016 ($1,749,592,728 at 12/31/2016). The variation is mainly due to the application of funds due to the progress of investment projects developed by the Company.

With the aim of reversing the deficit in the working capital, GMSA and its shareholders are planning to execute a plan for refinancing liabilities in the short term.

NOTE 21: DOCUMENTATION STORAGE

On August 14, 2014, the CNV adopted General Resolution No. 629 that introduces amendments to its regulations involving storage and preservation of corporate books, accounting records and business documents. It is informed that the Company has sent for storage its work papers and non-sensitive information for the not yet statute-barred fiscal years to the following supplier:

Entity responsible for warehousing of information - Domicile
Iron Mountain Argentina S.A. – Av. Amancio Alcorta 2482, C.A.B.A.
Iron Mountain Argentina S.A. – San Miguel de Tucumán 601, Spegazzini, Ezeiza.

A detail of the documentation sent for preservation is available at the registered office of that entity, as well as the documentation referred to by article 5, clause a.3), Section I of Chapter V of Title II of the REGULATIONS (N.T. 2013 and their amendments).

NOTE 22: SEGMENT REPORTING

The information on exploitation segments is presented in accordance with the interim information furnished to the chief operating decision maker (CODM). The Board of Directors of the Company has been identified as the highest authority in decision-making, responsible for allocating resources and assessing the performance of the operating segments.

Management has determined the operating segment based on reports reviewed by the Board of Directors and used for strategic decision making.

The Board of Directors considers the business as having a single segment, the generation and sale of electricity.

The information used by the Board of Directors for decision-making is based primarily on operating indicators of the business. Considering that the adjustments between the prior accounting standards and IFRS refer to non-operating items, such information is not substantially affected by the application of the new standards.

NOTE 23: PRESENTATION TO CAMMESA

On June 19, 2015 the Company submitted to CAMMESA a request for recognition of the remuneration for maintenance and investments, as set forth by Resolution No. 529/14 for CTMM. Since the effective date of that Resolution, in February 2014 and until June 2015, the Company has generated a total of 540,614MWh, equivalent to the amount of $14,268,553.

On August 26, 2015, the Company filed a new note to CAMMESA, updating the amount of the request detailed in the above paragraph of Resolution No. 529/14.

On September 7, 2015, the Company provided, at the request of CAMMESA, further information and an update of the amounts to be invested, including a brief description of the work to be performed to accomplish the objectives in each case and a work schedule.

On January 27, 2016, the Energy Secretariat partially accepted the request sent by the Company, as mentioned in the preceding paragraphs, and authorized financing for up to USD 6,888,920, plus VAT. This financing will be repaid applying the accumulated receivables in favor of the Company and the receivables to which the Company is entitled by application of the Remuneration for Non-Recurring Maintenance.

NOTE 23: PRESENTATION TO CAMMESA (Cont'd)

On June 10, 2016 the Company submitted to CAMMESA a request for recognition of the remuneration for maintenance and investments, as set forth by Resolution No. 529/14 for CTLB and CTRi. Since the effective date of that Resolution, in February 2014 and until April 2016 inclusive, GLB has generated a total of 60,166MWh, equivalent to the amount of $ 2,935,346 and GR generated a total of 51,564MWh, equivalent to the amount of $ 3,068,853.

In addition, a note about non-recurring maintenance was filed with CAMMESA by both CTLB and CTRi, for a total amount of USD 953,000 plus VAT. The technical team from CAMMESA completed the visits to the power plants and issued a report on CTLB and CTRi which is under economic assessment.

On August 9, 2016, the Company signed a new mutuum agreement with CAMMESA whereby the financing of the execution of several maintenance works in the MMARCC01 and MMARCC02 units was formalized for an amount of up to USD 6,888,920 plus VAT. The most important tasks to be performed include the Overhaul, the replacement of DB20 Brown Boveri switches due to obsolescence, the replacement of the CC excitation system (EX2000 through EX2100e DFE), and the reengineering of the fire protection network.

On December 2, 2016, a new works plan for CTMM was filed with CAMMESA. It details the following schedule:

	Total 2015		Total 2016		Total 2017		Total 2018	
USD without VAT	311,142	5%	195,007	3%	5,242,017	76%	1,140,754	17%

Between November 2016 and September 2017, the Company made seven filings through note to CAMMESA for $ 16,966,471.

On August 29, 2017, through Note B-117397-1, the Undersecretariat for Thermal Energy, Transportation and Distribution of Electricity gave its consent to the request by the Company to apply the receivables corresponding to the Additional remuneration for trust funds (created by Section 5 of Resolution No. 95/2013 of the former ES), and the receivables from LVFVD (Sale Settlements with Maturity Dates to be Determined) still pending payment to settle the loans for major maintenance that the Company is currently performing.

At September 30, 2017, the total amount disbursed received from CAMMESA was $13,357,481 and has been included in Current trade receivables, net of receivables for the Remuneration for Non-Recurring Maintenance and Additional Trust Remuneration.

NOTE 24: MERGER

a) GMSA - GISA - GLBSA - GRISA MERGER THROUGH ABSORPTION

On November 10, 2015, GMSA, GISA, GLBSA and GRISA entered into a final merger agreement (the "Final Merger Agreement"), whereby it was decided to merge the companies GISA, GLBSA and GRISA into GMSA (the "Corporate Reorganization").

NOTE 24: MERGER (Cont'd)

a) GMSA - GISA - GLBSA - GRISA MERGER THROUGH ABSORPTION (Cont'd)

The Corporate Reorganization allows to enhance and optimize the performance of the economic activities and the operating, administrative and technical structures of the Participating Companies to achieve synergies and operating efficiency through only one operating unit. Considering that the participating companies are electric power generating agents in the WEM and that their main line of business is the generation and sale of electric power, the Merger will be beneficial for the following reasons: a) the type of business activity of the participating companies, which enables integration and complementation for greater operating efficiencies; b) a simplification of the participating companies' corporate structure by consolidating the companies' activities in only one entity; c) the synergy of the union of the different Group companies will make the exercise of control, management and administration of the energy business more effective; d) the obtainment of a larger scale, permitting to increase the financial ability to develop new projects; e) a better allocation of existing resources; f) benefiting from a centralized administration, unifying the political and strategic decision-making processes in relation to the business, thus eliminating multiple costs (legal, accounting, administrative, financial and other costs); and g) the creation of more career opportunities for the employees of the participating companies. Furthermore, the above-mentioned benefits will be obtained without incurring tax costs, as the Corporate Reorganization will be tax free under the terms of Section 77 and following provisions of the Income Tax Law No. 26839. As a result of the merger and as approved in the Final Merger Agreement, as from the Effective Date of Merger (January 1, 2016): (a) the equities of all merged companies (GISA, GLBSA and GRISA) were fully transferred to GMSA, thus acquiring the ownership of all rights and obligations of GISA, GLBSA and GRISA, subject to the registration of the final merger agreement in the Public Registry under the Superintendency of Commercial Companies (IGJ); (b) GISA, GLBSA and GRISA were dissolved without liquidation, being absorbed by GMSA; (c) GMSA capital stock increased from $ 76,200,073 to $ 125,654,080, amending the bylaws of the continuing company. On March 22, 2016, the CNV approved under Resolution No. 18003 the Merger through Absorption under the terms of Section 82 of General Companies Law No. 19550, and was registered with the IGJ on May 18, 2016. In turn, on March 22, 2016, the CNV approved under Resolutions Nos. 18004 and 18006 the early dissolution of GISA and the transfer of the public offering from GISA to GMSA, respectively. The dissolutions without liquidation of GISA, GRISA and GLBSA were registered with the IGJ on May 18, 2016.

b) GMSA-GFSA MERGER THROUGH ABSORPTION

On November 15, 2016, GMSA and GFSA entered into a final merger agreement (the "GMSA-GFSA Final Merger Agreement"), whereby it was decided to merge the company GFSA into GMSA (the "GMSA-GFSA Corporate Reorganization").

The GMSA-GFSA Corporate Reorganization comprises the same objectives and benefits as those already mentioned for the merger described in the preceding point; as was explained for that case, the above-mentioned benefits will be obtained without incurring tax costs, as the GMSA-GFSA Corporate Reorganization will be tax free under the terms of Section 77 and following provisions of the Income Tax Law No. 26839.

NOTE 24: MERGER (Cont'd)

b) GMSA – GFSA merger through absorption (Cont'd)

On October 18, 2016, GMSA held an Ordinary and Extraordinary Meeting of Shareholders and GFSA an Extraordinary Meeting of Shareholders, in both cases to deal with the merger of GFSA into GMSA, at which the shareholders approved the corporate reorganization referred to above, and the respective documentation.

At GFSA Meeting of Shareholders the following was also approved: (i) the early dissolution without liquidation of GFSA as a result of the merger, and its de-registration as a corporation in due course; (ii) the transfer to GMSA so that the latter may assume the obligations arising under the Class II and Class III Negotiable Obligations issued by GFSA under the Program for the Issuance of Ordinary Negotiable Obligations (Not Convertible into Shares) for an amount of up to USD 50,000,000 (or its equivalent in other currencies), and that GFSA requests from the pertinent agencies the transfer to GMSA of the negotiable obligations for public offering, listing and trading.

Further, the Shareholders' Meeting of GMSA, within the framework of the merger process, among other issues, approved a capital increase from $ 125,654,080 to $ 138,172,150 by issuing 12,518,070 new ordinary registered non-endorsable shares of GMSA, of $1 par value each and entitled to 1 (one) voting right per share, considering the respective swap ratio, as from the effective merger date (January 1, 2017), delegating to the Board of Directors the power to decide when the new shares will be issued. Furthermore, as a result of that capital increase, the amendment to Section 5 of corporate bylaws was approved.

By reason of the merger, and as set forth in the GMSA-GFSA Final Merger Agreement approved by the Extraordinary Meeting of Shareholders of GFSA and Ordinary and Extraordinary Shareholders Meeting of GMSA, both held on October 18, 2016, as from the Effective Merger Date (January 1, 2017): (a) all of GFSA's assets were transferred to GMSA, thus acquiring the ownership of all rights and obligations of GFSA; (b) GFSA was dissolved without liquidation, therefore it was absorbed by GMSA; (c) GMSA capital stock was increased from $ 125,654,080 to $ 138,172,150, with the consequent amendments to the bylaws of the merging company.

On March 2, 2017, the CNV approved under Resolution No. 18537 the Merger through Absorption under the terms of Section 82 of General Companies Law No. 19550 and the capital increase, with the pertinent amendment to the bylaws, decided within the framework of the merger, ordering that the respective documents be sent to the IGJ for registration purposes. The merger was registered with the IGJ on March 17, 2017. Also, by Resolution No. 18538 dated March 2, 2017, the CNV approved the dissolution without liquidation of GFSA, which was registered with the IGJ on March 17, 2017. On May 10, 2017, the CNV approved by Resolution No. 18648 the transfer of the public offering from GFSA to GMSA for the issuance of simple negotiable obligations, not convertible for shares, for a nominal value of up to USD 50,000,000; said public offering had been granted under Resolution No. 17402 whereby Class II and Class III Negotiable Obligations were issued. On July 24, 2017, the CNV approved by Resolution No. 18848 the transfer of authorization No. 18110 of the public offering for the co-issuance of negotiable obligations not convertible for shares for a nominal value of up to USD 250,000,000.

NOTE 25: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY

Siemens Industrial Turbomachinery AB

On June 14, 2016 a Deferred Payment Agreement was entered into with Siemens Industrial Turbomachinery AB, by means of which, upon compliance of the preceding conditions set forth in the agreement, the Company obtained commercial financing for 50% of the amount of the contract signed for the CTMM plant enlargement, equivalent to SEK 177,000,000 (approximately USD 21 million).

The commercial financing granted will be repaid in 24 equal and consecutive monthly installments of 4.17% of the total amount of each, with the first installment being payable in August 2017. Payments shall be made in SEK (Swedish Crown).

On September 13, 2016, four Deferred Payment Agreements were executed with Siemens Industrial Turbomachinery AB for the turbines to be installed in CTE and CTI whereby, once fulfilled the preceding conditions fixed in the agreements, the Company will be granted a commercial financing of 50% of the amount of the agreement signed for the enlargement of CTI and the work of Ezeiza, equivalent to SEK 438,960,000 (approximately USD 50.7 million).

The commercial financing to be granted will be repaid in 24 monthly installments, with the first installment of two agreements being payable in September 2017 and the rest in April 2018. Payments shall be made in SEK (Swedish Crown).

On September 28, 2017 an agreement was entered into with Siemens Industrial Turbomachinery AB, by means of which the payment of the first installment of the financing corresponding to CTI and CTE, originally due in September 2017, is deferred until October 2017, when it will be paid together with the second installment.

Future contractual obligations related to the contract with Siemens Industrial Turbomachinery AB are shown below by calendar year:

Commitments (1)		SEK	**Total**	**2017**	**2018**	**2019**	**2020**
			USD				
Siemens Industrial Turbomachinery AB for the acquisition of two turbines Siemens SGT 800	CTMM	177,000,000	**21,042,388**	4,383,831	10,521,194	6,137,363	-
Siemens Industrial Turbomachinery AB for the acquisition of three turbines Siemens SGT 800	CTE	263,730,000	**31,353,159**	3,507,065	14,387,733	12,169,515	1,288,846
Siemens Industrial Turbomachinery AB for the acquisition of two turbines Siemens SGT 800	CTI	175,230,000	**20,831,964**	1,753,532	9,127,136	8,662,450	1,288,846

(1) The commitment is expressed in dollars, on the basis of the time of payment according to the particular conditions of the contract.

NOTE 25: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY (Cont'd)

Pratt & Whitney Power System Inc

GFSA signed an agreement with Pratt & Whitney Power System Inc. for the purchase of the FT4000™ SwiftPac® 60 turbine, including whatever is necessary for its installation and start-up. The purchase agreement sets out 4-year financing for USD 12 million by PWPS, upon provisional acceptance by GFSA. This amount is disclosed in non-current trade payables for the equivalent to $207,720,000.

Financing will accrue annual interest at a rate of 7.67% and will be calculated on a monthly basis of 30 days/360 days annual, with interest capitalized on a quarterly basis.

Future contractual obligations related to the contract with PWPS are shown below by calendar year:

Commitments (1)	**Total**	2016	2017	2018	2019	2020	2021	2022	2023
	USD								
PWPS for the purchase of the turbine FT4000TM SwiftPac®	17,975,401	750,000	750,000	750,000	750,000	3,743,495	3,743,495	3,743,495	3,744,916

(1) The commitment is expressed in dollars, on the basis of the time of payment according to the particular conditions of the contract.

NOTE 26: OPERATIONAL ALL RISK INSURANCE

All-risk insurance with business interruption insurance coverage

The Company has taken out all risk insurance for up to 12 months to cover any physical, sudden and accidental loss or damage, including damages to machinery, directly and fully attributable to any cause, with the consequent business interruption. This policy includes coverage of losses generated by business interruption as a result of the accident, both as regards the profit that is no longer obtained and the expenses the Company continues to defray despite its inactivity, such that the insured would be in the same financial situation as if the accident had not occurred.

This insurance covers all physical assets of any type and description, not expressly excluded from the text of the policy, belonging to the insured or in his/her care, custody or control, for which the insured has assumed a responsibility for insuring against any damage, or for which the insured may acquire an insurable interest.

On October 15, 2017, the all-risk insurance policy of all generators of Albanesi Group was renewed for a further 18 months, with a reduction of 16% in the annual premium rate, an increase in the compensation limit from USD 150 MM to USD 200 MM and a 5% bonus for no loss ratio upon renewal.

NOTE 26: OPERATIONAL ALL RISK INSURANCE (Cont'd)

Contractors' All-risk and assembly insurance

Works for installation or enlargement of the capacity developed by the Company are insured by a Contractors' all-risk and assembly insurance, which covers all accidental or unforeseeable damages occurred during the execution of a civil work, including damages caused by acts of God, provided that they are not expressly excluded from the policy.

The policy includes delay in start-up (DSU) or advance loss of profit (ALOP) insurance of up to 12 months, providing coverage for the expected commercial profit margin for sales of energy and power, discounting the variable costs during the period of repair or replacement of the damaged equipment.

Once all pieces of equipment are in operation, the new assets will be covered by the All-risk insurance that Albanesi Group has taken out, and which covers all power plants in operation.

NOTE 27: EXEMPTION GRANTED BY THE GENERAL REVENUE BOARD OF TUCUMAN

On March 3, 2017, the General Revenue Board of Tucuman resolved to exempt revenue generated by the electricity generation activity from Turnover Tax in that jurisdiction. This exemption is retroactive to the commencement of activities by the Company; therefore, an action has been filed for refund of the amounts of $ 19,643,732 deposited into the provincial tax authorities for this item. In addition, this request exempted from Public Health Tax only the staff assigned to the generation of electricity, and from stamp tax the works and power stations directly affecting performance of Company's activity.

NOTE 28: SUPPLY CONTRACT WITH CAMMESA: AGREED UPON DATE OF AUTHORIZATION FOR THE COMMERCIAL OPERATION OF THE POWER PLANTS

On June 30, 2016, GMSA –as seller– and CAMMESA –as buyer–, on behalf of the WEM, entered into the Supply Contracts for the available power and energy supplied by CTE and CTI. July 1, 2017 was the Agreed upon Date set for the commercial operation of the two power plants.

To secure that commercial operation could be obtained by the agreed upon date, both power plants set up a Contract Performance Bond in favor and to the satisfaction of CAMMESA, for amounts equivalent to USD 12,483,000 (CTE) and USD 6,077,250 (CTI).

NOTE 28: SUPPLY CONTRACT WITH CAMMESA: AGREED UPON DATE OF AUTHORIZATION FOR THE COMMERCIAL OPERATION OF THE POWER PLANTS (Cont'd)

In case of non-compliance with the date of commercial operation, CAMMESA is entitled to claim the payment of the amounts resulting from the non-compliance; further, and only in the case that the invoiced penalties are not paid after request of payment from CAMMESA, the latter is entitled to foreclose the guarantees mentioned above. Should the Company contest the occurrence of non-compliance or the amounts claimed, CAMMESA must solve this issue prior to being entitled to claim the payment of any penalties.

On June 28, 2017 GMSA made a filing before CAMMESA and the ES, to inform them that CTE and CTI had suffered certain facts that could be considered as a force majeure event or an act of God, which in turn adversely affected the possibility of obtaining the authorization for commercial operation by the Agreed upon Date set on the Supply Contract. In this regard, GMSA explained, argued, and produced the pertinent evidence supporting the existence of certain factors, not attributable to the Company, that implied that the commercial operation was not obtained at the Agreed upon Date set on the Supply Contract. The main causes alleged by GMSA were:

(i) Unfavorable weather conditions, considering the volume of rainfall above average, and its timing (in relation to the tasks being performed at the work site), which delayed the civil works;

(ii) Generalized forcible actions and strikes, owing to the measures adopted by several unions, and certain forcible measures specific to the UOCRA (construction workers' union) that impacted on CTE;

(iii) Delays on the part of EDESUR S.A., the concessionaire of the public utility service of electricity distribution, with the laying of new electricity lines and connection to the "New ET 132 Kv-Line – Cañuelas Spegazzini" (only for CTE).

Considering the mentioned factors, GMSA requested from CAMMESA and the ES to: (i) acknowledge a force majeure event, in the terms of clause 21 of the Supply Contract; (ii) provide an extension of the Agreed upon Date of authorization for commercial operation and, when pertinent (iii) consider the penalties comprised in the Supply Contract as not applicable.

On August 18, 2017, GMSA made a new filing ratifying its arguments and reserving the right to enlarge the explanations and the evidence brought.

At the date of issuing these financial statements, the proceedings mentioned are pending resolution by CAMMESA, and the eventual later intervention and resolution by the ES; this means that CAMMESA will not be entitled to invoice penalties or collect the amount claimed until the issue is decided upon by the enforcement authority.

NOTE 28: SUPPLY CONTRACT WITH CAMMESA: AGREED UPON DATE OF AUTHORIZATION FOR THE COMMERCIAL OPERATION OF THE POWER PLANTS (Cont'd)

Lastly, the commercial operation for CTE and CTI were granted on September 29 and August 10, 2017, respectively.

The Company and its external legal advisors consider that there are defense elements to estimate GMSA's reasonable possibility of success and of obtaining a favorable decision.

Based on the above, at September 30, 2017 the Company has not recognized any liability.

NOTE 29: SUBSEQUENT EVENTS

a) Loan BAF Latam Trade Finance Funds B.V.

On October 4, 2017, the Company obtained a loan from BAF Capital for USD 20,000,000 for a term of 12 months, payable in half-yearly installments of principal and interest at a fixed rate of 6.75%, with the contracts entered into between Rafael G. Albanesi and Axion Energy Argentina S.R.L., Casino del Rosario S.A. and Citromax S.A.C.I. assigned in guarantee.

b) Class I Negotiable Obligation (GMSA and CTR co-issuance)

Class I negotiable obligations were issued on October 11, 2017 and were fully subscribed in cash.

Principal: Total nominal value: USD 30,000,000; amount assigned to GMSA: USD 20,000,000

Interest: 6.68% annual nominal, paid quarterly as from January 11, 2018 to maturity.

Amortization term and method: one-off payment once 36 months have elapsed from disbursement of funds

The Negotiable Obligations were paid up in cash.

The proceeds from the issue of the Class I Negotiable Obligations will be destined mainly to investments in property, plant and equipment on the various expansion projects at GMSA and CTR and, to a lesser extent, to working capital and refinancing liabilities.

c) Award of new projects

Through ES Resolution No. 287/2017, the SEE requested offers to implement projects of electricity generation by means of closure of open cycles and co-generation. Under this framework, GMSA presented two projects for the closure of the combined cycle in CTMM for 112.5MW and in CTE for 138 MW.

NOTE 29: SUBSEQUENT EVENTS (Cont'd)

c) Award of new projects (Cont'd)

Through ES Resolution No. 926/2017, the SEE awarded the implementation of nine projects, including the two projects offered by GMSA. The selected projects fulfill the criterion of showing higher-than-cost economic benefits for the electric system under all the scenarios of fuel availability, especially regarding the restrictions on natural gas during winter months. These projects are estimated to come into operation in the second quarter of 2020.

NOTE 30: FINANCIAL STATEMENTS TRANSLATION INTO ENGLISH LENGUAGE

These financial statements are the English translation of those originally prepared by the Company in Spanish and presented in accordance with accounting principles generally accepted in Argentina. The effects of the differences between the accounting principles generally accepted in Argentina and the accounting principles generally accepted in the countries in which the financial statements are to be used have not been quantified. Accordingly, the accompanying financial statements are not intended to present the financial position, statements of comprehensive income, changes in equity or cash flows in accordance with accounting principles generally accepted in the countries of users of the financial statements, other than Argentina.

Free translation from the original prepared in Spanish for publication in Argentina

Summary of activity at September 30, 2017 and September 30, 2016

1. Brief description of the activities of the issuing company, including reference to relevant circumstances subsequent to the closing date.

In accordance with the provisions of CNV General Resolution No. 368/01, and subsequent amendments, we present below an analysis of the results of operations of GMSA and its net worth and financial position, which must be read together with the interim condensed financial statements attached.

A final merger agreement was entered into on November 15, 2016 establishing a merger of GFSA through absorption into GMSA effective as from January 1, 2017. The increase in the variations is mainly due to this condition. The information is not comparative.

	Nine-month period ended September 30,			
	2017	**2016**	**Variation**	**Variation %**
	GWh			
Sales by type of market				
Sales to CAMMESA Res. No. 220	489	321	168	52%
Energía Plus sales	523	546	(23)	(4%)
Spot Sales	235	240	(5)	(2%)
Sale of electricity Res. No. 95/529/482/22/19	201	292	(91)	(31%)
	1,448	**1,399**	**49**	**4%**

The sales for each market (in millions of pesos) are shown below:

	Nine-month period ended September 30,			
	2017	**2016**	**Variation**	**Variation %**
	(in millions of pesos)			
Sales by type of market				
Sales to CAMMESA Res. No. 220	858.1	581.7	276.4	48%
Energía Plus sales	840.5	580.2	260.3	45%
Spot Sales	67.4	200.4	(133)	(66%)
Sale of electricity Res. No. 95/529/482/22/19	20.3	85.3	(65)	(76%)
	1,786.3	**1,447.6**	**338.7**	**23%**

Free translation from the original prepared in Spanish for publication in Argentina

Summary of activity at September 30, 2017 and September 30, 2016

Profit/Loss for the nine-month period ended September 30, 2017 and 2016 (in millions of pesos):

	Nine-month period ended September 30,			
	2017	**2016**	**Variation**	**Variation %**
Sales of energy	1,786.3	1,447.6	338.7	23%
Net sales	**1,786.3**	**1,447.6**	**338.7**	**23%**
Purchase of electric energy	(606.6)	(440.8)	(165.8)	38%
Gas and diesel consumption at the plant	(107.2)	(398.5)	291.3	(73%)
Salaries, social security charges and employee benefits	(77.3)	(51.6)	(25.7)	50%
Maintenance services	(125.8)	(80.1)	(45.7)	57%
Depreciation of property, plant and equipment	(177.6)	(86.3)	(91.3)	106%
Insurance	(17.7)	(12.7)	(5.0)	39%
Taxes, rates and contributions	(12.1)	(12.2)	0.1	(1%)
Others	(10.8)	(9.5)	(1.3)	14%
Cost of sales	**(1,135.0)**	**(1,091.7)**	**(43.3)**	**4%**
Gross income	**651.4**	**355.9**	**295.5**	**83%**
Salaries, social security charges and employee benefits	-	(0.4)	0.4	(100%)
Taxes, rates and contributions	(1.2)	(1.2)	0.0	0%
Recovery of Turnover tax	19.6	-	19.6	100%
Bad debts	-	(2.0)	2.0	(100%)
Selling expenses	**18.4**	**(3.6)**	**22.0**	**(611%)**
Salaries, social security charges and employee benefits	(0.4)	(1.3)	0.9	(69%)
Fees and compensation for services	(25.2)	(15.2)	(10.0)	66%
Per diem, travel and representation expenses	(1.0)	(2.5)	1.5	(60%)
Sundry	(7.9)	(3.6)	(4.3)	119%
Administrative expenses	**(34.5)**	**(22.6)**	**(11.9)**	**53%**
Other operating income	14.6	6.9	7.7	112%
Operating income	**649.8**	**336.6**	**313.2**	**93%**
Commercial interest earned	31.3	16.4	14.9	91%
Loan interest	(191.7)	(160.3)	(31.4)	20%
Tax and commercial interest paid	(18.9)	(8.5)	(10.4)	122%
Bank expenses and commissions	(3.1)	(6.8)	3.7	(54%)
Exchange differences, net	(51.3)	(74.9)	23.6	(32%)
Other financial results	(37.0)	(0.5)	(37.5)	(7500%)
Financial and holding results, net	**(270.6)**	**(233.6)**	**(37.0)**	**16%**
Income before taxes	**379.2**	**103.0**	**276.2**	**268%**
Income tax	(148.4)	(44.3)	(104.1)	235%
Income for the period	**230.8**	**58.7**	**172.1**	**293%**

Free translation from the original prepared in Spanish for publication in Argentina

Summary of activity at September 30, 2017 and September 30, 2016

Sales:

Net sales for the year ended September 30, 2017 amounted to $1,786.3 million, compared with $1,447.6 million for the same period in 2016, showing an increase of $338.7 million (23%).

During the first nine months of 2017, the sale of electricity was 1,448 GWh, representing a 4% increase compared with the 1,399 GWh for the same period in 2016.

Below we discuss the major income sources of the Company and their performance in the nine-month period ended September 30, 2017 as compared with the same period of the prior year:

(i) $840.5 million from sales under Energía Plus, up 45% from the $580.2 million sold in the same period in 2016. This variation is explained by the favorable effect on the price as a result of the increase in the exchange rate.

(ii) $858.1 million for sales of electricity in the forward market to CAMMESA under the framework of Resolution No. 220/07, which represented an increase of 48% from the $581.7 million for the same period in 2016. This variation is explained by an increase in the price due to the increase in the exchange rate, an increase in the sales volume and the impact of the merger of GFSA through absorption into GMSA.

(iii) $67.4 million for electricity sales on the spot market, which represented a decrease of 66% from the $200.4 million for the same period in 2016. This variation is explained by the management of excess generation volumes made by CAMMESA and the impact of the merger of GFSA through absorption into GMSA.

(iv) $20.3 million for electricity sales under Resolution No. 95/529/482/22/19, which represented a decrease of 76% from the $85.3 million for the same period in 2016.

Cost of sales:

The total cost of sales for the nine-month period ended September 30, 2017 reached $1,135.0 million, compared with $1,091.7 million for the same period in 2016, reflecting a $43.3 million (4%) increase.

The main costs of sales of the Company and their performance in the current period compared with the same period of the previous fiscal year are detailed below in millions of pesos:

(i) $606.6 million for purchases of electricity, up 38% from the $440.8 million in the same period in 2016, as a result of the price effect due to exchange rate variation and merger.

(ii) $107.2 million for the cost of gas and diesel consumed at the plant, reflecting a 73% drop from the $398.5 million for the same period in 2016. This variation was due to a change in the calculation of gas consumption by CAMMESA.

(iii) $125.8 million in maintenance services, up 57% from the $80.1 million in the same period in 2016. This variation is due to the variation in the dollar exchange rate and merger of GFSA through absorption into GMSA.

Summary of activity at September 30, 2017 and September 30, 2016

(iv) A depreciation of property, plant and equipment of $177.6 million, which represents a 106% increase from the depreciation of $86.3 million in the same period in 2016. This variation is mainly originated in the higher amortization value for the captions: building, facilities and machinery, as a result of their revaluation at December 31, 2016; and the impact of the merger of GFSA through absorption into GMSA.

(v) $77.3 million for payroll and social security charges, up 50% from the $51.6 million for the same period in 2016, mainly due to a salary increases granted to staff and the impact of the merger of GFSA through absorption into GMSA.

(vi) $17.7 million for insurance, which represented a 39% increase from the $12.7 million for the same period in 2016, related to the exchange rate variation.

Gross income:

The gross income recorded for the nine-month period ended September 30, 2017 was $651.4 million, compared with a profit of $355.9 million for the same period in 2016, accounting for a 83% increase. This is due to the variation in the exchange rate and the merger of GFSA through absorption into GMSA.

Selling expenses:

Selling expenses for the nine-month period ended September 30, 2017 amounted $18.4 million profit, compared with $3.6 million loss for the same period in 2016, reflecting an improvement of $22.0 million (611%). On March 3, 2017, the revenue department of the General Revenue Board of Tucuman resolved to exempt GMSA from payment of Turnover Tax in that jurisdiction, amending the tax determined as from the period December 2011.

Administrative expenses:

Administrative expenses for the nine-month period ended September 30, 2017 amounted to $34.5 million, up $11.9 million (a 53% increase) from $22.6 million recorded in the same period in 2016.

The main components of the Company's administrative expenses are listed below:

(i) $25.2 million of Fees and compensation for services, which represented an increase of 66% from the $15.2 million for the same period in the previous fiscal year.

(ii) $7.9 million in sundry expenses, accounting for a 119% increase from the $3.6 million for the same period of the previous fiscal year. Main variations are due to the captions office expenses and taxes and contributions.

(iii) $0.4 million in salaries and social security charges, reflecting a 69% decrease from the $1.3 million in the same period in year 2016. The decrease in payroll is mainly due to the hiring of services provided by third parties.

Operating income:

The operating income recorded for the nine-month period ended September 30, 2017 was $649.8 million, compared with $336.6 million profit recorded for the same period in year 2016, accounting for a 93% increase.

Free translation from the original prepared in Spanish for publication in Argentina

Summary of activity at September 30, 2017 and September 30, 2016

Financial results:

Financial results for the nine-month period ended September 30, 2017 amounted to a total loss of $270.6 million, compared with a loss of $233.6 million for the same period in 2016, which accounts for a 16% decrease.

The most noticeable aspects of the variation are:

(i) $191.7 million for financial interest paid, up 20% compared with the $160.3 million paid for the same period in 2016 as a result of an increase in the financial debt generated by the merger through absorption.

(ii) $37.0 million loss for other financial results, compared with $0.5 million profit recorded in the same period in 2016.

(iii) $51.3 million loss for net exchange differences, accounting for a 32% decrease from the $74.9 million loss recorded in the same period of the previous fiscal year.

Income before tax:

The Company reported income before tax of $379.2 million for the nine-month period ended September 30, 2017, which represents a 268% increase compared with the income of $103.0 million recorded for the same period in the previous year.

The income tax charge amounted to $148.4 million for the current period compared to $44.3 million for the same period in the previous fiscal year.

Net income:

The net income for the nine-month period ended September 30, 2017 was a profit of $230.8 million, compared to the profit of $58.7 million reported in the same period in 2016, accounting for a 293% increase.

Summary of activity at September 30, 2017 and September 30, 2016

2. Equity structure presented comparatively with the previous period:
(in millions of pesos)

	09.30.2017	09.30.2016	09.30.2015	09.30.2014	09.30.2013
Non-Current Assets	9,909.4	3,045.3	866.0	900.7	374.5
Current Assets	1,990.9	3,231.3	200.6	251.2	193.0
Total Assets	**11,900.3**	**6,276.6**	**1,066.6**	**1,151.9**	**567.5**
Equity	2,212.2	1,257.5	460.5	475.5	112.5
Total Equity	**2,212.2**	**1,257.5**	**460.5**	**475.5**	**112.5**
Non-current Liabilities	7,355.5	4,559.4	385.6	342.7	185.0
Current Liabilities	2,332.6	459.7	220.5	333.7	270.0
Total Liabilities	**9,688.1**	**5,019.1**	**606.1**	**676.4**	**455.0**
Total Liabilities + Equity	**11,900.3**	**6,276.6**	**1,066.6**	**1,151.9**	**567.5**

3. Breakdown of results presented comparatively with the previous period:
(in millions of pesos)

	09.30.2017	09.30.2016	09.30.2015	09.30.2014	09.30.2013
Ordinary operating income	649.8	336.5	106.2	95.0	73.3
Financial and holding results	(270.6)	(233.6)	(73.2)	(90.3)	(63.6)
Ordinary net income	**379.2**	**102.9**	**33.0**	**4.7**	**9.7**
Income tax	(148.4)	(44.3)	(11.4)	(2.8)	(4.1)
Net Income	**230.8**	**58.6**	**21.6**	**1.9**	**5.6**
Other comprehensive income	-	-	-	358.9	-
Total comprehensive income	**230.8**	**58.6**	**21.6**	**360.8**	**5.6**

Summary of activity at September 30, 2017 and September 30, 2016

4. Breakdown of cash flows presented comparatively with the previous period:
(in millions of pesos)

	09.30.2017	09.30.2016	09.30.2015	09.30.2014	09.30.2013
Funds provided by (used in) operating activities	402.2	(655.2)	135.0	85.1	46.2
Funds (used in) investing activities	(1,814.8)	(1,030.8)	(12.9)	(2.8)	(10.2)
Funds provided by (used in) financing activities	1,017.5	3,032.0	(89.6)	(66.0)	(21.4)
(Decrease) / Increase in cash and cash equivalents	**(395.1)**	**1,346.0**	**32.5**	**16.3**	**14.6**

5. Ratios presented comparatively with the previous period:

	09.30.2017	09.30.2016	09.30.2015	09.30.2014	09.30.2013
Liquidity (1)	0.85	7.03	0.91	0.75	0.71
Solvency (2)	0.23	0.25	0.76	0.70	0.25
Tied-up capital (3)	0.83	0.49	0.81	0.78	0.66
Indebtedness ratio (4) (*)	6.01	8.15	1.25	1.75	2.12
Interest coverage ratio (5)	4.65	2.53	2.75	1.68	1.50
Profitability (6)	0.13	0.07	0.05	0.01	0.05

(1) Current assets / Current liabilities

(2) Equity / Total Liabilities

(3) Non-current assets / Total assets

(4) Financial debt / annual EBITDA (**)

(5) Annual EBITDA (**) / annual financial interest accrued (**)

(6) Net income/loss for the period (not including Other comprehensive income) / total equity

(*) According to the guidelines for calculating the debt ratio included in the International Bond prospectus, at September 30, 2017 this ratio records a value of 6.16.
(**) Figure not covered by the limited review report.

Summary of activity at September 30, 2017 and September 30, 2016

6. Brief remarks on the outlook for fiscal year 2017:

Commercial and Operating Area

The Company expects that the various generating units will continue to operate normally in line with dispatches defined by CAMMESA. The main objective is to maintain a high level of availability of the Power Plants, which ensures the profitability of the Company. For this purpose, a thorough preventive maintenance plan of the generating units is made which guarantees the high availability of the turbo generators of the Power Plants.

The Company developed investment projects that will imply an increase of the generation capacity by 400 MW.

Two projects with contracts under ES Resolution No. 220/07 are in progress for a total of 150 MW of additional generation capacity which is detailed below.

In CTRi, a Siemens SGT-800 turbine of 50 MW nominal capacity has been installed. On May 20, 2017, CAMMESA authorized the commercial operation.

Further, two Siemens SGT-800 turbines of 50 MW nominal capacity have been installed in CTMM. On July 6, 2017, CAMMESA authorized the commercial operation through a contract under ES Resolution No. 220/07.

Under the framework of Resolution No. 21/16, the Company presented projects to enlarge the power generation capacity by 250MW, which were awarded through a bidding process.

The projects are set within the framework of agreements entered into with CAMMESA under ES Resolution No. 21/16.

A 100 MW expansion of the generating capacity was commenced at CTI with the installation of two Siemens SGT-800 turbines of 50 MW each. On August 10, 2017, CAMMESA authorized the commercial operation of the first stage (50MW) and the second stage is expected to start in the first six-month period of 2018 (50 MW).

Also, the construction of a new plant commenced in the Province of Buenos Aires (CTE) with a generating capacity of 150 MW, with the installation of three Siemens SGT-800 turbines of 50 MW each. On September 29, 2017, CAMMESA authorized the commercial operation of the first stage (100MW) and the second stage is expected to start in the first six-month period of 2018 (50 MW).

At the date of these interim condensed financial statements, through Resolution ES No. 287/2017, GMSA presented two projects for the closure of the combined cycle in CTMM for 112.5 MW and in CTE for 138 MW.

Summary of activity at September 30, 2017 and September 30, 2016

Financial condition

In the current period, the Company has the objective of improving the financing structure and ensuring the progress of investment works according to the budgeted schedules.

Bonds for USD 250 million were co-issued by GMSA, CTR and GFSA on July 27, 2016, and they fall due within 7 years. The international bond is secured by ASA. From the total issued, USD 173 million were allocated to GMSA, and USD 7 million to GFSA, to prepay financial debts and the financing of investment projects.

On August 29, 2017, Class VIII Negotiable Obligations for $ 312 million was issued, fully subscribed in kind improving the Company's financial indebtedness profile.

On October 11, 2017, GMSA and CTR co-issued Class I Negotiable Obligation for USD 30 million, allocating USD 20 million to GMSA. Funds will be used for investment in property, plant and equipment and to a lower extent, for working capital and refinancing of liabilities.

The actions mentioned allowed the improvement of the working capital and financial debt profile, extending maturity dates and reducing the financial cost of the Company, ensuring, in addition, the financing of investment projects.

Free translation from the original prepared in Spanish for publication in Argentina

ADDITIONAL INFORMATION REQUIRED BY SECTION 12, CHAPTER III, TITLE IV, OF THE NATIONAL SECURITIES COMMISSION REGULATIONS, FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

General matters referred to the activity of GMSA

1. Significant and specific legal regimes implying contingent decline or renewal of benefits comprised in these legal provisions.

   There are none.

2. Significant changes in the company activities or similar circumstances that took place during the fiscal years corresponding to the financial statements, that affect their comparability with those presented in previous years, or that could affect comparability with those to be presented in future years.

   There are none.

3. Breakdown of balances for receivables and liabilities according to their age and due date.

	Trade receivables	Other financial assets at fair value through profit or loss	Other receivables	Trade payables	Loans	Salaries and social security liabilities	Tax payables and deferred tax liability	Other liabilities
	$							
To be due								
First quarter	443,401,080	2,199,523	549,416,320	1,421,213,532	215,826,563	7,123,323	15,195,943	60,210
Second quarter	362,922,073	-	183,694,761	167,554,355	165,348,103	3,937,072	-	-
Third quarter	-	-	183,694,761	-	158,384,448	-	14,963,861	-
Fourth quarter	-	-	385,644	-	162,962,385	-	-	-
More than 1 year	3,484,381	-	92,060,805	895,728,726	5,386,253,345	-	1,065,730,841	-
Subtotal	**809,807,534**	**2,199,523**	**1,009,252,291**	**2,484,496,613**	**6,088,774,844**	**11,060,395**	**1,095,890,645**	**60,210**
Past due	-	-	-	-	-	-	-	-
Without stated term	69,602,622	-	85,644,258	-	-	-	-	-
Total at 09.30.2017	**879,410,156**	**2,199,523**	**1,094,896,549**	**2,484,496,613**	**6,088,774,844**	**11,060,395**	**1,095,890,645**	**60,210**
Non-interest bearing	797,790,521	-	1,008,452,755	2,276,776,613	-	11,060,395	1,095,890,645	60,210
At fixed rate	-	-	-	207,720,000	(1) 4,642,659,184	-	-	-
At floating rate	81,619,635	2,199,523	86,443,794	-	(1) 1,446,115,660	-	-	-
Total at 09.30.2017	**879,410,156**	**2,199,523**	**1,094,896,549**	**2,484,496,613**	**6,088,774,844**	**11,060,395**	**1,095,890,645**	**60,210**

(1) See Note 16 to the interim condensed financial statements at September 30, 2017.

4. Breakdown of receivables and liabilities according to the financial impact of maintaining the balances.

Captions	Type and amount of foreign currency		Exchange rate at closing (1)	Amount recorded at 09.30.17	Amount recorded at 12.31.16
					$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents					
Cash	USD	3,803	17.210	65,452	105,226
Banks	USD	400,965	17.210	6,900,603	2,292,705
Trade receivables					
Trade payables - Energía Plus	USD	12,130,781	17.210	208,770,747	104,995,841
Trade payables - Resolution No. 220/07 - Resolution No. 19/17	USD	35,323,183	17.210	607,911,981	57,950,769
Trade payables - Rental of tanks	USD	641,404	17.210	11,038,555	10,127,762
Total current assets				**834,687,338**	**175,472,303**
Total Assets				**834,687,338**	**175,472,303**
LIABILITIES					
CURRENT LIABILITIES					
Trade payables					
Related parties	USD	27,678,682	17.260	477,734,052	107,378,222
Suppliers	USD	1,873,117	17.310	32,423,662	83,280,447
Suppliers	SEK	263,047,266	2.122	558,291,518	-
Financial debts					
Foreign loan	USD	27,224,668	17.310	471,258,995	186,907,614
Total current liabilities				**1,539,708,227**	**377,566,283**
NON-CURRENT LIABILITIES					
Trade payables					
Suppliers	USD	12,000,000	17.310	207,720,000	-
Suppliers	SEK	324,165,438	2.122	688,008,726	250,442,290
Financial debts					
Foreign loan	USD	270,323,596	17.310	4,679,301,441	3,290,993,368
Total non-current liabilities				**5,575,030,167**	**3,541,435,658**
Total Liabilities				**7,114,738,394**	**3,919,001,941**

(1) Banco Nación exchange rates prevailing at year end. An average exchange rate is applied to intercompany balances.

5. Companies Sect. 33, Law No. 19550:

Participation percentage in intercompany:

There is none.

Intercompany accounts payable and receivable:

See Note 18 to the interim condensed financial statements at September 30, 2017.

6. Trade receivables or loans to directors, syndics, members of the surveillance committee or their relatives in the second degree inclusive.

   See Note 18 to the interim condensed financial statements at September 30, 2017.

7. Frequency and scope of the physical inventory of materials and spare parts.

   The Company keeps a permanent record of its inventories, verifying it on a yearly basis.

   There are no impaired, damaged, out of service or idle assets.

Current values

8. Source of the data used in calculating the current values for the valuation of inventories, property, plant and equipment, and other significant assets.

   See Note 4 to the financial statements at December 31, 2016.

Property, plant and equipment

9. Release of the Reserve for technical revaluation when part of it had been previously reduced to absorb losses.

   There are none.

10. Value of unused Property, plant and equipment due to obsolescence.

    There are none.

Equity interest in other companies

11. Interests in other companies in excess of the limit authorized by Section 31 of Law No. 19550.

    There are none.

Recoverable values

12. Criteria followed to determine significant recoverable values of the items Property, plant and equipment and Material and spare parts, applied as the limit to their accounting valuation.

    See Note 4 to the financial statements at December 31, 2016.

Insurance

13. Insured items:

Kind of risk	Insured amount 2017	Insured amount 2016
Operational all risks - Material damage	USD 335,200,000	USD 265,200,000
Operational all risks - Loss of profit	USD 74,965,990	USD 42,168,517
Contractors' all-risk - enlargement of power plants - material	USD 248,437,714	USD 285,706,443
Contractors' all-risk - enlargement of power plants - alop	USD 89,400,838	USD 99,746,356
CL - Siemens STG-800	-	USD 5,000,000
Civil liability	USD 9,000,000	USD 9,000,000
Civil Liability (primary)	USD 5,000,000	USD 4,000,000
Directors and Officers (D&O) liability insurance	USD 15,000,000	USD 15,000,000
Transport Siemens STG-800	USD 146,113,119	USD 103,890,000
Automobile	$ 1,380,000	$ 1,394,000
Transport insurance, Argentine and international market	USD 10,000,000	USD 10,000,000
Directors' bond	$ 450,000	$ 450,000
Customs bond	$ 1,489,076,513	$ 1,009,906,781
Environmental insurance	$ 13,021,315	$ 14,017,389
Authorization for project commercial operation bond	$ 520,494,334	$ 499,810,500
Equipment technical insurance	USD 208,807	USD 89,287
Personal accidents	$ 250,000	$ 250,000
Personal accidents	USD 500,000	USD 500,000
Life insurance - mandatory life insurance	$ 41,480	$ 33,330
Life - mandatory group life insurance (LCT, employment contract	Disability: 1 salary per year Death 1/2 salary per year	Disability 1 salary per year Death: 1/2 salary per year
Life - Additional group life insurance	24 salaries	24 salaries

Insurance is bought at market values, which widely cover accounting values.

Operational all risk:

The all-risk insurance covers for all the risks of loss or physical damage caused to property owned by or under the charge of the insured while situated in the place(s) described in the policy, provided that such damage occurs accidentally, suddenly or unexpectedly, and makes it necessary to repair and/or replace such property as a direct consequence of any of the risks covered by the policy. This policy includes coverage of loss of profits, with the aim of covering the losses caused by the interruption of the activities as a result of the accident, both as regards the profit that is no longer obtained and the expenses the Company continues to bear despite its inactivity, such that the insured may be in the same financial situation as if the accident had not occurred.
In October 2015, the insurance policy has been renewed, under better coverage conditions and by reducing 10% the premium rate.

Civil liability:

These policies cover underlying civil liability of the insured, as a result of injuries and/or death of third parties and/or damages to property of third parties, caused and /or derived from the development of the insured activity and product liability, subject to the terms, conditions, limitations and exclusions contained in the policy.

They are structured as follows:

An individual policy for each of the Group companies was taken out, with a compensation limit of USD 1,000,000 - per event and two reinstatements during the effective term of the policy.

In addition, an insurance policy common to all companies has been taken out with a compensation limit of USD 9,000,000- per event and during the effective term of the policy in excess of USD 1,000,000 - (individual policies), with two reinstatements exclusively for operations liability and without reinstatement for product liability.

Transport insurance:

The Company has an insurance policy that covers transportation of all generators of Albanesi Group under the modality of sworn statement to be presented monthly in arrears. It covers losses or damages of goods of the insured as a result of its mobilization during transportation, which may be international, national or urban, either by land, air or sea.

Mandatory life insurance:

Employer is required to take out mandatory group life insurance on behalf of its employees. It covers the risk of death of worker on an employment relationship, for any cause, without limitations of any kind, 24 hours a day, in or outside the country.
The insured amount is $ 20,000, as established by the National Insurance Superintendency.

Life insurance (LCT, employment contract Law):

This insurance covers underlying obligations from the Employment Contract Law, in case the company has to pay compensation in case of a total and permanent disability or death of the employee, whichever the case.

Group Life insurance:

The Company has taken out a group life insurance policy, on behalf of all Group employees. It grants compensation in case of death, double severance pay in case of accidental death, partial losses due to accident, advances for terminal diseases, organ transplant and birth of child after death.

Automobile insurance:

This insurance covers the damage to own vehicles as well as extra-contractual civil liability of the owner, user or driver of the automobile involved in an accident where third parties are injured or die.

Customs Guarantees:

- Temporary imports: this guarantee avoids the payment of pertinent duties for the entry of goods into the country, provided that they are exported in a term determined, at which time the guarantee is released.

- Temporary export: the amount of pertinent duties are guaranteed for the export of those exported goods which will be re-imported.

Directors' bond:

It is the guarantee required by the General Companies Law (Law 19550, Section 256, paragraph 2) from directors of corporations and members of the administrative bodies of other companies (LLC, joint stock company). This guarantee covers the Company in case of non-compliance with obligations by Directors or Managing partners while performing their duties.

Environmental bond:

The environmental bond for damage with group incidence covers the environmental bond established by the General Law on Environment No. 25675, Section 22 in agreement with the provisions of enforcement authorities.

Financial bond:

It guarantees that the money received by the customer on account of advance, will be applied to the effective compliance with the contract agreed upon.

Positive and negative contingencies

14. Elements considered to calculate provisions whose balances, considered individually or in the aggregate, exceed 2% of the equity.

    Allowances and provisions were recognized in the cases in which, considering a present obligation on the Company, whether legal or constructive, arising from a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate could be made of its amount.

    The amount recorded as allowances and provisions was the best estimate of the resource outflow necessary to settle the present obligation, at the end of the reporting period, considering the pertinent risks and uncertainties. When a provision is measured using the estimated cash outflow for settling the present obligation, the amount recorded represents the present value of that cash flow.

The following allowances and provisions have been set up:

a. Allowances deducted from assets:

The allowance for bad debts has been set up based on a historical analysis of accounts receivable to assess the recoverability of the credit portfolio.

b. Included in liabilities:

These provisions have been set up to cover potential contingent situations that could give rise to future payment obligations. In estimating the amounts and probabilities of occurrence, the opinion of the Company's legal advisors has been considered.

15. Contingent situations not accounted for at the date of the financial statements.

    See Note 28 to the interim condensed financial statements at September 30, 2017.

Irrevocable contributions on account of the future subscription of shares

16. Status of the capitalization procedure.

    There are none.

17. Unpaid cumulative dividends on preferred shares.

    There are none.

18. Conditions, circumstances or terms for the cease of restrictions on the distribution of unappropriated earnings.

    See Note 14 of the financial statements at December 31, 2016. There are no changes as to the information timely provided.

pwc

Free translation from the original prepared in Spanish for publication in Argentina

REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

To the President and Directors of
Generación Mediterránea S.A.
Legal address: Leandro N. Alem 855 - 14th Floor
Autonomous City of Buenos Aires
Tax Code No. 30-68243472-0

Introduction

We have reviewed the accompanying interim condensed financial statements of Generación Mediterránea S.A. (hereinafter, "the Company") which comprise the statement of financial position at September 30, 2017, the statement of comprehensive income for the nine and three-month period ended September 30, 2017, the statements of changes in equity and of cash flows for the nine-month period then ended, and the selected explanatory notes.

The balances and other information corresponding to the fiscal year 2016 and its interim periods are an integral part of the financial statements mentioned above; therefore, they must be considered in connection with these financial statements.

Board's responsibility

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

Scope of our review

Our review was limited to the application of the procedures established by International Standards on Review Engagements (ISRE) 2410 "Review of the interim financial information performed by the independent auditor of the entity", adopted as a review standard in Argentina through Technical Pronouncement No. 33 of the FACPCE, as approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries of the Company's personnel responsible for preparing the information included in the interim condensed financial statements and performing analytical and other review procedures. This review is substantially less in scope than an audit examination conducted in accordance with international standards on auditing and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the financial position, the comprehensive income and the cash flows of the Company.

Price Waterhouse & Co. S.R.L. es una firma miembro de la red global de PricewaterhouseCoopers International Limited (PwCIL). Cada una de las firmas es una entidad legal separada que no actúa como mandataria de PwCIL ni de cualquier otra firma miembro de la red.

pwc

Conclusion

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

Report on compliance with regulations in force

In accordance with current regulations, we report that:

a) the interim condensed financial statements of the Company are transcribed into the "Inventory and Balance Sheet" book and as regards those matters that are within our competence, they comply with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;

b) the interim condensed financial statements of the Company stem from accounting records kept in all formal respects in conformity with legal regulations;

c) we have read the summary activity and the additional information to the notes to the interim condensed financial statements required by Section 12, Chapter III, Title IV, of the National Securities Commission regulations, on which we have no observations to make insofar as concerns matters within our field of competence;

d) at September 30, 2017 the debt accrued by Generación Mediterránea S.A. in favor of the Argentine Integrated Social Security System according to the Company's accounting records amounted to $ 3,644,443 none of which was claimable at that date.

Autonomous City of Buenos Aires, November 9, 2017

PRICE WATERHOUSE & CO. S.R.L.

Dr. Raúl Leonardo Viglione
(Partner)

Free translation from the original prepared in Spanish for publication in Argentina

Report of the Syndics' Committee

To the Shareholders of
Generación Mediterránea S.A.

1. Pursuant to the provisions of section 294 of the Law 19550 and National Securities Commission regulations, we have reviewed the accompanying interim condensed financial statements of Generación Mediterránea S.A. (hereinafter, "the Company") which comprise the statement of financial position at September 30, 2017, the statement of comprehensive income for the nine-month period ended September 30, 2017, the statements of changes in equity and of cash flows for the nine and three-month period then ended, and the selected explanatory notes. The balances and other information corresponding to the fiscal year 2016 are an integral part of the financial statements mentioned above; therefore, they must be considered in connection with these financial statements.

2. The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and included by the National Securities Commission (CNV) in its regulations, as approved by the International Accounting Standards Board (IASB), and is therefore responsible for the preparation and presentation of the interim condensed financial statements mentioned in paragraph 1, in accordance with International Accounting Standard 34 "Interim Financial Information" (IAS 34). Our responsibility is to express a conclusion based on the review performed with the scope detailed in paragraph 3.

3. Our review was carried out in accordance with standards applicable to syndics. Those standards require that the procedures established in Technical Pronouncement No. 33 of the Argentina Federation of Professional Councils in Economic Sciences for limited reviews of interim financial statements be performed, and include verifying the consistency of the documents reviewed with the information on corporate decisions disclosed in minutes and the conformity of those decisions to the law and by-laws insofar as concerns formal and documentary aspects. To fulfill our professional duties, we have reviewed the work done by the external auditors, Price Waterhouse & Co. S.R.L., who issued their limited review report on the condensed interim statements at the same date as this report without observations. A review of interim financial information consists of making inquiries of the Company's personnel responsible for preparing the information included in the interim condensed financial statements and performing analytical and other review procedures. This review is substantially less in scope than an audit examination conducted in accordance with international standards on auditing and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the financial position, the comprehensive income and the cash flows of the Company. We have not assessed the administrative, financing, marketing or operating business criteria as these matters fall within the exclusive competence of the Board of Directors and Shareholders' meeting.

4. As indicated in Note 3, the interim condensed financial statements mentioned in paragraph 1 have been prepared in accordance with International Accounting Standard 34.

5. Based on our review, we are not aware of any significant modification to be introduced to the interim condensed financial statements mentioned in paragraph 1, for their presentation in accordance with the pertinent regulations of Law No. 19550, the National Securities Commission and standards mentioned in paragraph 2.

6. The provisions of Section 294 of the Law No. 19550 have been duly fulfilled.

Autonomous City of Buenos Aires, November 9, 2017

Marcelo P. Lerner
Full Syndic
For the Syndics' Committee