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ALBANESI

Albanesi S.A.

Interim Condensed Consolidated Financial Statements

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

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

Albanesi S.A.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT SEPTEMBER 30, 2017 AND 2016

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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 consolidated financial statements of the Company.

Terms	Definitions
/day	Per day
AESA	Albanesi Energía S.A.
AFIP	Federal Administration of Public Revenue
AFSA	Albanesi Fueguina S.A.
AISA	Albanesi Inversora S.A.
AJSA	Alba Jet S.A.
ASA	Albanesi S.A.
AVRC	Alto Valle Río Colorado S.A.
AVSA	Albanesi Venezuela S.A.
BADCOR	Adjusted BADLAR rate
BADLAR	Interest rate paid by financial institutions on average on time deposits for over one million pesos
BCRA	Argentine Central Bank
BDD	Bodega del Desierto S.A.
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
Dam^3	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
ENARSA	Energía Argentina S.A.
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
GECE	Generación Centro S.A.
GLSA	Generación Litoral 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 unto: 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
The Company/The Group	Albanesi S.A. and its subsidiaries
LGS	General Companies Law
LVFVD	Sales liquidations with maturity date to be defined
MAPRO	Major Scheduled Maintenance
MAT	Futures market
WEM	Wholesale Electric Market
MMm3	Million cubic meters
MVA	Mega-volt ampere, unit of energy equivalent to 1 volt x 1 ampere x 106
MW	Megawatt Unit of power equivalent to 1,000,000 watts
MWh	Megawatt hour Unit of energy equivalent to 1,000,000 watts hour
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
SADI	Argentine Interconnection System
ES	Energy Secretariat
TRASNOA S.A.	An electric power carriage company by means of a trunk line in the Argentine Northwestern region
CGU	Cash-Generating Unit
USD	US Dollars

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Albanesi 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

Alternate Directors
Armando Losón (h)
José L. Sarti
Juan G. Daly
María de los Milagros D. Grande
Ricardo M. Lopez
Romina S. Kelleyian

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

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

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Albanesi S.A.

Corporate name:	**Albanesi S.A.**
Legal domicile:	Av. L.N. Alem 855, 14th floor - City of Buenos Aires
Main business activity:	Investing and financial activities
Tax Registration Number:	30-68250412-5

DATES OF REGISTRATION WITH THE PUBLIC REGISTRY OF COMMERCE

By-laws or incorporation agreement: Last amendment:	June 28, 1994 November 8, 2016
Registration number with the Superintendency of Commercial Companies:	6216 of Book 115, Volume A of Corporations
Expiration of By-laws or incorporation agreement:	June 28, 2093

CAPITAL STATUS (See Note 10)			
Shares			
Number	**Type**	**Number of votes per share**	**Subscribed, paid-in and registered**
			$
62,455,160	Ordinary, registered, non-endorsable shares of $ 1 par value each	1	62,455,160

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Albanesi S.A.

Interim Condensed Consolidated Statement of Financial Position
At September 30, 2017 and December 31, 2016
Stated in pesos

	Notes	09.30.2017	12.31.2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	9,998,670,071	5,366,612,435
Investments in associates	8	283,643,349	293,807,569
Investments in other companies		129,861	129,861
Deferred tax assets		9,190,693	1,497,552
Other receivables		88,201,795	64,287,587
Trade receivables		3,484,381	130,234,824
Total non-current assets		**10,383,320,150**	**5,856,569,828**
CURRENT ASSETS			
Inventories		50,147,038	31,358,120
Other receivables		1,053,814,025	1,341,638,457
Trade receivables		983,624,380	532,137,414
Other financial assets at fair value through profit and loss		2,199,523	136,206,567
Cash and cash equivalents	9	84,722,588	531,824,982
Total current assets		**2,174,507,554**	**2,573,165,540**
Total Assets		**12,557,827,704**	**8,429,735,368**

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

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Albanesi S.A.

Interim Condensed Consolidated Statement of Financial Position (Cont'd)
At September 30, 2017 and December 31, 2016
Stated in pesos

	Notes	09.30.2017	12.31.2016
EQUITY			
Share capital	10	62,455,160	62,455,160
Legal reserve		4,381,440	1,942,908
Optional reserve		101,010,691	-
Technical revaluation reserve		1,681,311,356	1,760,090,123
Other comprehensive income		(3,397,653)	(3,397,653)
Unappropriated retained earnings		264,741,819	103,449,223
Equity attributable to the owners of the Group		**2,110,502,813**	**1,924,539,761**
Non-controlling interest		**113,312,205**	**100,881,306**
Total Equity		**2,223,815,018**	**2,025,421,067**
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	13	7,808,261	9,135,552
Deferred tax liabilities		1,075,516,733	928,044,072
Other liabilities		6,916,549	-
Defined benefit plan		7,607,980	5,173,822
Loans	12	5,847,417,070	4,180,163,453
Trade payables		895,728,726	444,542,066
Total non-current liabilities		**7,840,995,319**	**5,567,058,965**
CURRENT LIABILITIES			
Other liabilities		86,162,401	89,629,740
Salaries and social security liabilities		14,758,121	7,996,685
Defined benefit plan		3,196,671	3,250,194
Loans	12	722,318,275	462,358,204
Derivative financial instruments		-	2,175,000
Current income tax, net		6,621,852	2,649,551
Tax payables		33,098,046	21,366,445
Trade payables		1,626,862,001	247,829,517
Total current liabilities		**2,493,017,367**	**837,255,336**
Total Liabilities		**10,334,012,686**	**6,404,314,301**
Total Liabilities and Equity		**12,557,827,704**	**8,429,735,368**

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

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Albanesi S.A.

Interim Condensed Consolidated Statement of Comprehensive Income
For the nine- and three-month periods ended September 30, 2017 and 2016
Stated in pesos

		Nine month period at		Three month period at	
	Notes	**09.30.2017**	**09.30.2016**	**09.30.2017**	**09.30.2016**
Sales revenue	**14**	1,875,127,788	1,751,943,185	677,241,163	493,126,732
Cost of sales	**15**	(1,221,831,737)	(1,277,534,718)	(358,369,990)	(348,136,676)
Gross income		**653,296,051**	**474,408,467**	**318,871,173**	**144,990,056**
Selling expenses	**16**	16,531,175	(6,890,035)	(852,606)	(1,558,717)
Administrative expenses	**17**	(40,903,287)	(32,521,175)	(18,062,355)	(9,725,372)
Income from interests in associates	**8**	(4,284,220)	(1,033,654)	(2,663,651)	(6,776,470)
Other operating income	**18**	15,950,812	8,107,728	15,060,859	6,877,741
Other operating expenses		-	-	-	970,403
Operating income		**640,590,531**	**442,071,331**	**312,353,420**	**134,777,641**
Financial income	**19**	89,919,912	37,783,938	71,048,465	32,565,492
Financial expenses	**19**	(292,102,229)	(309,077,331)	(108,244,711)	(120,528,727)
Other financial results	**19**	(90,474,736)	(95,873,452)	(70,305,178)	(11,206,844)
Financial results, net		**(292,657,053)**	**(367,166,845)**	**(107,501,424)**	**(99,170,079)**
Income before tax		**347,933,478**	**74,904,486**	**204,851,996**	**35,607,562**
Income tax		(149,564,527)	(43,627,177)	(87,017,959)	(21,676,650)
Income for the period		**198,368,951**	**31,277,309**	**117,834,037**	**13,930,912**
Other Comprehensive (Loss) Income					
Items to be reclassified into income/loss					
Translation difference		-	(160,774)	-	(2,647)
Effect of hyperinflation		-	126,973	-	53,178
Items not reclassified into income/loss					
Income related to defined benefit plans		-	(20,196)	-	(6,733)
Impact on income tax		-	7,069	-	2,356
Other comprehensive (loss) income for the period		-	**(46,928)**	-	**46,154**
Comprehensive income for the period		**198,368,951**	**31,230,381**	**117,834,037**	**13,977,066**
Income for the period attributable to:					
Owners of the Group		185,963,052	28,634,626	111,023,565	12,530,880
Non-controlling interest		12,405,899	2,642,683	6,810,472	1,400,032
Comprehensive income for the period attributable to:					
Owners of the Group		185,963,052	28,588,355	111,023,565	12,577,251
Non-controlling interest		12,405,899	2,642,026	6,810,472	1,399,815
Earnings per share attributable to the owners of the Group					
Basic and diluted earnings per share	**20**	2.98	0.63		

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

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Albanesi S.A.

Interim Condensed Consolidated Statement of Changes in Equity

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

Stated in pesos

	Attributable to the owner of the Group									
	Shareholders' contributions	Retained earnings								
	Share capital (Note 10)	Legal reserve	Optional reserve	Technical revaluation reserve	Translation reserve	Other comprehensive income	Retained earnings	Total	Non-controlling interest	Total equity
Balances at December 31, 2015	**4,455,160**	**-**	**-**	**1,226,610,421**	**(2,857,973)**	**(1,594,964)**	**43,137,735**	**1,269,750,379**	**69,378,408**	**1,339,128,787**
Capital increase as per Minutes of Shareholders' Meeting dated March 22, 2016	58,000,000	-	-	-	-	-	-	58,000,000	-	58,000,000
As resolved by the General Ordinary Shareholders' Meeting held on April 20, 2016:										
- Legal reserve	-	1,942,908	-	-	-	-	(1,942,908)	-	-	-
- Distribution of dividends	-	-	-	-	-	-	(41,194,827)	(41,194,827)	-	(41,194,827)
Dividends attributable to the non-controlling interest	-	-	-	-	-	-	-	-	(1,085,000)	(1,085,000)
Capital contributions from the non-controlling interest in subsidiaries	-	-	-	-	-	-	-	-	25,000	25,000
Reversal of technical revaluation reserve	-	-	-	(39,534,994)	-	-	39,534,994	-	-	-
Other comprehensive income for the period	-	-	-	-	(33,799)	(12,472)	-	(46,271)	(657)	(46,928)
Income for the nine-month period	-	-	-	-	-	-	28,634,626	28,634,626	2,642,683	31,277,309
Balances at September 30, 2016	**62,455,160**	**1,942,908**	**-**	**1,187,075,427**	**(2,891,772)**	**(1,607,436)**	**68,169,620**	**1,315,143,907**	**70,960,434**	**1,386,104,341**
Reversal of technical revaluation reserve	-	-	-	(15,143,586)	-	-	15,143,586	-	-	-
Other comprehensive income for the year	-	-	-	588,158,282	2,891,772	(1,790,217)	-	589,259,837	28,063,814	617,323,651
Income for the supplementary three-month period	-	-	-	-	-	-	20,136,017	20,136,017	1,857,058	21,993,075
Balances at December 31, 2016	**62,455,160**	**1,942,908**	**-**	**1,760,090,123**	**-**	**(3,397,653)**	**103,449,223**	**1,924,539,761**	**100,881,306**	**2,025,421,067**
As resolved by the General Ordinary Shareholders' Meeting held on April 18, 2017:										
- Legal reserve	-	2,438,532	-	-	-	-	(2,438,532)	-	-	-
- Optional reserve	-	-	101,010,691	-	-	-	(101,010,691)	-	-	-
Capital contributions from the non-controlling interest in subsidiaries	-	-	-	-	-	-	-	-	25,000	25,000
Reversal of technical revaluation reserve	-	-	-	(78,778,767)	-	-	78,778,767	-	-	-
Income for the nine-month period	-	-	-	-	-	-	185,963,052	185,963,052	12,405,899	198,368,951
Balances at September 30, 2017	**62,455,160**	**4,381,440**	**101,010,691**	**1,681,311,356**	**-**	**(3,397,653)**	**264,741,819**	**2,110,502,813**	**113,312,205**	**2,223,815,018**

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Albanesi S.A.

Interim Condensed Consolidated Statement 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 from operating activities:			
Income for the period		198,368,951	31,277,309
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax		149,564,527	43,627,177
Income from investments in associates	8	4,284,220	1,033,654
Depreciation of property, plant and equipment	7 and 15	200,797,117	130,597,642
Fair value of receivables and debts		(1,451,588)	(5,449,879)
Decrease in provisions	13	(1,327,291)	(424,982)
Bad debts	13	(76,869)	3,870,073
Gain/(Loss) on sale of property, plant and equipment		(10,179,670)	4,063,150
Results from changes in the fair value of financial instruments	19	(46,485,728)	(51,774,221)
Interest, exchange differences and other financial results		332,819,510	214,835,444
Benefit plans accrued		453,142	370,606
Changes in operating assets and liabilities:			
Increase in trade receivables		(318,497,438)	(172,719,452)
Increase in other receivables (1)		(264,333,751)	(1,007,669,709)
Increase in inventories		(9,853,473)	(6,997,189)
Increase in trade payables		256,298,612	126,654,865
Increase in other liabilities		24,234,290	109,075,061
Increase / (decrease) in social security liabilities and taxes		12,541,293	(8,683,117)
Payment of Income tax		(2,593,799)	-
Net cash flow provided by (used in) operating activities		**524,562,055**	**(588,313,568)**
Cash flow from investing activities:			
Collection of dividends		5,880,000	-
Payments for purchases of property, plant and equipment	7	(2,121,508,245)	(647,683,051)
Collection from sales of property, plant and equipment		2,730,000	-
Payment of derivative financial instruments		(2,175,000)	-
Acquisitions of bills of exchange		-	(92,010,175)
Subscription of mutual funds		-	(259,809,894)
Redemption of mutual funds		166,023,437	-
Collection of financial instruments		24,886,223	19,450,081
Loans granted		(18,236,851)	(60,000,000)
Cash flow (used in) investing activities		**(1,942,400,436)**	**(1,040,053,039)**
Cash flow from financing activities:			
Dividends paid to the non-controlling interest		-	(485,000)
Capital contributions from the non-controlling interest in subsidiaries		25,000	25,000
Payment of loans	12	(1,926,580,120)	(1,408,294,955)
Payment of interest	12	(557,248,850)	(290,178,906)
Borrowings		3,451,897,424	4,720,800,104
Cash flow generated by financing activities		**968,093,454**	**3,021,866,243**
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(449,744,927)**	**1,393,499,636**
Cash and cash equivalents at the beginning of the period		517,167,118	(38,660,701)
Financial results of cash and cash equivalents		17,300,397	14,769,561
Cash and cash equivalents at the end of the period	9	84,722,588	1,369,608,496
		(449,744,927)	**1,393,499,636**

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

1) Includes advance payments 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.

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Albanesi S.A.

Interim Condensed Consolidated Statement of Cash Flows (Cont'd)

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

Stated in pesos

Significant transactions not representing changes in cash:

	Notes	09.30.2017	09.30.2016
Capital increase		-	(58,000,000)
Purchase of property, plant and equipment not yet paid	7	(1,265,237,732)	(6,904,057)
Advance to suppliers applied to the purchase of property, plant and equipment	7	(513,057,346)	-
Other comprehensive income for the period		-	(46,928)
Financial costs capitalized in property, plant and equipment	7	(949,535,953)	(187,895,844)
Dividend offset		-	41,669,827
Issuance of negotiable obligations with payment in kind	12	745,045,691	-
Assignment of credits with directors to RGA		(20,785,080)	-
Unpaid distributed dividends		-	600,000

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

Stated in pesos

NOTE 1: GENERAL INFORMATION

The Company was established in 1994 as investment and financing company. Through its subsidiaries and related entities, ASA has invested in the energy market, in the power generation and commercialization segment.

Albanesi Group has been active in the generation and sale of electricity through ASA, AISA and AESA, and has focused on the gas transportation and sale business through RGA.

In recent years, the main strategy of Albanesi Group has been focused on achieving vertical integration, drawing on its vast experience and reputation in the natural gas sale market (through RGA), with the subsequent addition of the electric power generation business. This approach seeks to capitalize the value added from the purchase from large gas producers in all the basins in the country to its transformation and sale as electric power.

Below is a detail of the participation of ASA in each company.

Companies	Country of creation	Main business activity	% participation in decision-making	
			09.30.2017	12.31.2016
GMSA	Argentina	Generation of electric energy	95%	95%
GFSA (1)	Argentina	Generation of electric energy	-	95%
GROSA	Argentina	Generation of electric energy	95%	95%
Solalban Energía S.A.	Argentina	Generation of electric energy	42%	42%
GLSA	Argentina	Generation of electric energy	95%	95%
GECE (2)	Argentina	Generation of electric energy	95%	-

(1) Company merged with GMSA within the framework of the merger through absorption process as described in Note 28.b.
(2) Company created in the current year together with Armando R. Loson, Holen S.A. and Carlos A. Bauzas.

Albanesi Group had at the date these interim condensed financial statements were signed 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.

RGA, in turn, is the leading company engaged in the sale of gas and the provision of energy supply services to industries and thermal power plants.

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.

As a result of the merger, the power plants CTI, CTRi and CTLB owned by the merged companies have been transferred to GMSA (see Note 28.a).

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 28.b).

On October 18, 2017, a General Ordinary Meeting of Shareholders was held which approved the merger between Albanesi S.A. (the merging company) and Albanesi Inversora S.A. (the merged company) effective January 1, 2018 and the increase to $64,451,745 in the capital of Albanesi S.A. as a result of the merger process (See Note 28.c).

NOTE 1: GENERAL INFORMATION (Cont'd)

In 2015, Albanesi Group entered the capital markets through ASA. On November 20, 2015, it obtained authorization to enter the public offering system and create a program of Simple Negotiable Obligations (not convertible into shares) of up to USD 100,000,000 or its equivalent in other currencies, in one or more classes or series. Thus, ASA issued Class I Negotiable Obligations for $ 70 million on December 29, 2015; Class II Negotiable Obligations for $ 220 million on October 25, 2016; and Class III Negotiable Obligations for $ 256 million on June 15, 2017.

On July 7, 2016, under CNV Resolution 18,110 GMSA, GFSA and CTR obtained authorization for the co-issuance in the domestic and international markets of simple guaranteed unsubordinated negotiable obligations, not convertible for shares. On July 27, 2016, negotiable obligations were issued for USD 250 million, falling due within 7 years. The negotiable obligations are unconditionally and fully guaranteed by ASA.

On August 8, 2017, the general extraordinary meeting of shareholders of ASA approved the creation of a program for the co-issuance together with CTR of simple (non-convertible into shares) negotiable obligations for a total nominal value outstanding of up to USD 100,000,000 (one hundred million US dollars) or its equivalent in other currencies.

Below is a detail of the most important information for each of the thermal power plants operated by the subsidiaries of ASA:

Central Térmica Modesto Maranzana:

GMSA is the owner of the Modesto Maranzana Thermal Power Plant ("CTMM"), located in 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 machinery of 35 MW each, with each block comprising one Frame 5 Gas Turbine, one Generator and one 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 the expansion process, in 2010 CTMM installed a third 60 MW PWPS SwiftPac 60, FT8-3 turbine that went into commercial production in September 2010, thus reaching an installed capacity at the Power Plant of 250 MW.

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 expansion was carried out under an agreement executed under ES Resolution 220/07, and put into commercial operation in the WEM on July 6, 2017. In this manner, the installed capacity of the Power Plant increased from 250 MW to 350 MW.

Central Térmica Independencia

Independencia Thermal Power Plant (CTI) is located in the city of San Miguel de Tucumán, Province of Tucumán. CTI was out of service, and in 2011 Albanesi Group executed all the works necessary to install 120 MW with PWPS technology, and to refurbish the existing ancillary facilities. It obtained authorization for commercial operation on November 17, 2011.

NOTE 1: GENERAL INFORMATION (Cont'd)

Central Térmica Independencia (Cont'd)

On June 30, 2016, within the framework of the bidding process called for by the Energy Secretariat through ES Resolution 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.

To that end, 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, authorization for 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 132-KV INDEPENDENCIA transformer station 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 price of the turbine is USD 20 million.

At the date of these interim condensed consolidated financial statements, we are working on the second stage of the project, with a 98.2% degree of completion and a total investment of 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, authorization was obtained for commercial operation with 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.

Central Térmica La Banda

Central Térmica La Banda (CTLB) is located in the Province of Santiago del Estero, and currently has two Turbine generator sets: one 16 MW Fiat TG21, and one 16 MW Fiat TG22.

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 turbine purchase agreement contemplated financing by PWPS of USD 12 million for 4 years, as from the provisional acceptance. This amount is disclosed in non-current trade payables for the equivalent to $207,720,000.

NOTE 1: GENERAL INFORMATION (Cont'd)

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 price of the turbine is USD 20.3 million. The parts belonging to the turbine and chimneys are already at the plant.

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

The start-up of commercial operations is expected for the first quarter of 2018.

Central Térmica Sorrento

Central Térmica Sorrento is a thermal power plant situated in Rosario, province of Santa Fe, and has a power delivered to the system of 135 MW. This capacity comprises an Ansaldo steam turbine capable of operating simultaneously with gas and fuel oil, and can be supplied by ship at the plant's port and docking facility.

NOTE 2: REGULATORY FRAMEWORKS APPLICABLE TO ELECTRICITY GENERATION

The Group's revenue from electricity generation activity derives from sales to Large Users on the Forward Market, for surplus demand for energy (ES Resolution 1281/06); from sales to CAMMESA (Compañía Administradora del Mercado Mayorista Eléctrico S.A.) under ES Resolution 220/07, and from sales under ES Resolutions 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 Wholesale Electricity Market (WEM) administered by CAMMESA.

a) Regulations on Energía Plus, Resolution 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.

NOTE 2: REGULATORY FRAMEWORKS APPLICABLE TO ELECTRICITY GENERATION (Cont'd)

a) Regulations on Energía Plus, Resolution 1281/06 (Cont'd)

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.

Regulations establish 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 contracted at 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.

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

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 the 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 power 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 will be established in each contract based on the costs accepted by the ES. 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.

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.

NOTE 2: REGULATORY FRAMEWORKS APPLICABLE TO ELECTRICITY GENERATION (Cont'd)

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

The 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

Power Plants	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

ii) The fixed charge recognizes transportation costs plus other generating agents' own costs

iii) The variable charge associated with the energy actually supplied under the contract and the purpose of which is to remunerate the operation and maintenance of the Power Plant

Power Plants	Variable charge in USD/MWh	
	Gas	Gasoil
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 SEE Resolution 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.

NOTE 2: REGULATORY FRAMEWORKS APPLICABLE TO ELECTRICITY GENERATION (Cont'd)

c) Sales under SEE Resolution 21/2016 (Cont'd)

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 for availability of electric power and energy is 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.

The 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

Power Plants	Fixed charge for power hired USD/MW-month	Hired power 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

Power	Variable charge in USD/MWh	
Plants	Gas	Gasoil
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.

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.

NOTE 2: REGULATORY FRAMEWORKS APPLICABLE TO ELECTRICITY GENERATION (Cont'd)

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

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, called "Resource for FONINVEMEM investments 2015-2018" and "Incentives for energy production and operational efficiency".

The balance not recognized for this item amounts to $ 31,708,050.

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.

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 Energy Secretariat Resolution 22/16. The new resolution adapts the remuneration criteria to reasonable, foreseeable and efficient economic conditions through medium term commitments.

The Generating Agents under the framework of contracts governed by Resolutions 1281/2006, 220/2007, 21/2016, and any other type of WEM contract that has a differential system established or authorized by the competent authority of the WEM, are excluded from this system.

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

NOTE 2: REGULATORY FRAMEWORKS APPLICABLE TO ELECTRICITY GENERATION (Cont'd)

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

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 Gas Oil 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 generator will receive an additional remuneration if it accomplishes the fuel consumption objectives.
   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 FU < 30% and 1.0 for those with FU < 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

These interim condensed consolidated financial statements for the nine- and three-month periods ended September 30, 2017 and 2016 were prepared in accordance with IAS 34 "Interim Financial Reporting". This interim condensed consolidated financial information should be read jointly with the Company's financial information at December 31, 2016.

The presentation in the interim condensed consolidated 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, and those held for sale. 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.

These interim condensed consolidated 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 preparation of these interim condensed consolidated financial statements in accordance with IFRS requires making estimates and assessments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of issue of these interim condensed consolidated financial statements, as well as the income and expenses recorded in the period. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

The interim condensed consolidated financial statements for the nine- and three-month periods ended September 30, 2017 and 2016 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 nine- and three-month periods then ended do not necessarily reflect a proportionate percentage of the Company's/Group's results for the full years.

These interim condensed consolidated financial statements for the nine- and three-month periods ended September 30, 2017 and 2016 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 disclosed for comparative purposes in the financial statements arise from financial statements at that date. Certain reclassifications have been included in the financial statement figures presented for comparative purposes to conform them to the current period presentation.

NOTE 4: ACCOUNTING POLICIES

The accounting policies adopted for these interim condensed consolidated financial statements are consistent with the accounting policies used in the preparation of the audited financial statements for the last fiscal year, which ended on December 31, 2016, except for the ones mentioned below.

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

These interim condensed consolidated financial statements should be read jointly 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 amended 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". These phases comprise classification and measurement, 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 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 an impact on the results of operations or the financial position of the Company.

NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim condensed consolidated 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 consolidated financial statements were prepared.

In preparing these interim condensed consolidated financial statements, the critical judgments delivered by the 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 consolidated financial statements for the fiscal year ended Saturday, December 31, 2016.

NOTE 6: FINANCIAL RISK MANAGEMENT

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

No changes have been made to risk management policies since the annual closing.

Albanesi S.A.

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Captions	ORIGINAL VALUE					DEPRECIATION					Net book value	
	Value at the beginning of the period/year	Additions (1)	Disposals/ Transfers	Revaluation Original value	Value at end of period/year	Accumulated at the beginning of period/year	For the period period/year (2) and (3)	Disposals	Revaluation Accumulated depreciation	Accumulated at the end of period/year	09.30.2017	12.31.2016
Land	185,110,355	5,673,832	(7,549,077)	-	183,235,110	-	-	-	-	-	183,235,110	185,110,355
Real property	108,753,899	-	141,131,188	-	249,885,087	-	3,093,246	-	-	3,093,246	246,791,841	108,753,899
Facilities	288,226,199	263,349	355,409,226	-	643,898,774	-	21,000,398	-	-	21,000,398	622,898,376	288,226,199
Machinery and turbines	3,589,969,300	102,730,467	2,776,327,129	-	6,469,026,896	-	150,991,899	-	-	150,991,899	6,318,034,997	3,589,969,300
Computer and office equipment	7,975,978	2,470,615	-	-	10,446,593	3,864,828	1,545,321	-	-	5,410,149	5,036,444	4,111,150
Vehicles	6,778,518	540,911	-	-	7,319,429	1,509,934	1,039,637	-	-	2,549,571	4,769,858	5,268,584
Tools	3,225,387	558,224	-	-	3,783,611	1,036,082	469,413	-	-	1,505,495	2,278,116	2,189,305
Furniture and fixtures	507,536	21,224	-	-	528,760	261,569	50,257	-	-	311,826	216,934	245,967
Works in progress	987,294,546	4,696,006,898	(3,272,867,544)	-	2,410,433,900	-	-	-	-	-	2,410,433,900	987,294,546
Civil constructions on third party property	15,086,573	315,669	-	-	15,402,242	8,039,312	1,344,055	-	-	9,383,367	6,018,875	7,047,261
Installations on third party property	138,972,270	5,457	-	-	138,977,727	62,089,391	14,295,921	-	-	76,385,312	62,592,415	76,882,879
Machinery and turbines on third party property	63,119,883	-	-	-	63,119,883	25,897,568	6,966,970	-	-	32,864,538	30,255,345	37,222,315
Leasehold improvements in progress	52,862,725	30,180,580	-	-	83,043,305	-	-	-	-	-	83,043,305	52,862,725
Inputs and spare parts	21,427,950	10,572,050	(8,935,445)	-	23,064,555	-	-	-	-	-	23,064,555	21,427,950
Total at 09.30.2017	**5,469,311,119**	**4,849,339,276**	**(16,484,523)**	-	**10,302,165,872**	**102,698,684**	**200,797,117**	-	-	**303,495,801**	**9,998,670,071**	-
Total at 12.31.2016	**3,081,054,514**	**1,668,245,474**	**(4,064,950)**	**724,076,081**	**5,469,311,119**	**70,319,664**	**174,705,961**	**(1,800)**	**(142,325,141)**	**102,698,684**	-	**5,366,612,435**
Total at 09.30.2016	**3,081,054,514**	**842,482,953**	**(4,064,950)**	-	**3,919,472,517**	**70,319,664**	**130,597,642**	**(1,800)**	-	**200,915,506**	**3,718,557,011**	

(1) Includes acquisition of assets for the project of start-up and extension of the electricity generation plant.
(2) Depreciation was allocated to cost of sale.
(3) Depreciation charges for the nine-month period ended September 30, 2017 and for the fiscal year ended December 31, 2016 were allocated to cost of sales, including $113,734,460 and $73,605,966, respectively, for higher value from the technical revaluation.

Information required by Appendix A, in compliance with Section 1, Chapter III, Title IV of the restated text of the CNV.

NOTE 8: EQUITY INTEREST IN ASSOCIATE

At September 30, 2017 and December 31, 2016, the Group's associate is Solalban Energía S.A.

In 2008, ASA, with a 42% interest, together with Solvay Indupa S.A.I.C. created Solalban Energía S.A. aimed at building a power plant with a generation capacity of 165 MW located in the petrochemical area of the city of Bahia Blanca, Province of Buenos Aires.

Changes in the investments in the Group's associates for the nine-month periods ended September 30, 2017 and 2016:

	09.30.2017	09.30.2016
At the beginning of the period	**293,807,569**	**243,127,929**
Distributed dividends	(5,880,000)	-
Loss from interest in associates	(4,284,220)	(1,033,654)
Period end	**283,643,349**	**242,094,275**

Below is a breakdown of the investments and the value of interests held by the Company in the associate at September 30, 2017 and December 31, 2016, as well as the Company's share of profits of the associate for the periods ended on September 30, 2017 and 2016:

Name of issuing entity	Main business activity	% of equity interest		Equity value		Company share of profits	
		09.30.2017	12.31.2016	09.30.2017	12.31.2016	09.30.2017	09.30.2016
Associates							
Solalban Energía S.A.	Electricity	42%	42%	283,643,349	293,807,569	(4,284,220)	(1,033,654)
				283,643,349	**293,807,569**	**(4,284,220)**	**(1,033,654)**

Information required by Appendix C, in compliance with Section 1, Chapter III, Title IV of the restated text of the CNV.

Financial information corresponding to the associate Solalban Energía S.A. is summarized below.

	09.30.2017	12.31.2016
Total non-current assets	835,745,852	884,025,285
Total current assets	268,696,601	287,394,801
Total Assets	**1,104,442,453**	**1,171,420,086**
Total equity	**675,341,303**	**699,541,830**
Total non-current liabilities	261,202,272	272,611,435
Total current liabilities	167,898,878	199,266,821
Total Liabilities	**429,101,150**	**471,878,256**
Total Liabilities and Equity	**1,104,442,453**	**1,171,420,086**

NOTE 8: INVESTMENT IN ASSOCIATE (Cont'd)

Summarized statement of income and statement of comprehensive income:

	09.30.2017	09.30.2016
Sales revenue	745,768,750	612,536,283
Loss for the period	(10,200,527)	(2,461,082)
Other comprehensive income	-	-
Total comprehensive loss for the period	**(10,200,527)**	**(2,461,082)**

Summarized statement of cash flows:

	09.30.2017	09.30.2016
Cash provided by operating activities	7,846,765	19,143,433
Cash used in investment activities	(7,124,188)	(3,931,035)
Cash used in financing activities	(13,999,184)	(10,273,863)
(Decrease) / Increase in cash for the period	**(13,276,607)**	**4,938,535**

The information above shows the balances recorded in the financial statements of the associate (not the share of the Group in those amounts) adjusted by differences in accounting policies for valuation of property, plant and equipment under the revaluation model.

NOTE 9: CASH AND CASH EQUIVALENTS

	Note	09.30.2017	12.31.2016
Cash		448,269	403,220
Checks to be deposited		37,360,984	18,600,989
Banks		34,631,719	69,918,627
Mutual funds		12,281,616	442,902,146
Cash and cash equivalents (bank overdrafts excluded)		**84,722,588**	**531,824,982**

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

	Note	09.30.2017	09.30.2016
Cash and cash equivalents		84,722,588	1,376,351,981
Bank overdrafts		-	(6,743,485)
Cash and cash equivalents (bank overdrafts included)		**84,722,588**	**1,369,608,496**

NOTE 10: CHANGES IN SHARE CAPITAL

Share capital at September 30, 2017 is comprised of:

Capital	Amount $	Date	Approved by Body	Date of registration with the Public Registry of Commerce
Total at 12.31.2011	**30,100,000**			
Capitalization of debt	10,000,000	12/31/2012	Extraordinary Shareholders' Meeting	9/16/2013
Capitalization of debt	20,000,000	12/30/2013	Extraordinary Shareholders' Meeting	9/25/2014
Capital reduction	(55,644,840)	07/16/2014	Ordinary Shareholders' Meeting	9/25/2014
Capitalization of debt	58,000,000	03/22/2016	Extraordinary Shareholders' Meeting	11/8/2016
Total at 09.30.2017	**62,455,160**			

On July 16, 2014, the Ordinary Meeting of Shareholders resolved to reduce capital in the amount of $ 55,644,840, with the share capital amounting to $ 4,445,160. On March 22, 2016, the Extraordinary Shareholders' Meeting decided to increase the capital in the amount of $ 58,000,000; therefore, the share capital amounts to $ 62,455,160.

NOTE 11: DISTRIBUTION OF PROFITS

Dividends

In accordance with Law No. 25063, passed in December 1998, the dividends that are distributed or that the Company receives from its subsidiaries, in cash or in kind, in excess of the taxable profits accumulated at the end of the year immediately prior to the date of payment or distribution will be subject to 35% withholding for income tax, as single and final payment. For the purposes of this tax, accumulated taxable profits are the balances of taxable profits accumulated at December 31, 1997, less the dividends paid plus the taxable profits determined as from January 1, 1998. Due to the issue of the International Negotiable Obligation, ASA must comply with ratios on the combined Financial Statements in order to distribute dividends.

NOTE 12: LOANS

Non-Current	09.30.2017	12.31.2016
CAMMESA	194,541,989	195,731,948
Finance lease debts	31,320,766	17,776,508
Syndicated loans	685,330,098	-
Negotiable obligations	1,545,406,262	566,610,468
International bond	3,030,769,955	2,768,794,593
Cargill loan	360,048,000	-
BAF loan	-	631,249,936
	5,847,417,070	**4,180,163,453**

NOTE 12: LOANS (Cont'd)

Current	09.30.2017	12.31.2016
Bank overdrafts	-	14,657,864
Finance lease debts	11,414,143	6,819,519
Other bank debts	145,888,242	105,044,425
Cargill loan	100,206,114	-
BAF loan	-	3,840,614
Syndicated loans	190,891,613	-
Negotiable obligations	234,973,637	231,544,561
International bond	30,155,905	93,701,898
CAMMESA	8,788,621	6,749,323
	722,318,275	**462,358,204**

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

	09.30.2017	12.31.2016
Fixed rate:		
Less than 1 year	344,416,859	103,210,214
Between 1 and 2 years	-	-
Between 2 and 3 years	1,241,111,638	604,897,002
More than 3 years	3,070,558,687	2,795,147,527
	4,656,087,184	**3,503,254,743**
Floating rate		
Less than 1 year	377,901,416	359,147,990
Between 1 and 2 years	780,271,869	580,914,777
Between 2 and 3 years	185,417,676	13,455,141
More than 3 years	570,057,200	185,749,006
	1,913,648,161	**1,139,266,914**
	6,569,735,345	**4,642,521,657**

Group loans are denominated in the following currencies:

	09.30.2017	12.31.2016
Argentine pesos	1,405,746,909	1,051,153,425
US dollars	5,163,988,436	3,591,368,232
	6,569,735,345	**4,642,521,657**

NOTE 12: LOANS (Cont'd)

The evolution of Group's loans during the period was the following:

	09.30.2017	09.30.2016
Loans at beginning	**4,642,521,657**	**1,364,719,629**
Loans received	4,220,261,711	4,727,704,161
Loans paid	(2,646,707,360)	(1,408,294,955)
Accrued interest	608,386,001	337,663,357
Interest paid	(582,167,301)	(290,178,906)
Exchange difference	409,244,779	51,540,962
Bank overdrafts	(14,657,864)	(63,482,914)
Capitalized expenses/fair values	(67,146,278)	6,714,051
Loans at period end	**6,569,735,345**	**4,726,385,385**

At September 30, 2017, the total financial debt is $ 6.570 billion. Our total debt at that date is disclosed in the table below.

	Borrower	Capital	Balances at 09.30.2017	Interest rate	Currency	Date of issuance	Maturity date
			(Pesos)	(%)			
Loan agreement							
Cargill loan	GMSA	USD 16,000,000	283,948,023	LIBOR + 5.5%	USD	6/28/2017	6/28/2020
Cargill loan	GMSA	USD 10,000,000	176,306,091	LIBOR + 5.5%	USD	7/5/2017	6/28/2020
BST syndicated loan	GMSA	USD 11,250,000	189,037,993	6.50%	USD	6/12/2017	6/5/2018
ICBC syndicated loan	GMSA	USD 40,000,000	687,183,718	7.00%	USD	9/18/2017	8/18/2020
Subtotal			**1,336,475,825**				
Debt securities							
International Bond	GMSA/ GFSA (1)	USD 180,000,000	3,060,925,860	9.63%	USD	7/27/2016	7/27/2023
Class V Negotiable Obligations	GMSA	$ 2,384,100	2,465,242	BADLAR + 4%	ARS	6/30/2016	6/30/2018
Class VI Negotiable Obligations	GMSA	USD 34,696,397	597,750,096	8.00%	USD	2/16/2017	2/16/2020
Class VII Negotiable Obligations	GMSA	$ 553,737,013	576,198,312	BADLAR + 4%	ARS	2/16/2017	2/16/2019
Class VIII Negotiable Obligations:	GMSA	$ 312,884,660	307,427,877	BADLAR + 5%	ARS	8/28/2017	8/28/2021
Class II Negotiable Obligations (GFSA(1))	GMSA	$ 14,350,002	14,219,929	BADLAR + 6.5%	ARS	3/8/2016	3/8/2018
Class III Negotiable Obligations (GFSA(1))	GMSA	$ 4,154,999	4,265,942	BADLAR + 5.6%	ARS	7/6/2016	7/6/2018
Class I Negotiable Obligations:	ASA	$ 446,400	440,009	BADLAR + 5.5%	ARS	12/29/2015	12/29/2017
Class II Negotiable Obligations:	ASA	$ 25,820,000	26,695,032	BADLAR + 4%	ARS	10/25/2016	10/25/2018
Class III Negotiable Obligations	ASA	$ 255,826,342	250,917,460	BADLAR + 4.25%	ARS	6/15/2017	6/15/2021
Subtotal			**4,841,305,759**				
Other liabilities	/						
CAMMESA	GMSA/ GROSA		203,330,610				
Banco Chubut loan	GMSA	USD 1,532,557	24,698,725	LIBOR + 5%	USD	12/1/2016	12/1/2017
Itaú loan	GMSA	USD 4,375,000	76,454,328	4.25%	USD	1/11/2017	7/11/2017
Santander Río loan	GMSA	USD 1,575,000	27,222,113	4.75%	USD	3/14/2017	3/14/2018
BST loan	GMSA	USD 1,000,000	17,513,076	6.50%	USD	6/21/2017	6/5/2018
Finance lease	GMSA		42,734,909				
Subtotal			**391,953,761**				
Total financial debt			**6,569,735,345**				

(1) Company absorbed by GMSA as from January 1, 2017 (See Note 28.b)

NOTE 12: LOANS (Cont'd)

The main financial debts are described below.

A) International Bond Issuance

On July 7, 2016, under CNV Resolution 18,110 GMSA, GFSA and CTR obtained authorization for the co-issuance in the domestic and international markets of simple guaranteed unsubordinated negotiable obligations, not convertible for shares. On July 27, 2016, negotiable obligations were issued for USD 250 million, falling due within 7 years. The negotiable obligations are unconditionally and fully guaranteed by ASA.

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

This issuance allows for the financing of the investments related to the Company's expansion plans, as a result of the ES having awarded the Wholesale Demand Contracts through Resolution 115/2016 dated June 14, 2016, and also the Group's projects under development, which in the aggregate represent works for installing 460 nominal MW. 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 financing costs, which implies greater financial efficiency and release of guarantees.

International Bond:

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

Interest: Fixed rate of 9.625%

Payment term and method: Interest on the International Negotiable Obligation 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 negotiable obligations shall be amortized in a lump sum payment on the due date, July 27, 2023.

The balance of the International Negotiable Obligation at September 30, 2017 amounts to $3,060,925,860.

As a result of the issue of International Bonds, the Company has undertaken standard commitments for this type of issue, whose specific conditions are detailed in the pertinent public prospect. At the date of these interim condensed consolidated financial statements, the Company is in compliance with all commitments undertaken under its indebtedness contracts.

B) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A.

B.1) Negotiable obligations

To improve the Company's financial profile, 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 (non-convertible into shares) negotiable obligations for a total nominal value outstanding 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.

NOTE 12: LOANS (Cont'd)

B) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A. (Cont'd)

B.1) Negotiable obligations (Cont'd):

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.

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: Private Banks BADLAR rate plus a 4% margin.

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 issuance 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 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 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 12: LOANS (Cont'd)

B) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A. (Cont'd)

B.1) Negotiable obligations (Cont'd):

Class VI Negotiable Obligations:

Principal: Nominal value: USD 34,696,397

Interest: 8% annual nominal, payable quarterly 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 $ 448,262.

The proceeds from the issuance of Class VI Negotiable Obligations were applied to investments in fixed assets of the different enlargement projects of GMSA and to the 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: Private Banks BADLAR rate plus a 4% margin. 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 issuance of Class VII Negotiable Obligations were applied to investments in fixed assets of the different enlargement projects of GMSA and to the 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 12: LOANS (Cont'd)

B) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A. (Cont'd)

B.1) 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: Private Banks BADLAR rate plus a 5% margin. 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 issuance 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 %

Amortization term and method: Interest will be paid quarterly in arrears, on the following dates: (i) June 8, 2016; (ii) September 8, 2016; (iii) December 8, 2016; (iv) March 8, 2017; (v) June 8, 2017; (vi) September 8, 2017; (vii) December 8, 2017 and (viii) March 8, 2018; if other than a business day or that day does not exist, the interest payment date to be considered shall be the immediately following business day.

Principal will be amortized in 3 (three) consecutive installments, payable on a quarterly basis, with the first two equivalent to 30% and the third one equivalent to 40% of the nominal value of the Class II Negotiable Obligations on the dates on which 18, 21 and 24 months, respectively, have elapsed, counted as from the date of issuance and liquidation, (i) September 8, 2017; (ii) December 8, 2017; (iii) March 8, 2018; if other than a business day, or if such day does not exist, on the immediately following business day. Maturity date of Class II Negotiable Obligation: March 8, 2018

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

NOTE 12: LOANS (Cont'd)

B) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A. (Cont'd)

B.1) 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 Obligations (GFSA):

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

Interest: Private banks BADLAR rate plus 5.6 %

Payment term and method: Interest will be paid quarterly in arrears, on the following dates: (i) October 6, 2016; (ii) January 6, 2017; (iii) April 6, 2017; (iv) July 6, 2017; (v) October 6, 2017; (vi) January 6, 2018; (vii) April 6, 2018, and (viii) July 6, 2018; if other than a business day, or if such day does not exist, the interest payment date will be the immediately following business day.

Principal will be amortized in 3 (three) consecutive installments, payable on a quarterly basis, with the first two equivalent to 30% and the third one equivalent to 40% of the nominal value of the Class III Negotiable Obligations on the dates on which 18, 21 and 24 months, respectively, have elapsed, counted as from the date of issuance and settlement, (i) January 6, 2018; (ii) April 6, 2018; (iii) July 6, 2018; if other than a business day, or if such day does not exist, on the first following business day.

Maturity date of Class III Negotiable Obligations: July 6, 2018

The proceeds from the issuance 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 fixed assets; with the process to formalize the release of the guarantees provided having been complied with.

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

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). 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 12: LOANS (Cont'd)

B) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A. (Cont'd)

B.2) 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 LIBOR 360 + 5.5%.

B.3) 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. Amortization will be in half-yearly installments of principal and interest at LIBOR 360 + 5.5%.

B.4) Syndicated loan

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

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

B.5) 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 consolidated financial statements, the Company is in compliance with financial ratio covenants.

B.6) Loan with 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.

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

This loan has a repayment period set in 48 consecutive monthly installments, to which will be added a 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.

NOTE 12: LOANS (Cont'd)

B) LOAN AGREEMENTS – GENERACIÓN MEDITERRÁNEA S.A. (Cont'd)

B.7) Loan with 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 re-engineering 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 up to and including August 2017.

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 27).

C) FINANCING BY CAMMESA – GENERACION ROSARIO S.A.

On March 13, 2012, GROSA executed a mutuum agreement with CAMMESA, whereby they formalized the financing of the second stage of the repair of the Sorrento Power Plant, with the purpose of extending energy generation capacity to 130 MW, for an amount equivalent to $ 190,480,000.

The Wholesale Electricity Market will be in charge of paying the installments, as established in ES Note 6157/10 and Note 7375/10, and distribution among the demanding agents will be according to the criteria to be informed by the Energy Secretariat.

At September 30, 2017, the balance for that financing was $189,480,000 and has been disclosed under non-current financial liabilities.

As 18 months have passed since the start of commercial operation of the unit TV13 with 130 MW of available power, and considering the frequent dispatches the unit had during this period, mostly with fuel oil, delivering 65,000 MWh per month on average, on June 19, 2015 GROSA submitted to CAMMESA a request for funding to make additional investments on the boiler, steam turbine, transformers and ancillary equipment, so as to continue having availability and dispatch as required by the WEM.

In the operation period mentioned, a significant decrease in specific consumption was recorded which is translated into a 15% savings of fuel compared with the situation existing at the time GROSA took over Sorrento Power Plant, as a result of maintenance and improvements made over the last years.

On May 30, 2016, GROSA signed a new mutuum agreement with CAMMESA whereby the financing of the Third Stage for the Repair of the Unit TV13 was formalized for an amount of up to USD 10,406,077 plus VAT. The financing will be repaid by applying the accumulated credit rights, or those to be accrued, for the Remuneration for Non-Recurring Maintenance set forth by Section 2 of ES Resolution No. 529/2014.

NOTE 12: LOANS (Cont'd)

C) FINANCING BY CAMMESA – GENERACION ROSARIO S.A. (Cont'd)

Between June 15 and September 8, 2017, GROSA made sixteen filings with CAMMESA in the amount of $66,644,877 (with taxes), corresponding to the payments to suppliers of materials and services for the period between November 2015 and August 2017. At September 30, 2017, the total amount of disbursements received from CAMMESA is $66,497,594.

At September 30, 2017, the balance for this financing is $80,565,436 and is included in the caption Non-Current Trade Receivables, net of receivables for Remuneration for Non-Recurring Maintenance and Additional Trust Remuneration.

On August 29, 2017, the Undersecretariat of Thermal Energy, Transport and Distribution of Electric Energy gave through Note NO-2017-18461114 its consent to the Company's request to use for the repayment of the financing for major maintenance the receivables for the Additional Trust Remuneration, created under Section 5 of former ES Resolution No. 95/2013 and the receivables for the LVFVD still pending settlement.

At the date of issue of these interim condensed consolidated financial statements, the Company has complied with the commitments undertaken.

D) PROGRAM FOR THE ISSUE OF NEGOTIABLE OBLIGATIONS OF ALBANESI S.A.

To improve the Company's financial profile, on November 20, 2015 ASA obtained, under Resolution 17887 of the CNV, authorization for: (i) incorporation of ASA to the public offering system; and (ii) creation of a global program to issue simple (non-convertible for shares) negotiable obligations for a total nominal value outstanding 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.

Class I Negotiable Obligations

On December 29, 2015, the Company issued Class I Negotiable Obligations under the following conditions:

Principal: Nominal value: $ 70,000,000

Interest: Private Banks BADLAR rate plus a 5.5% margin.

Payment term and method: interest on Class I Negotiable Obligations will be paid quarterly in arrears, on the following dates: March 29, 2016; June 29, 2016; September 29, 2016; December 29, 2016; March 29, 2017; June 29, 2017; September 29, 2017; and December 29, 2017.

Principal on Class I Negotiable Obligations will be amortized in three (3) consecutive installments, payable on a quarterly basis, with the first two equivalent to 30% and the third one equivalent to 40% of the nominal value of Negotiable Obligations at the dates on which 18, 21 and 24 months respectively have elapsed, counted as from the date of issue, that is June 29, 2017; September 29, 2017 and December 29, 2017.

NOTE 12: LOANS (Cont'd)

D) PROGRAM FOR THE ISSUE OF NEGOTIABLE OBLIGATIONS OF ALBANESI S.A. (Cont'd)

Class I Negotiable Obligations (Cont'd)

The proceeds from the issuance of the Class I Negotiable Obligations were fully applied to the partial repayment of current liabilities that ASA holds with the related company RGA.

On October 25, 2016, Class II Negotiable Obligations were issued, subscribed partly in cash and the remainder through a swap for 28% of the Class I Negotiable Obligations. The amount paid was $19,500,000.

On June 15, 2017, Class III Negotiable Obligations were issued, with $ 49,384,000 having been subscribed through a swap for Class I Negotiable Obligations, and the remainder through a swap for Class II Negotiable Obligations.

With these two issuances, the Company's indebtedness profile (term and rate) and working capital improved.

Principal on that Class negotiable obligation outstanding at September 30, 2017 amounts to $ 446,400.

Class II Negotiable Obligations

On October 25, 2016 the Company issued Class II Negotiable Obligations under the conditions described below:

Principal: Nominal value: $ 220,000,000

Interest: Private Banks BADLAR rate plus a 4% margin.

Payment term and method: interest on Class II Negotiable Obligations will be paid quarterly in arrears, on the following dates: January 25, 2017, April 25, 2017, July 25, 2017, October 25, 2017, January 25, 2018, April 25, 2018, July 25, 2018 and October 25, 2018.

Principal on Class II Negotiable Obligations will be amortized in three (3) consecutive installments, on a quarterly basis, the first two equivalent to 30% of the nominal value of the Negotiable Obligations and the last one to 40%, on the dates on which 18, 21 and 24 months have elapsed, counted as from the Issue Date; i.e., on April 25, 2018, July 25, 2018 and October 25, 2018.

The proceeds from the issuance of the Class II Negotiable Obligations were fully applied to the partial repayment of current liabilities that ASA holds with the related company RGA.

On June 15, 2017, Class III Negotiable Obligations were issued, and subscribed by paying up Class I and Class II Negotiable Obligations, improving the Company's working capital and indebtedness profile (term and rate). The amount paid was $ 194,180,000.

Principal balance on that Class negotiable obligations outstanding at September 30, 2017 is $ 25,820,000.

Class III Negotiable Obligations

On June 15, 2017 the Company issued Class III Negotiable Obligations under the conditions described below:

Principal: Nominal value: $ 255,826,342

Interest: Private Banks BADLAR rate plus a 4.25% margin.

NOTE 12: LOANS (Cont'd)

D) PROGRAM FOR THE ISSUE OF NEGOTIABLE OBLIGATIONS OF ALBANESI S.A. (Cont'd)

Class III Negotiable Obligations (Cont'd)

Payment term and method: interest on Class III Negotiable Obligations will be paid quarterly in arrears, on the following dates: September 15, 2017; December 15, 2017; March 15, 2018; June 15, 2018; September 15, 2018; December 15, 2018; March 15, 2019; June 15, 2019; September 15, 2019; December 15, 2019; March 15, 2020; June 15, 2020; September 15, 2020; December 15, 2020, March 15, 2021 and June 15, 2021; if other than a business day, or if such day does not exist, the interest payment date will be the immediately following business day.

Principal on Class III Negotiable Obligations will be amortized in three (3) consecutive installments, on a quarterly basis, the first two equivalent to 30% of the nominal value of the Negotiable Obligations and the last one to 40%, on the dates on which 42, 45 and 48 months have elapsed, counted as from the issue date; i.e., on December 7, 2020, March 15, 2021 and June 15, 2021. If other than a business day, or if such day does not exist, the interest payment date will be the immediately following business day.

The issuance of Class III Negotiable Obligations was fully paid up with in-kind contributions as follows: a partial payment of Class I Negotiable Obligations for $ 52,519,884 and of Class II Negotiable Obligations for $ 203,306,458.

Principal balance on that class negotiable obligation outstanding at September 30, 2017 is $ 255,826,342.

NOTE 13: ALLOWANCES AND PROVISIONS

		For trade receivables	For other receivables	For contingencies
Balances at December 31, 2015		839,252	-	9,949,496
Increases	(1)	1,987,724	1,859,200	-
Decreases		-	-	(813,944)
Balances at December 31, 2016		2,826,976	1,859,200	9,135,552
Increases		-	-	-
Decreases		(76,869)	-	(1,327,291)
Balance at September 30, 2017		2,750,107	1,859,200	7,808,261

(1) The charge is shown under selling expenses
Information required by Exhibit E, in compliance with Section 1, Chapter III, Title IV of the restated text by the CNV.

Allowances and provisions include contingencies arising in the ordinary course of business and other sundry risks that could create obligations for the Company. In estimating the amounts, the likelihood of occurrence is considered, taking into account the opinion of the Company's legal advisors.

NOTE 14: SALES REVENUE

	09.30.2017	09.30.2016
Sale of electricity Res. 95/529/482/22	109,132,676	185,941,908
Electric energy sales in the spot market	67,403,745	200,423,911
Sale under Energía Plus	840,462,996	580,236,912
Sale of electricity Res. 220	858,128,371	785,340,454
	1,875,127,788	1,751,943,185

NOTE 15: COST OF SALES

	09.30.2017	09.30.2016
Cost of purchase of electric energy	(607,419,642)	(442,114,287)
Cost of gas and gas oil consumption at the plant	(107,432,325)	(478,347,051)
Salaries and social security charges	(114,746,461)	(81,090,845)
Defined benefit plan	(453,142)	(370,606)
Other employee benefits	(4,757,110)	(3,289,940)
Leases	(3,678,177)	(3,245,580)
Fees for professional services	(2,950,349)	(5,140,901)
Depreciation of property, plant and equipment	(200,797,117)	(130,597,642)
Insurance	(20,793,973)	(18,447,224)
Maintenance	(132,953,399)	(90,659,483)
Electricity, gas, telephone and postage	(3,892,800)	(2,915,820)
Duties and taxes	(14,074,078)	(13,446,475)
Travel and per diem	(2,248,009)	(797,758)
Security guard and cleaning service	(1,813,178)	(2,532,508)
Miscellaneous expenses	(3,821,977)	(4,538,598)
	(1,221,831,737)	**(1,277,534,718)**

NOTE 16: SELLING EXPENSES

	Note	09.30.2017	09.30.2016
Salaries and social security charges		-	(378,852)
Duties and taxes		(3,128,016)	(2,641,110)
Recovery of Turnover tax	31	19,643,732	-
Bad debts		15,459	(3,870,073)
		16,531,175	**(6,890,035)**

NOTE 17: ADMINISTRATIVE EXPENSES

	09.30.2017	09.30.2016
Salaries and social security charges	-	(4,451,207)
Other employee benefits	(398,681)	(152,271)
Rental	(3,464,000)	(14,000)
Fees for professional services	(30,716,809)	(20,707,757)
Insurance	(182,952)	(344,504)
Electricity, gas, telephone and postage	(3,258,703)	(1,631,850)
Duties and taxes	(1,378,450)	(1,598,024)
Travel and per diem	(1,048,893)	(1,150,737)
Miscellaneous expenses	(454,799)	(2,470,825)
	(40,903,287)	**(32,521,175)**

NOTE 18: OTHER OPERATING INCOME AND EXPENSES, NET

Other operating income	09.30.2017	09.30.2016
Recovery of insurance claim	442,354	-
Sale of property, plant and equipment	10,179,670	-
Sundry income	5,328,788	8,107,728
Total Other operating income	**15,950,812**	**8,107,728**

NOTE 19: FINANCIAL RESULTS

	09.30.2017	09.30.2016
Financial income		
Interest on loans granted	14,104,219	2,789,511
Commercial interest	75,815,693	34,994,427
Total financial income	**89,919,912**	**37,783,938**
Financial expenses		
Loan interest	(267,284,322)	(275,577,905)
Commercial interest and other	(19,699,686)	(21,081,168)
Bank expenses and commissions	(5,118,221)	(12,418,258)
Total financial expenses	**(292,102,229)**	**(309,077,331)**
Other financial results		
Exchange differences, net	(51,973,539)	(105,693,616)
Changes in the fair value of financial instruments	46,485,728	51,774,221
Loss from currency position, net	-	(126,973)
Other financial results	(84,986,925)	(41,827,084)
Total other financial results	**(90,474,736)**	**(95,873,452)**
Total financial results, net	**(292,657,053)**	**(367,166,845)**

NOTE 20: 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
Income for the period attributable to the shareholders:	185,963,052	28,634,626
Weighted average of outstanding ordinary shares	62,455,160	45,097,496
Basic and diluted earnings per share	**2.98**	**0.63**

There are no differences between the calculation of the basic earnings per share and the diluted earnings per share.

NOTE 21: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) Transactions with related parties and affiliates

		09.30.2017	09.30.2016
		$	
		Profit / (Loss)	
Purchase of gas			
RGA (1)	Related company	(1,233,183,428)	(395,113,467)
Purchase of energy			
Solalban Energía S.A.	Related company	(64,793)	(126,875)
Purchase of wines			
BDD	Related company	(179,742)	(8,720)
Purchase of flights			
AJSA	Related company	(14,726,271)	(10,410,051)
Sale of energy			
RGA	Related company	41,699,761	33,216,783
Solalban Energía S.A.	Related company	84,759,366	61,116,871
Sale of components and spare parts			
CTR	Related company	-	1,227,987
Leases and services agreements			
RGA	Related company	(24,943,552)	(24,758,199)
Reimbursement of expenses			
CTR	Related company	8,182,200	13,937,485
RGA	Related company	606,771	1,301
AESA	Related company	3,402,843	-
AJSA	Related company	678	-
AVRC	Related company	678	-
BDD	Related company	3,391	-
Financial cost recovery			
RGA	Related company	(7,198,326)	(3,515,702)
Gas pipeline construction work			
RGA	Related company	(140,068,971)	-
Work management service			
RGA		(90,185,100)	-
Interest generated due to loans granted			
AISA	Related company	10,307,782	2,789,511
Directors	Related party	3,796,438	-
Guarantees provided/received			
CTR	Related company	671,400	-
RGA	Related company	(49,659,250)	-
AJSA	Related company	48,863	-
Dividends earned			
Solalban S.A.	Related company	5,880,000	-

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

NOTE 21: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

b) Remuneration of key managerial staff

The senior management includes directors (executive and non-executive). Their fees at September 30, 2017 and 2016 amounted to $10,749,638 and $12,653,303, respectively.

	09.30.2017	09.30.2016
Salaries	(10,749,638)	(12,653,303)
	(10,749,638)	**(12,653,303)**

c) Balances at the date of the consolidated statements of financial position

Captions	Type	09.30.2017	12.31.2016
NON-CURRENT ASSETS			
Other receivables			
Directors	Related company	18,591,424	17,343,215
Contributions not yet paid up	Minority interest	18,750	18,750
		18,610,174	**17,361,965**
CURRENT ASSETS			
Trade receivables			
CTR	Related company	-	1,815,000
Solalban Energía S.A.	Related company	263,226	-
		263,226	**1,815,000**
Other receivables			
Contributions not yet paid up	Minority interest	18,750	-
Personal account	Minority interest	147,697,408	147,691,158
AJSA (2)	Related company	4,991,433	-
AISA	Related company	77,106,477	66,798,695
AESA	Related company	-	4,036,908
CTR	Related company	472,765	8,434,229
AVRC	Related company	827	-
Directors	Related parties	170,200	170,200
		230,457,860	**227,131,190**
CURRENT LIABILITIES			
Trade payables			
Solalban Energía S.A.	Related company	-	541,641
AJSA	Related company	-	13,351,020
RGA	Related company	495,170,882	111,135,180
		495,170,882	**125,027,841**
Other liabilities			
RGA	Related company	84,913,812	89,629,740
BDD	Related company	60,210	-
		84,974,022	**89,629,740**

(2) 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 21: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

d) 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**

	09.30.2017	12.31.2016
Loans to Directors		
Balances at beginning of year	17,343,215	-
Loans granted	18,236,851	17,343,215
Assignment (2)	(20,785,080)	-
Accrued interest	3,796,438	-
Balance at closing	**18,591,424**	**17,343,215**

(2) For assignment of receivables from GROSA Directors to RGA on 6/30/2017.

The loans are governed by the following terms and conditions:

Entity	Amount	Interest rate	Conditions
At 09.30.2017			
Directors	17,009,072	BADLAR + 3%	Maturity date: 3 years
Total in pesos	**17,009,072**		

Entity	Amount	Interest rate	Conditions
At 09.30.2017			
AISA	60,000,000	BADLAR + 3%	Maturity date: Within one year, renewable automatically for a further period of up to 5 years
Total in pesos	**60,000,000**		

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 consolidated 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.

NOTE 22: WORKING CAPITAL

At September 30, 2017, the Company reports a deficit of $ 318,509,813 in its working capital (calculated as current assets less current liabilities), which means a $2,054,420,017 reduction compared to the surplus in working capital at the end of the fiscal year ended December 31, 2016 ($1,735,910,204 at December 31, 2016). The variation is mainly due to the application of funds due to the progress of investment projects developed by the Company.

To cover the current deficit in its working capital, ASA and its shareholders expect to execute a plan for the refinancing of short-term financial liabilities.

NOTE 23: SEGMENT REPORTING

The information on operating segments is presented in accordance with the internal information 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.

The 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 only one segment: The Electricity segment comprises the generation and sale of electricity and the development of energy projects, execution of projects, advisory, service delivery, management and execution of works of any nature.

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 24: RESTRICTED ASSETS AND OTHER COMMITMENTS

A. GMSA

A.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 arise from supply contracts (energy and power) entered into between GMSA and large customers of the Forward Market in line with regulations set forth by the ES under 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	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 Saturday, September 30, 2017, under ES Resolution 1281/06.

A.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.

NOTE 24: RESTRICTED ASSETS AND OTHER COMMITMENTS (Cont'd)

A. GMSA (Cont'd)

A.2 Loan BAF Latam Trade Finance Funds B.V. (Cont'd)

The rights assigned under the contract are detailed below:

- All GMSA rights under the project documents.
- All GMSA rights to collect and receive all payments in cash or in kind, for any item, owed to GMSA by debtors under present and future electricity sales transactions carried out on the Energía Plus market.
- All GMSA rights to collect and receive all payments in cash or in kind, for any item, owed to GMSA by any insurance company, whether at present or in the future.
- Fiduciary ownership of the Real Estate Property existing to date and of any real property incorporated in the future.
- Fiduciary ownership of GMSA assets.
- The right to make any claims and file any actions for breach of any payment obligation.
- Any collection right resulting from the rights assigned.
- Any and all rights that ASA has and/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 consolidated financial statements, and considering that the loan from BAF was repaid on June 28, 2017, the Company is in the process of releasing the guarantees provided.

B. GROSA

On April 27, 2011 the Ordinary Shareholders' Meeting of Central Térmica Sorrento S.A. unanimously approved a lease contract with GROSA; the purpose of the agreement is to rent both the building and the assets added to the Power Plant, including the generator, equipment and other available fixed assets and spare parts. The contract was effectively valid as from November 15, 2010 (with a 9-month grace period) and has a set term of 10 years, with a renewal option for 7 additional years. The first fee installment was invoiced on August 1, 2011.

On December 23, 2015 the reorganization proceeding of Central Térmica Sorrento S.A. was initiated. This situation does not affect the lease agreement mentioned above or the electric power generation business.

On November 10, 2016, a mediation hearing was closed without reaching an agreement in connection with the eviction of the property under a lease agreement mentioned in the preceding paragraph. GROSA estimates that it is highly unlikely that the eviction will take place as Central Térmica Sorrento S.A. has no right to be granted this order.

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 prior conditions set forth in the agreement, GMSA obtained commercial financing for 50% of the amount of the contract signed for the CTMM plant extension, equivalent to a 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, GMSA will be granted a commercial financing of 50% of the amount of the agreement signed for the enlargement of CTI and the work at 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 signed with Siemens Industrial Turbomachinery AB, whereby payment of the first installment of the financing of CTI and CTE originally estimated for September 2017 was deferred for October 2017, when such installment 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 Siemens SGT 800 turbines	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 Siemens SGT 800 turbines	Ezeiza	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 Siemens SGT 800 turbines	CTI	175,230,000	**20,831,964**	1,753,532	9,127,136	8,662,450	1,288,846

(1) The commitment is stated 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 contemplates financing by PWPS of USD 12 million over a 4-year term, as from the provisional acceptance by GFSA. This amount is disclosed in non-current trade payables for the equivalent to $207,720,000.

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

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

	Total	2016	2017	2018	2019	2020	2021	2022	2023
Commitments (1)	USD								
PWPS for the purchase of a 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 denominated in US dollars and considering the time of payment according to the particular conditions of the contract.

NOTE 26: LONG-TERM MAINTENANCE CONTRACT – CTMM, CTI, CTF and CTE POWER PLANTS

GMSA signed with PWPS a global Long Term Service Agreement for the CTMM, CTI and CTF power plants. 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. 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.

GMSA signed with Siemens SA and Siemens Industrial Turbomachinery AB a global service and spare part agreement for the CTRi, CTMM, CTI and CTE power plants. 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 replacement equipment (engine gas generator), if necessary, for CTRi, CTMM, CTI and CTE. Siemens thus guarantees an average availability of not less than ninety six percent (96%) to the above mentioned 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 power sale agreement with CAMMESA under Resolution 220/07 (for CTRi and CTMM) and Resolution 21/16 (for CTI and CTE) is thus guaranteed.

Compliance with the energy sale agreements is thus guaranteed.

NOTE 27: GMSA – 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, GMSA has generated a total of 540,614 MWh, equivalent to the amount of $ 14,268,553.

On August 26, 2015, GMSA made a new presentation to CAMMESA updating the amount in the request mentioned in the preceding paragraph under Resolution No. 529/14.

On September 7, 2015, GMSA 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 ES partially accepted the request submitted by GMSA, through the Notes mentioned in the above 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 GMSA and the receivables to which it is entitled by application of the Remuneration for Non-Recurring Maintenance.

On June 10, 2016 GMSA submitted to CAMMESA a request for recognition of the remuneration for maintenance and investments, as set forth by Resolution No. 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 and GR generated a total of 51,564MWh, equivalent to the amount of $3,068,853. Further, 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 plant and issued a report on CTLB and CTRi which is under economic assessment.

On August 9, 2016, GMSA executed 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, the new work plan for CTMM was submitted to CAMMESA The work schedule included in the plan is as follows:

	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 to CAMMESA for $ 16,966,471.

On August 29, 2017, the Undersecretariat of Thermal Energy, Transport and Distribution of Electric Energy gave through Note B-117397-1its consent to GMSA's request to use for the repayment of the financing for major maintenance currently being made by GMSA the receivables for the Additional Trust Remuneration, created under Section 5 of former ES Resolution No. 95/2013 and the receivables for the LVFVD still pending settlement.

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

NOTE 28: MERGER THROUGH ABSORPTION

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 started the merger through absorption process of GMSA with the companies GISA, GLBSA 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 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 assets 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 with the Public Registry under the authority of 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 by-laws of the continuing company.

On March 22, 2016, the CNV through Resolution No. 18003 approved the described merger through absorption within the terms of Section 82 of the General Companies Law No. 19550, which was submitted to the IGJ for its registration on May 18, 2016. Furthermore, on March 22, 2016, the CNV through Resolutions No. 18004 and 18006 approved the early dissolution of GISA and the transfer of the negotiable obligations for public offering from GISA to GMSA. The dissolutions without liquidation of GISA, GRISA and GLBSA were registered with the IGJ on May 18, 2016

NOTE 28: MERGER THROUGH ABSORPTION (Cont'd)

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.

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

In particular, at GFSA Shareholders' Meeting the following was also approved: (i) the early dissolution without liquidation of GFSA as a result of the merger, and its deregistration 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 Simple Negotiable Obligations (Not Convertible for 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, it was resolved to approve the amendment to section 5 of the corporate bylaws.

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 28: MERGER THROUGH ABSORPTION (Cont'd)

c) ASA-AISA MERGER THROUGH ABSORPTION

On August 31, 2017 ASA (merging company) and AISA (merged company) entered into a Preliminary Merger Agreement, which was approved by the Boards of Directors of both companies on the same date. Once authorization for the Merger Prospectus was obtained from the CNV, on October 18, 2017 both companies held their pertinent Extraordinary Shareholders' Meetings, in which the Preliminary Merger Agreement and related documentation were approved. Further, the Extraordinary Shareholders' Meeting of Albanesi S.A. approved a capital increase as a result of the process, to $ 64,451,745, and the corresponding amendment to Section Four of the By-Laws.

The ASA-AISA Corporate Reorganization comprises the same objectives and benefits as those already mentioned for the merger described above, considering that both are the parents of companies with mostly the same main business activity, i.e. the generation and sale of electricity; as was explained for those cases, the 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.

At the date of issue of these condensed interim financial statements, all publications had been made, as required by Section 83, sub-sect. 3, of the General Companies Law, and the Final Merger Agreement is expected to be signed soon.

NOTE 29: STORAGE OF DOCUMENTATION

On August 14, 2014, the CNV issued General Resolution No. 629 that introduces amendments to its regulations involving storage and preservation of corporate books, accounting records and business documents. To this end, it is informed that the Company stores its work papers and information at its principal place of business, located at Av. L.N. Alem 855, Floor 14, City of Buenos Aires.

NOTE 30: All-risk insurance coverage:

All-risk insurance policy with coverage for loss of profit

The Group has taken out all-risk insurance coverage for all the risks of loss or physical damage, whether it is accidental or unforeseeable, including machinery failures and loss of benefits as a result, up to 12 months, directly and totally attributable to any cause. The aim of this policy is to cover 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.

This insurance policy covers all physical damage to property of any kind and description, which is not expressly excluded in the policy, owned or under the charge or control of the insured, or those for which the insured has committed to cover for any damage, or those for which the insured can acquire 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 30: All-risk insurance coverage (Cont'd)

Contractors' all-risk and assembly insurance

Works for the installation or enlargement of capacity which are being developed by the Group are covered by a construction and assembly all-risk insurance coverage, which covers all accidental or unforeseeable damages occurred during the execution of a civil work, including damages caused by acts of God, provided they are not expressly excluded in the policy.

This policy also includes delay in start-up (DSU) insurance, up to 12 months, which provides 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 31: 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 GMSA's activity.

NOTE 32: 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 is the Agreed upon Date set for the commercial operation of the two power plants.

To secure that authorization for 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).

In case of non-compliance with the date of commercial operation, CAMMESA is entitled to claim payment of the amounts resulting from such non-compliance; further, and only in the case that the invoiced penalties are not paid upon CAMMESA's request for payment, CAMMESA will be entitled to foreclose the guarantees mentioned above. Should GMSA 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.

NOTE 32: SUPPLY CONTRACT WITH CAMMESA: AGREED UPON DATE OF AUTHORIZATION FOR THE COMMERCIAL OPERATION OF THE POWER PLANTS

On June 28, 2017 GMSA made a filing before CAMMESA and the SEE, 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 badly affected the possibility of obtaining authorization for commercial operation on the Date agreed upon in 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 authorization for the commercial operation was not obtained at the Date agreed upon in 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, in view of the measures adopted by several trade 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, under the terms of clause 21 of the Supply Contract; (ii) postpone the Agreed upon Date of 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 invoke new facts and submit further evidence.

At the date these interim condensed consolidated financial statements were signed, the above-mentioned proceedings were pending resolution by CAMMESA, and an eventual later intervention and resolution by the SEE; this means that CAMMESA will not be empowered to charge penalties or demand collection thereof until the issue is decided upon by the enforcement authority.

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

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

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

NOTE 33: SUBSEQUENT EVENTS

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

On October 4, 2017 GMSA 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. having been assigned in guarantee.

b) Issue of Class I Negotiable Obligations (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, payable quarterly 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 fully paid up in cash.

The proceeds from the issuance of the Class I Negotiable Obligations will be applied 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. In this context, GMSA submitted two projects for the closure of the combined cycle at CTMM for 112.5 MW and at CTE for 138 MW, while GECE submitted one project for co-generation in Arroyo Seco, Province of Santa Fe, for 100 MW.

Through ES Resolution No. 926/2017, the SEE awarded the implementation of nine projects, including the two projects offered by GMSA and the project offered by GECE. 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 expected to come into operation in the second quarter of 2020.

NOTE 34: 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 comment on the activities carried out by the issuer, including references to relevant events subsequent to period end.

Pursuant to the provisions of General Resolution No. 368/01, as amended, of the National Securities Commission (CNV), we present below an analysis of the results of the operations of Albanesi S.A. (the Company) and its equity and financial position, which should be read in conjunction with the accompanying consolidated financial statements.

	Nine-month period ended September 30,			
	2017	**2016**	**Var.**	**Var. %**
Sales by type of market	GWh			
Sale of electricity Res. No. No. 95/529/482/22/19 and spot	524.2	967.6	(443.4)	(46%)
Sales under Energía Plus	523.0	546.0	(23.0)	(4%)
Sales to CAMMESA Res. No. 220	489.0	320.9	168.1	52%
	1,536.2	**1,834.5**	**(298.3)**	**(16%)**

Sales by type of market (in millions of pesos):

	Nine-month period ended September 30,			
	2017	**2016**	**Var.**	**Var. %**
Sales by type of market	(in millions of pesos)			
Sale of electricity Res. No. No. 95/529/482/22/19 and spot	176.5	386.4	(209.9)	(54%)
Sales under Energía Plus	840.5	580.2	260.3	45%
Sales to CAMMESA Res. No. 220	858.1	785.3	72.8	9%
Total	**1,875.10**	**1751.9**	**123.2**	**7%**

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	Var.	Var. %
Sale of energy	1,875.1	1,751.9	123.2	7%
Net sales	**1,875.1**	**1,751.9**	**123.2**	**7%**
Purchase of electric energy	(607.4)	(442.1)	(165.3)	37%
Gas and diesel consumption by the plant	(107.4)	(478.3)	370.9	(78%)
Salaries and social security charges	(114.7)	(81.1)	(33.6)	41%
Pension plan	(0.5)	(0.4)	(0.1)	25%
Maintenance services	(133.0)	(90.7)	(42.3)	47%
Depreciation of property, plant and equipment	(200.8)	(130.6)	(70.2)	54%
Insurance	(20.8)	(18.4)	(2.4)	13%
Sundry	(37.2)	(35.9)	(1.3)	4%
Cost of sales	**(1,221.8)**	**(1,277.5)**	**55.7**	**(4%)**
Gross income	**653.3**	**474.4**	**178.9**	**38%**
Salaries and social security charges	-	(0.4)	0.4	(100%)
Taxes, rates and contributions	(3.1)	(2.6)	(0.5)	19%
Bad debts	-	(3.9)	3.9	(100%)
Recovery of Turnover tax	19.6	-	19.6	100%
Selling expenses	**16.5**	**(6.9)**	**23.4**	**(339%)**
Salaries and social security charges	-	(4.5)	4.5	(100%)
Fees and compensation for services	(30.7)	(20.7)	(10.0)	48%
Per diem, travel and entertainment expenses	(1.0)	(1.2)	0.2	(17%)
Duties and taxes	(1.4)	(1.6)	0.2	(13%)
Sundry	(7.8)	(4.5)	(3.3)	73%
Administrative expenses	**(40.9)**	**(32.5)**	**(8.4)**	**26%**
Loss from interests in associates	(4.3)	(1.0)	(3.3)	330%
Other operating income	16.0	8.1	7.9	98%
Operating income	**640.6**	**442.1**	**198.5**	**45%**
Commercial interest	56.1	13.9	42.2	304%
Interest on loans, net	(253.2)	(272.8)	19.6	(7%)
Exchange difference, net	(52.0)	(105.7)	53.7	(51%)
Bank charges	(5.1)	(12.4)	7.3	(59%)
Other financial results	(38.4)	9.8	(48.2)	(492%)
Financial results, net	**(292.6)**	**(367.2)**	**74.6**	**(20%)**
Income before tax	**348.0**	**74.9**	**273.1**	**365%**
Income tax	(149.6)	(43.6)	(106.0)	243%
Income from continuing operations	**198.4**	**31.3**	**167.1**	**534%**
Other comprehensive income for the period	-	**(0.1)**	**0.1**	**(100%)**
Total comprehensive income for the period	**198.4**	**31.2**	**167.2**	**536%**

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

Sales:

Net sales for the period ended September 30, 2017 reached $ 1,875.1 million, compared with $ 1,751.9 million for the same period of 2016, showing an increase of $ 123.2 million (7%).

In the period ended September 30, 2017, energy sales reached 1,536.2 GWh, representing a 16% drop compared with the 1,834.5 GWh for the same period of 2016.

Company's main sources of income and their behavior during the nine-month period ended September 30, 2017 are described below, as compared with the same period of the previous year:

(i) $840.5 million for sales under Energía Plus, up 45% from $580.2 million sold in the same period of 2016. This variation is attributable to a favorable effect as a result of the higher exchange rate.

(ii) $ 858.1 million for sales of energy in the forward market to CAMMESA under Resolution No. 220/07, which represented an increase of 9% from the $785.3 million for the same period of 2016. This variation is due to a price increase resulting from a higher exchange rate, and a higher sales volume.

(iii) $ 176.5 million for sales of energy under Resolution No. 95/529/482/22/19 on the spot market, representing a 54% decrease from $ 386.4 million recorded in the same period of 2016. This variation is due to the administration by CAMMESA of volumes generated in excess.

Cost of sales:

The total cost of sales for the period ended September 30, 2017 was $ 1,221.8 million, compared with $ 1,277.5 million for the same period of 2016, representing a decrease of $55.7 million (4%).

Below is a description of the main costs of sales in millions of pesos, and their behavior during the current period, as against the same period of 2016:

(i) $607.4 million for purchases of electricity, up 37% from the $442.1 million recorded in the same period in 2016, as a result of the effect on prices of the exchange rate variation.

(ii) $107.4 million for gas and diesel consumption by the plant, representing a 78% decrease compared with the $ 478.3 million for the same period of 2016. This variation was due to a decrease in the volumes dispatched by CAMMESA.

(iii) $114.7 million in salaries and social security contributions, reflecting a 41% increase compared with the $81.1 million recorded in the same period of 2016, which is mainly attributed to wage increases granted and the hiring of new staff.

(iv) $133.0 million for maintenance services, up 47% from the $ 90.7 million for the same period of 2016. This variation was due to the dollar exchange rate variation.

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

(v) $200.8 million for depreciation of property, plant and equipment, up 54% compared with the $ 130.6 million for the same period of 2016. This variation is mainly originated in the higher depreciation value of property, plant and equipment as a result of their revaluation at December 31, 2016, and in the placing into operation of the two turbines at CTRi.

(vi) $20.8 million paid for insurance, up 13% from the $18.4 million in the same period of 2016 as a result of the variation in the exchange rate.

Gross income:

Gross income for the period ended September 30, 2017 was $ 653.3 million, compared with the income of $474.4 million recorded in the same period of 2016, representing a 38% increase as against the same period of 2016.

Selling Expenses:

Selling expenses for the nine-month period ended September 30, 2017 were a gain of $ 16.5 million, compared with a loss of $6.9 million for the same period of 2016, representing an increase of $23.4 million (339%), owing to the fact that on March 3, 2017, the collection department of the General Revenue Board of the province of Tucumán decided that GISA (company absorbed by GMSA as from January 1, 2016) is exempt from turnover tax, amending the tax return as from the period of December 2011.

Administrative expenses:

Administrative expenses for the nine-month period ended September 30, 2017 amounted to $40.9 million, up $32.5 million in the same period in 2016, representing an increase of $8.4 million (26%).

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

(i) $30.7 million of fees and remuneration for services, which represented an increase of 48% from the $20.7 million recorded in the same period of the previous fiscal year.

(ii) $7.8 million in sundry expenses, accounting for a 73% increase from the $4.5 million in the same period of the previous fiscal year. The main variations are due to office expenses, taxes and rates.

(iii) No salaries and social security charges attributable to the administration were recorded in the 2017 period, which represented a 100% decrease from the $4.5 million in the same period of 2016. The decrease in the payroll is primarily due to the hiring of third party services.

Operating income:

The operating income for the period ended September 30, 2017 was $640.6 million, compared with an income of $442.1 million for the same period of 2016, reflecting a 45% increase. The increase is basically due to the effect of the exchange rate increase on the operating activities of the subsidiaries, the commissioning of CTRi and the high volumes available at the power plants during that period.

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

Financial results:

The financial result for the period ended September 30, 2017 was a loss of $292.6 million, compared with a loss of $367.2 million for the same period of 2016, reflecting a decrease of 20%.

The most noticeable aspects of the variation are:
(i) A net exchange rate loss of $52.0 million, reflecting a decrease of 51% compared with the loss of $105.7 million in the same period of 2016.
(ii) A gain of $56.1 million for commercial interest, which represented a 42.2 million increase as against the gain of $ 13.9 million in the same period of 2016.
(iii) A loss of $253.2 million for financial interest on loans, reflecting a decrease of 7% compared with the loss of $272.8 million for the same period of 2016.
(iv) A loss of $38.4 million for other financial results, which represented a higher loss of $48.3 million as against the gain of $9.8 million in the same period of 2016.

Income before tax:

The Company reported an income before tax of $348.0 million for the period ended September 30, 2017, representing a 365% increase compared with an income of $74.6 million for the same period of 2016.

The income tax charge for the period ended on September 30, 2017 was $149.6 million, as against the $43.6 million charge recorded in 2016.

Net income:

The net income for the period ended September 30, 2017 was $198.4 million, compared with a profit of $31.2 million for the same period of 2016, representing a 536% increase.

2. Balance sheet figures compared with the previous period:
(in millions of pesos)

	09.30.2017	09.30.2016	09.30.2015	09.30.2014
Non-current assets	10,383.3	4,153.2	2,503.1	2,225.8
Current assets	2,174.5	3,435.3	504.1	552.8
Total Assets	**12,557.8**	**7,588.5**	**3,007.2**	**2,778.6**
Equity attributable to the owners of the Group	2,110.5	1,315.1	673.5	614.1
Non-controlling interest	113.3	71.0	46.1	46.6
Total Equity	**2,223.8**	**1,386.1**	**719.6**	**660.7**
Non-current liabilities	7,841.0	5,395.5	1,539.9	1,334.4
Current liabilities	2,493.0	806.9	747.7	783.5
Total liabilities	**10,334.0**	**6,202.4**	**2,287.6**	**2,117.9**
Total equity and liabilities	**12,557.8**	**7,588.5**	**3,007.2**	**2,778.6**

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

3. Income statement figures compared with the previous period:
(in millions of pesos)

	09.30.2017	09.30.2016	09.30.2015	09.30.2014
Ordinary operating income	640.6	442.1	212.8	205.9
Financial results, net	(292.6)	(367.2)	(161.7)	(260.0)
Ordinary net income/(loss)	**348.0**	**74.9**	**51.1**	**(54.1)**
Income tax	(149.6)	(43.6)	(11.4)	15.9
Income (loss) from continuing operations	**198.4**	**31.3**	**39.7**	**(38.2)**
Discontinued operations	-	-	(16.2)	(2.8)
Income (loss) for the period	**198.4**	**31.3**	**23.5**	**(41.0)**
Other comprehensive (loss)/income	-	(0.1)	(2.4)	217.1
Total comprehensive income	**198.4**	**31.2**	**21.1**	**176.1**

4. Cash flow figures compared with the previous period:
(in millions of pesos)

	09.30.2017	09.30.2016	09.30.2015	09.30.2014
Cash provided by (used in) operating activities	524.6	(588.3)	135.6	188.3
Cash (used in) investing activities	(1,942.4)	(1,040.1)	(150.1)	(45.8)
Cash provided by (used in) financing activities	968.1	3,021.9	(7.5)	(23.5)
(Decrease) / increase in cash and cash equivalents	**(449.7)**	**1,393.5**	**(22.0)**	**119.0**

5. Ratios compared with the previous period:

	09.30.2017	09.30.2016	09.30.2015	09.30.2014
Liquidity (1)	0.87	4.26	0.67	0.71
Solvency (2)	0.20	0.21	0.29	0.31
Tied-up capital (3)	0.83	0.55	0.83	0.80
Indebtedness (4)	6.22	4.46	2.16	1.96
Interest coverage ratio (5)	3.10	2.30	2.73	2.23

(1) Current assets / Current Liabilities

(2) Equity/Total liabilities

(3) Non-current assets / Total assets

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

(5) Annualized EBITDA (**) / annualized accrued financial interest (**)

(*) According to the guidelines included in the International Bond prospectus for calculating the indebtedness ratio, at September 30, 2017 this ratio is 6.16.

(**) Figure not covered by the limited review report.

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

6. Brief comments on prospects for 2017

Outlook for the 2017 period

Commercial and operational sector

We expect the various power generation units to continue operating under normal conditions according to the dispatch defined by CAMMESA. The main objective is to maintain a high level of availability of the Power Plants, which ensures profitability for the Company. For this purpose, a thorough preventive maintenance plan is carried out of the generation units to ensure the high availability of the Power Plants' turbo generators.

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

A Siemens SGT-800 turbine was installed at CTRi, with 50 MW of nominal generation capacity. On May 20, 2017 CAMMESA authorized its commercial operation.

In addition, two turbine Siemens SGT-800 were installed at CTMM, with 50 MW of nominal generation capacity. On July 6, 2017, CAMMESA authorized the commercial operation through a contract under ES Resolution No. 220/07.

Under Resolution 21/16, the Company submitted projects to extend the generation capacity by 250MW, and they were awarded to the Company in the public bid.

The projects are within the framework of the agreements entered into with CAMMESA under that Resolution 21/16 of the Energy Secretariat.

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 by the first quarter of 2018 (50 MW).

In addition, the construction of a new plant commenced in the Province of Buenos Aires (Central Térmica Ezeiza) with a generating capacity of 150 MW, with the installation of three 50 MW-each Siemens SGT-800 turbines. On September 29, 2017, CAMMESA authorized the commercial operation of the first stage (100MW) and the second stage is expected to start by the first quarter of 2018 (50 MW).

At the date of these interim condensed consolidated financial statements, through ES Resolution 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.

Additionally, under the same Resolution, GECE presented a Co-Generation Project of 100 MW in Arroyo Seco, Province of Santa Fe.

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

Financial position

In the current period, companies controlled by the Company have the objective of improving the financing structure and ensuring the progress of investment works according to the schedules agreed upon._

On July 27, 2016, GMSA, CTR and GFSA co-issued an international bond for USD 250 million, maturing in 7 years. The international bond is guaranteed 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 debt 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 described above have permitted improving the working capital and the indebtedness profile, postponing the due dates and reducing the Company's financial cost, also ensuring financing of the investment projects.

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REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Albanesi S.A.
Legal address: Av. L.N. Alem 855, 14th Floor
Autonomous City of Buenos Aires
Tax Code No. 30-68250412-5

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Albanesi S.A. and its subsidiaries (hereinafter, "the Company") which comprise the consolidated statement of financial position at September 30, 2017 and the consolidated statement of comprehensive income for the nine and three-month period ended September 30, 2017, the consolidated statements of changes in equity and of consolidated 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 consolidated 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 consolidated 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 pwc

aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated financial position, the consolidated comprehensive income and the consolidated cash flows of the Company.

Conclusion

On the basis of our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated 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 consolidated financial statements of Albanesi S.A. 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 separate financial statements of Albanesi S.A. stem from accounting records kept in all formal respects in conformity with legal regulations;

c) we have read the summary of activity, on which we have no observation to make insofar as concerns matters within our field of competence;

d) as of September 30, 2017, there is no debt accrued in favor of the Argentine Integrated Social Security System;

Autonomous City of Buenos Aires, November 9, 2017

PRICE WATERHOUSE & CO. S.R.L.

Dr. Raúl Leonardo Viglione
(Partner)

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Report of the Syndics' Committee

To the Shareholders of
Albanesi 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 consolidated financial statements of Albanesi 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 interim condensed consolidated 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 interim condensed consolidated financial 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 consolidated 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 consolidated 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

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Albanesi S.A.

Interim condensed separate financial statements

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

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Albanesi S.A.

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2017

CONTENTS

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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 separate financial statements of the Company.

Terms	Definitions
/day	Per day
AESA	Albanesi Energía S.A.
AFIP	Federal Administration of Public Revenue
AFSA	Albanesi Fueguina S.A.
AISA	Albanesi Inversora S.A.
AJSA	Alba Jet S.A.
ASA	Albanesi S.A.
AVRC	Alto Valle Río Colorado S.A.
AVSA	Albanesi Venezuela S.A.
BADCOR	Adjusted BADLAR rate
BADLAR	Interest rate paid by financial institutions on average on time deposits for over one million pesos.
BCRA	Argentine Central Bank
BDD	Bodega del Desierto S.A.
CAMMESA	Wholesale Electricity Market Management Company (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
CTI	Central Térmica Independencia (Independencia Power Plant) located in San Miguel de Tucumán, Tucumán (merged with GMSA)
CTLB	Central Térmica La Banda (La Banda Power Plant) located in La Banda, Santiago del Estero (merged with GMSA)
CTMM	Central Térmica Modesto Maranzana (MM Power Plant) located in Río Cuarto, Córdoba
CTR	Central Térmica Roca S.A.
CTRi	Central Térmica Riojana (Riojana Power Plant) located in La Rioja (merged with GMSA)
CVP	Variable Production Cost
Dam^3	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
ENARSA	Energía Argentina S.A.
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
GECE	Generación Centro S.A.
GLSA	Generación Litoral S.A.

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Terms	Definitions
GF	Central Térmica Frías situated in Frías, Santiago del Estero (merged with GMSA)
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 unto: 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	Large Users - Individuals
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
The Company/The Group	Albanesi S.A. and its subsidiaries
LGS	General Companies Law
LVFVD	Sales liquidations with maturity date to be defined
MAPRO	Major Scheduled Maintenance
MAT	Futures market
WEM	Wholesale Electric Market
MMm3	Million cubic meters
MVA	Mega-volt ampere, unit of energy equivalent to 1 volt x 1 ampere x 106
MW	Megawatt Unit of power equivalent to 1,000,000 watts
MWh	Megawatt hour Unit of energy equivalent to 1,000,000 watts hour
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
RG	General Resolution
RGA	Rafael G. Albanesi S.A.
RT	Technical pronouncements
SADI	Argentine Interconnection System
ES	Energy Secretariat
TRASNOA S.A.	Empresa de Transporte de Energía Eléctrica por Distribución Troncal del Noroeste Argentino S.A.
CGU	Cash Generating Unit
USD	US dollars

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Albanesi 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

Alternate Directors
Armando Losón (h)
José L. Sarti
Juan G. Daly
María de los Milagros D. Grande
Ricardo M. Lopez
Romina S. Kelleyian

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

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

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Albanesi S.A.

Corporate name:	**Albanesi S.A.**
Legal address:	Av. L.N. Alem 855, 14th floor - City of Buenos Aires
Main business activity:	Investing and financial activities
Tax Registration Number:	30-68250412-5

DATES OF REGISTRATION WITH THE PUBLIC REGISTRY OF COMMERCE

By-laws or incorporation agreement:	June 28, 1994
Latest amendment:	November 08, 2016
Registration number with the Superintendency of Commercial Companies:	6216 of Book 115, Volume A of Corporations
Expiration of By-laws or incorporation agreement:	June 28, 2093

CAPITAL STATUS (See Note 13)			
Shares			
Number	**Type**	**Number of votes per share**	**Subscribed, paid-in and registered**
			$
62,455,160	Ordinary, registered, non-endorsable shares of $ 1 par value each	1	62,455,160

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Albanesi S.A.

Interim Condensed Separate Statement of Financial Position

At September 30, 2017 and December 31, 2016

Stated in pesos

	Notes	09.30.2017	12.31.2016
ASSETS			
NON-CURRENT ASSETS			
Investments in subsidiaries and associates	6	2,436,575,028	2,210,552,404
Deferred tax assets		9,162,748	1,487,052
Other receivables		3,186,628	2,098,573
Total non-current assets		**2,448,924,404**	**2,214,138,029**
CURRENT ASSETS			
Other receivables		148,979,520	153,351,103
Cash and cash equivalents	7	213,275	151,644
Total current assets		**149,192,795**	**153,502,747**
Total Assets		**2,598,117,199**	**2,367,640,776**
EQUITY			
Share Capital	13	62,455,160	62,455,160
Legal reserve		4,381,440	1,942,908
Optional reserve		101,010,691	-
Technical revaluation reserve		1,681,311,356	1,760,090,123
Other comprehensive income		(3,397,653)	(3,397,653)
Unappropriated retained earnings		264,741,819	103,449,223
TOTAL EQUITY		**2,110,502,813**	**1,924,539,761**
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	9	260,557,668	218,266,709
Other liabilities	8	18,398,856	356,250
Total non-current liabilities		**278,956,524**	**218,622,959**
CURRENT LIABILITIES			
Loans	9	17,494,833	56,657,120
Other liabilities	8	174,103,270	149,916,999
Tax payables		454,689	1,230,560
Trade payables		16,605,070	16,673,377
Total current liabilities		**208,657,862**	**224,478,056**
Total Liabilities		**487,614,386**	**443,101,015**
Total Liabilities and Equity		**2,598,117,199**	**2,367,640,776**

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

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Albanesi S.A.

Interim Condensed Separate Statement of Comprehensive Income

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

	Notes	Ninemonth period at		Three-month period at	
		09.30.17	09.30.16	09.30.17	09.30.16
Gain on investment in subsidiaries and associates	6	231,427,624	49,050,448	126,735,020	19,771,020
Selling expenses	10	(207,837)	-	(46,648)	-
Administrative expenses	11	(1,585,829)	(814,000)	(556,618)	(255,600)
Other operating income	15	2,446,720	-	848,149	-
Operating income		**232,080,678**	**48,236,448**	**126,979,903**	**19,515,420**
Financial costs	12	(53,793,767)	(18,996,254)	(19,253,569)	(5,999,627)
Other financial results	12	446	192,542	(12,726)	3,295
Financial results, net		**(53,793,321)**	**(18,803,712)**	**(19,266,295)**	**(5,996,332)**
Income before tax		**178,287,357**	**29,432,736**	**107,713,608**	**13,519,088**
Income tax		7,675,695	(798,110)	3,309,957	(988,208)
Net income for the period		**185,963,052**	**28,634,626**	**111,023,565**	**12,530,880**
Other Comprehensive Income					
Items not reclassified into income/loss					
Other comprehensive income on investment in subsidiaries and associates		-	(46,271)	-	46,371
Other comprehensive income/(loss) for the period		**-**	**(46,271)**	**-**	**46,371**
Comprehensive income for the period		**185,963,052**	**28,588,355**	**111,023,565**	**12,577,251**
Earnings per share					
Basic and diluted earnings per share	14	**2.98**	**0.63**		

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

Albanesi S.A.

Interim Condensed Separate Statement of Changes in Equity

For the ninemonth periods ended September 30, 2017 and 2016

Stated in pesos

	Shareholders' contributions	Retained earnings						
	Share capital (Note 13)	Legal reserve	Optional reserve	Technical revaluation reserve	Translation reserve	Other comprehensive income	Unappropriated retained earnings	Total equity
Balances at December 31, 2015	**4,455,160**	**-**	**-**	**1,226,610,421**	**(2,857,973)**	**(1,594,964)**	**43,137,735**	**1,269,750,379**
Capital increase as per Minutes of Shareholders' Meeting dated March 22, 2016	58,000,000	-	-	-	-	-	-	58,000,000
As resolved by the General Ordinary Shareholders' Meeting held on April 20, 2016:								
- Legal reserve	-	1,942,908	-	-	-	-	(1,942,908)	-
Distribution of dividends	-	-	-	-	-	-	(41,194,827)	(41,194,827)
Reversal of technical revaluation reserve	-	-	-	(39,534,994)	-	-	39,534,994	-
Other comprehensive income for the period	-	-	-	-	(33,799)	(12,472)	-	(46,271)
Income for the nine-month period	-	-	-	-	-	-	28,634,626	28,634,626
Balances at September 30, 2016	**62,455,160**	**1,942,908**	**-**	**1,187,075,427**	**(2,891,772)**	**(1,607,436)**	**68,169,620**	**1,315,143,907**
Reversal of technical revaluation reserve	-	-	-	(15,143,586)	-	-	15,143,586	-
Other comprehensive income for the period	-	-	-	588,158,282	2,891,772	(1,790,217)	-	589,259,837
Income for the supplementary three-month period	-	-	-	-	-	-	20,136,017	20,136,017
Balances at December 31, 2016	**62,455,160**	**1,942,908**	**-**	**1,760,090,123**	**-**	**(3,397,653)**	**103,449,223**	**1,924,539,761**
As resolved by the General Ordinary Shareholders' Meeting held on April 18, 2017:								
- Legal reserve	-	2,438,532	-	-	-	-	(2,438,532)	-
- Optional reserve	-	-	101,010,691	-	-	-	(101,010,691)	-
Reversal of technical revaluation reserve	-	-	-	(78,778,767)	-	-	78,778,767	-
Income for the nine-month period	-	-	-	-	-	-	185,963,052	185,963,052
Balances at September 30, 2017	**62,455,160**	**4,381,440**	**101,010,691**	**1,681,311,356**	**-**	**(3,397,653)**	**264,741,819**	**2,110,502,813**

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

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

Albanesi S.A.

Interim Condensed Separate Statement of Cash Flows

For the ninemonth periods ended September 30, 2017 and 2016

Stated in pesos

	Notes	09.30.17	09.30.16
Cash flow provided by operating activities:			
Income for the period		185,963,052	28,634,626
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax		(7,675,695)	798,110
Interest, exchange differences and other financial results		53,793,321	18,808,910
Gain/Loss on investment in subsidiaries and associates	6	(231,427,624)	(49,050,448)
Changes in operating assets and liabilities:			
Decrease/ (Increase) in other receivables		1,324,931	(55,554,351)
(Decrease) in trade payables		(68,307)	(494,965)
(Decrease) in tax payables		(1,348,680)	(1,151,941)
Increase in other liabilities		21,532,928	-
Net cash flow provided by (used in) operating activities		**22,093,926**	**(58,010,059)**
Cash flow from investment activities:			
Collection of dividends		5,880,000	15,851,130
Increase net in other liabilities with subsidiaries		25,481,999	2,938,424
Contributions to subsidiaries		(118,750)	(118,750)
Net cash flow provided by investment activities		**31,243,249**	**18,670,804**
Cash flow from financing activities:			
Payment of interest	9	(47,463,644)	(17,546,934)
Payment of principal	9	(669,600)	-
(Decrease) / Increase in other liabilities with related parties		(5,142,300)	56,899,640
Net cash flow (used in) provided by financing activities		**(53,275,544)**	**39,352,706**
INCREASE IN CASH AND CASH EQUIVALENTS		**61,631**	**13,451**
Cash and cash equivalents at the beginning of year		151,644	163,233
Exchange difference of cash and cash equivalents		-	5,198
Cash and cash equivalents at the end of the period	7	213,275	171,486
		61,631	**13,451**

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

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

Albanesi S.A.

Interim Condensed Separate Statement of Cash Flows (Cont'd)
For the ninemonth periods ended September 30, 2017 and 2016
Stated in pesos

Significant transactions not representing changes in cash:	Notes	09.30.17	09.30.16
Issuance of Negotiable Obligations paid up in kind	9	255,826,342	-
Decrease in Other liabilities due to assignment of credits rights		3,547,468	-
Capital not yet paid in for investments in subsidiaries and associates		(356,250)	(475,000)
Distributed dividends offset against other receivables		-	(41,194,827)
Capitalization of other liabilities		-	(58,000,000)
Other comprehensive income on investment in subsidiaries and associates		-	(46,271)
Allocated dividends not yet collected		-	4,763,870

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

Stated in pesos

NOTE 1: GENERAL INFORMATION

The Company was established in 1994 as investment and financing company. Through its subsidiaries and related entities, ASA has invested in the energy market, in the power generation and commercialization segment.

Albanesi Group, through ASA and its related companies, AISA and AESA, is engaged in the generation and sale of electricity and has focused on the gas transportation and sale business through RGA.

In recent years, the main strategy of Albanesi Group has been focused on achieving vertical integration, drawing on its vast experience and reputation in the natural gas sale market (obtained through RGA), with the subsequent addition of the electric power generation business. This approach seeks to capitalize the value added from the purchase from large gas producers in all the basins in the country to its transformation and sale as electric power.

Below is a detail of the participation of ASA in each company.

Companies	Country of incorporation	Main business activity	% participation in decision-making	
			09.30.17	12.31.16
GMSA	Argentina	Generation of electric energy	95%	95%
GFSA (1)	Argentina	Generation of electric energy	-	95%
GROSA	Argentina	Generation of electric energy	95%	95%
Solalban Energía S.A.	Argentina	Generation of electric energy	42%	42%
GLSA	Argentina	Generation of electric energy	95%	95%
GECE (2)	Argentina	Generation of electric energy	95%	-

(1) Company merged with GMSA within the framework of the merger through absorption process as described in Note 19.2.
(2) Company created in the current year together with Armando R. Loson, Holen S.A. and Carlos A. Bauzas (Note 6).

Albanesi Group had at the date these interim condensed financial statements were signed 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.

RGA, in turn, is the leading company engaged in the sale of gas and the provision of energy supply services to industries and thermal power plants.

GMSA (merging and continuing company) has been part of a merger process with the following companies which have been absorbed: GISA, GLBSA and GRISA. The final merger agreement was signed on November 10, 2015, whereby the effective merger date was 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.

As a result of the merger, the power plants CTI, CTRi and CTLB owned by the merged companies have been transferred to GMSA (see Note 19.1).

Furthermore, in 2016 GMSA (the merging and continuing company) absorbed GFSA as part of a merger proces. The final merger agreement was signed on November 15, 2016, whereby the effective merger date was 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 19.2).

NOTE 1: GENERAL INFORMATION (Cont'd)

In 2015, ASA entered the capital markets. On November 20, 2015, it obtained authorization to enter the public offering system and create a program of Simple Negotiable Obligations (not convertible into shares) of up to USD 100,000,000 or its equivalent in other currencies, in one or more classes or series. Thus, the Company issued Class I Negotiable Obligations for $ 70 million on December 29, 2015; Class II Negotiable Obligations for $ 220 million on October 25, 2016; and Class III Negotiable Obligations for $ 256 million on June 15, 2017.

Below is a detail of the most important information for each of the thermal power plants operated by the subsidiaries of ASA:

Central Térmica Modesto Maranzana:

GMSA is the owner of the power plant Central Térmica Modesto Maranzana (CTMM), located in 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 machinery of 35 MW each, with each block comprising one Frame 5 Gas Turbine, one Generator and one 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 the expansion process, in 2010 CTMM installed a third 60 MW PWPS SwiftPac 60, FT8-3 turbine that went into commercial production in September 2010, thus reaching an installed capacity at the Power Plant of 250 MW.

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 expansion was carried out under an agreement executed under ES Resolution 220/07, and put into commercial operation in the WEM on July 6, 2017. In this manner, the installed capacity of the Power Plant increased from 250 MW to 350 MW.

Central Térmica Independencia

The power plant Central Térmica Independencia (CTI) is located in the city of San Miguel de Tucumán, Province of Tucumán. CTI was out of service, and in 2011 Albanesi Group executed all the works necessary to install 120 MW with PWPS technology, and to refurbish the existing ancillary facilities. It obtained authorization for commercial operation 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, authorization for 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.

NOTE 1: GENERAL INFORMATION (Cont'd)

In connection with the second stage, 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 price 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) 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, authorization for 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.

Central Térmica La Banda

Central Térmica La Banda (CTLB) is located in the Province of Santiago del Estero, and currently has two Turbine generator sets: one 16 MW Fiat TG21, and one 16 MW Fiat TG22.

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 million.

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.

NOTE 1: GENERAL INFORMATION (Cont'd)

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 price 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-up of commercial operations is expected for the first quarter of 2018.

Central Térmica Sorrento

Central Térmica Sorrento is a thermal power plant located in Rosario, province of Santa Fe, and delivers a capacity of 135 MW to the system. This capacity comprises an Ansaldo steam turbine capable of operating simultaneously with gas and fuel oil, and can be supplied by ship at the plant's port and docking facility.

NOTE 2: BASIS FOR PRESENTATION

These interim condensed separate financial statements were prepared in accordance with IFRS issued by the IASB.

The interim condensed separate financial statements of the Company for the nine and three-month periods ended September 30, 2017 **and 2016** were prepared in accordance with IAS 34 "Interim Financial Reporting".

This interim condensed financial information must be read jointly with the Company's 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 closing 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 separate 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 preparation of these financial statements in accordance with IFRS requires making estimates and assessments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of issue of these financial statements, as well as the income and expenses recorded in the fiscal year.

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

NOTE 2: BASIS FOR PRESENTATION (Cont'd)

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 separate financial statements for the nine and three-month periods ended September 30, 2017 and 2016 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 separate 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.

NOTE 3: 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.

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

IAS 7 "Statement of Cash flows": was amended 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. It is applicable for all annual periods commencing 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.

NOTE 3: ACCOUNTING POLICIES (Cont'd)

3.1) New accounting standards, modifications and interpretations issued by the IASB (Cont'd)

IFRS 9 "Financial instruments": amended in July 2014. The new version 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, 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 is analyzing the impact of its application.

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 4: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim condensed separate 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 separate financial statements were prepared.

In preparing these interim condensed separate financial statements, the critical judgments delivered by the 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, 2016.

NOTE 5: 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 separate financial statements do not include the information required for the annual separate financial statements regarding risk management. They must be read jointly with the financial statements for the year ended Saturday, December 31, 2016. No significant changes have been made to risk management policies since the last annual closing.

NOTE 6: INFORMATION ON SUBSIDIARIES AND ASSOCIATES

The Company carries its businesses through various subsidiaries and associates. In the current year, the Company, with Armando R. Loson, Holen S.A. and Carlos A. Bauzas, created GECE with a capital stock of $ 500,000. The new company was registered with the IGJ under number 13654, Book 85 of Companies by Shares, on July 12, 2017. Capital was fully issued in ordinary registered non-endorsable shares of $ 1 par value each, and entitled to 1 (one) vote per share. ASA holds a 95% interest in that company.

Below, the development of investments in Company subsidiaries and associates is disclosed for the ninemonth periods ended September 30, 2017 and 2016:

	09.30.17	09.30.16
At beginning of year	2,210,552,404	1,561,566,568
Capital contributions	475,000	475,000
Other comprehensive income	-	(46,271)
Dividends	(5,880,000)	(20,615,000)
Gain on investment in subsidiaries and associates	231,427,624	49,050,448
Period end	**2,436,575,028**	**1,590,430,745**

NOTE 6: INFORMATION ON SUBSIDIARIES AND ASSOCIATES (CONT'D)

Below is a detail of investments and values of interest held by the Company in subsidiaries and associates for the ninemonth period ended September 30, 2017 and for the year ended December 31, 2016, as well as participation of the Company in the results of these companies at September 30, 2017 and 2016.

Name of the entity	Registered office of the entity	Main activity	Ordinary shares, entitled to 1 vote	Value of the Group interest on net equity		Group share of profits		% share interest		Latest financial statement (1)		
				09.30.2017	12.31.2016	09.30.2017	09.30.2016	09.30.2017	12.31.2016	Share capital (par value)	Income/loss for the period	Equity
Subsidiaries												
GMSA	Argentina	Electricity	131,263,543	2,101,598,159	1,681,616,610	219,300,437	55,679,777	95%	95%	138,172,150	230,842,571	2,212,208,589
GFSA (2)	Argentina	Electricity	-	-	200,681,112	-	(31,306,391)	-	95%	-	-	-
GROSA	Argentina	Electricity	16,473,625	50,463,847	33,990,638	16,473,209	25,856,209	95%	95%	17,340,658	17,340,227	53,119,838
GLSA	Argentina	Electricity	475,000	403,936	456,475	(52,539)	(18,525)	95%	95%	500,000	(55,305)	425,195
GECE (4)	Argentina	Electricity	-	465,738	-	(9,263)	-	- 95%	-	500,000	(9,750)	490,250
AVSA (3)	Venezuela	Oil company	-	-	-	-	(126,968)	-	99.99%	-	-	-
Associates												
Solalban Energía S.A.	Argentina	Electricity	73,184,160	283,643,348	293,807,569	(4,284,220)	(1,033,654)	42%	42%	174,248,000	(10,200,527)	675,341,303
				2,436,575,028	2,210,552,404	231,427,624	49,050,448					

(1) Information of the financial statements at September 30, 2017 converted to IFRS.

(2) Companies merged with GMSA within the framework of the merger through absorption process as described in Note 19.2.

(3) Company liquidated at November 24, 2016

(4) Company created in the current year together with Armando R. Loson, Holen S.A. and Carlos A. Bauzas.

Information required by Appendix C, in compliance with Section 1, Chapter III, Title IV of the restated text of the CNV.

NOTE 7: CASH AND CASH EQUIVALENTS

	Note	09.30.17	12.31.16
Banks in local currency		90,194	128,121
Banks in foreign currency	20	123,081	23,523
Cash and cash equivalents (bank overdrafts excluded)		**213,275**	**151,644**

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

	09.30.17	09.30.16
Cash and cash equivalents	213,275	171,486
Cash and cash equivalents	**213,275**	**171,486**

NOTE 8: OTHER LIABILITIES

	Note	09.30.17	12.31.16
Non-Current			
Other income to be accrued		18,042,606	-
Related parties	15	356,250	356,250
		18,398,856	**356,250**
Current			
Other income to be accrued		3,490,322	-
Related parties	15	170,612,948	149,916,999
		174,103,270	**149,916,999**

NOTE 9: LOANS

	09.30.17	12.31.16
Non-current		
Negotiable obligations	260,557,668	218,266,709
	260,557,668	**218,266,709**
Current		
Negotiable obligations	17,494,833	56,657,120
	17,494,833	**56,657,120**

NOTE 9: LOANS (Cont'd)

At September 30, 2017, total financial debt amounts to $ 278 million. The following table shows the total debt at that date.

	Principal	09.30.2017	Interest rate	Currency	Date of issuance	Maturity date
		(Pesos)	(%)			
Debt securities						
Class I NO	$ 446,400	440,009	BADLAR + 5.5%	ARS	December 29, 2015	December 29, 2017
Class II NO	$ 25,820,000	26,695,032	BADLAR + 4%	ARS	October 25, 2016	October 25, 2018
Class III NO	$ 255,826,342	250,917,460	BADLAR + 4.25%	ARS	June 15, 2017	June 15, 2021
Total financial debt		**278,052,501**				

With the purpose of improving the financial profile of the company, on November 20, 2015 ASA obtained, under Resolution 17887 of the CNV, authorization for: (i) incorporation of ASA 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.

Class I Negotiable Obligations

On December 29, 2015 the Company issued Class I Negotiable Obligations under the conditions described below:

Principal: Nominal value: $ 70,000,000

Interest: Private Banks BADLAR rate plus a 5.5% margin.

Term and payment: interest on Class I Negotiable Obligations will be paid on a quarterly basis, past due, in the following dates: March 29, 2016; June 29, 2016; September 29, 2016; December 29, 2016; March 29, 2017; June 29, 2017; September 29, 2017; and December 29, 2017.

The principal on Class I Negotiable Obligations will be amortized in three (3) consecutive installments, payable on a quarterly basis, with the first two equivalent to 30% and the third one equivalent to 40% of the nominal value of Negotiable Obligations at the dates in which 18, 21 and 24 months respectively have elapsed, counted as from the date of issue, that is June 29, 2017; September 29, 2017 and December 29, 2017.

The proceeds from the issuance of Class I Negotiable Obligations were fully applied to the partial repayment of current liabilities that ASA holds with the related company RGA.

On October 25, 2016, Class II Negotiable Obligations were issued, subscribed partly in cash and the remainder through a swap for 28% of the Class I Negotiable Obligations. The amount paid was $ 19,500,000.

Subsequently, on June 15, 2017, Class III Negotiable Obligations were issued, with $ 49,384,000 having been subscribed through a swap for Class I Negotiable Obligations, and the remainder through a swap for Class II Negotiable Obligations.

With these two issuances, ASA's indebtedness profile (term and rate) and working capital improved.

Principal balance on that Negotiable Obligation amounts to $ 446,400 at September 30, 2017.

NOTE 9: LOANS (Cont'd)

Class II Negotiable Obligations

On October 25, 2016 the Company issued Class II Negotiable Obligations under the conditions described below:

Principal: Nominal value: $ 220,000,000

Interest: Private Banks BADLAR rate plus a 4% margin.

Term and payment: interest on Class II Negotiable Obligations will be paid on a quarterly basis, in arrears, on the following dates: January 25, 2017, April 25, 2017, July 25, 2017, October 25, 2017, January 25, 2018, April 25, 2018, July 25, 2018 and October 25, 2018.

Principal on Class II Negotiable Obligations will be paid in three (3) consecutive installments, on a quarterly basis, the first two equivalent to 30% of the nominal value of the Negotiable Obligations and the last one to 40%, on the dates on which 18, 21 and 24 months are completed, counted as from the date of issuance; i.e., on April 25, 2018, July 25, 2018 and October 25, 2018.

The proceeds from the issuance of Class II Negotiable Obligations were fully applied to the partial repayment of current liabilities that ASA holds with the related company RGA.

On June 15, 2017, Class III Negotiable Obligations were issued, and subscribed by paying up Class I and Class II Negotiable Obligations, improving the Company's working capital and indebtedness profile (term and rate). The amount paid was $ 194,180,000.

Principal balance on that Negotiable Obligation amounts to $ 25,820,000 at September 30, 2017.

Class III Negotiable Obligations

On June 15, 2017 the Company issued Class III Negotiable Obligations under the conditions described below:

Principal: Nominal value: $ 255,826,342

Interest: Private Banks BADLAR rate plus a 4.25% margin.

Term and payment: interest on Class III Negotiable Obligations will be paid on a quarterly basis, in arrears, on the following dates: September 15, 2017, December 15, 2017, March 15, 2018, June 15, 2018, September 15, 2018, December 15, 2018, March 15, 2019, June 15, 2019, September 15, 2019, December 15, 2019, March 15, 2020, June 15, 2020, September 15, 2020, December 15, 2020, March 15, 2021, and June 15, 2021; if other than a business day, or if such day does not exist, the interest payment date will be the immediately following business day.

Principal on Class III Negotiable Obligations will be paid in three (3) consecutive installments, on a quarterly basis, the first two equivalent to 30% of the nominal value of the Negotiable Obligations and the last one to 40%, on the dates on which 42, 45 and 48 months are completed, counted as from the date of issuance; i.e., on December 7, 2020, March 15, 2021 and June 15, 2021; if other than a business day, or if such day does not exist, the interest payment date will be the immediately following business day.

The issuance of Class III Negotiable Obligations was fully paid up with in-kind contributions as follows: a partial payment of Class I Negotiable Obligations for $ 52,519,884 and of Class II Negotiable Obligations for $ 203,306,458.

Principal balance on that Negotiable Obligation amounts to $ 255,826,342 at September 30, 2017.

NOTE 9: LOANS (Cont'd)

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

	09.30.17	12.31.16
Floating rate	17,494,833	56,657,120
Less than 1 year	10,328,000	218,266,709
Between 1 and 2 years	-	-
Between 2 and 3 years	250,229,668	-
More than 3 years	**278,052,501**	**274,923,829**

Company loans are denominated in the following currencies:

	09.30.17	12.31.16
Argentine pesos	278,052,501	274,923,829
	278,052,501	**274,923,829**

Changes in Company loans were as follows:

	09.30.17	09.30.16
Loans at beginning of year	274,923,829	67,578,627
Loans received	255,826,342	-
Loans paid	(256,495,942)	-
Accrued interest	53,220,513	18,442,750
Interest paid	(47,463,644)	(17,546,934)
Capitalized expenses/present values	(1,958,597)	-
Loans at year end	**278,052,501**	**68,474,443**

NOTE 10: SELLING EXPENSES

	09.30.17	09.30.16
Duties and taxes	(207,837)	-
	(207,837)	**-**

NOTE 11: ADMINISTRATIVE EXPENSES

	09.30.17	09.30.16
Fees	(1,473,259)	(736,242)
Sundry	(112,570)	(77,758)
	(1,585,829)	**(814,000)**

NOTE 12: FINANCIAL RESULTS

	09.30.17	09.30.16
Financial expenses		
Loan interest	(53,220,513)	(18,442,750)
Tax interest and others	-	(249,533)
Bank expenses and taxes	(573,254)	(303,971)
Total financial expenses	**(53,793,767)**	**(18,996,254)**
Other financial results		
Exchange difference	446	192,542
Total other financial results	**446**	**192,542**
Total financial results, net	**(53,793,321)**	**(18,803,712)**

NOTE 13: CAPITAL STATUS

Share capital at September 30, 2017 is comprised of:

Capital	Amount $	Approved by: Date	Approved by: Body	Date of registration with the Public Registry of Commerce
Total at 12/31/2011	**30,100,000**			
Capitalization of debt	10,000,000	12/31/2012	Extraordinary Shareholders' Meeting	09/16/2013
Capitalization of debt	20,000,000	12/30/2013	Extraordinary Shareholders' Meeting	09/25/2014
Capital reduction	(55,644,840)	07/16/2014	Ordinary Shareholders' Meeting	09/25/2014
Capitalization of debt	58,000,000	03/22/2016	Extraordinary Shareholders' Meeting	11/08/2016
Total at 09/30/2017	**62,455,160**			

On July 16, 2014, the Ordinary Meeting of Shareholders resolved to reduce capital in the amount of $ 55,644,840, with the share capital amounting to $ 4,445,160. On March 22, 2016, the Extraordinary Shareholders' Meeting decided to increase the capital in the amount of $ 58,000,000; therefore, the share capital amounts to $ 62,455,160.

Dividends

In accordance with Law No. 25063, passed in December 1998, the dividends that are distributed or that the Company receives from its subsidiaries, in cash or in kind, in excess of the taxable profits accumulated at the end of the year immediately prior to the date of payment or distribution will be subject to 35% withholding for income tax, as single and final payment. For the purposes of this tax, accumulated taxable profits are the balances of taxable profits accumulated at December 31, 1997, less the dividends paid plus the taxable profits determined as from January 1, 1998.

Pursuant to General Companies Law No. 19550, 5% of the profit reported in the Statement of Comprehensive Income for the year, net of prior year adjustments, transfers of other comprehensive income to unappropriated retained earnings and prior year accumulated losses, is to be allocated to the legal reserve, until it reaches 20% of the capital stock.

Due to the issue of the International Negotiable Obligation, ASA must comply with ratios on the combined Financial Statements in order to distribute dividends.

NOTE 14: 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.

	09.30.17	09.30.16
Income for the period attributable to the owners	185,963,052	28,634,626
Weighted average of outstanding ordinary shares	62,455,160	45,097,496
Basic and diluted earnings per share	**2.98**	**0.63**

There are no differences between the calculation of the basic earnings per share and the diluted earnings per share.

NOTE 15: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) *Operations for the period*

	Relationship nature	09.30.17	09.30.16
		Profit / (Loss)	
Dividends earned			
GMSA	Subsidiary	-	9,215,000
Solalban Energía S.A.	Related company	5,880,000	-
GROSA	Subsidiary	-	11,400,000
		5,880,000	20,615,000
Income from guarantees granted			
CTR	Related parties	671,400	-
AJSA	Subsidiary	48,863	-
GMSA	Subsidiary	1,726,457	-
		2,446,720	-

NOTE 15: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	Relationship nature	09.30.17	12.31.16
		Profit / (Loss)	
Other receivables			
Current			
Shareholders' accounts	Related parties	147,697,408	147,691,158
CTR	Related parties	-	373,000
GFSA (1)	Subsidiary	-	37,300
Other related parties:	Related parties	170,200	170,200
		147,867,608	**148,271,658**
Trade payables			
Current			
RGA	Related parties	16,245,830	16,245,830
		16,245,830	**16,245,830**
Other liabilities			
Non-Current			
GECE - Capital to be paid-in(2)	Subsidiary	356,250	-
GLSA - Capital to be paid-in	Subsidiary	-	356,250
		356,250	**356,250**
Current			
GMSA(3)	Subsidiary	85,644,258	60,162,259
GLSA - Capital to be paid-in	Subsidiary	356,250	-
RGA	Related parties	84,487,440	89,629,740
GLSA	Subsidiary	125,000	125,000
		170,612,948	**149,916,999**

(1) Company absorbed by GMSA as from January 1, 2017.
(2) Company created in the current year. See Note 6.
(3) Net of the 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 16: GUARANTEES GRANTED FOR FINANCIAL OPERATIONS WITH SUBSIDIARIES AND RELATED PARTIES

Below is a detail of guarantees granted by ASA for financial transactions of subsidiaries and related parties:

In favor of	Type of guarantee	Entity	Asset/destination	From	Until	Amount secured	Balances at 9/30/2017
GFSA[3]	Personal Guarantee	Negotiable obligations	Class II	03/08/2016	03/08/2018	$ 130,000,000	$ 78,745,284
AJSA	Surety bond	SFG Equipment Leasing Corporation	Leasing aircraft Jet Lear 45XR	11/14/2008	01/21/2019	USD 7,330,000	USD 1,868,665
GMSA[2]	Surety bond	BAF	Project financing	02/11/2016	02/15/2019[2]	USD 40,000,000	USD 40,000,000
GMSA	Surety bond	CAMMESA	Repair of machinery	12/31/2012	05/30/2019	$ 26,997,275	$ 14,061,081
GMSA	Guarantor	Siemens Industrial Turbomachinery AB	Acquisition of two Siemens SGT 800 turbines for CTMM	06/14/2016	07/14/2019	SEK 177,000,000	SEK 177,000,000
GMSA	Guarantor	Siemens Industrial Turbomachinery AB	Acquisition of two Siemens SGT 800 turbines for CTI	09/13/2016	03/13/2020	SEK 175,230,000	SEK 175,230,000
GMSA	Guarantor	Siemens Industrial Turbomachinery AB	Acquisition of three Siemens SGT 800 turbines for CTE	09/13/2016	03/13/2020	SEK 263,730,000	SEK 263,730,000
GMSA-GFSA[3]-CTR	Guarantor [1]	International bond	Project financing	07/27/2016	07/27/2023	USD 250,000,000	USD 250,000,000
GFSA[3]-	Guarantor	PW Power Systems, Inc.	Turbine financing	03/30/2016	12/2023	USD 12,000,000	USD 12,000,000
AJSA[4]-	Guarantor	Export Development Canadá	Leasing aircraft Bombardier Inc. Model BD-100-1A10 (Challenger 350 Variant)	07/19/2017	07/19/2027	USD 16,480,000	USD 16,480,000

(1) The Guarantee granted by ASA to the Co-Issuers of the International Bond GMSA, GFSA (absorbed by GMSA) and CTR was approved by the Board of Directors on June 6, 2016 and the fees agreed upon as consideration for the services and responsibilities assumed are $ 22,380,000. These are allocated proportionally at the time of each disbursement of the International Bond.

(2) At the date of issue of these interim condensed separate 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.

(3) Company absorbed by GMSA as from January 1, 2017 (See Note 19.2).

(4) The Guarantee provided to AJSA by ASA on July 13, 2017 and the fees agreed upon as consideration for the services and responsibilities assumed are $ 2,931,792.

NOTE 17: WORKING CAPITAL

At September 30, 2017 ASA recorded a negative working capital (calculated as current assets less current liabilities) of $ 59,465,067.

With the aim of reducing the current shortfall of working capital, ASA and its shareholders expect to execute the following action plan to pay the debt held by the Company with RGA, according to the following detail:

i) $ 79 million approximately corresponding to dividends expected to be received from subsidiaries and associates for the year 2017.

NOTE 18: BALANCE OF DEBT WITH RAFAEL G. ALBANESI S.A.

At September 30, 2017 the balance of trade payables and other debt with RGA amounted to $ 100,733,270.

To continue reducing the debt with the related party RGA, the Board of Directors and shareholders expect to execute the action plan detailed in Note 17 with the aim of partially settling it.

NOTE 19: MERGER

1) 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 started the merger through absorption process of GMSA with the companies GISA, GLBSA 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 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.

NOTE 19: MERGER (Cont'd)

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

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 by-laws of the continuing company.

On March 22, 2016, the CNV through Resolution No. 18003 approved the described merger through absorption within the terms of Section 82 of the General Companies Law No. 19550, which was submitted to the IGJ for its registration on May 18, 2016. Furthermore, on March 22, 2016, the CNV through Resolutions No. 18004 and 18006 approved the early dissolution of GISA and the transfer of the negotiable obligations for public offering from GISA to GMSA. The dissolutions without liquidation of GISA, GRISA and GLBSA were registered with the IGJ on May 18, 2016

2) 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.

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

In particular, at GFSA Shareholders' Meeting 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, it was resolved to approve the amendment to section 5 of the corporate bylaws.

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, subject to the registration of the final merger agreement with the Public Registry under the Superintendency of Commercial Companies (IGJ); (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 by-laws of the merging company.

NOTE 19: MERGER (Cont'd)

2) GMSA – GFSA MERGER THROUGH ABSORPTION (CONT'D)

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 into 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 into shares for a nominal value of up to USD 250,000,000.

3) ASA-AISA MERGER THROUGH ABSORPTION

On August 31, 2017 ASA (merging company) and AISA (merged company) entered into a Preliminary Merger Agreement, which was approved by the Boards of Directors of both companies on the same date. Once authorization for the Merger Prospectus was obtained from the CNV, on October 18, 2017 both companies held their pertinent Extraordinary Shareholders' Meetings, in which the Preliminary Merger Agreement and related documentation were approved. Further, the Extraordinary Shareholders' Meeting of Albanesi S.A. approved a capital increase as a result of the process, to $ 64,451,745, and the corresponding amendment to Section Four of the By-Laws.

The ASA-AISA Corporate Reorganization comprises the same objectives and benefits as those already mentioned for the merger described above, considering that both are the parents of companies with mostly the same main business activity, i.e. the generation and sale of electricity; as was explained for those cases, the 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.

At the date of issue of these condensed interim financial statements, all publications required by Section 83, sub-sect. 3, of the General Companies Law have been complied with, and the Final Merger Agreement is expected to be signed soon.

NOTE 20: FOREIGN CURRENCY ASSETS AND LIABILITIES

Breakdown of balances in foreign currency of monetary assets and liabilities is as follows:

	09.30.2017			12.31.2016
	Type and amount of foreign currency	Exchange rate (1)	Amount recorded in pesos	Amount recorded in pesos
		$		
ASSETS				
CURRENT ASSETS				
Banks	USD 7,152	17.21	123,081	23,523
Total current assets			123,081	23,523
Total Assets			**123,081**	**23,523**

(1) Prevailing exchange rate at closing
Information required by Exhibit G, in compliance with Section 1, Chapter III, Title IV of the restated text by the CNV.

NOTE 21: CLASSIFICATION OF RECEIVABLES AND DEBTS BY DUE DATES AND INTEREST ACCRUAL

The breakdown of the receivables and debts at September 30, 2017, according to collection or payment term and restatement clauses is detailed in the table below:

	Other receivables	Deferred tax assets	Trade payables	Tax payables	Other liabilities	Loans
				$		
To be due						
First quarter	367,655	-	359,240	-	872,581	3,754,536
Second quarter	248,086	-	-	-	872,581	9,909
Third quarter	248,086	-	-	454,689	872,581	7,162,099
Fourth quarter	148,115,693	-	-	-	872,579	6,568,289
More than one year	3,186,628	9,162,748	-	-	18,398,856	260,557,668
Sub-total	152,166,148	9,162,748	359,240	454,689	21,889,178	278,052,501
Without stated term	-	-	16,245,830	-	170,612,948	-
Total	**152,166,148**	**9,162,748**	**16,605,070**	**454,689**	**192,502,126**	**278,052,501**
Non-interest bearing	152,166,148	9,162,748	16,605,070	454,689	192,502,126	-
At floating rate	-	-	-	-	-	278,052,501
Total at 09.30.2017	**152,166,148**	**9,162,748**	**16,605,070**	**454,689**	**192,502,126**	**278,052,501**

NOTE 22: 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

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 Albanesi S.A. (the Company)

1. Significant specific legal systems entailing the lapsing or rebirth of contingent benefits set forth by those regulations.

   None.

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

   None.

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

   See Note 21 to the interim condensed separate financial statements at September 30, 2017.

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

   See Note 21 to the interim condensed separate financial statements at September 30, 2017.

5. Intercompany:

   Participation percentage in companies Sect. 33, Law No. 19550:

   See Note 6 to the interim condensed separate financial statements at September 30.

   Intercompany accounts payable and receivable:

   See Note 15 to the interim condensed separate financial statements at September 30.

6. Trade receivables or loans to directors, syndics, members of the surveillance committee or their relatives up to and including the second degree.

   See Note 15 to the interim condensed separate financial statements at September 30.

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

   The Company has no physical inventory of materials and spare parts.

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.

   Not applicable.

Property, plant and equipment

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

   None.

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

    None.

Equity interest in other companies

11. Interests in other companies in excess of what is authorized by Sect. 31 of Law No. 19550.

    See Note 6 to the interim condensed separate financial statements at September 30.

Recoverable values

12. Criteria followed to determine significant recoverable values of property, plant and equipment, materials and spare parts, as a limit to their accounting valuation.

    There are none.

Insurance

13. Insured items:

    Below is a detail of insured amounts by Albanesi S.A. and its subsidiaries

Kind of risk	Insured amount 09-2017	Insured amount 12-2016
Operational all risks - Material damage	USD 413,200,000	USD 383,200,000
Operational all risks - Loss of profit	USD 87,573,928	USD 68,073,928
Contractors' all-risk - enlargement of power plants - material damages	USD 248,437,714	USD 285,706,443
Contractors' all-risk - Enlargement of power plant - ALOP	USD 89,400,838	USD 99,746,356
Civil Liability (primary)	USD 6,000,000	USD 6,000,000
Civil Liability (excess coverage)	USD 9,000,000	USD 9,000,000
Directors and Officers (D&O) liability insurance	USD 15,000,000	USD 15,000,000
Turbine project transport insurance	USD 146,113,119	USD 103,890,000
Automobile	$ 1,830,000	$ 1,849,000
Personal accidents	$ 750,000	$ 750,000
Personal accidents	USD 500,000	USD 500,000
Transport insurance, Argentine and international market	USD 10,000,000	USD 10,000,000
Directors' bond	$ 2,050,000	$ 1,850,000
Customs bond	$ 1,489,076,513	$ 1,009,906,781
Authorization for project commercial operation bond	$ 506,362,500	$ 499,810,500
Bond to secure offer maintenance	$ 13,021,315	$ 14,017,389
Environmental insurance	$ 5,237,473	$ 5,237,473
Technical equipment insurance	USD 256,683	USD 129,280
Life insurance - mandatory life insurance	$ 41,480	$ 33,330
Life - Mandatory group life insurance	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:

All-risk insurance covers 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 for loss of profit, 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.

Construction all-risk and ALOP:

Contractors' all-risk insurance covers all accidental or unforeseeable damages occurred during the execution of a civil work, including damages caused by acts of God, provided they are not expressly excluded in the policy.

As for the coverage for the delay in the start-up (Alop) the expected margin of the business for the sale of energy an power is insured, discounting variable costs during the period of repair or replacement of the event occurred.

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:

Individual policies were taken out for each of Albanesi Group companies, with a maximum compensation of USD 1,000,000 per event and per plant and two reinstatement clauses over the life 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.

Directors and Officers (D&O) liability insurance

This policy covers all actions or decision-making of directors and/or executives as such, outside the professional service or company where they work; for example, dismissal of employees, hirings, financial, advertising and marketing decisions, mergers or acquisitions, shareholders' statements, accounting records, which may be performed with negligence or fault, error or imprudence and cause an economic damage to an employee, shareholder or third party. It does not cover malicious intent.

It covers the company in case of stock-exchange claims or from holders of bonds or securities.

It covers the personal equity of present, past or future directors and/or executives, and the company's exposure to capital market issues.

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:

Mandatory life insurance is a coverage that the employer is obliged to take out on behalf of its employees. This insurance 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 Argentina. The insured amount is $33,330, as established by the National Insurance Superintendency.

Life insurance (LCT, employment contract Law):

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

Group Life insurance:

The Company has taken out a group life insurance policy, on behalf of all Albanesi 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 the employee's 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 bond protects the Company against 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 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.

    There have not been changes in the issues previously reported.

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

    None.

Irrevocable advances on account of future subscriptions

16. Status of the capitalization procedure.

    None.

17. Unpaid cumulative dividends on preferred shares.

    None.

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

    See Note 11 to the interim condensed separate financial statements at September 30, 2017.

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

REVIEW REPORT ON THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Albanesi S.A.
Legal address: Av. L.N. Alem 855, 14th Floor
Autonomous City of Buenos Aires
Tax Code No. 30-68250412-5

Introduction

We have reviewed the accompanying interim condensed separate financial statements of Albanesi S.A. which comprise the separate statement of financial position at September 30, 2017, the separate statement of comprehensive income for the nine and three-month period ended September 30, 2017, the separate 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 separate 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 separate 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

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aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the separate financial position, the separate comprehensive income and the separate cash flows of the Company.

Conclusion

On the basis of our review, nothing has come to our attention that causes us to believe that the interim condensed separate 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 separate 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 separate financial statements of the Company stem from accounting records kept in all formal respects in conformity with legal regulations;

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

d) as of September 30, 2017, there is no debt accrued in favor of the Argentine Integrated Social Security System;

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
Albanesi 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 separate financial statements of Albanesi 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 separated 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 separate 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 2, the interim condensed separate 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 separate 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