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

Generación Mediterránea S.A.

Interim Condensed Financial Statements

At March 31, 2016 and for the three-month periods
ended March 31, 2016 and 2015
presented in a comparative format

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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 interim condensed 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
CTR	Central Térmica Roca S.A.
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 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
GFSA	Generación Frías S.A.
GI	Generación Independencia located in San Miguel de Tucumán, province of Tucumán (merged with GMSA)
GISA	Generación Independencia S.A.
GLB	Generación La Banda located in La Banda, province of Santiago del Estero (merged with GMSA)
GLBSA	Generación La Banda S.A.

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Terms	Definitions
GM	Generación Mediterránea located in Río IV, province of Córdoba
GMSA	Generación Mediterránea S.A.
Large Users	WEM agents classified according to their consumption unto: GUMAs, GUMEs, GUPAs and GUDIs
GR	Generación Riojana located in La Rioja, province of La Rioja (merged with GMSA)
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

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Generación Mediterránea S.A.

Composition of the Board of Directors and Syndics' Committee
at March 31, 2016

President
Armando R. Losón

Vice President 1st
Guillermo G. Brun

Vice President 2nd
Julián P. Sarti

Full Directors
Carlos A. Bauzas
Sebastián A. Sánchez Ramos
Oscar C. De Luise
Roberto J. Volonté

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

Controllers
Enrique O. Rucq
Marcelo P. Lerner
Francisco A. Landó

Alternate Syndics
Juan Cruz Nocciolino
Carlos I. Vela
Augusto N. Arena

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Legal information

Company Name:	Generación Mediterránea S.A.
Legal domicile:	Av. L.N. Alem 855, piso 14, City of Buenos Aires.
Main line of business:	Generation and sale of electric energy. Development of energy projects, execution of projects, provision of advisory and other services, management, administration and performance of works of any nature; investments and financial transactions of any kind, except for those under Law No. 21526.

Registration with the Superintendency of Commercial Companies:

By-laws	January 28, 1993
Latest amendment:	October 15, 2015 (in progress)
Registration number with the Superintendency of Commercial Companies:	No. 644 of Book 112, Volume "A" of Corporations
Tax ID: No.	30-68243472-0
Expiration date of Company By-laws:	January 28, 2092
Parent company:	Albanesi S.A.
Legal domicile:	Av. L.N. Alem 855, piso 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 and paid-in**
	$
Ordinary, registered, non-endorsable shares of $1 nominal value each and entitled to 1 vote per share.	125,654,080

Generación Mediterránea S.A.

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Interim Condensed Statements of Financial Position

At March 31, 2016 and December 31, 2015

Stated in pesos

	Note	03.31.16	12.31.15
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	2,273,730,415	1,206,180,895
Investments in Companies	25	129,861	129,861
Other receivables		11,189,173	-
Trade receivables		6,431,343	3,558,538
Total non-current assets		**2,291,480,792**	**1,209,869,294**
CURRENT ASSETS			
Materials and spare parts		17,942,078	7,326,530
Other receivables		416,180,933	122,828,721
Other financial assets at fair value through profit and loss		395,289	-
Income tax credit balance, net		4,495,752	1,601,673
Trade receivables		447,400,806	188,161,520
Cash and cash equivalents	13	39,248,955	3,094,280
Total current assets		**925,663,813**	**323,012,724**
Total Assets		**3,217,144,605**	**1,532,882,018**
SHAREHOLDERS' EQUITY			
Share capital	14	125,654,080	76,200,073
Additional paid-in capital		111,514,225	-
Legal reserve		2,896,561	2,439,117
Optional reserve		12,299,115	19,870,827
Special reserve		1,275,621	-
Unappropriated retained earnings		(74,729,717)	33,487,164
Technical revaluation reserve		1.052 917, 164	567,352,214
TOTAL SHAREHOLDERS' EQUITY		**1,231,827,049**	**699,349,395**
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	17	8,477,857	9,949,496
Deferred tax liabilities, net		542,207,862	336,000,075
Tax payables		3,298,469	-
Loans	16	761,283,308	170,222,514
Total non-current liabilities		**1,315,267,496**	**516,172,085**
CURRENT LIABILITIES			
Other liabilities		4,707,047	145,000
Tax payables		26,610,385	2,918,969
Salaries and social security charges		2,546,002	3,652,084
Loans	16	308,652,400	118,295,977
Trade payables		327,534,226	192,348,508
Total current liabilities		**670,050,060**	**317,360,538**
Total Liabilities		**1,985,317,556**	**833,532,623**
Total liabilities and equity		**3,217,144,605**	**1,532,882,018**

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

Generación Mediterránea S.A.

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Interim Condensed Statement of Comprehensive Income

For the three-month periods ended March 31, 2016 and 2015

Stated in pesos

	Note	Three months at 03.31.16	Three months at 03.31.15
Sales revenue	7	506,849,415	196,817,511
Cost of sales	8	(339,814,783)	(157,480,102)
Gross income		**167,034,632**	**39,337,409**
Selling expenses	9	(507,368)	(456,048)
Administrative expenses	10	(9,888,149)	(3,609,884)
Other operating income and expenses		2,198,727	-
Operating income		**158,837,842**	**35,271,477**
Financial income	11	1,642,719	1,235,250
Financial expenses	11	(63,274,330)	(19,443,427)
Other financial results	11	(43,348,001)	(3,161,538)
Financial results, net		**(104,979,612)**	**(21,369,715)**
Income before tax		**53,858,230**	**13,901,762**
Income tax		(20,893,637)	(5,910,757)
Income for the period		**32,964,593**	**7,991,005**
Earnings per share			
Basic and diluted earnings per share	15	0.2623	0.1049

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

Generación Mediterránea S.A.

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Interim Condensed Statements of Changes in Equity

For the three-month periods ended March 31, 2016 and 2015

Stated in pesos

	Share Capital (Note 14)	Additional paid-in capital	Legal reserve	Optional reserve	Special reserve	Technical revaluation reserve	Unappropriated retained earnings	Total equity
Balances at December 31, 2014	**76,200,073**	**-**	**2,049,604**	**36,348,487**	**-**	**352,385,973**	**14,312,602**	**481,296,739**
Reversal of technical revaluation reserve	-	-	-	-	-	(3,073,221)	3,073,221	-
Comprehensive income for the three-month period	-	-	-	-	-	-	7,991,005	7,991,005
Balances at March 31, 2015	**76,200,073**	**-**	**2,049,604**	**36,348,487**	**-**	**349,312,752**	**25,376,828**	**489,287,744**
Setting up of reserve as per Shareholders' Meeting Minutes dated April 14, 2015								
- Setting up of legal reserve	-	-	389,513	-	-	-	(389,513)	-
- Distribution of dividends	-	-	-	-	-	-	(21,400,749)	(21,400,749)
- Reversal of optional reserve	-	-	-	(14,000,000)	-	-	14,000,000	-
- Setting up of optional reserve	-	-	-	6,522,340	-	-	(6,522,340)	-
Allocation of results as per Board Meeting Minutes dated September 7, 2015								
- Distribution of dividends in advance	-	-	-	-	-	-	(21,000,000)	(21,000,000)
Reversal of optional reserve as per Shareholders' Meeting Minutes dated October 21, 2015	-	-	-	(9,000,000)	-	-	9,000,000	-
- Distribution of dividends	-	-	-	-	-	-	(9,000,000)	(9,000,000)
Other comprehensive income for the supplementary nine-month period	-	-	-	-	-	228,005,667	-	228,005,667
Reversal of technical revaluation reserve	-	-	-	-	-	(9,966,205)	9,966,205	-
Comprehensive income for the three-month period	-	-	-	-	-	-	33,456,733	33,456,733
Balances at December 31, 2015	**76,200,073**	**-**	**2,439,117**	**19,870,827**	**-**	**567,352,214**	**33,487,164**	**699,349,395**
Addition as a result of the merger through absorption - Shareholders' meeting held on October 15, 2015	49,454,007	111,514,225	457,444	2,128,288	1,275,621	485,564,950	(141,181,474)	509,213,061
Reversal 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)
Reversal of technical revaluation reserve	-	-	-	-	-	(10,843,591)	10,843,591	-
Comprehensive income for the three-month period	-	-	-	-	-	-	32,964,593	32,964,593
Balances at March 31, 2016	**125,654,080**	**111,514,225**	**2,896,561**	**12,299,115**	**1,275,621**	**1,042,073,573**	**(63,886,126)**	**1,231,827,049**

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

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Interim Condensed Statements of Cash Flows

For the three-month periods ended March 31, 2016 and 2015

Stated in pesos

	Notes	03.31.16	03.31.15
Cash flow provided by operating activities:			
Comprehensive income for the period		32,964,593	7,991,005
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax		20,893,637	5,910,757
Accrued interest, net	11	58,609,832	18,067,869
Depreciation of property, plant and equipment	8 and 12	28,654,962	11,305,926
Result of the changes in the fair value of financial instruments	25	(7,251,021)	-
Decrease in provision for contingencies	17	(1,471,639)	-
Exchange differences		39,215,470	158,565
Changes in operating assets and liabilities:			
Increase (decrease) in trade receivables		(130,396,247)	35,216,535
(Increase) in other receivables		(208,876,165)	(17,294,448)
(Increase) in materials and spare parts		(4,345,496)	(911,763)
Increase / (Decrease) in trade payables		36,491,081	(18,974,583)
(Decrease) in other liabilities		(53,622,891)	-
(Decrease) in salaries and social security charges		(2,734,939)	(26,369)
Increase / (Decrease) in trade payables		17,832,846	(481,741)
Net cash flow provided by operating activities		**(174,035,977)**	**40,961,753**
Cash flow of investment activities:			
Acquisition of property, plant and equipment	12	(16,262,750)	(536,750)
Collections of financial instruments		6,491,642	-
Subscription and redemption of mutual funds		1,575,051	-
Addition of cash as a result of the merger		(8,763,199)	-
Net cash flow (used in) investing activities		**(16,959,256)**	**(536,750)**
Cash flow of financing activities:			
Loans taken out	16	612,054,277	-
Payment of loans	16	(356,754,601)	(24,464,361)
Payment of interest	16	(43,968,381)	(16,772,291)
Net cash flow (used in) financing activities		**211,331,295**	**(41,236,652)**
INCREASE / (DECREASE) IN CASH, NET		**20,336,062**	**(811,649)**
Cash and cash equivalents at the beginning of the period		(32,833,887)	2,256,707
Financial results of cash and cash equivalents		5,937,493	2,362,615
Cash and cash equivalents at the end of the period	13	(18,435,318)	(917,557)
		20,336,062	**(811,649)**
Material transactions not entailing changes in cash			
Acquisition of property, plant and equipment not yet paid	12	(11,068,148)	(504,557)
Payment of dividends		(9,700,000)	-
Addition of property, plant and equipment as a result of the merger		1,068,873,584	-
Addition of trade receivables as a result of the merger		120,098,598	-
Addition of other receivables as a result of the merger		108,259,299	-
Addition of materials and spare parts as a result of the merger		6,270,052	-
Addition as a result of the merger of other financial assets at fair value through profit and loss		1,210,961	-
Addition of trade payables as a result of the merger		(67,806,826)	-
Addition of other debts as a result of the merger		(58,184,938)	-
Addition of loans as a result of the merger		(490,716,207)	-
Addition of salaries and social security charges as a result of the merger		(1,628,857)	-
Addition of tax payables as a result of the merger		(193,707,527)	-

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

NOTE 1: GENERAL INFORMATION

GMSA is controlled by ASA with 95% of capital and votes and is domiciled at Av. Leandro N. Alem 855, 14th floor, City of Buenos Aires. The Company's main line of business is the performance of investment and financial activities. ASA acquired the equity interest from Enron Corp. in February 2005.

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.

GMSA is the owner of Central Termoeléctrica Modesto Maranzana ("the Power Plant"), located in the city of Río Cuarto, Province of Córdoba. The Power Plant originally had a combined cycle of operation with a capacity of 70 MW, in two blocks of 35 MW each, and each block with a Frame 5 Gas Turbine, 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 with the installation and startup of two new aero-derivative gas turbines PWPS SwiftPac 60 FT8-3. The units consist of two aero-derivative gas turbines of 30 MW each, placed in such a manner that they both transmit their power to a single Generator, which offers great operative flexibility.

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

The Power Plant is connected to the Argentine Grid (SADI) through EPEC's high voltage network.

GMSA has an Integrated Management System certified under ISO 9001: 2008, ISO 14001:2004 and OHSAS 18001:2007. This shows the continuous effort, commitment and dedication of the employees to maintain operation and maintenance standards, while ensuring compliance with applicable environmental, occupational safety and health regulations.

On March 28, 2016, GMSA signed an agreement with Siemens Industrial Turbomachinery AB to carry out the project to enlarge the Power Plant by 100 MW from the existent 250 MW with the installation of two Siemens SGT-800 turbines of 50MW nominal each. This enlargement agreement falls within the scope of ES Resolution 220/07. For this work, an investment exceeding USD 73 million is estimated, and it is expected to start its commercial operation in the first quarter of 2017. At the date of these interim condensed financial statements, the Company made an advance to Siemens Industrial Turbomachinery AB of USD 2.2 million for the purchase of the turbine and progress is being made with the investment process.

NOTE 1: GENERAL INFORMATION (Cont'd.)

GMSA (the merging and continuing company) has been involved in a merger process with the following companies: GISA, GLBSA and GRISA (the merged companies). The final merger agreement was signed on November 10, 2015, establishing January 1, 2016 as the effective merger date. The CNV approved the merger on March 18, 2016 (See Note 26).

As a result of the merger, the Power Plants owned by the merged companies have been transferred to GMSA. Below is a detail of the most relevant information on each of the Power Plants.

Generación Independencia (GI) is located in the city of San Miguel de Tucumán, province of Tucumán. GI is out of service, and during 2011 GISA performed all the necessary works to install 120MW with PWPS technology, and recondition the existing ancillary facilities. GISA obtained authorization for the commercial operation of the new turbines on November 17, 2011.

To keep a high level of power available, GISA and PWPS entered into a long-term maintenance contract expiring on December 31, 2019, contemplating the provision of technical assistance by PWPS and a stock of spare parts available at the Company's workshops.

GI is connected to SADI through TRANSNOA S.A. transformer substation, situated within the power plant's premises.

Generación Riojana (GR) has three power generation units, Turbogrupo Fiat TG21, of 12MW; Turbogrupo Jhon Brown TG22, of 16MW; and Turbogrupo Fiat TG23, of 12MW, connected to SADI grid by means of the TRASNOA S.A. transformer substation.

In compliance with the environmental management system, certification under ISO 14001:2004 obtained in 2011 has been maintained.

On July 20, 2015, GRISA signed with CAMMESA an addendum to the contract under Energy Secretariat Resolution 220/07 to expand the installed capacity to 50 MW.

The installed capacity is 45 MW and the contract term is 10 years, counted as from the implementation of the project. The fixed charge remuneration for the contracted power amounts to 16,790 USD/MW per month. Furthermore, there are two variable charges applied for the remuneration of the operating and maintenance cost of the power plant for the power actually provided and the fuel cost at reference price.

NOTE 1: GENERAL INFORMATION (Cont'd.)

On September 7, 2015, GRISA and Siemens Industrial Turbomachinery AB entered into a contract whereby they agreed to purchase a SGT800 turbine of 50 MW for USD 18.2 million, which is expected for May 2016. Payment of the Siemens SGT-800 turbine has been completed at March 31, 2016, and a balance of $265,660,342 has been disclosed under Other Receivables. The assembly of the turbine and auxiliary equipment has been contracted with Siemens. The power transformer has already been bought and progress is being made with civil works as scheduled. Other tasks necessary for the assembly and startup of the turbine have also been performed. Among the main investments we can mention the installation of a gas compression plant, a water treatment plant and a gas oil separation plant. In addition, connections to the high voltage network will be built, the gas distribution system of ECOGAS will be adjusted and a cooling system will be installed for the incoming air of the turbine. The total investment of the project amounts to USD 41.8 million. We estimate the start-up of commercial operations in the fourth quarter of 2016.

At present, Generación La Banda (GLB) has two generating units, LBANTG21 and LBANTG22, connected to SADI through the transformer substation of TRASNOA S.A. Under optimum climatic conditions, they allow generating 32 MW.

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

The Company's revenue from electricity generation activity derives from sales to Large Users on the Forward Market (MAT), basic and surplus demand (ES Resolution 1281/06); from sales to CAMMESA under ES Resolution 220/07; and sales under ES Resolution 22/16. In addition, the excess electricity generated under the modalities of ES Resolutions 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 1281/06

The Energy Secretariat approved Resolution 1281/2006, which provides that the existing energy sold on the Spot Market will follow 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

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

a) Regulations on Energía Plus, Resolution 1281/06/482

As established by this resolution:

• Large Users with demand over 300 KW ("GU300") will be authorized to enter into contracts for their demand of electricity in the forward market with the generating agents existing in the WEM at this 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, under the conditions described above.

As to the Energía Plus program, at September 30, 2015 almost all the nominal power of 135MW available was under contract. The average term of most of the Energía Plus contracts entered into between the Company and its customers ranges between 1 and 2 years. Sales under this modality are paid by customers directly to the Company.

b) Supply Contract with WEM (Resolution 220/07).

In January 2007, the Energy Secretariat adopted 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 shall be established in each contract based on the costs accepted by the Energy Secretariat. The contracts will also establish that the machines and power plants used to cover the Supply Contracts will generate energy as they are dispatched by CAMMESA.

Further, as envisaged with respect to the Supply Commitment Contracts and for the purpose of mitigating the collection risk of the generating agents, the payment obligations assumed by CAMMESA under those Supply Contracts will rank at least pari passu with the recognized operating costs of the thermal power generators.

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

b) Supply Contract with WEM (Resolution 220/07) (Cont'd)

The Company and CAMMESA entered into a Wholesale Electric Market (WEM) supply contract for 45 MW, for a term of 10 years counted as from October 2010. 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.

This contract sets a 5-component remuneration: i) a fixed charge for the average monthly availability of contracted power, for a price of USD 16,133/MW per month; ii) a fixed charge that recognizes the costs of transportation plus other costs of the generating agents; iii) a variable charge associated with the energy actually provided under the contract, the objective of which is to remunerate operation and maintenance of the power plant (Gas 7.83 USD/MWh – Fuel oil 8.32 USD/MWh); 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 22/16

On March 22, 2013, the Energy Secretariat published ES Resolution 95/13 that aims 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 529/14 was published on May 20, 2014, amending and extending application of ES Resolution 95/13. The main change is 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".

ES Resolution 529/14 establishes that from February 2014, commercial management and fuel dispatch will be centralized in the Dispatch Management Agency (CAMMESA). Costs related to operation will cease to be recognized as the contractual relationships between WEM Agents and their suppliers of fuel and inputs are terminated. ES Resolution 1281/06 (Energía Plus) is excluded from these regulations.

ES Resolution 482/15 was published on July 10, 2015, amending and extending application of ES Resolution 529/14. The main change is the increase in the remuneration payable to the generators, implemented through a price increase, as well as the creation of two new items, called "Resource for FONINVEMEM investments 2015-2018" and "Incentives for energy production and operational efficiency".

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

c) Sales under ES Resolution 22/16 (Cont'd)

ES Resolution 22/16 was published on March 30, 2016, amending ES Resolution 482/15 already mentioned. The main change is the increase in the remuneration payable to the generators, implemented through a price increase.

The new resolution will allow increasing the operating results of the Company, generating an additional cash flow that will improve their working capital position. The resolution established its retrospective application as from February 2016. There is a 70% increase in the fixed charge paid for the available power and 40% increase in the variable cost for the power generated.

The remuneration schedule updated under Resolution 22/16 basically consists of the following items:

1. Fixed cost: This item adjusts the values recognized for Power Made Available. The price set as remuneration for the Power Made Available is based on the technology detailed below:

Power Plant	Classification	Fixed cost per Resolution 22 $/MWhrp
GLB/GR	TG Units with Power (P) < 50 MW (small)	152.30
GM	CC Units with Power (P) < 150 MW (small)	101.20

   This price may be increased by a percentage established by Resolution 22/16 This percentage will be determined on the basis of the monthly availability or the historical availability, according to the time of year and the technology for generation. The Resolution states that this seasonal percentage can reach up to 110% of the fixed cost determined according to the same Resolution.

2. Variable cost: this cost is paid on the basis of the power generated and the fuel used. The recognized prices rose from 33.10 $/MWh to 46.30 $/MWh for the generation of Natural Gas, and from 57.90 $/MWh to 81.10 $/MWh for Gas Oil.

3. Additional remuneration is determined based on total generation and has two components: one that is charged directly at 13.70 $/MWh, and another that is allocated to a trust for new investments, charged at 5.90 $/MWh.

4. Remuneration for non-recurring maintenance, valued at 39.50 $/MWh (formerly, 24.70 $/MWh), determined monthly on the basis of the electricity generated. The accumulated funds can be used for performing non-recurring maintenance works.

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

c) Sales under ES Resolution 22/16 (Cont'd)

5. New charge called "2015-2018 Resource for FONINVEMEM investments" valued at 15.80 $/MWh, and determined monthly, based on generated power. This accumulated funds will be used for new investments in electric power generation. As a WEM agent and as part of that agreement to increase available thermal power generation, this recognition will enable the Company to participate in the new investments that will be made to diversify the electric power generation plants at a national level.

6. A new schedule of "Incentives to energy production and operating efficiency applicable to thermal power generation":

   - Additional remuneration based on production: An additional remuneration may be received based on the volume of energy produced during the year, according to the type of fuel used. This increase to be applied to variable costs will be of 15% for liquid fuel and 10% for gas/coal, when they reach an accumulated value of 25% and 50% of 92% annual generation, respectively.

   - Additional remuneration based on efficiency: An additional remuneration may be received based on the achievement of goals for fuel consumption. On a quarterly basis, actual consumption will be compared with reference consumption for each type of machine and fuel. The difference percentage will be valued at the variable cost of operation and maintenance associated with the pertinent fuel, and recognized as additional remuneration.

NOTE 3: BASIS FOR PRESENTATION

These interim condensed financial statements for the three-month periods ended March 31, 2016 and 2015 have been prepared in accordance with IAS 34 "Interim Financial Reporting". These interim condensed financial information must be read jointly with the Company's financial information at December 31, 2015.

The presentation in the interim condensed statement of financial position segregates current and non-current assets and liabilities. Current assets and liabilities are those that are expected to be recovered or settled within 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 elapsed period.

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.

NOTE 3: BASES OF PRESENTATION (Cont'd)

The interim condensed financial statements for the three-month periods ended March 31, 2016 and 2015 have not been audited. Company's management estimates that they include all adjustments necessary to reasonably present the results for each period. The results for the three-month periods ended March 31, 2016 and 2015 do not necessarily reflect a proportionate percentage of the Company's results for full years.

These interim condensed financial statements were approved for issuance by the Company's Board of Directors on May 10, 2016.

Comparative information

Balances at December 31, 2015 and for the three-month period ended March 31, 2015 disclosed in these interim condensed financial statements for comparative purposes arise from financial statements at those dates. Certain reclassifications have been included in the financial statement figures presented for comparative purposes to conform them to the current period presentation.

The final merger agreement was signed on November 10, 2015 establishing a merger between GISA, GLBSA and GRISA through absorption into GMSA effective January 1, 2016. The increase in the variations is basically 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 for the last fiscal year, which ended on December 31, 2015.

4.1.1 New standards, modifications and interpretations not yet effective, but early adopted by the Company

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". These phases comprise classification and measurement of instruments, impairment and hedge accounting. This version adds a new model for expected loss impairment and some minor changes to the classification and measurement of financial assets. The new standard replaces all earlier versions of IFRS 9 and is effective for annual periods beginning on or after January 1, 2018. The Company has adopted the first phase of IFRS 9 at the date of these interim condensed financial statements.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.1. New standards, modifications and interpretations not yet effective but early adopted by the Company (Cont'd)

Measurement is made at initial recognition. This classification depends on the business model of the entity to manage its financial instruments and the characteristics of the instrument's contractual cash flows. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in the income statement, unless this creates an accounting mismatch.

4.2 New standards, modifications and interpretations not yet effective and not early adopted by the Company

- IFRS 16 "Leases" was issued on January 13, 2016 by the IASB and supersedes the current guidelines of the IAS 17. This standard defines a lease as a contract, or part of a contract, that conveys the right to use an asset (underlying assets) for a period of time in exchange for consideration.

Under this standard, a liability must be recognized for lease arrangements to show future lease payments and a right-of-use asset in almost all cases. This is a significant change compared with IAS 17, which required that lessee make a distinction between a financial lease (disclosed in the statement of financial position) and an operating lease (without impact on the statement of financial position). IFRS 16 contains an optional exception for some short-term leases and leases of low-value assets; however, this exception may only be applied by lessees. It is effective for fiscal years beginning on or after January 1, 2019.

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 the estimates and assessments made at the date these interim condensed financial statements were prepared.

In preparing these interim condensed financial statements, the critical judgments delivered by Management to apply the Company's accounting policies and the sources of information used for the related estimates are the same as those delivered in the financial statements for the fiscal year ended December 31, 2015.

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 should be read in conjunction with the financial statements for the fiscal year ended on December 31, 2015. No major changes have been made to risk management policies since the annual closing.

NOTE 7: SALES REVENUE

	03.31.16	03.31.15
Sale of electricity Res. 95/529/482	28,512,066	8,930,250
Sale of electricity in the spot market	69,802,733	35,766,265
Sale under Energía Plus	219,982,222	110,496,026
Sale of electricity Res. 220	188,552,394	41,624,970
	506,849,415	**196,817,511**

NOTE 8: COST OF SALES

	03.31.16	03.31.15
Cost of purchase of electric energy	(113,785,192)	(77,035,522)
Cost of gas and gas oil consumption at the plant	(138,097,051)	(45,766,525)
Fees and compensation for services	(1,876,963)	-
Salaries and social security contributions	(15,705,606)	(5,568,573)
Other employee benefits	(951,627)	(216,256)
Taxes, rates and contributions	(1,245,310)	(1,656,284)
Maintenance services	(34,054,657)	(12,570,312)
Depreciation of property, plant and equipment	(28,654,962)	(11,305,926)
Per diem, travel and representation expenses	(204,697)	(250,577)
Insurance	(3,705,459)	(2,890,917)
Communication expenses	(668,655)	(86,777)
Sundry	(864,604)	(132,433)
	(339,814,783)	**(157,480,102)**

NOTE 9: SELLING EXPENSES

	03.31.16	03.31.15
Salaries and social security contributions	(362,658)	(196,538)
Taxes, rates and contributions	(144,710)	(259,510)
	(507,368)	**(456,048)**

NOTE 10: ADMINISTRATIVE EXPENSES

	03.31.16	**03.31.15**
Fees and compensation for services	(5,384,777)	(1,255,936)
Salaries and social security contributions	(1,087,973)	(786,152)
Other employee benefits	(475,333)	(144,171)
Taxes, rates and contributions	(442,944)	(315,251)
Per diem, travel and representation expenses	(1,363,540)	(167,052)
Insurance	(77,265)	(12,932)
Office expenses	(416,510)	(776,995)
Communication expenses	(2,513)	(57,851)
Sundry	(637,294)	(93,544)
	(9,888,149)	**(3,609,884)**

NOTE 11: FINANCIAL RESULTS

	03.31.16	**03.31.15**
Financial income		
Commercial interest	1,642,719	1,235,250
Total financial income	**1,642,719**	**1,235,250**
Financial expenses		
Loan interest	(57,131,540)	(18,847,470)
Commercial interest and other	(3,121,011)	(455,649)
Bank expenses and commissions	(3,021,779)	(140,308)
Total financial expenses	**(63,274,330)**	**(19,443,427)**
Other financial results		
Exchange difference, net	(39,215,470)	(158,565)
Changes in the fair value of financial instruments	7,251,021	-
Other financial results	(11,383,552)	(3,002,973)
Total other financial results	**(43,348,001)**	**(3,161,538)**
Total financial results, net	**(104,979,612)**	**(21,369,715)**

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Original values						Depreciation						Net book value at end of period/year	
Type of asset	At beginning of period/ year	Addition as a result of the merger	Increases	Transfers /Deletions	Technical revaluation	At end of period/year	Accumulated at beginning of period/year	Addition as a result of the merger	Deletions	For the period (1)	Technical revaluation	Accumulated at end of period/year	At 03.31.16	At 12.31.15
Land	6,777,099	69,989,522	24,500	-	-	76,791,121	-	-	-	-	-	-	76,791,121	6,777,099
Buildings	34,134,301	21,867,932	-	-	-	56,002,233	-	-	-	416,693	-	416,693	55,585,540	34,134,301
Facilities	67,422,515	97,110,297	5,714	-	-	164,538,526	-	-	-	2,362,078	-	2,362,078	162,176,448	67,422,515
Machinery	1,082,551,284	860,414,836	3,287,502	-	-	1,946,253,622	-	-	-	25,503,445	-	25,503,445	1,920,750,177	1,082,551,284
Works in progress - Extension of Plant	-	14,169,181	12,902,144	-	-	27,071,325	-	-	-	-	-	-	27,071,325	-
Computer and office equipment	4,114,330	1,456,252	42,891	-	-	5,613,473	2,237,526	555,777	-	260,585	-	3,053,888	2,559,585	1,876,804
Vehicles	1,845,997	467,496	496,097	-	-	2,809,590	578,576	175,847	-	112,161	-	866,584	1,943,006	1,267,421
Spare parts and materials	12,151,471	4,129,692	10,572,050	-	-	26,853,213	-	-	-	-	-	-	26,853,213	12,151,471
Total at 03.31.2016	**1,208,996,997**	**1,069,605,208**	**27,330,898**	-	-	**2,305,933,103**	**2,816,102**	**731,624**	-	**28,654,962**	-	**32,202,688**	**2,273,730,415**	-
Total at 12.31.2015	**907,605,470**	-	**18,756,946**	**(861,937)**	**283,496,518**	**1,208,996,997**	**24,354,335**	-	**(207,841)**	**45,951,039**	**(67,281,431)**	**2,816,102**	-	**1,206,180,895**
Total at 03.31.2015	**1,417,003,318**	-	**1,041,307**	-	-	**1,418,044,625**	**533,752,183**	-	-	**11,305,926**	-	**545,058,109**	**872,986,516**	-

(1) Depreciation charges for the three-month period ended March 31, 2016 and for the fiscal year ended December 31, 2015 were allocated to the cost of sale, including $16,682,448 and $20,060,656, respectively, corresponding to a higher value of technical revaluation.

NOTE 13: CASH AND CASH EQUIVALENTS

	03.31.16	12.31.15
Cash	187,234	128,425
Banks in local currency	1,800,363	290,556
Banks in foreign currency	36,881,934	204
Checks to be deposited	379,424	2,675,095
	39,248,955	**3,094,280**

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

	Note	03.31.16	12.31.15
Cash and cash equivalents		39,248,955	3,094,280
Bank overdrafts	**16**	(57,684,273)	(35,928,167)
Cash and cash equivalents (bank overdrafts included)		**(18,435,318)**	**(32,833,887)**

NOTE 14: CAPITAL STATUS

Subscribed capital at March 31, 2016 amounts to $125,654,080.

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 on the Board of Directors the date of issuance of the shares, under the terms of Section 188 of the General Companies Law No. 19550. In this regard, the Board of Directors approved on January 11, 2016 the issuance of 49,457,007 ordinary registered non-endorsable shares of $1 nominal value each and entitled to 1 vote per share, corresponding to the above-mentioned capital increase. (See Note 26)

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.

	03.31.16	03.31.15
Comprehensive income for the period	32,964,593	7,991,005
Weighted average of outstanding ordinary shares	125,654,080	76,200,073
Basic earnings per share	**0.2623**	**0.1049**

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	**03.31.16**	**12.31.15**
Debt under BAF loan	580,739,310	-
Syndicated Loan	9,764,019	19,256,078
ICBC loan	49,905,000	-
Negotiable obligations	87,100,000	129,593,922
CAMMESA	15,185,967	-
Other bank debts	17,635,713	20,385,195
Finance lease debts	953,299	987,319
	761,283,308	**170,222,514**

Current		
Debt under BAF loan	3,569,684	-
Syndicated Loan	40,175,326	38,344,293
ICBC loan	20,825,999	-
Negotiable obligations	122,619,600	10,706,567
CAMMESA	6,749,321	-
Other bank debts	54,923,151	32,076,830
Bank overdrafts	57,684,273	35,928,167
Finance lease debts	2,105,046	1,240,120
	308,652,400	**118,295,977**

a) Loans

a.1) Loan from BAF Latam Trade Finance Funds B.V.

On February 11, 2015, GMSA, on its own and as the continuing company of GISA and GRISA as a result of the merger through absorption duly informed on November 10, 2015 entered into a loan agreement with BAF Latam Trade Finance Funds B.V. which granted a credit line for a total amount of USD $ 40,000,000 to be used for (i) financing of the project for the installation of a new turbine of 50 MW in its power plant in La Rioja USD 19,867,305 including the cancellation of the price balance owed to Siemens Industrial Turbomachinery AB for the import of a gas turbine SGT800; (ii) the prepayment of the balance of USD 20,132,695 of the loan agreement entered into on May 4, 2011, between GISA (debtor), UBS Securities LLC (moneylender) and UBS AG Stamford Branch (administrative agent).

The most relevant provisions are the following:

Principal: nominal value: USD 40,000,000

Interest: annual fixed rate of 10%.

NOTE 16: LOANS (Cont'd)

a) Loans (Cont'd)

a.1) Loan from BAF Latam Trade Finance Funds B.V. (Cont'd)

Repayment: interest will be paid on a quarterly basis, as from the following date: May 15, 2016. Principal will be fully repaid by the due date: February 15, 2019.

The balance of the loan at March 31, 2016 amounts to $ 584,308,994. The remaining loan principal balance at the date of issuance of the interim condensed financial statements is USD 40,000,000.

In addition, the loan agreement establishes certain guidelines relating to compliance with covenants involving financial ratios (leverage, minimum equity and EBITDA on interest expenses ratios) to be submitted on a quarterly basis.

At the date of these interim condensed financial statements, the Company is in compliance with its covenants.

A.2) UBS AG loan (GISA)

On May 4, 2011, GISA (the merged company) signed a Loan Offer with UBS AG, Stamford Branch for USD 60,000,000. This amount was disbursed on May 13, 2011 and must be repaid in 17 quarterly consecutive installments beginning on May 15, 2012, accruing interest at a fixed rate of 13% yearly.

At March 31, 2016, the Company has fully repaid this loan, a balance of USD 20,132,695, with the funds obtained from the loan agreement entered into with BAF Latam Trade Finance Funds B.V., as mentioned in paragraph 16.a.1).

a.3) Syndicated loan

On July 28, 2010, the Company took out a Syndicated Loan through a Loan Offer sent to Standard Bank Argentina S.A., Banco Itaú Argentina S.A., Banco de Servicios y Transacciones S.A., Banco del Chubut S.A., Banco de la Nación Argentina S.A., Banco Hipotecario S.A. and Banco de la Ciudad de Buenos Aires S.A. to finance the extension of the plant so as to obtain extra 60 MW by installing a new gas turbine, and to partially pre-settle the debt with Credit Suisse bank.

On September 21, 2011, the Company executed an amendment to the Loan Offer, including HSBC Bank Argentina S.A. and Banco de la Provincia de Córdoba S.A. as lenders, to pre-settle all of the liabilities existing with Credit Suisse bank at that date.

On March 22, 2013 the Company executed a second amendment to the Loan Offer to partially prepay the loan by means of a future issuance of Negotiable Obligations, and to define new repayment periods in line with the issuance of the Negotiable Obligations.

<u>NOTE 16</u>: LOANS (Cont'd)

a) Loans (Cont'd)

a.3) Syndicated loan (Cont'd)

On May 21, 2013, the Company issued Negotiable Obligations and made a pre-settlement of principal in the amount of $57,318,000 with funds from that issuance.

On May 8, 2014 the Company made a third amendment to the Loan Offer by virtue of which, on May 9, 2014, a partial pre-settlement of the loan was made for $ 54,508,500 of principal.

Additionally, new settlement terms were agreed and guarantees provided were released under the loan. (See Note 19.2, Syndicated loan).

The most relevant provisions are the following:

Principal: The total principal amount due was $ 90,000,000, after the pre-settlement mentioned above.

Interest: Adjusted BADLAR rate plus a margin of 6.25%.

Repayment: Interest is settled on a quarterly basis from the date the last amendment entered into force (May 9, 2014). Principal will be settled in 11 (eleven) quarterly installments as from November 10, 2014, the last installment becoming due on May 9, 2017.

Main contractual requirements: The Loan Offer establishes certain guidelines relating to compliance with covenants involving financial ratios (leverage, minimum equity and EBITDA on interest expenses) to be submitted on a quarterly basis.

The amendment also establishes the assignment of collection rights under energy sales contracts and the posting of a bond by ASA and making available the annual financial statements and quarterly reviews.

The balance of the loan at March 31, 2016 amounts to $ 49,939,345. The remaining balance of the loan principal at the date of issuance of the interim condensed financial statements amounts to $39,600,000.

The Company obtained from Industrial and Commercial Bank of China (ICBC), as arranger, lender and administrative agent, a waiver of compliance with certain commitments assumed by GMSA. Specifically, it requested a waiver of compliance of the Leverage ratio under clause 8.21 of the loan agreement until June 30, 2016.

NOTE 16: LOANS (Cont'd)

a) Loans (Cont'd)

a.4) Negotiable obligations

With the purpose of improving the financial profile of the company, on October 17, 2012 GMSA, through CNV Resolution 16942, was granted authorization for: (i) incorporation of GMSA to the public offering system; and (ii) creation of a global program to issue simple (non-convertible) negotiable obligations for a total nominal value outstanding of USD 100,000,000 (one hundred million US dollars) or its equivalent in other currencies, in one or more classes or series.

At March 31, 2016 there are outstanding Class IV (GMSA) and Class III (GISA) Negotiable Obligations issued by the Company in the amounts and under the conditions described below:

Class III Negotiable Obligations (GMSA):

Principal: Nominal value: $ 100,000,000 (one hundred million pesos)

Interest: Private banks BADLAR rate plus a 4.46% margin.

Repayment terms and conditions: interest on Class III Negotiable Obligations will be paid on a quarterly basis, in arrears, on the following dates: August 9, 2014; November 9, 2014; February 9, 2015; May 9, 2015; August 9, 2015; May 10, 2016; and February 9, 2016.

Principal on Class III Negotiable Obligations shall be amortized in 3 quarterly installments, the first two equivalent to 33% of nominal value of the negotiable obligations and the last installment to 34% of nominal value, payable on August 9, 2015, May 10, 2016 and February 9, 2016, respectively.

The funds obtained through the issuance of Class III Negotiable Obligations were allocated to working capital and the partial pre-settlement of the principal of the Syndicated Loan in the amount of $ 54,508,500.

On July 15, 2015, Class IV Negotiable Obligations were issued, a portion in cash and the remainder through a swap for 87% of Class III Negotiable Obligations, improving the Company's working capital and indebtedness profile (term and rate). The amount paid was $87,824,000.

Class III Negotiable Obligations were fully repaid on February 9, 2016.

NOTE 16: LOANS (Cont'd)

a) Loans (Cont'd)

a.4) Negotiable obligations (Cont'd)

Class IV Negotiable Obligations (GMSA):

Principal: Nominal value: $ 130,000,000 (one hundred and thirty million pesos)

Interest: (i) from the date of issuance and liquidation until nine (9) months have elapsed from the date of issuance and liquidation, inclusive, the loan will accrue interest at a fixed rate of 28%; (ii) from the beginning of the tenth (10) month, counted as from the date of issuance and liquidation, until the date on which the principal is fully settled (not inclusive), interest will accrue at an annual floating rate equal to the sum of: (a) private banks BADLAR rate plus (b) 6.50%.

Repayment terms and conditions: interest on Class IV Negotiable Obligations will be paid on a quarterly basis, in arrears, on the following dates: October 15, 2015; January 15, 2016; April 15, 2016; July 15, 2016; October 17, 2016; January 16, 2017; April 17, 2017 and July 17, 2017.

Principal on Class IV Negotiable Obligations shall be amortized in 3 quarterly installments, the first two equivalent to 33% of nominal value of the negotiable obligations and the last installment to 34% of nominal value, payable on January 16, 2017, April 17, 2017 and July 17, 2017, respectively.

The funds obtained through the issuance of Class IV Negotiable Obligations were allocated to the partial pre-payment of principal on Class III Negotiable Obligations for an amount of $ 87,824,000. The remaining amount was allocated to investments and working capital. This enabled improving the Company's financial profile.

The balance of the loan at March 31, 2016 amounts to $ 137,190,214. The remaining balance of the loan principal at the date of issuance of the interim condensed financial statements is $130,000,000.

Class II Negotiable Obligations (GISA):

Principal: Nominal value: $ 35,000,000 (thirty five million pesos)

Interest: Private banks BADLAR rate plus a 4.1% margin.

Repayment: Interest on Class II Negotiable Obligations will be paid on a quarterly basis, in arrears, on the following dates: (i) December 19, 2014; (ii) March 17, 2015; (iii) June 19, 2015; (iv) September 19, 2015; (v) December 19, 2015, and; (vi) March 19, 2016.

Class II Negotiable Obligations were fully repaid on March 19, 2016.

NOTE 16: LOANS (Cont'd)

a) Loans (Cont'd)

a.4) Negotiable obligations (Cont'd)

Class III Negotiable Obligations (GISA):

Principal: nominal value: $ 68.500.000 (sixty-five million and five hundred thousand pesos)

Interest: Private banks BADLAR rate plus a 6.5% margin.

Repayment: Interest on Class III Negotiable Obligations will be paid on a quarterly basis, in arrears, on the following dates: (i) May 6, 2015; (ii) August 6, 2015; (iii) November 6, 2015; (iv) February 6, 2016; (v) May 6, 2016; (vi) August 6, 2016; (vii) November 6, 2016; and (viii) February 6, 2017.

Principal on Class III Negotiable Obligations will be repaid in three quarterly installments: the first two equivalent to 30% of the nominal value of Class III Negotiable Obligations, and the third installment, to 40% of the nominal value, on the following dates: (i) August 6, 2016; (ii) November 6, 2016; and (iii) February 6, 2017. Maturity date of Class III Negotiable Obligations: February 6, 2017.

The funds were allocated to settle financial debt and to working capital.

The balance of the loan at March 31, 2016 amounts to $ 72,529,356. The remaining balance of the loan principal at the date of issuance of the interim condensed financial statements is $ 65,000,000.

a.5) Loan from ICBC (GISA)

On July 2, 2015 a loan agreement was entered into between GISA (the merged company), Industrial and Commercial Bank of China (Argentina) S.A. and RGA, the latter as surety. The purpose of the loan is to apply the funds received to finance working capital. The loan amount was $ 70,000,000. The principal will be settled in 44 monthly installments, the first one of which must be paid on August 8, 2015; the loan accrues interest at Adjusted BADLAR rate plus a 3% annual nominal margin.

Furthermore, the loan agreement sets out certain contractual guidelines regarding compliance with the covenants related to financial indices (minimum equity requirements, EBITDA ratio on interest expenses and debt service coverage ratio) and indebtedness limits and EBITDA levels on a quarterly basis.

The balance of the loan at March 31, 2016 amounts to $ 70,731,000. The remaining balance of the loan principal at the date of issuance of the interim condensed financial statements is $ 67,635,000.

At the date of these interim condensed financial statements, the Company is in compliance with its covenants.

NOTE 16: LOANS (Cont'd)

a) Loans (Cont'd)

a.6) Loan from CAMMESA (GRISA)

At March 31, 2016 the Company holds financial debts with CAMMESA for $ 21,935,288, guaranteed by the assignment of 100% of the present and future credit rights for the sale of energy in the Spot market of the WEM, upon implementation of a trust agreement in accordance with Law No. 24441.

This debt was incurred to finance the program for repairing the gas turbine, control 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 closing date of these interim condensed financial statements, 9 installments, equivalent to $ 5,061,989, had been paid.

a.7) Loan from Banco Hipotecario S.A.

On October 19, 2015, the Company took out a new loan from Banco Hipotecario S.A. for a total of $ 8,200,000, to be repaid in 24 monthly installments; the first one was paid on November 16, 2015, accruing interest at BADCOR rate plus a 5.75% annual nominal margin. The remaining balance of principal on the loan at March 31, 2016 amounts to $6,491,667.

a.8) Loans from Banco de la Provincia de Córdoba S.A.

On January 9, 2014, the Company borrowed $7,000,000 from Banco de la Provincia de Córdoba S.A. to be amortized in 24 monthly installments. At March 31, 2016 the loan had been settled in its entirety.

On June 8, 2015, the Company also borrowed $5,000,000 from Banco de la Provincia de Córdoba S.A. to be amortized in 24 monthly installments. The remaining balance of principal corresponding to the loan at March 31, 2016 amounts to $ 3,125,030.

a.9) Loan from Banco Chubut S.A.

On October 20, 2015 the Company took out a loan from Banco Chubut S.A. with the aim of applying the funds received to finance working capital. The loan amount was $5,000,000. At March 31, 2016 the loan had been settled in its entirety.

NOTE 16: LOANS (Cont'd)

a) Loans (Cont'd)

a.9) Loan from Banco Chubut S.A. (Cont'd)

On December 16, 2015 the Company took out a loan from Banco Chubut S.A., also with the aim of applying the respective funds to finance working capital. The loan amount was $ 15,000,000. Principal will be amortized in 1 payment, which must be made on May 16, 2016, and the loan accrues interest at a fixed rate of 29.98%.

On February 3, 2016, the Company borrowed $5,000,000 from Banco Chubut S.A. Principal will be repaid in 4 monthly installments, accruing interest at a fixed rate of 29.98%. The remaining balance of principal corresponding to the loan at March 31, 2016 amounts to $ 3,795,268.

a.10) Loan from Banco Ciudad

On October 8, 2015, the Company took out a loan for $ 20,000,000 from Banco Ciudad. Principal shall be amortized in 31 monthly installments (with a grace period of 5 months) and the first installment shall be paid on April 8, 2016, accruing interest at an annual nominal BADCOR rate, plus a margin of 3%. The purpose of the loan is to allocate the funds received to working capital.

a.11) Loan from Banco Macro

The Company took out a loan from Banco Macro on January 21, 2016. The loan amount was $ 10,000,000. Principal shall be amortized in 6 monthly installments, accruing interest at an annual nominal BADCOR rate, plus a margin of 2%. The remaining balance of principal corresponding to the loan at March 31, 2016 amounts to $ 7,000,000.

a.12) Loan from Banco Supervielle

The Company took out a loan from Banco Supervielle on February 4, 2016. The loan amount was $ 15,000,000. Principal will be repaid in 12 monthly installments, accruing interest at a nominal annual fixed rate of 35%. The remaining balance of principal corresponding to the loan at March 31, 2016 amounts to $ 13,905,730.

a.13) Loan from Nuevo Banco de La Rioja (GRISA)

On August 14, 2013 Nuevo Banco de La Rioja S.A. granted a loan to GRISA (the merged company), within the Credit Line for Productive Investment, BCRA Communication "A" 5380, for $6,000,000.

This loan has a payment period of 36 monthly and consecutive installments, calculated applying the French system and accruing interest at a fixed rate of 15.25%. The remaining balance of principal corresponding to the loan at March 31, 2016 amounts to $ 1,002,037.

NOTE 16: LOANS (Cont'd)

a) Loans (Cont'd)

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

	03.31.16	12.31.15
Fixed rate		
Less than 1 year	61,253,957	56,427,339
Between 2 and 3 years	580,739,310	-
	641,993,267	**56,427,339**
Floating rate		
Less than 1 year	247,398,443	61,868,638
Between 1 and 2 years	159,552,352	158,749,014
Between 2 and 3 years	19,304,321	9,999,912
After 3 years	1,687,325	1,473,588
	427,942,441	**232,091,152**
	1,069,935,708	**288,518,491**

Company loans are denominated in the following currencies:

	03.31.16	12.31.15
Argentine pesos	485,093,866	288,518,491
US Dollars	584,841,842	-
	1,069,935,708	**288,518,491**

Changes in Company's loans were as follows:

	03.31.16	12.31.15
Loans at beginning of year	288,518,491	238,233,943
Addition as a result of the merger	490,716,207	-
Loans received	612,550, 375	199,392,907
Loans paid	(356,754,601)	(180,718,293)
Accrued interest	54,070,139	67,153,477
Interest paid	(43,968,381)	(65,634,463)
Exchange difference	28,804,695	-
Bank overdrafts	(3,551,958)	27,342,283
Capitalized expenses/present values	(449,259)	2,748,637
Loans at year end	**1,069,935,708**	**288,518,491**

NOTE 17: ALLOWANCES AND PROVISIONS

	For bad debts sales	For Contingencies
Balance at December 31, 2015	744,909	9,949,496
Decreases	-	(1,471,639)
Balance at March 31, 2016	**744,909**	**8,477,857**

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: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) Sales of energy	Income / (Loss) $	
	03.31.16	**03.31.15**
Other related parties:		
Solalban Energía S.A.	30,480,433	2,201,849
GISA (1)	-	49,842
RGA	11,245,228	1,001,533
	41,725,661	**3,253,224**

b) Purchase of gas and energy	**03.31.16**	**03.31.15**
Other related parties:		
Solalban Energía S.A.	-	(335,409)
GISA (1)	-	(366,893)
RGA (*)	(125,046,626)	(10,529,160)
	(125,046,626)	**(11,231,462)**

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

(1) Company merged through absorption effective January 1, 2016.

c) Administrative services	**03.31.16**	**03.31.15**
Other related parties:		
RGA	(1,564,661)	(506,262)
	(1,564,661)	**(506,262)**

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

d) Rental	Profit / (Loss)	
	$	
	03.31.16	**03.31.15**
Other related parties:		
RGA	-	(30,000)
	-	**(30,000)**

e) Other purchases and services received

	03.31.16	**03.31.15**
Other related parties:		
BDD	-	(4,791)
AJSA	(1,668,900)	-
	(1,668,900)	**(4,791)**

f) Recovery of expenses

	03.31.16	**03.31.15**
Other related parties:		
RGA	27,513	-
GROSA	4,101,673	898,855
GISA (1)	-	2,593,572
CTR	7,720,288	1,921,382
GFSA	49,287	7,509
GLBSA (1)	-	224,687
GRISA (1)	-	188,280
	11,898,761	**5,834,285**

(1) Companies merged through absorption effective January 1, 2016.

g) Financial expenses recovery

	03.31.16	**03.31.15**
Other related parties:		
RGA	(2,660,598)	-
	(2,660,598)	-

h) Purchase of spare parts

	03.31.16	**03.31.15**
Other related parties:		
GFSA	(10,572,050)	-
	(10,572,050)	-

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

i) Remuneration of key managerial staff

The senior management includes directors (executive and non-executive). Their fees at March 31, 2016 and 2015 amounted to $1,491,524 and $990,136, respectively.

	03.31.16	03.31.15
Salaries	1,491,524	990,136
	1,491,524	**990,136**

j) Balances at the date of the interim condensed statements of financial position

	03.31.16	12.31.15
Current trade receivables with other related parties		
GRISA (1)	-	2,402,056
GROSA	-	2,773,281
CTR	-	1,500,000
GFSA	1,275,296	1.000,000
	1,275,296	**7,675,337**
Current trade payables with other related parties		
GFSA	12,791,616	-
RGA	95,225,220	60,412,349
AJSA	1,585,853	1,214,771
Solalban Energía S.A.	251,596	215,538
	109,854,285	**61,842,658**
Other current receivables with other related parties		
GFSA	2,651,602	-
ASA	44,294,102	48,094,040
GRISA (1)	-	57,750,000
CTR	46,363,723	-
GROSA	7,720,801	-
	101,030,228	**105,844,040**

Other current debts with other related parties

	03.31.16	12.31.15
RGA	4,562,047	-
Minority interest	145,000	145,000
	4,707,047	**145,000**

(1) Companies merged through absorption effective January 1, 2016.

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

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 involving 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.

NOTE 19: RESTRICTED ASSETS AND OTHER COMMITMENTS

19.1 Syndicated loan

To secure due and timely compliance with all of the payment obligations assumed and/or to be assumed by GMSA under the Syndicated Loan (see Note 16.a.3), ASA posted a suretyship on the Company's obligations thereunder and an assignment in guarantee was agreed in favor of the administrative agent under the syndicated loan, of the rights to collect sums of money under certain Energia Plus sale transactions (conducted or to be conducted); 21 contracts of the Company were pledged as collateral for that assignment of rights.

At the date of these interim condensed financial statements, the Power Plant released the contracts assigned as collateral, corresponding to Vidriería Argentina S.A., Pilkington S.A., Arcor SAIC, Vicentin S.A., Holcim S.A., Chevron S.R.L., Axion Energy S.A., Coca Cola Femsa de Buenos Aires S.A. (City of Buenos Aires Plant), Coca Cola Femsa de Buenos Aires S.A. (Monte Grande Plant) and Rayen Cura SAIC.

The balance of the debt under the syndicated loan for that period is $ 49 million, which shows an improvement in the Company's financial structure.

19.2 Other commitments

Certain contractual obligations in connection with the supply of electricity to great customers of the Forward Market at March 31, 2016 and the periods to fulfill those obligations are detailed below. These commitments arise from supply contracts (energy and power) entered into between the Company and large customers of the Forward Market under ES regulations set forth by Resolution No. 1281/06 (Energía Plus). They are contracts denominated in United States dollars, entered into with private customers.

	Total	Up to 1 year	From 1 to 3 years
Sale commitments(1)			
Electric energy and power - Plus	745,298,921	711,348,357	33,950,564

(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 March 31, 2016, under ES Resolution 1281/06.

NOTE 20: WORKING CAPITAL

The Company reports at March 31, 2016 a surplus in working capital of $255,613,753 (calculated as current assets less current liabilities), which means an improvement of $249,961,567, compared to the surplus in working capital at the end of the year ended December 31, 2015 ($5,652,186 at 12/31/2015).

EBITDA at March 31, 2016 amounted to $187,492,804, as expected; this shows the accomplishment of the objectives and efficiency of the operations conducted by the Company.

NOTE 21: STORAGE OF DOCUMENTATION

On August 14, 2014, the CNV adopted General Resolution No. 629 introducing amendments to its regulations on 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: LONG-TERM MAINTENANCE CONTRACT

GMSA signed with the company PWPS a global service agreement (Long Term Service Agreement), for the GM and GI power plants.

As established in the contract, 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 USA, original spare parts in a timely manner and repairs for planned and unplanned maintenance. In turn, 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. In addition, 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.

Compliance with the energy sale agreements is thus guaranteed.

NOTE 23: SEGMENT REPORTING

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

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

The Board of Directors considers that the business consists of two segments: the sale of electric power and the provision of services.

The Company did not provide engineering services to third parties during the current period.

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.

Below is a description of the results per business segment for the three-month periods ended March 31, 2016 and 2015, stated in pesos:

At 03.31.16	Energy	Services	Total
Sales revenue	506,849,415	-	506,849,415
Cost of sales	(339,814,783)	-	(339,814,783)
Gross income	**167,034,632**	**-**	**167,034,632**
Selling expenses	(507,368)	-	(507,368)
Administrative expenses	(9,888,149)	-	(9,888,149)
Other operating income	2,198,727	-	2,198,727
Operating income	**158,837,842**	**-**	**158,837,842**
Financial income	1,642,719	-	1,642,719
Financial expenses	(63,274,330)	-	(63,274,330)
Other financial results	(43,348,001)	-	(43,348,001)
Financial results, net	**(104,979,612)**	**-**	**(104,979,612)**
Income before tax	**53,858,230**	**-**	**53,858,230**
Income tax	(20,893,637)	-	(20,893,637)
Income for the period	**32,964,593**	**-**	**32,964,593**

NOTE 23: SEGMENT REPORTING (Cont'd)

At 03.31.15	Energy	Services	Total
Sales revenue	196,817,511	-	196,817,511
Cost of sales	(157,480,102)	-	(157,480,102)
Gross income	**39,337,409**	**-**	**39,337,409**
Selling expenses	(456,048)	-	(456,048)
Administrative expenses	(3,609,884)	-	(3,609,884)
Other operating income	-	-	-
Operating income	**35,271,477**	**-**	**35,271,477**
Financial income	1,235,250		1,235,250
Financial expenses	(19,443,427)	-	(19,443,427)
Other financial results	(3,161,538)	-	(3,161,538)
Financial results, net	**(21,369,715)**	**-**	**(21,369,715)**
Income before tax	**13,901,762**	**-**	**13,901,762**
Income tax	(5,910,757)	-	(5,910,757)
Income for the period	**7,991,005**	**-**	**7,991,005**

NOTE 24: 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 529/14. 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 made a new presentation to CAMMESA updating the amount in the request mentioned in the preceding paragraph under Resolution 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.

The Company reports an accumulated balance for non-recurring maintenance of $28,754,752 at March 31, 2016.

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 25: INVESTMENTS IN COMPANIES

To increase the thermal power generation capacity, the Argentine Government created in 2004 the FONINVEMEM, a fund administered by CAMMESA to make investments in thermal power generation. To finance the FONINVEMEM, the Energy Secretariat invited all WEM agents that held LVFVD due by the WEM, to express their decision to invest (or not) in the FONINVEMEM 65% of their receivables generated between January 2004 and December 2006.

The Company holds an equity interest of 0.0282% equivalent to 141 shares in Termoeléctrica José de San Martín S.A. and Termoeléctrica Manuel Belgrano S.A., which engage in equipment purchases, construction, operation and maintenance of the respective power plants. The fair value of the unlisted ordinary shares in Termoeléctrica José de San Martín S.A. and Termoeléctrica Manuel Belgrano S.A. has been estimated using a model of discounted cash flows based on dividends at March 31, 2016.

NOTE 26: MERGER THROUGH ABSORPTION

On August 31, 2015, GMSA entered into a preliminary merger agreement (the "Preliminary Merger Agreement") whereby it started the merger through absorption process with the related companies GISA, GLB and GRISA (the "Corporate Reorganization").

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 increasing 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.

On September 25, 2015, the CNV authorized the publication of the merger prospectus which details the Corporate Reorganization (the "Merger Prospectus"), published in the AIF (Financial Information Highway) and in the Daily Bulletin of the BASE (Buenos Aires Stock Exchange), as per the power delegated by MVBA (Mercado de Valores de Buenos Aires S.A.) to BCBA under Resolution No. 17501 of the CNV, to make it known to the investing public.

NOTE 26: MERGER THROUGH ABSORPTION (Cont'd)

On November 10, 2015, GMSA reported that, as there was no opposition from creditors under the terms of Section 83 subsection 3) of the LGS, it signed the Final Merger Agreement through Absorption (the "Final Merger Agreement"), with the effective merger date being January 1, 2016, for accounting and tax effects.

As a result of the merger and as approved in the Merger Agreement and Final Merger Agreement, as from the Effective Date of Merger: (a) the equities of all merged companies (Generación Independencia S.A., Generación La Banda S.A., and Generación Riojana S.A.) were fully transferred to GMSA, thus acquiring the ownership of all rights and obligations of GISA, GLB and GRISA, subject to the registration of the final merger agreement in the Public Registry under the Superintendency of Commercial Companies (IGJ); (b) GISA, GLB and GRISA were dissolved without liquidation, they being absorbed by GMSA; (c) GMSA capital stock was taken from $76,200,073 to $125,654,080.

The CNV approved on March 18, 2016, through Resolution No. 18003, the merger through absorption under the terms of Section 82 of the General Companies Law No. 19550 and ordered that the file be sent to the IGJ for its registration, which is pending at the date of issue of these financial statements.

NOTE 27: GASNOR S.A. FRAMEWORK OFFER

On February 24, 2011, the Company entered into a Framework Agreement with Gasnor S.A. (the distributor) whereby the Company undertakes to perform the works necessary for adapting the natural gas distribution system owned by Gasnor S.A. for it to be able to deliver gas in the supply pressure conditions required by the Company.

The parties agreed that the Company will bill the distributor for an amount of $ 4,654,236 (plus value added tax), the resulting total of all the works. The balance of these invoices will be offset against the gas carriage charges recorded subsequent to the performance and authorization of the works.

NOTE 28: PURCHASE OFFER - SALE OF SPARE PARTS TO GENERACIÓN FRÍAS S.A.

In the current period, GMSA signed an agreement with GFSA confirming the purchase of spare parts and components acquired from the supplier PWPS for $12.8 million, necessary to perform the tasks required by GMSA.

This investment ratifies Albanesi Group policy to continue investing in the energy market by increasing the generation capacity, and thereby improving the Company's operating results.

NOTE 29: SUBSEQUENT EVENTS

Ordinary Shareholders' Meeting

The general shareholders' meeting held on April 20, 2016 approved, among other items, the following:

- Allocation of $2,072,397 to the Legal Reserve
- Allocation of $ 31,414,777 to the Optional Reserve

NOTE 29: SUBSEQUENT EVENTS (Cont'd)

Ordinary Shareholders' Meeting (Cont'd)

- Distribution of dividends for $ 21,000,000 to shareholders in proportion to their shares, which had already been approved by Board Meeting Minutes dated September 7, 2015.

Banco CMF S.A. loan

On May 03, 2016, GMSA took out a new loan from Banco CMF S.A. for a total of $ 30,000,000, to be repaid in 1 installment. It will be paid on May 23, 2016 and accrue interest at a fixed rate of 45% on the daily debit balance.

Loan from Nuevo Banco de La Rioja

On April 11, 2016, GMSA borrowed $ 10,000,000 from Banco de La Rioja S.A. Principal will be repaid in 36 monthly installments, with BADLAR rate plus 6 with a minimum of 35%.

NOTE 30: FINANCIAL STATEMENTS TRASLATION INTO ENGLISH LANGUAGE

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

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 March 31, 2016, the statement of comprehensive income for the three-month period ended March 31, 2016, the statements of changes in equity and of cash flows for the three-month period then ended, and the selected explanatory notes.

The balances and other information corresponding to the fiscal year 2015 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.

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

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 31 March, 2016 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 $ 801,886, none of which was claimable at that date.

Autonomous City of Buenos Aires, May 10, 2016

PRICE WATERHOUSE & CO. S.R.L.

Dr. Raúl Leonardo Viglione (Partner)