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FOR IMMEDIATE RELEASE

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METROGAS ANNOUNCES CHAPTER 11 PROTECTION FILING

Buenos Aires, Argentina, June 17, 2010 -- MetroGAS (NYSE: MGS) today announced that for eleven years now, the Company has operated with frozen distribution tariffs despite it has subscribed, within the License Renegotiation Agreement framework established by the Public Emergency Law N° 25.561, an Interim Agreement as of October 1st, 2008 with UNIREN (Public Contract Analysis and Renegotiation Unity), which was ratified by the executive power through Decree N° 234/09 and published at the Federal Register on April 14, 2009.

The tariff chart resulting from such a decree has not been applied by "ENARGAS" (National Regulatory Gas Entity) as it continues to be under review after ten months by the Federal Planning, Public Investment and Services Ministry (the "Planning Ministry"). As a result of the urgent need of the Company to receive the increase of tariffs, it has implemented and abided with all of the necessary requests to set a trust with Nación Fideicomisos S.A. as it is stipulated in the Interim Agreement, where the tariffs increase will be deposited once approved; said funds will be allocated for 2008/2009 public works projects already carried out by the Company together with 2010 projects, which have already been submitted to ENARGAS.

In addition, neither the Planning Ministry nor ENARGAS have granted MetroGAS the right to apply the new municipal tariff rates, contributions and other expenses that have increasingly and consistently affected in a disproportionate way the generation of cash flow. Since 2001, the Company's operating expenses have increased in average over 210%.

During the past eleven years, since the distribution tariffs have been frozen, and despite that no changes have been made, MetroGAS was able to successfully restructure its foreign currency financial debt as a result of the voluntary tender offer in 2006, which the Company has been promptly following.

Furthermore, the Company has continued and will continue to offer gas distribution services in a safe, efficient and reliable manner.

All of the increases granted for all types of clients that the Company has invoiced to its clients have had no effect on its income as it has acted as a collections agent, and the resources have been used to expand the main gas pipeline capacity, compensate for the natural gas prices increases from producers and to pay for the natural gas imports to cope with the internal demand.

Moreover, for the past eleven years that the Company has operated with frozen tariffs it has not received any subsidies from the Government.

In addition, and despite that the Company has hired a financial advisor to find alternatives that would allow the Company to renegotiate its financial debt, the suggested actions have not been successful as the proposals do not fit the current situation of the Company.

As a result, the Company has not been able to generate enough free cash flow to meet its financial debt payments nor the funds to pay its commercial and fiscal obligations.

It is worth noting that MetroGAS is fully operational and maintains the quality of its services.

Therefore, after a careful analysis of all the options, and given the current scenario, the Board of Directors at MetroGAS has decided to file for reorganization proceedings under Argentine Law (similar to US Chapter 11).

MetroGAS, which listed its ADS's on the New York Stock Exchange and Buenos Aires Stock Exchange in November 1994, is the largest of the eight gas distribution companies that began operations in December 1992 upon the privatization of Gas del Estado, Argentina's state-owned gas transportation and distribution company. MetroGAS currently accounts for approximately 22,4% of the gas delivered by the distribution companies and has over 2.0 million customers in its service area, which encompasses Federal Capital and southern and eastern greater metropolitan Buenos Aires, a densely populated area with major dual-fuel electric power plants and industrial and commercial users of natural gas. MetroGAS has an exclusive 35-year license to distribute gas in this service area. BG International Ltd. is the technical operator of MetroGAS.

This press release may contain forward-looking statements within the meaning of Section 27A of the US Securities Act of 1933. All statements other than statements of historical fact including, without limitation, the future financial position, business strategy, investment plans and objectives of management are forward-looking statements. Although the Company believes its expectations are based upon reasonable assumptions, no assurance can be given that actual results will not differ from those in the forward-looking statements. Such statements are subject to a number of risks and uncertainties and in the future could differ materially from those set out in the forward-looking statements as a result of, among other factors, (i) changes in economic and market conditions, (ii) weather factors, (iii) the presence and impact of competing projects, (iv) business risk management, (v) and other risks that may be beyond the Company's control. Investors should refer to the Company's filings with the U.S. Securities and Exchange Commission for a description of important factors that may affect actual results.