

METROGAS S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS AS OF MARCH 31, 2015 AND COMPARATIVES

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METROGAS S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2015 AND COMPARATIVES

LEGAL INFORMATION

Legal Address: Gregorio Aráoz de Lamadrid 1360, Ciudad Autónoma de Buenos Aires, Argentina.

Fiscal Year: No. 24 (initiated on January 1, 2015).

Condensed Interim Consolidated Financial Statements as of March 31, 2015 and comparatives.

Company's Principal Business: provision of natural gas distribution services

Registration with the Public Registry of Commerce: December 1, 1992

Expiry Date of the Articles of Incorporation: December 1, 2091

Last Amendment of the By-Laws: April 30, 2013

Parent Company: YPF S.A.

Legal Address of the controlling company: Macacha Güemes 515, Ciudad Autónoma de Buenos Aires, Argentina.

Principal Business of the controlling company: study, exploration and exploitation of liquid and/or gaseous hydrocarbons and other minerals, as well as the industrialization, transportation and marketing of these products and their byproducts, also including petrochemical products, and non-fossil fuels and chemicals, biofuels and their components, electric power generation based on hydrocarbons, telecommunication services, as well as production and industrialization, processing, marketing, conditioning services, grain transportation and storage and their byproducts.

Percentage of votes held by parent company: 70%

Composition in Common Stock as of 03.31.15:

Classes of Shares	Subscribed, Registered and Paid-in <i>(thousands of Ps.)</i>
Outstanding	
Common Certified Shares of Ps. 1 Par Value and 1 Vote each:	
Class "A"	290,277
Class "B"	221,977
Class "C"	56,917
Issued Capital as of 03.31.15	569,171

English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission ("CNV").
In case of discrepancy, the financial statements filed with the CNV prevail over this translation.

METROGAS S.A.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF MARCH 31, 2015 AND DECEMBER 31, 2014 (stated in thousands of pesos)

	Notes	03.31.15	12.31.14
Assets			
Non current Assets			
Properties, plant and equipment	10	1,991,152	1,950,718
Deferred tax assets	27	6,555	4,620
Other investment		-	1,066
Investment properties	11	2,440	2,455
Other receivables	13	8,356	9,821
Total Non current assets		<u>2,008,503</u>	<u>1,968,680</u>
Current assets			
Trade receivables	12	637,034	658,855
Other receivables	13	119,210	80,046
Cash and cash equivalents	14	122,235	97,586
Total Current assets		<u>878,479</u>	<u>836,487</u>
Total assets		<u>2,886,982</u>	<u>2,805,167</u>
Shareholders' Equity			
Issued capital	15	569,171	569,171
Accumulated results (losses)		(899,993)	(779,357)
Equity attributable to the owners		<u>(330,822)</u>	<u>(210,186)</u>
Non-controlling interest		4,296	3,124
Total Shareholders' Equity	15	<u>(326,526)</u>	<u>(207,062)</u>
Liabilities			
Non current Liabilities			
Financial debt	17	1,450,743	1,336,709
Deferred tax liabilities	27	211,598	219,917
Reorganization liabilities	18	16,313	16,313
Other taxes payable	16	6,430	6,732
Provisions	19	72,074	69,518
Total Non current Liabilities		<u>1,757,158</u>	<u>1,649,189</u>
Current Liabilities			
Trade payable	20	1,148,428	1,014,456
Salaries and social security	21	70,591	100,581
Income tax and minimum presumed income tax ("MPIT") liability		11,863	7,196
Other taxes payable	16	103,663	102,838
Financial debt	17	96,922	109,067
Other accounts payable	22	24,883	28,902
Total Current Liabilities		<u>1,456,350</u>	<u>1,363,040</u>
Total Liabilities		<u>3,213,508</u>	<u>3,012,229</u>
Total Liabilities and Shareholders' Equity		<u>2,886,982</u>	<u>2,805,167</u>

The accompanying notes 1 to 29 are an integral part of and should be read together with these statements.

David Tezanos Gonzalez
Chairperson

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METROGAS S.A.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2015 AND 2014

(stated in thousands of pesos)

	Notes	For the three months period ended	
		03.31.15	03.31.14
Revenues	23	774,442	454,337
Operating costs	24	(595,610)	(391,364)
Gross profit		178,832	62,973
Administration expenses	24	(102,120)	(65,485)
Selling expenses	24	(90,703)	(58,386)
Other income and expenses	25	813	(7,870)
Operating loss		(13,178)	(68,768)
Finance income	26	5,083	5,322
Finance cost	26	(107,067)	(266,552)
Net financial results		(101,984)	(261,230)
Result before income tax		(115,162)	(329,998)
Income tax and MPIT	27	(4,302)	(13,026)
Net result for the period		(119,464)	(343,024)
Other comprehensive result		-	-
Net and comprehensive result for the period		(119,464)	(343,024)
Net and comprehensive result for the period attributable to controlling interest		(120,636)	(340,783)
Net and comprehensive result for the period attributable to non-controlling interest		1,172	(2,241)
Net and comprehensive result for the period		(119,464)	(343,024)
Net result per share			
Basic and diluted	28	(0.21)	(0.60)

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METROGAS S.A.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2015 AND 2014 *(stated in thousands of pesos)*

	Issued capital	Adjustment to issued capital	Legal reserve	Accumulated results	Attributable to the owners of the parent	Attributable to Non-controlling interest	Total Shareholders' Equity
Balance as of December 31, 2013	569,171	684,769	45,376	(878,082)	421,234	2,883	424,117
Net and comprehensive result for the three months period ended March 31, 2014	-	-	-	(340,783)	(340,783)	(2,241)	(343,024)
Balance as of March 31, 2014	569,171	684,769	45,376	(1,218,865)	80,451	642	81,093
Mandatory capital stock reduction, as decided by the General Shareholders' Meeting of April 28, 2014	-	(684,769)	(45,376)	730,145	-	-	-
Net and comprehensive result for the nine months period ended December 31, 2014	-	-	-	(290,637)	(290,637)	2,482	(288,155)
Balance as of December 31, 2014	569,171	-	-	(779,357)	(210,186)	3,124	(207,062)
Net and comprehensive result for the three months period ended March 31, 2015	-	-	-	(120,636)	(120,636)	1,172	(119,464)
Balance as of March 31, 2015	569,171	-	-	(899,993)	(330,822)	4,296	(326,526)

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METROGAS S.A.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2015 AND 2014 (stated in thousands of pesos)

	03.31.15	03.31.14
	<u> </u>	<u> </u>
Cash Flows generated by (used in) operating activities		
Net result for the period	(119,464)	(343,024)
Adjustments to reconcile net results to cash flows provided by operating activities		
Income tax and MPIT	4,302	13,026
Depreciation of properties, plant and equipment and investment properties	22,792	21,038
Net book value of disposals of properties, plant and equipment and investment properties	1,553	2,424
Charge on provisions	7,958	14,955
Net financial results	101,967	261,381
Changes in assets and liabilities		
Trade receivables	17,017	(22,827)
Other receivables	(37,699)	(8,698)
Other non current investments	1,066	(76)
Trade payable	133,972	47,349
Salaries and social security	(29,990)	(5,789)
Income tax and MPIT liability	(6,845)	(10,276)
Other taxes payable	523	(17,172)
Provisions	(146)	-
Other accounts payable	(3,864)	18,902
Income tax and minimum presumed income tax paid in the period	(3,044)	(1,170)
Net cash flows generated by (used in) operating activities	<u>90,098</u>	<u>(29,957)</u>
Cash flows used in investing activities		
Increase in properties, plant and equipment	(65,371)	(31,312)
Net cash flows used in investing activities	<u>(65,371)</u>	<u>(31,312)</u>
Cash flows (used in) generated by financing activities		
Proceeds from loans	-	45,000
Payments of interests	(333)	(118)
Net cash flows (used in) generated by financing activities	<u>(333)</u>	<u>44,882</u>
Net increase (decrease) in cash and cash equivalents	<u>24,394</u>	<u>(16,387)</u>
Cash and cash equivalents at the beginning of year	97,586	116,592
Exchange differences on cash and cash equivalents	255	1,129
Cash and cash equivalents at the end of the period (1)	<u>122,235</u>	<u>101,334</u>
Net increase (decrease) in cash and cash equivalents	<u>24,394</u>	<u>(16,387)</u>

(1) As of March 31, 2015 and 2014, funds collected and pending to be deposited for Trust Funds, Resolution I-2621/2013 and Trust Fund Decree No. 2407 amount to Ps. 138,783 thousand and Ps. 99,774 thousand, respectively.

The main transactions that do not generate cash movements are described in Note 17.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED AS OF MARCH 31, 2015 AND COMPARATIVE INFORMATION

(amounts in thousands of pesos, except where expressly stated otherwise)

1. GENERAL INFORMATION

MetroGAS S.A. ("MetroGAS" or the "Company") is a *sociedad anónima* organized under the laws of the Republic of Argentina. The registered office and principal place of business is located at Gregorio Aráoz de Lamadrid 1360 – Ciudad Autónoma de Buenos Aires.

The Company was formed in 1992 and on December 1, 1992 it was registered as a corporation pursuant the laws of the Republic of Argentina under number 11,670, Book 112, Volume A of *Sociedades Anónimas*. The term of duration of the Company expires on December 1, 2091 and its principal business is the provision of natural gas distribution services.

On November 2, 1994, the Argentine Securities Commission ("CNV"), pursuant to Resolution No. 10,706, authorized to public offering all the Company's outstanding shares that at such date composed the capital stock. American Depositary Shares ("ADSs") were issued in the United States and were registered with the Securities and Exchange Commission ("SEC"). The Shares of the Company are listed on Buenos Aires Stock Exchange ("BCBA") and its ADSs on the New York Stock Exchange ("NYSE"), respectively. On June 17, 2010, the NYSE informed that MetroGAS ADSs had been suspended from trading as a result of the Company's filing for reorganization proceeding. On January 21, 2015, MetroGAS started due actions to withdraw their registration from the SEC which implies the cessation of their duty to report to this commission.

MetroGAS' controlling shareholder is Gas Argentino S.A. ("Gas Argentino") whose principal business is the investment. As of March 31, 2015, the controlling shareholder of Gas Argentino S.A. is YPF S.A. through its subsidiary YPF Inversora Energética S.A ("YIESA").

MetroGAS controls MetroENERGÍA S.A. ("MetroENERGÍA") a *sociedad anónima* formed under the laws of Argentina, whose principal business is the purchase and sale of natural gas and/or transport on its own behalf or on account of third parties in Argentina.

With respect to General Resolution No. 629 of CNV, please be informed that the backup documents of the Company's operations are filed with Iron Mountain warehouse at Amancio Alcorta 2482, City of Buenos Aires.

2. ECONOMIC AND FINANCIAL POSITION AND REGULATORY FRAMEWORK

Changes in the country's economic conditions and the amendments introduced by the Emergency Law by the end of 2001, have impacted on the Company's economic and financial position, affected by the suspension of the original regime of tariff adjustment, added to the increase of operation costs in order to maintain the quality of service and the responsibilities assumed in the process of the Debt Reorganization exchange. Funds corresponding to the Letter of Understanding subscribed on November 21, 2012 with the Ente Nacional Regulador del Gas ("ENARGAS") and the Provisional Agreement subscribed on March 26, 2014 with the Unit for the Renegotiation and Analysis of Public Services Contracts ("UNIREN") have not allowed, up to this date, to restore the economic and financial position of the Company.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED AS OF MARCH 31, 2015 AND COMPARATIVE INFORMATION

(amounts in thousands of pesos, except where expressly stated otherwise)

In this context, as of March 31, 2015, the Company registered losses accumulative Shareholders' equity attributable to controlling interest amounting to Ps. 899,993 thousand and kept a consolidated negative working capital to Ps. 577,871 thousand.

In Note 2 of the consolidated financial statements as of December 31, 2014 the aspects related to the economic and financial situation and regulatory framework are described.

There follow are described the significant developments occurred during the three months period ended March 31, 2015.

2.1 Trust Funds

On April 8, 2015 the Official Gazette published ENARGAS Resolution No. 3249/2015 that repealed Articles 3 and 4 from ENARGAS Resolution No. 2407/2012, by virtue of which the Company was requested to (i) deposit the fix amounts collected through invoicing into the trust fund created for that purpose, acting MetroGAS as the Trustor and Nación Fideicomisos S.A. as the Trustee, and (ii) submit to approval a project investment annual plan for consolidation and extension works. Furthermore, the mentioned ENARGAS Resolution No. 3249/2015 withdrew ENARGAS Resolution No. 2767/2013 which had previously modified the mechanism for the deposit and settlement of fix charges through invoicing distinguishing works executed on a follow up protocol from works performed on advance certification.

Therefore, with ENARGAS Resolution No. 3249/2015 effective from April 1, 2015 the fix amounts charged pursuant to ENARGAS Resolution No. 2407/2012 that the Company continues invoicing and collecting shall not be assigned to the Administration and Finance Trust Fund entered into with Nación Fideicomisos. They shall, on the contrary, be assigned by MetroGAS "only to activities related to the expansion and reliability of the systems, operation and maintenance tasks contributing to the compliance of the standards established by the governing code 'Código Argentino de Gas - NAG' and to business and administrative activities aimed at effectively providing service to customers within the operation area". At least 30% of the fix amounts shall be assigned to investments entailing system expansion within the framework of an investment plan to be authorized by ENARGAS.

3. BASIS FOR PRESENTATION OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been issued in accordance with the Technical Resolution ("TR") No. 26 and 29 of the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE") which adopt the IFRS issued by the International Accounting Standards Board ("IASB") for entities included in the public offer regime of Law No. 17,811 due to their capital stock or to their notes, or those that have applied to be included in said regime.

In accordance with Title IV of the Informative Periodic Regime, Chapter I, Informative Regime, Section I, General Dispositions, Article 1, point b.1) of CNV rules, the Company has opted for presenting its condensed interim separated financial statements in condensed foreseen in the International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED AS OF MARCH 31, 2015 AND COMPARATIVE INFORMATION

(amounts in thousands of pesos, except where expressly stated otherwise)

These condensed interim consolidated financial statements are presented in thousands of pesos, except where expressly stated otherwise.

These condensed interim consolidated financial statements should be read together with the Company's annual financial statements as of December 31, 2014 and comparatives.

These condensed interim consolidated financial statements have been approved by the Board of Directors for issuance on May 6, 2015.

The condensed interim consolidated financial statements for the three months periods ended March 31, 2015 and 2014 have not been audited. In the Company's opinion these financial statements reflect all the adjustments necessary to be presented on a basis consistent with the annual consolidated financial statements.

4. ACCOUNTING POLICIES

The accounting policies adopted for these condensed interim consolidated financial statements are consistent with the ones applied in the financial statements for the fiscal year ended on December 31, 2014 which are detailed in Note 4 to those financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Preparation of consolidated financial statements as of a specified date requires that the Direction of the Company makes estimates and judgments that affect the amount of recorded assets and liabilities and of contingent assets and liabilities disclosed at such date, as well as expenses and revenues for the period. The Direction of the Company makes estimates in order to be able to calculate at a specified time, for instance, the allowance for doubtful accounts, depreciation, recoverable value of assets, income tax charges and provision for contingencies. Actual future results may differ from the estimates and assessments made at the date of preparation of these condensed interim consolidated financial statements.

For the preparation of these condensed interim consolidated financial statements, the key judgments made by the Company when applying its accounting policies and the sources of information used for the respective estimates are consistent with those that were applied in the consolidated financial statements for the fiscal year ended on December 31, 2014, which are detailed in Note 5 to those financial statements.

6. FINANCIAL RISK MANAGEMENT

The business of the Company exposes the Company to various financial risks: market risk, credit risk and liquidity risk. No significant changes have occurred during the three-month period ended on March 31, 2015 in relation to financial risk factors and management policies with respect thereto, which are detailed in Note 6 to the consolidated financial statements as of December 31, 2014.

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METROGAS S.A.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED AS OF MARCH 31, 2015 AND COMPARATIVE INFORMATION

(amounts in thousands of pesos, except where expressly stated otherwise)

7. FINANCIAL INSTRUMENTS

Financial assets and liabilities are classified and measured entirely at amortized cost, except for mutual funds that are classified and measured at fair value through profit or loss (see Note 14).

8. INTERESTS IN SUBSIDIARIES

The table below shows the Company's consolidated controlling interest:

Directly controlled company	Percentage of capital stock and voting rights held	
	03.31.15	12.31.14
MetroENERGÍA	95%	95%

Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the policies adopted by the Company.

MetroGAS has used for the purposes of consolidation, the latest separate financial statements of MetroENERGÍA, as of March 31, 2015, the equity of MetroENERGÍA amounting to Ps. 85,924 thousand and a positive result amounting to Ps. 23,439 thousand.

MetroENERGÍA's corporate purpose is to carry out purchase and sales transactions and/or transportation services of natural gas for its own account, on behalf of or in association with third parties.

The MetroENERGÍA's General Ordinary Shareholders' Meeting held on March 26, 2014, decided to distribution of the profit for the year 2013 to Ps. 57,341 thousand to the payment of a dividend in cash, in the opportunity that the Boards of Directors is deemed relevant, taking into account cash availability and financial conditions of the business and any other factor deemed the organ of Administration. In this Meeting, the representatives of YIESA decided to maintain their commitment by means of which they have renounced for the collection of dividends for as long as the financial debt of MetroGAS S.A. arising as a result of the restructuring and/or refinancing of the outstanding debt, is cancelled, pursuant to which the dividends approved shall be paid in full to the major shareholder MetroGAS.

According to what has been stated by MetroENERGÍA's Boards of Directors in its meetings held on March 26, 2014 and December 9, 2014, taking into account cash availability and financial conditions of the business, dividends for Ps. 28,000 thousand has been assigned to MetroGAS, Ps. 8,000 thousand of which were cancelled in August 2014 and Ps. 20,000 thousand were cancelled in December 2014, considering that the minority shareholder has quit collecting these dividends.

The MetroENERGÍA's General Ordinary Shareholders' Meeting held on April 15, 2015, decided to distribution of the profit for the year 2014 to Ps. 62,174 thousand to the payment of a dividend in cash, in the opportunity that the Boards of Directors is deemed relevant, taking into account cash availability and financial conditions of the business and any other factor deemed the organ of

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED AS OF MARCH 31, 2015 AND COMPARATIVE INFORMATION

(amounts in thousands of pesos, except where expressly stated otherwise)

Administration. In this Meeting, the representatives of YIESA decided to maintain their commitment by means of which they have renounced for the collection of dividends for as long as the financial debt of MetroGAS S.A. arising as a result of the restructuring and/or refinancing of the outstanding debt, is cancelled, pursuant to which the dividends approved shall be paid in full to the major shareholder MetroGAS.

9. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting prepared by the Chief Operating Decision Maker, for the purpose of resource allocation and performance assessment of the segment.

The primarily segments operated by the Company relate to the provision of the service of distribution of gas and, through MetroENERGÍA, of commercialization and/or transportation of natural gas for its own account, on behalf of or, in association with third parties.

	03.31.15			
	MetroGAS Distribution	MetroENERGIA Trading	Eliminations	Total
Revenues	399,840	377,181	(2,579)	774,442
Operating (loss) income	(29,207)	38,296	(22,267)	(13,178)
Income on investments in companies	22,267	-	(22,267)	-
Finance income	2,643	2,440	-	5,083
Finance cost	(102,391)	(4,676)	-	(107,067)
Result before income tax	(128,955)	36,060	(22,267)	(115,162)
Income tax and minimum presumed income tax	8,319	(12,621)	-	(4,302)
Total net and comprehensive result for the period	(120,636)	23,439	(22,267)	(119,464)
Total assets	2,682,734	326,147	(121,899)	2,886,982
Total liabilities	3,013,556	240,223	(40,271)	3,213,508
Depreciation of PP&E and investment properties	(22,792)	-	-	(22,792)
Increase in PP&E	65,371	-	-	65,371
Investments in subsidiaries	81,628	-	(81,628)	-
	03.31.14			
	MetroGAS Distribution	MetroENERGIA Trading	Eliminations	Total
Revenues	202,317	256,624	(4,604)	454,337
Operating (loss) income	(74,194)	20,200	(14,774)	(68,768)
Income on investments in companies	14,773	-	(14,773)	-
Finance income	2,760	2,562	-	5,322
Finance cost	(263,075)	(3,477)	-	(266,552)
Result before income tax	(334,509)	19,285	(14,774)	(329,998)
Income tax and minimum presumed income tax	(6,274)	(6,752)	-	(13,026)
Total net and comprehensive result for the period	(340,783)	12,533	(14,774)	(343,024)
Total assets	2,236,489	209,160	(78,862)	2,366,787
Total liabilities	2,156,038	196,316	(66,660)	2,285,694
Depreciation of PP&E and investment properties	(21,038)	-	-	(21,038)
Increase in PP&E	31,312	-	-	31,312
Investments in subsidiaries	12,201	-	(12,201)	-

The accounting policies for these reporting segments are the same ones followed by the Company and detailed in Note 4 to the consolidated financial statements as of December 31, 2014.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED AS OF MARCH 31, 2015 AND COMPARATIVE INFORMATION

(amounts in thousands of pesos, except where expressly stated otherwise)

10. PROPERTIES, PLANT AND EQUIPMENT

MAIN ACCOUNT	ORIGINAL VALUE					DEPRECIATION				NET BOOK VALUE 03.31.15	NET BOOK VALUE 12.31.14
	AT BEGINNING OF YEAR	INCREASES	TRANSFERS	RETIREMENTS	AT END OF PERIOD	ACCUMULATED AT BEGINNING OF YEAR	RETIREMENTS	INCREASES	ACCUMULATED AT END OF PERIOD		
Land	15,654	-	-	-	15,654	-	-	-	-	15,654	15,654
Building and civil constructions	72,000	-	-	-	72,000	27,813	-	356	28,169	43,831	44,187
High pressure mains	320,611	-	-	-	320,611	204,642	-	1,235	205,877	114,734	115,969
Medium and low pressure mains	1,985,150	-	18,696	-	2,003,846	686,683	-	11,326	698,009	1,305,837	1,298,467
Pressure regulating stations	82,627	-	-	-	82,627	46,977	-	681	47,658	34,969	35,650
Consumption measurement installations	362,633	-	3,809	(6)	366,436	199,421	(3)	3,495	202,913	163,523	163,212
Other technical installations	59,214	-	-	-	59,214	49,075	-	247	49,322	9,892	10,139
Machinery, equipment and tools	32,400	-	1,387	-	33,787	28,063	-	209	28,272	5,515	4,337
Computer and telecommunications equipment	250,208	-	-	-	250,208	196,429	-	4,611	201,040	49,168	53,779
Vehicles	13,642	-	-	-	13,642	10,590	-	259	10,849	2,793	3,052
Furniture and fixtures	5,476	-	-	-	5,476	5,468	-	1	5,469	7	8
Materials	49,114	14,545	(5,086)	(1,598)	56,975	-	-	-	-	56,975	49,114
Gas in pipelines	214	-	-	-	214	-	-	-	-	214	214
Work in progress	113,450	50,826	(22,509)	-	141,767	-	-	-	-	141,767	113,450
Distribution network extensions constructed by third parties	68,052	-	3,703	-	71,755	18,995	-	357	19,352	52,403	49,057
Subtotal	3,430,445	65,371	-	(1,604)	3,494,212	1,474,156	(3)	22,777	1,496,930	1,997,282	1,956,289
Allowance for obsolescence of materials	(1,383)	-	-	42	(1,341)	-	-	-	-	(1,341)	(1,383)
Allowance for disposal of properties, plant and equipment	(4,188)	(607)	-	6	(4,789)	-	-	-	-	(4,789)	(4,188)
Total as of March 31, 2015	3,424,874	64,764	-	(1,556)	3,488,082	1,474,156	(3)	22,777	1,496,930	1,991,152	
Total as of December 31, 2014	3,245,447	199,383	-	(19,956)	3,424,874	1,395,844	(8,621)	86,933	1,474,156		1,950,718

As mentioned in Note 2.7.1 to the consolidated financial statements as of December 31, 2014, according to the license a substantial portion of the Properties, plant and equipment are defined as “Essential Assets” and there are certain restrictions over them described in the mentioned note.

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(amounts in thousands of pesos, except where expressly stated otherwise)

11. INVESTMENT PROPERTIES

MAIN ACCOUNT	ORIGINAL VALUE			DEPRECIATION					NET BOOK VALUE 03.31.15	NET BOOK VALUE 12.31.14
	AT BEGINNING OF YEAR	DECREASE OF PERIOD	AT END OF PERIOD	ACCUMULATED AT BEGINNING OF YEAR	DECREASE OF PERIOD	ANNUAL RATE	INCREASES	ACCUMULATED AT END OF PERIOD		
Land	729	-	729	-	-	-	-	-	729	729
Building	3,049	-	3,049	1,323	-	2.00%	15	1,338	1,711	1,726
Total as of March 31, 2015	3,778	-	3,778	1,323	-		15	1,338	2,440	
Total as of December 31, 2014	7,818	(4,040)	3,778	2,479	(1,237)		81	1,323		2,455

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12. TRADE RECEIVABLES

	<u>03.31.15</u>	<u>12.31.14</u>
Current		
Trade receivables	326,392	432,682
Unbilled revenues	305,251	218,205
Related parties	29,666	25,432
Tax on banking transactions to be recovered	8,965	10,530
Allowance for doubtful accounts	<u>(33,240)</u>	<u>(27,994)</u>
Total Current	<u>637,034</u>	<u>658,855</u>

The aging analysis of the trade receivables is as follows:

	<u>03.31.15</u>	<u>12.31.14</u>
-Past due		
under 3 months	85,180	81,174
from 3 to 6 months	22,921	39,253
from 6 to 9 months	17,085	23,434
from 9 to 12 months	5,681	7,447
from 1 to 2 years	9,928	6,464
more than 2 years	<u>12,056</u>	<u>10,965</u>
Subtotal	<u>152,851</u>	<u>168,737</u>
-Becoming due		
under 3 months	509,634	508,127
from 3 to 6 months	3,307	3,900
from 6 to 9 months	2,241	3,453
from 9 to 12 months	<u>2,241</u>	<u>2,632</u>
Subtotal	<u>517,423</u>	<u>518,112</u>
Allowance for doubtful accounts	<u>(33,240)</u>	<u>(27,994)</u>
Total	<u>637,034</u>	<u>658,855</u>

The carrying amount of the Company's trade receivables is denominated in the following currencies:

	<u>03.31.15</u>	<u>12.31.14</u>
Pesos	441,518	434,050
US Dollars (US\$)	<u>195,516</u>	<u>224,805</u>
Total	<u>637,034</u>	<u>658,855</u>

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The roll forward of the allowance for doubtful accounts for trade receivables and other receivables is as follow:

	<u>03.31.15</u>	<u>12.31.14</u>
Balance at beginning of year	28,983	14,375
Revaluation of foreign currency	857	5,066
Increases (*)	4,804	13,865
Decreases	(282)	(4,323)
Balance at end of period / year	<u>34,362</u>	<u>28,983</u>

(*) Charged to Doubtfull account expenses (see Note 24 - Expenses by nature)

13. OTHER RECEIVABLES

	<u>03.31.15</u>	<u>12.31.14</u>
Non current:		
Related parties	5,005	5,713
Social security and tax credits	3,214	3,866
Expenses paid in advance	137	242
Total non current	<u>8,356</u>	<u>9,821</u>
Current:		
Advances to employees	313	318
Insurance paid in advance	771	3,585
Expenses paid in advance	7,935	4,095
Trust Fund Decree No. 2407	1,842	4,538
Social security and tax credits	29,225	15,492
Expenses recoverable	2,643	2,879
Related parties	6,161	2,688
Advances to suppliers	13,634	15,772
Advances and anticipated purchases of gas	44,563	21,708
Miscellaneous	13,245	9,960
Allowance for doubtful accounts	(1,122)	(989)
Total current	<u>119,210</u>	<u>80,046</u>
Total	<u>127,566</u>	<u>89,867</u>

The aging analysis of the other receivables is as follows:

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(amounts in thousands of pesos, except where expressly stated otherwise)

	<u>03.31.15</u>	<u>12.31.14</u>
-Past due		
under 3 months	2,077	1,493
from 3 to 6 months	474	325
from 6 to 9 months	414	276
from 9 to 12 months	148	287
from 1 to 2 years	448	393
more than 2 years	669	591
Subtotal	<u>4,230</u>	<u>3,365</u>
-Without due	<u>3,080</u>	<u>22</u>
-Becoming due		
under 3 months	57,604	42,396
from 3 to 6 months	44,988	10,837
from 6 to 9 months	6,837	19,315
from 9 to 12 months	3,593	5,100
from 1 to 2 years	5,466	242
more than 2 years	2,890	9,579
Subtotal	<u>121,378</u>	<u>87,469</u>
Allowance for doubtful accounts	(1,122)	(989)
Total	<u>127,566</u>	<u>89,867</u>

The carrying amount of the Company's other receivables is denominated in the following currencies:

	<u>03.31.15</u>	<u>12.31.14</u>
Pesos	112,528	73,288
US Dollars (US\$)	14,391	15,922
Pound sterling	647	657
Total	<u>127,566</u>	<u>89,867</u>

14. CASH AND CASH EQUIVALENTS

In order to be considered for the consolidated statements of cash flows, cash and cash equivalents is as follows:

	<u>03.31.15</u>	<u>12.31.14</u>
Cash and banks	32,514	57,196
Mutual funds	89,721	40,390
Total	<u>122,235</u>	<u>97,586</u>

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The carrying amount of the Company's cash and cash equivalents is denominated in the following currencies:

	<u>03.31.15</u>	<u>12.31.14</u>
Pesos	120,268	95,676
US Dollars (US\$)	1,870	1,809
Pound sterling	52	53
Euros	28	31
Reales	17	17
Total	<u>122,235</u>	<u>97,586</u>

As of March 31, 2015 and December 31, 2014, fund collected and pending to be deposit for Trust Funds and Resolution I-2621/2013 amount to Ps. 138,783 thousand and Ps. 135,106 thousand, respectively.

15. SHAREHOLDERS' EQUITY AND ISSUED CAPITAL

As of March 31, 2015, the capital stock of MetroGas amounts to Ps. 569,171 thousand, which is fully subscribed, registered and paid-in and it is composed of the following classes of shares:

Classes of shares	Subscribed, registered and paid in (thousands of Ps.)
Outstanding:	
Common Certified Shares, of Ps. 1 Par Value and 1 Vote each:	
Class "A"	290,277
Class "B"	221,977
Class "C"	56,917
Issued Capital at 03.31.15	<u>569,171</u>

As of December 31, 2014, the Company recorded accumulated losses for Ps. 779,357 thousand and kept a negative working capital of Ps. 210,186 thousand, being subject to the provisions of Article 94, paragraph 5, and Article 96 of the Corporate Law. Considering the aforementioned on April 28, 2015 the Shareholders Meeting, shareholders of MetroGAS estimates that the Company's economic-financial situation will gradually improve through the implementation of the Provisional Agreement subscribed on March 26, 2014 with the UNIREN. Additionally, the Company expects to reach a consensus with the National Government, through the UNIREN, regarding the conditions, terms and opportunity for the subscription of an "Acta Acuerdo de Renegociación Contractual Integral" (Comprehensive Letter of Understanding of Contractual Renegotiation), in order to facilitate the recomposition of the economic-financial situation of the Company.

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Additionally if the conditions as of the date of issuance of these financial statements continue, the Board of Directors intends to take a number of measures to mitigate the impact of the current financial situation, including: a) escalating the Company claims to Argentine authorities on the approval of tariff increases (including the pass-through of municipal levies); b) procuring the strict management of cash-flow and control our expenditures; c) requiring additional capital contributions from shareholders; d) modifying payment conditions with our principal suppliers; and e) obtaining financing from third parties. For these reasons, the shareholders of MetroGAS will monitor the evolution of the equity of the Company during the financial year as well as the effect of the actions which estimated take for the same, in the case that application n of the agreements signed with the National Government to date are insufficient to gradually rebuild the equity of the Company.

As a consequence of the important amount of accumulated losses, as of March 31, 2015, the Company registered a negative Shareholders’ equity attributable to controlling interest of Ps. 330,822, being affected by regulations from Art. 96, S. 5° and Art. 96 of the Corporate Law.

16. OTHER TAXES PAYABLES

	<u>03.31.15</u>	<u>12.31.14</u>
Non current:		
Others taxes	6,430	6,732
Total non current	<u>6,430</u>	<u>6,732</u>
Current:		
Value added tax	-	2,992
GCABA study, revision and inspection of works in public space levy	44,609	41,390
GNC Tax	5,392	5,781
Turnover tax	10,211	11,270
Provincial and municipal taxes	38,305	37,921
Hydric infrastructure rate	3,545	2,335
Others taxes	1,601	1,149
Total current	<u>103,663</u>	<u>102,838</u>
Total	<u>110,093</u>	<u>109,570</u>

The carrying amount of the Company’s other taxes payables are denominated in pesos.

The aging analysis of other taxes payables is as follows:

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	<u>03.31.15</u>	<u>12.31.14</u>
-Without due	<u>75,873</u>	<u>70,865</u>
-Becoming due		
under 3 months	26,895	31,100
from 3 to 6 months	294	291
from 6 to 9 months	298	291
from 9 to 12 months	303	291
from 1 to 2 years	1,152	1,205
more than 2 years	<u>5,278</u>	<u>5,527</u>
Subtotal	<u>34,220</u>	<u>38,705</u>
Total	<u>110,093</u>	<u>109,570</u>

17. FINANCIAL DEBT

	<u>03.31.15</u>	<u>12.31.14</u>
Non current:		
Negotiable Obligations (“Notes”)	1,362,181	1,305,524
Negotiable Obligations related parties (Line of credit and “Notes”)	88,562	31,185
Total Non current	<u>1,450,743</u>	<u>1,336,709</u>
Current:		
Negotiable Obligations Interest to be paid	37,716	825
Related parties (Line of credit and “Notes”)	<u>59,206</u>	<u>108,242</u>
Total Current	<u>96,922</u>	<u>109,067</u>
Total	<u>1,547,665</u>	<u>1,445,776</u>

The table below shows the changes occurred in the balance of financial debt as of March 31, 2015:

	<u>03.31.15</u>	<u>12.31.14</u>
Balance at beginning of year	1,445,776	953,124
Proceeds from YPF loan	-	90,000
Notes of Late Verification	-	142
Accrued interest at effective interest rate - Notes (1)	52,358	193,302
Accrued interest on YPF loan	6,954	18,242
Exchange loss	42,910	302,690
Interest payment	<u>(333)</u>	<u>(111,724)</u>
Balance at end of period / year	<u>1,547,665</u>	<u>1,445,776</u>

(1) Includes accrued interest on notes issued to YPF and YSUR Energía Argentina S.R.L..

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The aging analysis of financial debt is as follows:

	<u>03.31.15</u>	<u>12.31.14</u>
-Becoming due		
under 3 months	38,548	55,808
from 3 to 6 months	-	53,259
from 9 to 12 months	58,374	-
from 1 to 2 years	56,822	-
more than 2 years	1,393,921	1,336,709
Subtotal	<u>1,547,665</u>	<u>1,445,776</u>
Total	<u><u>1,547,665</u></u>	<u><u>1,445,776</u></u>

Negotiable Obligations

Information related with negotiable obligations (“Notes”) is detailed in Note 17 to the consolidated financial statements as of December 31, 2014.

No event of default has occurred as of March 31, 2015. During the present period the Company has complied with the terms and covenants established under the Offering Circular.

Related parties

On December 12, 2013, the Board of Directors of MetroGAS unanimously approved an agreement that contemplated the opening of a credit facility with YPF. YPF’s credit facility proposal had a BADLAR cost plus an annual 6% spread. YPF made available to MetroGAS a “Non-Committed” credit facility for up to Ps. 180,000,000 for a period of 180 days as from the date of the proposal. MetroGAS may require such drawdowns as it may deem advisable according to its needs up to the maximum amount of the credit facility and for the above mentioned period, and make partial or total advance payments without penalty. An annual 10% default interest is applied in the event of default. On February 26, 2015 an extension of 365 days as from their corresponding maturity date and with the same terms and conditions was established, limiting the amount to Ps. 140,000,000. As of March 31, 2015, the Company has taken Ps. 90,000 thousand and has capitalized interest by Ps. 11.981 thousand of this facility.

18. REORGANIZATION LIABILITIES

	<u>03.31.15</u>	<u>12.31.14</u>
Non current:		
Taxes payable	15,953	15,953
Trade payables	23	23
Salaries and social security	337	337
Total Non current	<u><u>16,313</u></u>	<u><u>16,313</u></u>

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The carrying amount of the Company’s reorganization liabilities are denominated in pesos and has not maturity.

19. PROVISIONS

Provisions	Civil, labor and other claims	Tax claims and other fines	Regulatory claims and interpretation disagreements	Total
Balance at 12.31.14	52,972	1,598	14,948	69,518
Increases of the period (*)	1,318	1,165	64	2,547
Reclassification to other accounts payable	-	-	155	155
Decreases of the period	(82)	-	(64)	(146)
Balance at 03.31.15	54,208	2,763	15,103	72,074

(*) Charge to Other income and expenses (see Note 25).

20. TRADE PAYABLES

	03.31.15	12.31.14
Gas and transportation creditors	508,481	457,342
Other purchases and services creditors	103,858	106,024
Trust Fund Decree No. 2407	-	2,200
Trust Funds	138,693	132,750
Related parties	397,306	315,984
Resolution I-2621/2013	90	156
Total	1,148,428	1,014,456

The carrying amount of the Company’s trade payables are denominated in the following currencies:

	03.31.15	12.31.14
Pesos	978,588	836,775
U\$S	167,962	176,322
Euros	28	146
Pound sterling	1,850	1,213
Total	1,148,428	1,014,456

The aging analysis of the trade payables is as follows:

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	<u>03.31.15</u>	<u>12.31.14</u>
-Past due		
under 3 months	218,461	350,686
from 3 to 6 months	307,536	134,752
from 6 to 9 months	112,592	7,979
from 9 to 12 months	8,031	8,137
from 1 to 2 years	48,377	52,353
more than 2 years	18,435	6,074
Subtotal	<u>713,432</u>	<u>559,981</u>
-Becoming due		
under 3 months	434,996	454,435
from 6 to 9 months	-	40
Subtotal	<u>434,996</u>	<u>454,475</u>
Total	<u>1,148,428</u>	<u>1,014,456</u>

21. SALARIES AND SOCIAL SECURITY

	<u>03.31.15</u>	<u>12.31.14</u>
Salaries	3,074	15,777
Social security	11,872	18,683
Related parties	3,111	7,691
Thirteenth month salary provision	8,523	-
Vacation provision	31,772	36,679
Bonus provision	10,123	21,009
Others	2,116	742
Total	<u>70,591</u>	<u>100,581</u>

The carrying amount of the Company's salaries and social security are denominated in pesos.

The aging analysis of the salaries and social security is as follows:

	<u>03.31.15</u>	<u>12.31.14</u>
-Becoming due		
under 3 months	48,339	73,025
from 3 to 6 months	9,520	9,121
from 6 to 9 months	9,520	9,121
from 9 to 12 months	3,212	9,314
Subtotal	<u>70,591</u>	<u>100,581</u>
Total	<u>70,591</u>	<u>100,581</u>

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22. OTHER ACCOUNTS PAYABLE

	<u>03.31.15</u>	<u>12.31.14</u>
Directors fees	-	164
Payables for works on behalf of third parties	21,865	22,760
ENARGAS' Fines	2,306	2,276
GCBA' Fines	560	3,605
Miscellaneous	152	97
Total	<u>24,883</u>	<u>28,902</u>

The carrying amount of the Company's other accounts payable is denominated in pesos.

The aging analysis of the other accounts payables is as follows:

	<u>03.31.15</u>	<u>12.31.14</u>
-Without due	<u>2,306</u>	<u>2,276</u>
-Becoming due		
under 3 months	11,332	14,552
from 3 to 6 months	11,179	11,743
from 6 to 9 months	66	199
from 9 to 12 months	-	132
Subtotal	<u>22,577</u>	<u>26,626</u>
Total	<u>24,883</u>	<u>28,902</u>

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23. REVENUES

	For the three months period ended	
	03.31.15	03.31.14
Gas sales	336,851	147,979
MetroENERGÍA's gas sales and transportation	374,398	254,884
Transportation and distribution services	52,433	44,154
Other sales	7,362	5,580
Natural gas liquids processing	615	-
MetroENERGÍA's other revenues	2,783	1,740
Total	774,442	454,337

24. EXPENSES BY NATURE

	For the three months period ended				03.31.14
	03.31.15		TOTAL		
	OPERATING COSTS	ADMINISTRATION EXPENSES	SELLING EXPENSES	TOTAL	TOTAL
Payroll and other employees benefits	37,537	38,498	26,313	102,348	77,655
Social security contributions	8,244	4,926	5,862	19,032	14,985
Cost of natural gas	430,242	-	-	430,242	253,161
Transportation of natural gas and processed natural gas	60,102	-	-	60,102	51,034
Directors' and members of Supervisory committee fees	-	494	-	494	450
Fees for professional services	57	1,713	372	2,142	2,074
Sundry materials	2,906	-	-	2,906	5,906
Fees for sundry services	8,190	4,231	13,582	26,003	19,350
Post and telephone	113	1,171	10,499	11,783	7,923
Rent and leases	7	-	709	716	1,098
Transportation and freight charges	-	1,666	-	1,666	858
Office materials	387	354	29	770	538
Travelling expenses	163	168	75	406	245
Insurance premium	-	2,680	2	2,682	2,066
Fixed assets maintenance	18,261	13,791	176	32,228	21,288
PP&E and Investment properties depreciation	17,819	4,973	-	22,792	21,038
Taxes, rates and contributions	11,260	16,779	22,923	50,962	31,591
Publicity	-	-	459	459	246
Doubtful accounts	-	-	4,804	4,804	(377)
Bank expenses and commissions	-	201	4,258	4,459	2,972
Others expenses	322	10,475	640	11,437	1,134
Total as of March 31, 2015	<u>595,610</u>	<u>102,120</u>	<u>90,703</u>	<u>788,433</u>	
Total as of March 31, 2014	<u>391,364</u>	<u>65,485</u>	<u>58,386</u>		<u>515,235</u>

The expenses included in the above table are net of the Company's own expenses capitalized in properties, plant and equipment for Ps. 3,789 thousand at March 31, 2015 and for Ps. 2,359 thousand at March 31, 2014.

English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission (“CNV”).
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METROGAS S.A.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED AS OF MARCH 31, 2015 AND COMPARATIVE INFORMATION

(amounts in thousands of pesos, except where expressly stated otherwise)

25. OTHER INCOME AND EXPENSES

	For the three months period ended	
	03.31.15	03.31.14
Leases	-	405
Publicity	-	300
Penalties contractors	613	746
Other income	2,343	1,158
Revenues from rendering services to Controlling Company	404	615
Increases in provisions for contingencies	(2,547)	(11,094)
Total	813	(7,870)

26. NET FINANCIAL RESULTS

Finance income

	For the three months period ended	
	03.31.15	03.31.14
Financial assets at fair value	4,828	4,110
Other holding results	-	83
Exchange difference on cash and cash equivalents	255	1,129
	5,083	5,322

Finance costs

	For the three months period ended	
	03.31.15	03.31.14
Exchange difference on financial debt	42,910	216,597
Accrued interest on notes	52,358	45,913
Accrued interest on YPF loan	6,954	-
Others	4,845	4,042
	107,067	266,552

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27. INCOME TAX AND MINIMUM PRESUMED INCOME TAX

The following table shows the changes and breakdown of deferred income tax assets and liabilities:

MetroGAS

Deferred income tax assets

	Trade receivables and Other receivables	Provisions	Others	Total deferred tax assets
Balances at 12.31.14	86,190	23,918	(54)	110,054
Movements of the period	3,039	812	(198)	3,653
Balances at 03.31.15	89,229	24,730	(252)	113,707

Deferred income tax liabilities

	Properties, plant and equipment	Financial debt	Others	Total deferred tax liabilities	Total net deferred tax liabilities
Balances at 12.31.14	(216,196)	(113,820)	45	(329,971)	(219,917)
Movements of the period	3,155	1,594	(83)	4,666	8,319
Balances at 03.31.15	(213,041)	(112,226)	(38)	(325,305)	(211,598)

MetroENERGÍA

Deferred income tax assets

	Trade receivables	Others	Total
Balances at 12.31.14	5,270	(650)	4,620
Movements of the period	1,736	199	1,935
Balances at 03.31.15	7,006	(451)	6,555

Below is the reconciliation between the income tax charged to results and the amount resulting from the application of the corresponding tax rate to the accounting result before income tax:

	For the three months period ended	
	03.31.15	03.31.14
Income tax expense on pre tax income	40,307	115,499
<u>Tax effect due to:</u>		
Non deductible expenses and non taxable income	302	(104)
Tax loss carry forwards not recognized	(44,911)	(127,440)
Minimum presumed income tax not recognized	-	(981)
Total income tax charged to results	(4,302)	(13,026)

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED AS OF MARCH 31, 2015 AND COMPARATIVE INFORMATION

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Below is the reconciliation between the tax charged to results and the income tax determined for fiscal purposes:

	For the three months period ended	
	03.31.15	03.31.14
Income tax determined for fiscal purposes MetroGAS	44,911	127,440
Income tax determined for fiscal purposes MetroENERGÍA	(14,556)	(8,209)
Temporary differences	10,254	(3,836)
Minimum presumed income tax not recognized	-	(981)
Tax loss carry forwards not recognized	(44,911)	(127,440)
Total income tax charged to results	(4,302)	(13,026)

The remaining tax losses carry-forward as of March 31, 2015 amounted to Ps. 351,300 thousand, were not recognized in the financial statements at the end of the period. That tax loss carry-forward could be offset against future results expiring Ps. 67,290 thousand in 2017, Ps. 239,099 thousand in 2019 and Ps. 44,911 thousand in 2020.

In addition, the tax credit on minimum presumed income tax not recognized in the financial statements as of March 31, 2015 amounted to Ps. 113,553 thousand, expiring between the years 2015 and 2024.

28. NET RESULT PER SHARE

The following table shows the net results and the number of shares that have been used to calculate the net basic result per share:

	For the three months period ended	
	03.31.15	03.31.14
Net and comprehensive result for the period attributable to controlling interest	(120,636)	(340,783)
Average of common shares outstanding	569,171	569,171
Net basic and diluted result per share	(0.21)	(0.60)

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED AS OF MARCH 31, 2015 AND COMPARATIVE INFORMATION

(amounts in thousands of pesos, except where expressly stated otherwise)

29. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

MetroGAS carries out operations and transactions with related parties according to general market conditions, which are part of the normal operation of the company, with respect to their purposes and conditions.

The information related to changes in the Company’s control is detailed in Note 29 to the consolidated financial statements as at December 31, 2014.

The information described in the following charts shows the balances with related companies as of March 31, 2015 and December 31, 2014, as well as operations with these companies for the three months periods ended on March 31, 2015 and 2014.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED AS OF MARCH 31, 2015 AND COMPARATIVE INFORMATION

(amounts in thousands of pesos, except where expressly stated otherwise)

The transactions shown below have been made with related parties:

	For the three months period ended											
	03.31.15								03.31.14			
	Gas & transportation sales	Gas purchases	Fee for sundry services and supplies	Sundry material - Operating cost	Other net income	Insurance premium	Finance costs	Salaries and others employee benefits	Gas & transportation sales	Gas purchases	Other net income	Salaries and others employee benefits
Controlling company												
Gas Argentino	-	-	-	-	404	-	-	-	-	-	615	-
Related parties:												
YSUR Energía Argentina S.R.L.	-	13,173	-	-	-	-	-	-	-	462	-	-
Central Dock Sud S.A.	7,973	-	-	-	-	-	-	-	3,052	-	-	-
YPF S.A.	37	68,562	111	315	-	-	6,954	-	4	32,868	-	-
Operadora de Estaciones de Servicios S.A.	1,633	-	-	-	-	-	-	-	264	-	-	-
A-Evangelista S.A.	101	-	-	-	-	-	-	-	11	-	-	-
ENARSA	-	-	-	-	2	-	-	-	-	768	-	-
Profertil S.A.	97,434	-	-	-	-	-	-	-	-	-	-	-
YPF Energía Eléctrica S.A.	-	8,548	-	-	-	-	-	-	-	-	-	-
Nación Seguros S.A.	-	-	-	-	-	938	-	-	-	-	-	-
Otros (*)	93	-	-	-	-	-	-	-	-	-	-	-
Key directors and management:	-	-	-	-	-	-	-	6,875	-	-	-	4,548
	107,271	90,283	111	315	406	938	6,954	6,875	3,331	34,098	615	4,548

(*) Includes balances with Aerolíneas Argentinas S.A. and the Ministerio del Interior y Transporte.

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METROGAS S.A.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED AS OF MARCH 31, 2015 AND COMPARATIVE INFORMATION

(amounts in thousands of pesos, except where expressly stated otherwise)

The balances shown below are outstanding with related parties:

	03.31.15						
	Trade receivables	Other receivables		Trade payable	Financial debt		Salaries and social security
	Current	Current	Non current	Current	Current	Non current	Current
Controlling company							
Gas Argentino	-	1,832	5,005	-	-	-	-
Related parties:							
YSUR Energía Argentina S.R.L.	-	-	-	15,070	-	1,259	-
Central Dock Sud S.A.	11,294	-	-	-	-	-	-
Operadora de Estaciones de Servicios S.A.	432	-	-	-	-	-	-
YPF S.A.	(12)	3,058	-	293,893	59,206	87,303	-
A-Evangelista S.A.	22	-	-	-	-	-	-
ENARSA	20	-	-	85,910	-	-	-
Profertil S.A.	17,893	-	-	-	-	-	-
YPF Energía Eléctrica S.A.	-	-	-	2,433	-	-	-
Nación Seguros S.A.	-	1,271	-	-	-	-	-
Otros (*)	17	-	-	-	-	-	-
Key directors and management:	-	-	-	-	-	-	3,111
	29,666	6,161	5,005	397,306	59,206	88,562	3,111

(*) Includes balances with Aerolíneas Argentinas S.A. and the Ministerio del Interior y Transporte.

	12.31.14						
	Trade receivables	Other receivables		Trade payable	Financial debt		Salaries and social security
	Current	Current	Non current	Current	Current	Non current	Current
Controlling company							
Gas Argentino	-	807	5,713	-	-	-	-
Related parties:							
YSUR Energía Argentina S.R.L.	-	-	-	8,651	-	1,208	-
Central Dock Sud S.A.	10,344	-	-	-	-	-	-
Operadora de Estaciones de Servicios S.A.	139	-	-	-	-	-	-
YPF S.A.	(10)	1,881	-	227,773	108,242	29,977	-
A-Evangelista S.A.	17	-	-	-	-	-	-
ENARSA	-	-	-	79,560	-	-	-
Profertil S.A.	14,942	-	-	-	-	-	-
Key directors and management:	-	-	-	-	-	-	7,691
	25,432	2,688	5,713	315,984	108,242	31,185	7,691

Outstanding amounts have not been guaranteed and will be paid in cash. No guarantees have been given or received. No expenses have been recognized in the current or former periods with respect to uncollectible or doubtful accounts in relation to amounts owed by related parties.

Additionally, in the ordinary course of business, and considering that the Licensee operates the gas distribution service within the south and east area of the Great Buenos Aires, including the City of Buenos Aires, the Company's customer/supplier portfolio includes entities of the private as well as of the national, provincial and municipal sectors.

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Also, as mentioned in Note 2.4.1 to the consolidated financial statements as of December 31, 2014 and pursuant to Resolution I-2621/2013 of ENARGAS, MetroGAS currently bills on behalf and for the account of ENARSA the injected volumes in relation to CNG as from June 2013. The net balance of this operation as of March 31, 2015 is shown in Note 20.

Furthermore, as explained in Note 2.5 to the consolidated financial statements as of December 31, 2014, MetroGAS must invoice, collect and settle three specific charges, with different appropriations, which is done for the order and account of Nación Fideicomisos S.A. Balances of this operation are stated in Note 20.

Finally, as described in Note 2.3.2 to the consolidated financial statements as of December 31, 2014, MetroGAS signed with ENARGAS on November 21, 2012 Minutes of Agreement that establish a fixed amount per bill, separated by customer category, which has to be considered as advanced payment for future tariff adjustments provided for in the Provisional Agreement approved by Decree No. 234/09. ENARGAS executed the agreement through Resolution No. 2407/12 published on November 29, 2012. The Minutes state that amounts thus collected shall be deposited in a specifically dedicated trust fund used for the execution of infrastructure, connections, re-boosting, extensions and/or technological adjustment of gas distribution systems. Therefore, on December 12, 2012 a trust agreement was signed by MetroGAS and Nación Fideicomisos S.A. Balances for these operations are shown in Notes 13 and 20.

David Tezanos Gonzalez
Chairperson

METROGAS S.A.**INFORMATIVE SUMMARY OF ACTIVITY**
RESOLUTION No. 368/01 OF THE ARGENTINE SECURITIES COMMISSION**Argentine Economic Context and its impact on the Company**

Note 2 to the consolidated financial statements as of December 31, 2014, include a detailed description of the economic and regulatory context and of the impact of Emergency Law and regulations thereunder on the Company.

These circumstances have been taken into account by the Management of the Company when making any significant accounting estimates included in these condensed interim consolidated financial statements, which include estimates for the recoverable value of non-current assets. For this purpose, the Company prepares from time to time an economic and financial forecast on the basis of alternative scenarios based on macroeconomic, financial, market and regulatory assumptions. See Note 5.

General considerations

Company's sales have been highly influenced by weather conditions prevailing in Argentina. Natural gas demand, and consequently sales, are considerably higher during winter months (from May to September) due to the gas volumes sold and the rates mix affecting sales revenues and gross margin.

On account of regulatory changes (see Note 2.3.4 to the consolidated financial statements as of December 31, 2014), on April 20, 2005 the Board of Directors of MetroGAS resolved to create MetroENERGÍA, a corporation whose equity is owned 95% by MetroGAS and whose corporate purpose is to engage, on its own account and on behalf of or in association with third parties, in the sale and purchase and/or transportation of natural gas.

On March 26, 2014, within the process of renegotiation of utilities contracts pursuant to Law No. 25,561 and supplementary rules, the Company signed a Provisional Agreement with the Unit for the Renegotiation and Analysis of Utility Contracts ("UNIREN") whereby a provisional tariff regime was agreed in order to obtain additional funds to those resulting from the enforcement of ENARGAS Resolution No. I/2407 dated December 27, 2012, that established the collection of a fixed amount per invoice depending on the customers' category, which should be transferred to a trust fund especially created for the execution of works.

The new Provisional Agreement, ratified by Decree No. 445/2014 dated April 1, 2014 and published in the Official Gazette on April 7, 2014, establishes a provisional tariff regime as from April 1, 2014, consisting in readjust prices and tariffs considering the guidelines necessary to maintain the continuity of service and also sets forth common criteria applicable to all distribution licensees, in accordance with tariff regulations in force, and including changes in the gas price at the transmission system entry point (see Note 2.3.2 to the consolidated financial statements as of December 31, 2014).

Analysis of transactions for the three months period ended March 31, 2015 and 2014

The sales of the Company for the three months period ended March 31, 2015 increased by 70.5%, and operating costs rose by 52.2% as compared with the same period in previous fiscal year, as a result of which gross profit increased by Ps. 115,859 thousand, amounted to Ps. 178,832 thousand during the three months period ended on March 31, 2015, as compared with Ps. 62,973 thousand shown for the same period in the preceding fiscal year.

Administrative expenses increased by 55.9%, from Ps. 65,485 thousand during the three months period ended on March 31, 2014, as compared with Ps. 102,120 thousand shown for the current period, and selling expenses increased by 55.4%, from Ps. 58,386 thousand, during for the three months period ended March 31, 2014, to Ps. 90,703 thousand shown for the same period of the present fiscal year.

METROGAS S.A.**INFORMATIVE SUMMARY OF ACTIVITY****RESOLUTION No. 368/01 OF THE ARGENTINE SECURITIES COMMISSION**

Consequently, during the three months period ended March 31, 2015 an operating loss of Ps. 13,178 thousand was recorded, as compared to an operating loss of Ps. 68,768 thousand for the same period in previous fiscal year.

During the three months period ended March 31, 2015 net financial results was a loss of Ps. 101,984 thousand, as compared with a loss of Ps. 261,230 thousand sustained in the same period in previous fiscal year.

Consequently, the Company's net loss for the three months period ended March 31, 2015 amounted to Ps. 119,464 thousand, as compared to a net loss of Ps. 343,024 thousand for the same period in previous fiscal year.

Results of Operations and Financial Condition**Sales**

Total consolidated sales increased by 70.5% during the three months period ended March 31, 2015, and amounted to Ps. 774,442 thousand, as compared with Ps. 454,337 thousand shown for the same period in previous fiscal year.

The increase in sales for the three months period ended on March 31, 2015, was mainly due to increase in MetroGAS sales to residential customers and increased in MetroENERGÍA sales and to a lesser extent on account of the increase in power plants sales.

MetroGAS gas sales to residential customers increased by 144.1%, from Ps. 126,363 thousand to Ps. 308,510 thousand for the three months period ended on March 31, 2014 and 2015, respectively, mainly due to an increase in tariffs for the three months period ended March 31, 2015, as compared to the same period in the previous fiscal year, according to The Provisional Agreement described in Notes 2.3.2 to the consolidated financial statements as of December 31, 2014, partially offset by decrease of the volumes delivered to this customer category by 3.2%.

MetroGAS gas sales to industrial and commercial customers and governmental entities increased by 31.1%, to Ps. 28,341 thousand during the three months period ended on March 31, 2015 from Ps. 21,616 thousand during the same period in previous fiscal year, mainly on account of the tariff increases previously mentioned and partially offset by decrease of the volumes delivered to this customer category by 3.3%.

Sales of transportation and distribution services to power stations increased by 36.8%, from Ps. 22,745 thousand during the three months period ended on March 31, 2014, to Ps. 31,112 thousand for the same period of the present fiscal year, mainly on account of an increase in average prices of sale, and a decrease of the volumes delivered to this customer category by 0.6%.

On the other hand, sales of transportation and distribution services to industrial and commercial customers and governmental entities decreased by 3.4%, from Ps. 13,044 thousand during the three months period ended on March 31, 2014 to Ps. 12,601 thousand for the same period in the present fiscal year, mainly on account of the 3.1% decrease in delivered volumes.

Sales of transportation and distribution services to Compressed Natural Gas ("CNG") stations increased by 4.2%, from Ps. 8,365 thousand during the three months period ended on March 31, 2014, to Ps. 8,720 thousand for the same period of the present fiscal year, mainly on account of an increase of the volumes delivered to this customer category by 7.2%.

METROGAS S.A.**INFORMATIVE SUMMARY OF ACTIVITY****RESOLUTION No. 368/01 OF THE ARGENTINE SECURITIES COMMISSION**

On July 2014, the agreement with Transportadora Gas del Sur (“TGS”) to assign those hydrocarbons at the head of the TGS gas pipeline in exchange of a monthly rate has been renewed. During the three months period ended on March 31, 2014 no sales were recorded in relation with the processing of natural gas while during the three months period ended on March 31, 2015 revenue was amounted to Ps. 615 thousand.

MetroENERGÍA gas sales during the three months period ended on March 31, 2015 amounted to Ps. 374,398 thousand increasing by 46.9% as compared of the same period in previous fiscal year amounted to Ps. 254,884 thousand. This increase was mainly due to of the 30.9% increase in delivered volumes, and lesser extent on account increase in average prices.

The table below shows the consolidated sales of the Company by type of service and customer categories for the year ended on March 31, 2015 and 2014, in thousands of pesos:

	For the three months period ended March 31,			
	2015		2014	
	Thousands of Ps.	% of Total Sales	Thousands of Ps.	% of Total Sales
MetroGAS				
Gas sales:				
Residential	308,510	39.8 %	126,363	27.8 %
Industrial, Commercial and Governmental entities	28,341	3.7 %	21,616	4.8 %
Subtotal	336,851	43.5 %	147,979	32.6 %
Transportation and Distribution Services				
Power Plants	31,112	4.0 %	22,745	5.0 %
Industrial, Commercial and Governmental entities	12,601	1.6 %	13,044	2.9 %
Compressed Natural Gas	8,720	1.1 %	8,365	1.8 %
Subtotal	52,433	6.7 %	44,154	9.7 %
Processed Natural Gas	615	0.1 %	-	-
Other Gas Sales and Transportation and Distribution Services	7,362	1.0 %	5,580	1.2 %
MetroENERGÍA				
Gas and transportation sales	374,398	48.3 %	254,884	56.1 %
Other income	2,783	0.4 %	1,740	0.4 %
Total of Sales	774,442	100.0 %	454,337	100.0 %

METROGAS S.A.**INFORMATIVE SUMMARY OF ACTIVITY**

RESOLUTION No. 368/01 OF THE ARGENTINE SECURITIES COMMISSION

The table below presents the volumes of sales of natural gas and transportation and distribution services by MetroGAS by customer category for the three months periods ended on March 31, 2015 and 2014, in millions of cubic meters:

	For the three months period ended March 31,			
	2015		2014	
	MMMC	% of Volumes of gas delivered	MMMC	% of Volumes of gas delivered
Gas sales:				
Residential	213.1	12.4 %	220.1	13.7 %
Industrial, Commercial and Governmental entities	75.3	4.4 %	77.9	4.8 %
Subtotal	288.4	16.8 %	298.0	18.5 %
Transportation and Distribution Services				
Power Plants	908.9	53.1 %	914.8	56.9 %
Industrial, Commercial and Governmental entities	188.5	11.0 %	194.6	12.1 %
Compressed Natural Gas	128.5	7.5 %	119.9	7.5 %
Subtotal	1,225.9	71.6 %	1,229.3	76.5 %
Other Gas Sales and Transportation and Distribution Services	197.7	11.5 %	80.3	5.0 %
Total delivered volume by MetroGAS	<u>1,712.0</u>	<u>100.0 %</u>	<u>1,607.6</u>	<u>100.0 %</u>
Total gas and transportation delivered volume by MetroENERGÍA	<u>280.3</u>	<u>100.0 %</u>	<u>214.2</u>	<u>100.0 %</u>

Operating Costs

Operating costs increased by 52.2% amounting to Ps. 595,610 thousand during the three months period ended on March 31, 2015, respect to Ps. 391,364 thousand registered during the same period in previous fiscal year. This variation was mainly due to increase in gas purchase costs and transportation and in payroll and other employees benefits, in fixed assets maintenance and repair and the charges in taxes, rates and contributions.

The costs of natural gas purchases increased by 69.9%, from Ps. 253,161 thousand for the three months period ended on March 31, 2014 to Ps. 430,242 thousand during the same period in present fiscal year, mainly as a result of increased in average price gas purchased by MetroGAS, and at a lesser extent by MetroENERGÍA. During the three months period ended on March 31, 2015 322 million cubic meters were purchased by MetroGAS, and 280.3 million cubic meters by MetroENERGÍA, which as a whole represent 9.7% increase with respect to gas volumes purchased in the same period in previous fiscal year.

Gas transportation costs increased by 17.8% during the three months period ended on March 31, 2015 as compared with the same period in previous fiscal year as a consequence an increase in average prices of transportation of MetroGAS.

METROGAS S.A.**INFORMATIVE SUMMARY OF ACTIVITY**

RESOLUTION No. 368/01 OF THE ARGENTINE SECURITIES COMMISSION

The table below shows the operating costs and expenses of the Company by type of expenses for the periods ended on March 31, 2015 and 2014, in thousands of pesos.

	For the three months period ended March 31, 2015	% of Total Operating Costs	For the three months period ended March 31, 2014	% of Total Operating Costs
Cost of natural gas	430,242	72.2	253,161	64.7
Transportation of natural gas	60,102	10.1	51,034	13.0
Depreciation of PP&E	17,819	3.0	17,184	4.4
Payroll and other employees benefits	45,781	7.7	37,467	9.6
Fixed assets maintenance	18,261	3.1	12,169	3.1
Sundry materials	2,906	0.5	5,906	1.5
Fees for sundry services	8,190	1.4	5,245	1.3
Taxes, rates and contributions	11,260	1.9	8,148	2.1
Other operating expenses	1,049	0.1	1,050	0.3
Total	595,610	100.0	391,364	100.0

Administrative Expenses

Administrative expenses increased by 55.9%, from Ps. 65,485 thousand for the three months period ended on March 31, 2014 to Ps. 102,120 thousand for the same period of the present fiscal year. This increase was mainly due to the increase in payroll and other employees benefits, in taxes, rates and contributions, in fixed assets maintenance, in depreciation of PP&E and insurance premium.

Selling Expenses

Selling expenses increased by 55.4%, from Ps. 58,386 thousand for the three months period ended on March 31, 2014 to Ps. 90,703 thousand for the same period in present fiscal year. This increase was mainly due to the increase in taxes, rates and contributions, in payroll and other employees benefits, in doubtful account charge, in fees for sundry services, in post and telecommunication expenses, and commissions in bank expenses.

Other income and expenses

Other income and expenses amount a loss of Ps. 7,870 thousand for the three months period ended March 31, 2014 and amounted a gain of Ps. 813 thousand in the same period in present fiscal year, mainly due to decrease of provisions in the current period with respect to provisions registered in the same period in previous fiscal year.

Net Financial Results

During the three months period ended on March 31, 2015 net financial results was a loss of Ps. 101,984 thousand, as compared to a Ps. 261,230 thousand loss for the same period in previous fiscal year. The variation in financial results was mainly due to a decrease the loss of the exchange difference on financial debt partially offset by an increase in accrued financial interest.

METROGAS S.A.**INFORMATIVE SUMMARY OF ACTIVITY**

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Income Tax

During the three months period ended on March 31, 2015 the Company accrued loss of Ps. 4,302 thousand, as compared to a loss of Ps. 13,026 thousand shown for the same period in previous fiscal year. This variation was mainly due to the effect of the decrease in net deferred tax liabilities of MetroGAS in the current period, partially offset by higher tax determined of MetroENERGÍA in the current period with respect to the same period in previous fiscal year.

Net Cash Flows generated by Operating Activities

Net cash flows from operating activities for the three months period ended on March 31, 2015 amounted to Ps. 90,098 thousand, as compared with Ps. 29,957 thousand for the same period in previous fiscal year. This change was mainly due to increase in funds used by working capital.

Net Cash Flows used in Investing Activities

Net cash flows from investment activities amounted to Ps. 65,371 thousand for the three months period ended on March 31, 2015 due to an increase in PP&E as compared with Ps. 31,312 thousand for the same period in previous fiscal year.

Net Cash Flows used in Financing Activities

Net cash flows used in financing activities amounted to Ps. 333 thousand for the three months period ended on March 31, 2015 as a consequence to the payment of interests from the financial debt as compared with cash flows generated for the same period in previous fiscal year amounted to Ps. 44,882 thousand as a consequence the credit facility agreement with YPF.

Liquidity and Capital Resources**Financing**

As of March 31, 2015, the financial debt accounted for by Company amounted to Ps. 1,547,665 thousand. See Note 17 to the condensed interim consolidated financial statements at March 31, 2015.

METROGAS S.A.**INFORMATIVE SUMMARY OF ACTIVITY**
RESOLUTION No. 368/01 OF THE ARGENTINE SECURITIES COMMISSION**Comparative Structure of Condensed Interim Consolidated Statement of financial position** ⁽¹⁾⁽²⁾

Condensed Interim Consolidated Statement of financial positions as of March 31, 2015, 2014 and 2013.

	03.31.15	03.31.14	03.31.13
	Thousands of Ps.		
Non current Assets	2,008,503	1,867,695	1,795,672
Current assets	<u>878,479</u>	<u>499,092</u>	<u>478,922</u>
Total assets	<u><u>2,886,982</u></u>	<u><u>2,366,787</u></u>	<u><u>2,274,594</u></u>
Non current Liabilities	1,757,158	1,521,264	1,093,602
Current Liabilities	<u>1,456,350</u>	<u>764,430</u>	<u>567,105</u>
Total Liabilities	3,213,508	2,285,694	1,660,707
Non-controlling interest	4,296	642	1,338
Equity attributable to the owners	<u>(330,822)</u>	<u>80,451</u>	<u>612,549</u>
Total Liabilities and Shareholders' Equity	<u><u>2,886,982</u></u>	<u><u>2,366,787</u></u>	<u><u>2,274,594</u></u>

(1) In accordance with the provisions of section 114 of Chapter XXXI – Temporary Provisions, of the Argentine Securities Commission (“CNV”) Regulations, as amended by CNV Resolution No. 592/2011, the Informative Summary accompanying the annual and quarterly financial statements for a fiscal year beginning as from January 1, 2013 the balances and income for the fiscal year/period must be presented in comparison with those of the previous fiscal year, both prepared under IFRS, as required under paragraph 16 (c) of Technical Resolution No. 26 (as amended by Technical Resolution No. 29), and no other comparative amounts will be presented.

(2) Information covered by the Independent auditors report.

METROGAS S.A.

INFORMATIVE SUMMARY OF ACTIVITY
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Comparative Condensed Interim Consolidated Structure of Profit and loss and other comprehensive income ^{(1) (2)}

Condensed Interim Consolidated Statements of Profit and Loss and Other Comprehensive Income for the three months periods ended on March 31, 2015, 2014 and 2013.

	03.31.15	03.31.14	03.31.13
	Thousands of Ps.		
Revenues	774,442	454,337	371,459
Operating costs	(595,610)	(391,364)	(280,257)
Gross profit	178,832	62,973	91,202
Administration expenses	(102,120)	(65,485)	(43,366)
Selling expenses	(90,703)	(58,386)	(55,711)
Other income and expenses	813	(7,870)	(772)
Operating loss	(13,178)	(68,768)	(8,647)
Finance income	5,083	5,322	2,815
Finance cost	(107,067)	(266,552)	(56,965)
Net financial results	(101,984)	(261,230)	(54,150)
Debt restructuring result	-	-	757,470
Result before income tax	(115,162)	(329,998)	694,673
Income tax and MPIT	(4,302)	(13,026)	(248,073)
Net result for the period	(119,464)	(343,024)	446,600
Other comprehensive result	-	-	-
Net and comprehensive result for the period	(119,464)	(343,024)	446,600

⁽¹⁾ In accordance with the provisions of section 114 of Chapter XXXI – Temporary Provisions, of the Argentine Securities Commission (“CNV”) Regulations, as amended by CNV Resolution No. 592/2011, the Informative Summary accompanying the annual and quarterly financial statements for a fiscal year beginning as from January 1, 2013 the balances and income for the fiscal year/period must be presented in comparison with those of the previous fiscal year, both prepared under IFRS, as required under paragraph 16 (c) of Technical Resolution No. 26 (as amended by Technical Resolution No. 29), and no other comparative amounts will be presented.

⁽²⁾ Information covered by the Independent auditors report.

METROGAS S.A.**INFORMATIVE SUMMARY OF ACTIVITY**
RESOLUTION No. 368/01 OF THE ARGENTINE SECURITIES COMMISSION**Comparative Statistical Data**

The information shown below makes reference to the three months periods ended on March 31, 2015, 2014 and 2013.

	<u>03.31.15</u>	<u>03.31.14</u>	<u>03.31.13</u>
	Volumes		
	In millions of cubic meters		
Gas purchased by MetroGAS	332	335	388
Gas contracted by third parties	<u>1,536</u>	<u>1,418</u>	<u>1,821</u>
	1,858	1,753	2,209
Volume of gas withheld:			
- Transportation	(105)	(101)	(129)
- Loss in distribution	(41)	(44)	(47)
- Transportation and processing of natural gas	<u>-</u>	<u>-</u>	<u>(2)</u>
Volume of gas delivered by MetroGAS	<u>1,712</u>	<u>1,608</u>	<u>2,031</u>
Volume of gas purchased and delivered by MetroENERGÍA	<u>280</u>	<u>214</u>	<u>200</u>

Comparative Ratios ^{(1) (2)}

The information below makes reference to the three months periods ended on March 31, 2015, 2014 and 2013.

	<u>03.31.15</u>	<u>03.31.14</u>	<u>03.31.13</u>
Liquidity	0.60	0.65	0.84
Solvency	(0.10)	0.04	0.37
Inmobilization	0.70	0.79	0.79

⁽¹⁾ In accordance with the provisions of section 114 of Chapter XXXI – Temporary Provisions, of the Argentine Securities Commission (“CNV”) Regulations, as amended by CNV Resolution No. 592/2011, the Informative Summary accompanying the annual and quarterly financial statements for a fiscal year beginning as from January 1, 2013 the balances and income for the fiscal year/period must be presented in comparison with those of the previous fiscal year, both prepared under IFRS, as required under paragraph 16 (c) of Technical Resolution No. 26 (as amended by Technical Resolution No. 29), and no other comparative amounts will be presented.

⁽²⁾ Information covered by the Independent auditors report.

METROGAS S.A.**INFORMATIVE SUMMARY OF ACTIVITY**
RESOLUTION No. 368/01 OF THE ARGENTINE SECURITIES COMMISSION**Additional Information****Changes in MetroGAS Shares and ADS Prices:**

		Share Price on the Buenos Aires Stock Exchange (1)
		\$
March	2011	1.04
March	2012	0.70
March	2013	0.70
January	2014	1.26
February	2014	1.33
March	2014	1.74
January	2015	2.90
February	2015	3.83
March	2015	4.24

(1) Prices on the last business day of each month.

Perspectives

MetroGAS intends to focus its efforts on ensuring the continuity of its business, maintaining gas supply quality and reliability, complying with basic License rules and finally, on the basis of the outcome of the License agreement renegotiation, MetroGAS will define its new strategy towards the future and in relation to matters such as business planning, business policy and an the development of an investment plan.

Autonomous City of Buenos Aires, May 6, 2015

David Tezanos Gonzalez
Chairperson

Independent Auditors' Report

To the President and Directors of
METROGAS SOCIEDAD ANÓNIMA
Gregorio Aráoz de Lamadrid 1360
Buenos Aires, Argentina

Report over consolidated financial statements

1. Identification of the consolidated financial statements subject to audit

We have audited the accompanying consolidated financial statements of METROGAS SOCIEDAD ANÓNIMA (an Argentine corporation, hereinafter mentioned as "METROGAS S.A." or the "Company") which comprise the consolidated statement of financial position as of December 31, 2014, and the related consolidated statements of profit and loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory information included in Notes 1 to 30.

The figures and other information corresponding to the fiscal year ended on December 31, 2013 are an integral part of the consolidated financial statements mentioned above and are presented with the purpose to be read only in relation to the figures and other information of the current year.

2. Company's Board of Directors responsibility for the consolidated financial statements

The Company's Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), adopted by the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE") as accounting professional standards, as they were approved by the International Accounting Standards Board ("IASB"), and incorporated by the Argentine Securities Commission to its regulation, as well of internal control system as the Company's Board of Directors deems necessary to enable the preparation of financial statements that are free from material misstatement.

3. Auditor's responsibility

Our responsibility is to express an opinion about the accompanying consolidated financial statements, based on our audit. We conducted our audit in accordance with the International Standards on Auditing ("ISA") adopted by the FACPCE through the Technical Resolution No. 32, as they were approved by the International Auditing and Assurance Standards Board ("IAASB") of the International Federation of Accountants ("IFAC"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures, substantially on a test basis, to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depends on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Company's Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion, the consolidated financial statements referred to section 1 of this report, presents fairly, in all material respects, the financial position of METROGAS S.A. and its controlled company as of December 31, 2014, and its profits and loss and other comprehensive results, changes in its shareholders' equity and their cash flows corresponding to the year then ended, in accordance with International Financial Reporting Standards.

5. Additional explanatory paragraphs

Without modifying our previous opinion, we emphasize that as a consequence of the magnitude of the accumulated losses recorded at December 31, 2014, the Company has a negative Shareholder's Equity attributable to the parent company of thousands of Ps. 210,186, being subject to the provisions of Art. 94 paragraph 5 and Art. 96 of the Argentine Corporate Law.

English translation of statutory consolidated financial statements

This report and the consolidated financial statements referred to in section 1 have been translated into English for the convenience of English-speaking readers. The accompanying consolidated financial statements are the English translation of those originally issued by METROGAS SOCIEDAD ANÓNIMA in Spanish and presented in accordance with International Financial Reporting Standards.

Buenos Aires City, Argentina

February 25, 2015

Deloitte & Co. S.A.

Fernando G. del Pozo

Partner