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

METROGAS S.A.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2010 AND 2009

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LIMITED REVIEW REPORT

To the Shareholders, President and Directors of
MetroGAS S.A.

1. We have reviewed the accompanying balance sheets of MetroGAS S.A. as of March 31, 2010 and 2009 and the related statements of operations, of changes in shareholders' equity and of cash flows for the three-months period then ended and the complementary notes 1. to 15. and exhibits A, C, D, E, F, G and H. We have also reviewed the accompanying consolidated interim financial statements of MetroGAS S.A. and its subsidiary as of March 31, 2010 and 2009, which are included therein as supplementary information. The preparation and issuance of these interim financial statements are the responsibility of the Company's management.

2. Our reviews were limited to the application of the procedures set forth by Technical Resolution N° 7 of the Argentine Federation of Professional Councils in Economic Sciences for limited reviews of financial statements for interim periods, which consist mainly of the application of analytical procedures to the financial statement figures and of making inquiries of Company staff responsible for preparing the information contained in the financial statements and its subsequent analysis. These limited reviews are substantially less in scope than an audit, the objective of which is to express an opinion on the financial statements being examined. Accordingly, we do not express an opinion on the Company's financial position, the statements of its operations, changes in its shareholders' equity and cash flows, or on its consolidated financial statements.

3. The changes in the economic conditions in Argentina and the changes to the License under which the Company operates made by the National Government as mentioned in Note 2. to the financial statements, mainly related to the suspension of the original regime for tariff adjustments, have affected the Company's economic and financial equation. Management is in the process of renegotiating certain terms of the License with the National Government to counteract the negative impact caused by the above mentioned circumstances. At the date of issuance of these financial statements, it is not possible to predict the outcome of the renegotiation process or to determine its final implications on the Company's operations and results. Furthermore, the Company has prepared projections with the aim of determining the recoverable value of the non-current assets, using assumptions based on the expected final outcome of the above-mentioned renegotiation process. We are not in a position to estimate whether the assumptions used by Management to prepare its projections will materialize in the future and, therefore, if the recoverable values of the non-current assets will exceed their respective net book value.

   According to contractual clauses, during current fiscal year the Company will have to pay part of principal and interest on its financial debt. The above circumstances generate uncertainty regarding the Company's ability to pay that debt. As mentioned in Note 9 to the financial statements, the Company has engaged a bank to work as a financial advisor in order to work together on seeking the best alternative to timely refinance the financial debt. We are not in a position to foresee whether the Company will have sufficient funds available to meet its obligations or whether it will be successful in the event of refinancing of its financial debt, nor the impact that this situation might have on the Company's operations.

4. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. Therefore, the accompanying interim financial statements do not include any adjustments or reclassifications that might result from the outcome of the uncertainties mentioned in paragraph 3.

5. Based on the work done, and on our examinations of the Company's individual and consolidated financial statements for the years ended December 31, 2009 and 2008, on which we issued our qualified report dated March 5, 2010 due to circumstances similar to those mentioned in paragraphs 3. and 4., we report that:

   a) the interim financial statements of MetroGAS S.A. as of March 31, 2010 and 2009, and its consolidated interim financial statements as mentioned in paragraph 1., prepared in conformity with accounting standards in effect in the City of Buenos Aires, consider all significant facts and circumstances which are known to us and that we have no observations to make on them other than those indicated in paragraphs 3. and 4.;

   b) the comparative information included in the individual and consolidated balance sheets and in the supplementary notes and exhibits of the accompanying financial statements arises from the financial statements of MetroGAS S.A. as of December 31, 2009.

6. In compliance with current regulations we report that:

   a) The financial statements of MetroGAS S.A. and its consolidated financial statements have been transcribed to the "Inventory and Balance Sheet" book and comply, as regards those matters that are within our competence, with the Commercial Companies Law and the pertinent resolutions of the National Securities Commission;

   b) The financial statements of MetroGAS S.A. arise from accounting records carried in all formal respects in accordance with current regulations;

   c) We have read the summary of activity, on which, as regards those matters that are within our competence, we have no observations to make other than those indicated in paragraghs 3. and 4.;

   d) At March 31, 2010, the debt of MetroGAS S.A. accrued in favor of the Integrated Social Security System according to the Company's accounting records amounts to $ 2,702,226, none of which was claimable at that date.

Buenos Aires, Argentina
May 6, 2010

PRICE WATERHOUSE & CO. S.R.L.

By (Partner)
Carlos N. Martinez

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METROGAS S.A.

Legal address: Gregorio Aráoz de Lamadrid 1360 - Autonomous City of Buenos Aires

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

Fiscal year No. 19 commenced January 1, 2010

Principal activity: Provision of natural gas distribution services

Registration with the Public Registry of Commerce:
By-laws: December 1, 1992
Last amendment: July 29, 2005

Duration of Company: Until December 1, 2091

Parent company: Gas Argentino S.A.
Legal address: Gregorio Aráoz de Lamadrid 1360 - Autonomous City of Buenos Aires
Principal activity: Investment
Percentage of votes held by the parent company: 70%

Composition and changes in Common Stock as of March 31, 2010

Composition

Classes of shares	**Subscribed, registered and paid-in**
Outstanding:	Thousands of Ps.
Ordinary certified shares of Ps. 1 par value and 1 vote each:	
Class “A”	290,277
Class “B”	221,977
Class “C”	56,917
Common Stock as of March 31, 2010	**569,171**

METROGAS S.A.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

Changes in Common Stock

	Subscribed, registered and paid-in
	Thousands of Ps.
Common Stock as per charter of November 24, 1992 registered with the Public Registry of Commerce on December 1, 1992 under No. 11,670, Corporations Book 112, Volume A.	12
Common Stock increase approved by the Shareholders' Meeting held on December 28, 1992 and registered with the Public Registry of Commerce on April 19, 1993 under No. 3,030, Corporations Book 112, Volume A.	388,212
Common Stock increase approved by the Shareholders' Meeting held on June 29, 1994 and registered with the Public Registry of Commerce on September 20, 1994 under No. 9,566, Corporations Book 115, Volume A.	124,306
Capitalization of the Adjustment to Common Stock approved by the Shareholders' Meeting held on March 12, 1997 and registered with the Public Registry of Commerce on June 17, 1997 under No. 6,244, Corporations Book 121, Volume A.	56,641
Common Stock as of March 31, 2010	**569,171**

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METROGAS S.A.

UNAUDITED CONSOLIDATED INTERIM BALANCE SHEETS AS OF MARCH 31, 2010 AND 2009 AND AUDITED CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2009

	March 31, 2010	December 31, 2009	March 31, 2009
	Thousands of Ps.		
ASSETS			
CURRENT ASSETS			
Cash and deposits in banks (Note 3 a))	11,946	63,562	18,298
Investments (Exhibit D))	46,511	64,723	25,281
Trade receivables, net (Note 3 b))	153,990	168,455	197,669
Other receivables (Note 3 c))	12,732	14,374	15,105
Inventories, net (Note 3 d))	3,706	3,834	4,069
Total current assets	228,885	314,948	260,422
NON-CURRENT ASSETS			
Investments (Exhibit D))	381	371	335
Other receivables (Note 3 e))	233,243	221,986	216,591
Fixed assets, net (Exhibit A)	1,690,422	1,688,430	1,660,430
Total non-current assets	1,924,046	1,910,787	1,877,356
Total assets	2,152,931	2,225,735	2,137,778
LIABILITIES			
CURRENT LIABILITIES			
Debts			
Accounts payable (Note 3 f))	160,234	238,050	153,942
Financial debt (Note 3 g))	99,993	82,777	20,746
Payroll and social security payable	17,988	23,052	14,125
Taxes payable (Note 3 h))	52,908	56,219	47,083
Other liabilities	8,610	8,080	6,717
Total debts	339,733	408,178	242,613
Provision for contingencies (Exhibit E)	69,381	70,776	63,081
Total current liabilities	409,114	478,954	305,694
NON-CURRENT LIABILITIES			
Financial debt (Note 3 i))	852,539	837,857	874,962
Taxes payable	6,959	9,977	19,583
Total non-current liabilities	859,498	847,834	894,545
Total liabilities	1,268,612	1,326,788	1,200,239
MINORITY INTEREST	1,802	1,346	1,317
SHAREHOLDERS' EQUITY	882,517	897,601	936,222
Total	2,152,931	2,225,735	2,137,778

Notes 1 to 5 and Exhibits A, D, E, F, G and H are an integral part of these consolidated financial statements.

Juan Carlos Fronza
President

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METROGAS S.A.

UNAUDITED CONSOLIDATED INTERIM STATEMENTS OF INCOME FOR THREE MONTHS ENDED MARCH 31, 2010 AND 2009

	March 31,	
	2010	2009
	Thousands of Ps., except for per share information	
Sales (Note 3 j))	225,719	201,861
Operating cost (Exhibit F)	(160,525)	(142,256)
Gross profit	65,194	59,605
Administrative expenses (Exhibit H)	(21,568)	(20,613)
Selling expenses (Exhibit H)	(26,101)	(21,201)
Operating income	17,525	17,791
Financing and holding results generated by assets		
Holding results	311	501
Discount of long term other receivables result	(308)	(1,026)
Interest on commercial operations	896	3,013
Interest on financial operations	135	322
Exchange gain on commercial operations	585	1,510
Exchange gain on financial operations	111	1,926
Financing and holding results generated by liabilities		
Interest on commercial operations	(105)	(140)
Interest on financial operations	(17,906)	(16,601)
Discount of long term financial debt result	(4,592)	(3,775)
Exchange (loss) income on commercial operations	(360)	225
Exchange loss on financial operations	(11,722)	(58,752)
Others	771	(1,236)
Other income (loss) net	786	(322)
Minority interest	(456)	(269)
Loss before income tax	(14,329)	(56,833)
Income tax (Note 2.5.i))	(755)	17,112
Net loss for the period	**(15,084)**	**(39,721)**
Basic loss per share (Note 2.6.)	(0.03)	(0.07)
Diluted loss per share (Note 2.6.)	(0.03)	(0.07)

Notes 1 to 5 and Exhibits A, D, E, F, G and H are an integral part of these consolidated financial statements.

Juan Carlos Fronza
President

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METROGAS S.A.

UNAUDITED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009

	March 31,	
	2010	2009
	Thousands of Ps.	
Cash flow from operating activities		
Net loss for the period	(15,084)	(39,721)
Financial debt interest expense accrued during the period	17,906	16,601
Income tax accrued during the period	755	(17,112)
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interest	456	269
Depreciation of fixed assets	18,154	17,640
Net book value of fixed assets retired	332	169
Allowance for doubtful accounts	1,574	432
Allowance for inventory obsolescence	(247)	-
Allowance for disposal of fixed assets	2,042	1,416
Contingency provision	(1,388)	999
Materials consumed	559	747
Exchange differences on financial operations	11,722	58,752
Discount of long term financial debt result	4,592	3,775
Discount of long term other receivables result	308	1,026
Other financial results	(2,561)	-
Changes in assets and liabilities		
Trade receivables	12,891	(23,939)
Other receivables	(5,769)	(6,747)
Inventories	(129)	(1,050)
Non current investments	(10)	(16)
Accounts payable	(77,816)	(6,379)
Payroll and social security payable	(5,064)	(4,185)
Taxes payable	(3,496)	7,705
Other liabilities	529	406
Contingency provision	(7)	(261)
Minimum presumed income tax paid for the period	(7,742)	(2,903)
Net cash (used in) provided by operating activities	(47,493)	7,624
Cash flow used in investing activities		
Increase in fixed assets	(22,575)	(18,454)
Net cash used in investing activities	(22,575)	(18,454)
Cash flow provided by financing activities		
Loans	240	1,253
Net cash provided by financing activities	240	1,253
Decrease in cash and cash equivalents	(69,828)	(9,577)
Cash and cash equivalents at the beginning of the year	128,285	53,156
Cash and cash equivalents at the end of the period	58,457	43,579

Notes 1 to 5 and Exhibits A, D, E, F, G and H are an integral part of these consolidated financial statements.

Juan Carlos Fronza
President

NOTES TO UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 1 - CONSOLIDATION BASES

As a consequence of the constitution of MetroENERGÍA S.A. ("MetroENERGÍA") on April 20, 2005, registered in the Public Registry of Commerce on May 16, 2005, a company in which MetroGAS S.A. ("MetroGAS" or the "Company") holds 95% of the Common Stock, the Company has consolidated its unaudited consolidated interim balance sheets line by line as of March 31, 2010, December 31, 2009 and March 31, 2009 as well as its statements of income and cash flows for the three months ended as of March 31, 2010 and 2009, and for the year ended December 31, 2009, with the financial statements of the controlled company, following the procedure established in the Technical Resolution No. 21 of the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE"), approved by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires ("CPCECABA").

The consolidated financial statements includes assets, liabilities and results of the following controlled company:

	Percentage participation on	
Issuing company	Capital	Votes
MetroENERGÍA S.A.	95	95

NOTE 2 - ACCOUNTING STANDARDS

Below are the most relevant accounting standards used by the Company to prepare its consolidated financial statements, which were applied consistently with those for the same period of the previous year.

2.1. Preparation and presentation of consolidated financial statements

The consolidated financial statements are stated in Argentine pesos and were prepared in accordance with accounting disclosure and valuation standards contained in the technical pronouncements issued by the FACPCE approved by the CPCECABA and in accordance with the resolutions of the National Securities Commission ("CNV").

The consolidated interim financial statements for the three months ended March 31, 2010 and 2009 have been subject to limited reviews. Management estimates that such consolidated interim financial statements include all the necessary adjustments to fairly present the results of each period. The results for the three months ended March 31, 2010 and 2009 do not necessarily reflect the proportion of the Company's results for the full years.

The CNV has established the application of the Technical Resolution No. 26 of the FACPCE which adopts, for entities included in the public offer under Law No. 17,811, for its capital or for negotiable obligations, or for having requested authorization to be included in the public offer, the international financial reporting standards issued by the IASB (International Accounting Standard Board). The application of such standards will became obligatory for companies with fiscal year beginning on January 1, 2012. On April 22, 2010, the Board of Directors approved the specific implementation plan.

NOTE 2 - ACCOUNTING STANDARDS (Contd.)

2.2. Accounting estimates

The preparation of consolidated financial statements at a given date requires that management make estimates and evaluations affecting the amount of assets and liabilities recorded and contingent assets and liabilities disclosed at the date of issue of the consolidated financial statements, as well as income and expenses recorded during the period. Management makes estimates to calculate, at a given moment, for example, the allowance for doubtful accounts, depreciation, the recoverable value of assets, the income tax charge and the contingency provision. Actual future results might differ from estimates and evaluations made at the date of preparation of these consolidated financial statements.

2.3. Recognition of the effects of inflation

The consolidated financial statements have been prepared in constant currency, reflecting the overall effects of inflation through August 31, 1995. Between that date and December 31, 2001, restatement of the consolidated financial statements was discontinued due to the existence of a period of monetary stability. Between January 1, 2002 and March 1, 2003, the effects of inflation were recognized to reflect the inflation recorded during that period. As from that date, restatement of consolidated financial statements has been discontinued.

This criterion is not in accordance with prevailing professional accounting standards, under which consolidated financial statements must be restated until September 30, 2003. The effect of the mentioned professional accounting standards deviation is not significant over the consolidated financial statements as of March 31, 2010 and 2009.

The rate used for restatement of items was the internal wholesale price index (“IPM”) published by the National Institute of Statistic and Census.

2.4. Comparative information

Balances as of March 31 and December 31, 2009 and results for the three months ended March 31, 2009 disclosed in these unaudited consolidated interim financial statements for comparative purposes, arises from the financial statements as of such dates.

In accordance with professional accounting standards, the Company shows the information included in the unaudited consolidated interim balance sheet as of March 31, 2010 in comparative format with those as of March 31 and December 31, 2009, since it is engaged in seasonal activities.

Certain amounts in the financial statements for the three months ended March 31, 2009 and in the audited financial statements for the year ended December 31, 2009 were reclassified for presentation on a comparative basis with those for the current period.

2.5. Valuation criteria

a) Cash and deposits in banks

Have been recorded at its nominal value.

NOTE 2 - ACCOUNTING STANDARDS (Contd.)

b) Foreign currency assets and liabilities

Foreign currency assets and liabilities were valued at period-end exchange rates.

c) Short-term investments

National Government Bonds ("BODEN") were valued at their market value at the end of the period.

Units in mutual funds were valued at their market value at the end of the period.

Saving accounts and time deposits were valued at their nominal value plus interest accrued at the end of the period.

d) Trade receivables and accounts payable

Trade receivables and accounts payable were valued at their nominal value incorporating financial results accrued through period-end, where applicable. The values thus obtained do not significantly differ from those that would have been obtained had current accounting standards been applied, which establish that they must be valued at their spot price at the time of the transaction plus interest and implicit financial components accrued at the internal rate of return determined at each moment.

Trade receivables include accrued services pending billing at period-end.

The line headed PURE corresponds to the Program for the Rational Use of Energy, comprising the recognition of incentives and additional charges for excess consumption. The balance for this item included in trade receivables corresponds to bonuses for consumption net of additional charges for excess consumption pending billing, while the amount recorded under accounts payable corresponds to additional charges for consumption, to be deposited in the Trust Fund indicated by ENARGAS.

The line headed Trust Funds within accounts payable corresponds to the collected amounts, which were pending of deposit at the end of each period.

Additionally to his own behalf, MetroENERGÍA, trades, on behalf of producers and/or third buying parties, natural gas, receiving a fee included under the line headed Sales in the Statements of Income. Trade receivables and accounts payable generated in this way have been valuated following the general criterion above mentioned.

Trade receivables are shown net of the allowance for doubtful accounts, which is based on management's collection estimates.

e) Financial debt

Financial debts resulting from the financial debt restructuring process, corresponding to Negotiable Obligations Series 1 and 2 were valued based on the amounts payables discounted using the market interest rate that reflects at the initial moment of the transaction the evaluation over the time value of the money and the specific risks of the debt.

NOTE 2 - ACCOUNTING STANDARDS (Contd.)

Financial debts not included in the financial debt restructuring process, corresponding to Negotiable Obligations Series A and B were valued at nominal value plus financial results accrued at the end of the period. Values thus obtained do not significantly differ from those that would have been obtained had current accounting standards been applied, which establish that they must be valued at the sums received, net of transaction costs, plus financial results accrued at the internal rate of return estimated at that time.

f) Other receivables and payables

Sundry receivables and payables were valued at their nominal value incorporating financial results accrued at period-end, except for the amounts to be recovered through tariffs included in long term Other receivables which were valued on the basis of the best possible estimation of the sums to be received discounted using the rate that reflects the time value of the money and the specific risks of the receivables; and for the deferred income tax which was valued at their nominal value.

Values thus obtained incorporating financial results accrued through period-end do not significantly differ from those that would have been obtained had current accounting standards been applied, which establish that they must be valued on the basis of the best estimation possible of the sum to receive and to pay, respectively, discounted using a rate that reflects the value time of the money and the specific risks of the transaction considered at the moment of its incorporation to the assets and liabilities, respectively.

The value registered in Other receivables does not exceed its respective recoverable value.

g) Inventories

Warehouse materials were valued at their period-end replacement cost. The value thus obtained, net of the allowance for obsolescence, is less than the respective recoverable value estimated at the end of each period.

h) Fixed assets

For assets received at the time of granting of the License, the global transfer value defined in the Transfer Agreement arising as an offsetting item of contributions made and transferred liabilities restated following the guidelines indicated in Note 2.3. to consolidated financial statements has been considered as original value of fixed assets.

Based on special work performed by independent experts, the global original value mentioned above was appropriated among the various categories of items making up that value, assigning as useful life the remaining years of service estimated by the Company on the basis of type of item, current status, and renewal and maintenance plans.

Assets incorporated to net worth after granting of the License were valued at restated acquisition cost, following the guidelines indicated in Note 2.3. to consolidated financial statements except in the case of distribution networks built by third parties (various associations and cooperatives) which, as established by ENARGAS, are valued at amounts equivalent to certain cubic meters of gas.

NOTE 2 - ACCOUNTING STANDARDS (Contd.)

Fixed assets are depreciated by the straight-line method, using annual rates sufficient to extinguish their values by the end of their estimated useful lives. Depreciation was computed based on the amount of these assets adjusted for inflation following the guidelines indicated in Note 2.3..

The Company capitalizes the portion of operating costs attributable to planning, execution and control of investments in fixed assets. The amounts capitalized during the three months ended March 31, 2010 and 2009 amounted to Ps. 1,164 thousand and to Ps. 1,122 thousand, respectively and Ps. 4,983 thousand for the year ended December 31, 2009.

Gas in pipelines is valued at acquisition cost restated following the guidelines indicated in Note 2.3. to consolidated financial statements.

Net value of fixed assets does not exceed its economic utilization value at the end of the period.

i) Income tax

The Company and its controlled company recognized the income tax charge by the deferred tax liability method, recognizing temporary differences between accounting and tax assets and liabilities measurements.

Deferred tax asset is mainly generated by: i) tax loss carry forward, ii) the temporary differences of the allowance for doubtful accounts, iii) the accounting contingency provision and iv) the other non-current receivables discount.

Deferred tax liability is mainly generated by: i) temporary differences between the accounting valuation and the tax value of fixed assets, mainly due to different depreciation criteria and the treatment accounting of the financial results (interest and exchange differences) capitalized under those items and ii) discount of financial debt, valued at their nominal value in accordance with tax purposes.

To determine deferred assets and liabilities, the tax rate in force at the date of issuance of these consolidated financial statements has been applied to the temporary differences identified and tax loss carry forwards.

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

Deferred assets

	Estimated loss carry forward	Trade receivables	Other liabilities	Other receivables	Other	Total
			Thousand of Ps.			
Balances as of December 31, 2009	13,468	20,788	25,296	9,058	35	68,645
Movements of the period	3,273	(960)	(464)	155	418	2,422
Balances as of March 31, 2010	16,741	19,828	24,832	9,213	453	71,067

NOTE 2 - ACCOUNTING STANDARDS (Contd.)

Deferred liabilities

	Fixed assets	Financial debt	Other	Total
	Thousands of Ps.			
Balances as of December 31, 2009	(9,327)	(17,208)	161	(26,374)
Movements of the period	348	1,661	(106)	1,903
Balances as of March 31, 2010	(8,979)	(15,547)	55	(24,471)

Deferred income tax assets generated by the tax loss carry forward recorded by the Company amount to Ps. 16,741 thousand at the end of the period and Ps. 13,468 thousand at the beginning of the year. That tax loss carry forward can be offset against profits for future years expiring Ps. 13,092 thousand in 2014 and Ps. 3,649 thousand in 2015.

The realization of deferred tax assets depends on the future generation of taxable profits in those years in which temporary differences become deductible. To determine the realization of assets, the Company considers the projection of future taxable profits based on its best estimation.

Net deferred assets derived from the information included in the preceding tables amount to Ps. 42,271 thousand at the beginning of the year and Ps. 46,596 thousand at the end of the period.

Below is the reconciliation between income tax charged (credit) in results and the amount resulting from the application of the corresponding tax rate to the accounting profit before income tax:

	March 31,	
	2010	2009
	Thousands of Ps.	
Income tax expense over pre-tax income	(5,015)	(19,892)
Permanent differences		
Restatement into constant currency	3,486	3,428
Non deductible expenses and non-computable income	2,284	(648)
Total income tax charged (credit) in results	755	(17,112)

NOTE 2 - ACCOUNTING STANDARDS (Contd.)

Below is the reconciliation between income tax charged (credit) in results and the income tax determined for fiscal purpose:

	March 31,	
	2010	2009
	Thousands of Ps.	
Income tax determined for fiscal purpose	1,807	(14,058)
Temporary differences	(1,052)	(3,054)
Total income tax charged (credit) in results	755	(17,112)

The Company, in accordance with the new accounting standards, has decided not to recognize the deferred tax liability caused by inflation adjustment on fixed assets to the effects of the calculation of the deferred tax. Had the deferred tax liability been recognized in this item, its value would amount, at nominal values, to Ps. 260 million at the end of the period and Ps. 263 million, at the beginning of the year. The difference of Ps. 3 million would have impacted in the result of the period.

j) Minimum notional income tax

The Company calculates minimum notional income tax by applying the current 1% rate on computable assets at the end of the period. This tax complements income tax. The Company’s tax obligation for each period will agree with the higher of the two taxes. If in a fiscal year, however, minimum notional income tax obligation exceeds income tax liability, the surplus will be computable as a down payment of income tax through the next ten years.

The Company has recognized minimum notional income tax accrued during the year and paid in previous years as a credit. That credit is shown under the heading Other non-current credits and expires between the years 2012 and 2020.

In order to determine the realization of such asset, the Company considers the projections of future taxable revenues based on the best estimation. Considering the estimates made by the Company, it registered an allowance for impairment of the minimum notional income tax which amounts to Ps. 21,066 thousand at the end of the period.

k) Severance pay

Severance payments made to employees are expensed as incurred.

l) Balances with related parties

Balances with related parties mainly generated by commercial operations and sundry services were valued based on conditions agreed between the parties.

NOTE 2 - ACCOUNTING STANDARDS (Contd.)

m) Contingency provisions

Set up to cover labor or commercial contingencies and sundry risks that could give rise to liabilities to the Company. In estimating the amounts and probability of occurrence the opinion of the Company's legal counsel has been taken into account.

Insurance coverage taken out by the Company has also been considered. At the date of issuance of these consolidated financial statements, management considers that there are no elements to determine other contingencies that could have a negative impact on the consolidated financial statements.

n) Revenue recognition

The Company recognizes sales revenue based on gas deliveries to customers, including estimated gas volumes delivered pending billing at the end of each period.

Volumes delivered were determined based on gas volumes purchased and other data.

o) Statements of income accounts

Statements of income accounts are shown at nominal value, except depreciations of fixed assets that are restated following the guidelines indicated in Note 2.3. to consolidated financial statements.

2.6. Basic and diluted loss per share

Basic and diluted loss per share is calculated based on weighted average shares at March 31, 2010 and 2009, respectively, amounting to 569,171,208. As the Company does not hold preferred shares or debt convertible into shares, both indicators are equivalent.

2.7. Information by segment

The Company mainly operates in providing gas distribution services and, through MetroENERGÍA, in buying and selling natural gas and/or its transportation on its own, on behalf of or associated to third parties.

Details regarding certain information classified by segment of business, in accordance with the guidelines of Technical Resolution No. 18 of the FACPCE are as follows:

NOTES TO UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 2 - ACCOUNTING STANDARDS (Contd.)

	March 31, 2010			
	MetroGAS Distribution	MetroENERGIA Trading	Eliminations	Total
	Thousands of Ps.			
Sales	174,405	56,448	(5,134)	225,719
Operating income	6,661	14,999	(4,135)	17,525
Equity in income of controlled company	3,020	-	(3,020)	-
(Loss) income before income tax	(19,238)	14,025	(9,116)	(14,329)
Income tax	4,154	(4,909)	-	(755)
Net (loss) income for the period	(15,084)	9,116	(9,116)	(15,084)
Total assets	2,115,518	71,448	(34,035)	2,152,931
Total liabilities	1,233,001	35,414	197	1,268,612
Increase in fixed assets	22,575	-	-	22,575
Depreciation of fixed assets	18,154	-	-	18,154
Investment in controlled company	29,037	-	(29,037)	-
Other significant items in Statement of Cash Flows non generating cash movements				
Allowance for disposal of fixed assets	2,042	-	-	2,042
Contingency provision	(1,388)	-	-	(1,388)
Allowance for doubtful accounts	1,213	361	-	1,574
Exchange differences on financial operations	11,722	-	-	11,722
Discount of long term financial debt result	4,592	-	-	4,592
Discount of long term other receivables result	308	-	-	308

	March 31, 2009			
	MetroGAS Distribution	MetroENERGIA Trading	Eliminations	Total
	Thousands of Ps.			
Sales	165,463	36,733	(335)	201,861
Operating income	7,775	6,950	3,066	17,791
Equity in income of controlled company	6,921	-	(6,921)	-
(Loss) income before income tax	(59,728)	8,271	(5,376)	(56,833)
Income tax	20,007	(2,895)	-	17,112
Net (loss) income for the period	(39,721)	5,376	(5,376)	(39,721)
Total assets	2,091,972	68,692	(22,886)	2,137,778
Total liabilities	1,155,750	42,351	2,138	1,200,239
Increase in fixed assets	18,454	-	-	18,454
Depreciation of fixed assets	17,640	-	-	17,640
Investment in controlled company	22,011	-	(22,011)	-
Other significant items in Statement of Cash Flows non generating cash movements				
Allowance for disposal of fixed assets	1,416	-	-	1,416
Contingency provision	999	-	-	999
Allowance for doubtful accounts	432	-	-	432
Exchange differences on financial operations	58,752	-	-	58,752
Discount of long term financial debt result	3,775	-	-	3,775
Discount of long term financial debt result	1,026	-	-	1,026

Sales operations from MetroGAS to MetroENERGÍA were valued according to tariffs applied by MetroGAS to its commercial operations with third parties under the legislation in force.

In turn, there is a Professional Service Agreement between MetroGAS and MetroENERGÍA for the provision of administrative, accounting, tax, financial, legal and all other services related to the normal development of MetroENERGÍA´s operations. This agreement was valued under reasonable market conditions for this type of services.

METROGAS S.A.

NOTES TO UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 3 - ANALYSIS OF THE MAIN ACCOUNTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Details regarding the significant amounts included in the accompanying consolidated financial statements are as follows:

	March 31, 2010	December 31, 2009	March 31, 2009
		Thousands of Ps.	
Assets			
Current assets			
a) Cash and deposits in banks			
Cash	682	350	783
Banks	9,248	60,510	12,236
Collections to be deposited	2,016	2,702	5,279
	11,946	63,562	18,298
b) Trade receivables, net			
Trade accounts receivable	139,080	144,127	166,958
Unbilled revenues	19,249	16,616	15,832
Receivables from sales on behalf third parties	13,339	24,717	32,885
Tax on banking transactions to be recovered	5,158	4,591	4,006
Related companies (Note 5)	401	389	800
PURE	(4,361)	(4,607)	(8,475)
Allowance for doubtful accounts (Exhibit E)	(18,876)	(17,378)	(14,337)
	153,990	168,455	197,669
c) Other receivables			
Other advances	5,905	4,564	10,194
Insurance and other prepaid expenses	3,667	4,564	2,142
Receivables from taxes and social security	2,120	4,323	2,109
Other receivables	1,040	923	646
Legal guarantee deposits	-	-	11
Related companies (Note 5)	-	-	3
	12,732	14,374	15,105
d) Inventories, net			
Warehouse materials	5,239	5,669	5,776
Allowance for inventory obsolescence (Exhibit E)	(1,533)	(1,835)	(1,707)
	3,706	3,834	4,069
Non-current assets			
e) Other receivables			
Deferred tax assets			
Deferred income tax assets (Note 2.5 i))	46,596	42,271	35,796
Receivables for minimum notional income tax (Note 2.5.j))	69,240	66,296	78,265
	115,836	108,567	114,061
Study, revision and inspection of works in public space levy to be recovered GCABA (Note 8.4.5. to the primary financial statements)	52,364	49,990	43,932
Occupancy of public space levy to be recovered (Note 8.4.5. to the primary financial statements)	76,097	74,063	67,899
Sundry	238	281	949
Others (Fair Value Discount)	(11,292)	(10,915)	(10,250)
	233,243	221,986	216,591

METROGAS S.A.

NOTES TO UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 3 - ANALYSIS OF THE MAIN ACCOUNTS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	March 31, 2010	December 31, 2009	March 31, 2009
		Thousands of Ps.	
Liabilities			
Current liabilities			
f) Accounts payable			
Gas and transportation	69,560	69,594	28,817
Other purchases and services	68,025	74,159	49,737
Related companies (Note 5)	5,410	15,962	26,729
Payables from sales on behalf third parties	14,790	24,229	21,920
PURE	-	-	4,558
Trust Funds	2,449	54,106	22,181
	160,234	238,050	153,942
g) Financial debt (Note 9 to the primary financial statements)			
Negotiable obligations (face value) (Exhibit G)	81,766	81,774	1,493
Interest and other expenses payable to foreign financial institutions (Exhibit G)	17,956	972	18,000
Bank overdraft with financial institutions	271	31	1,253
	99,993	82,777	20,746
h) Taxes payable			
Value added tax	9,969	11,328	9,533
Occupancy of public space levy	8,610	7,974	7,523
GCABA study, revision and inspection of works in public space levy	15,246	13,217	8,490
CNG tax	4,449	5,209	5,611
Income tax	9,699	12,823	8,616
Turnover tax	408	313	1,203
Other taxes	4,527	5,355	6,107
	52,908	56,219	47,083
i) Financial debt (Note 9 to the primary financial statements)			
Negotiable obligations (face value) (Exhibit G)	896,959	887,022	936,075
Negotiable obligations (fair value discount)	(44,420)	(49,165)	(61,113)
	852,539	837,857	874,962
Statements of Income			
j) Sales			
MetroGAS's gas sales	89,736		86,973
MetroENERGíA's sales on own behalf	50,068		32,970
MetroGAS's transportation and distribution services	55,502		57,080
MetroGAS's other sales	10,012		8,153
MetroGAS's processed natural gas sales	14,021		12,922
MetroENERGíA's selling commission	6,380		3,763
	225,719		201,861

METROGAS S.A.

NOTES TO UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 4 - DUE DATES OF INVESTMENTS, RECEIVABLES AND PAYABLES

The due dates of investments, receivables and payables are as follows:

	March 31, 2010	December 31, 2009	March 31, 2009
	Thousands of Ps.		
4.1. Investments			
- Becoming due			
under 3 months	1,153	6,149	25,230
- Without due date	45,739	58,945	386
Total	46,892	65,094	25,616
4.2. Receivables			
- Past due			
under 3 months	37,500	37,197	54,869
from 3 to 6 months	16,374	14,514	2,723
from 6 to 9 months	8,172	22,743	6,734
from 9 to 12 months	526	1,577	863
from 1 to 2 years	7,919	6,914	5,686
more than 2 years	8,291	8,027	8,670
Sub-total	78,782	90,972	79,545
- Without due date	677	639	583
- Becoming due			
under 3 months	99,895	100,849	141,728
from 3 to 6 months	2,714	4,313	2,344
from 6 to 9 months	2,002	1,975	1,647
from 9 to 12 months	1,528	1,459	1,264
from 1 to 2 years	94,863	91,453	82,160
more than 2 years	138,380	130,533	134,431
Sub-total	339,382	330,582	363,574
Allowance for doubtful accounts	(18,876)	(17,378)	(14,337)
Total	399,965	404,815	429,365

NOTE 4 - DUE DATES OF INVESTMENTS, RECEIVABLES AND PAYABLES (Contd.)

	March 31, 2010	December 31, 2009	March 31, 2009
	Thousands of $		
4.3. Payables			
- Past due			
under 3 months	7,961	44,931	8,567
from 3 to 6 months	68	228	39
from 6 to 9 months	52	-	2
from 9 to 12 months	-	34	557
from 1 to 2 years	7,511	1,140	597
more than 2 years	-	74	6,765
Sub-total	15,592	46,407	16,527
- Without due date	7,224	6,998	5,617
- Becoming due			
under 3 months	216,117	252,131	192,824
from 3 to 6 months	43,728	47,606	10,600
from 6 to 9 months	11,250	2,845	11,089
from 9 to 12 months	45,822	52,191	5,956
from 1 to 2 years	131,906	130,944	51,226
more than 2 years	727,592	716,890	843,319
Sub-total	1,176,415	1,202,607	1,115,014
Total	1,199,231	1,256,012	1,137,158

Investments bearing interest according to the following detail: 1) “BODEN” at an annual rate of 4.00% as of March 31, 2010 and 2009 and as of December 31, 2009; 2) time deposits at an annual average rate in dollars of 0.25% as of March 31, 2010, of 0.25% as of December 31, 2009 and of 0.55% as of March 31, 2009, and an annual average rate in pesos of 11.50% as of March 31, 2010 and of 9.75% as of December 31, 2009 and 3) mutual funds with an average annual yield of 5.4% and 12.8% as of March 31, 2010 and 2009, respectively, and of 5.7% as of December 31, 2009.

Pursuant legislation in force, in the case of invoices for services not paid when due, the Company is entitled to collect interest on overdue amounts from the due date through the date of payment. As these are overdue receivables, and following standards of prudence, the Company recognizes this income at the time of actual collection.

Payables do not accrue interest, except for the Financial debts (Note 9 to the primary financial statements) and Taxes payable in relation to the payment facilitation plans.

NOTE 5 - TRANSACTIONS AND BALANCES WITH RELATED COMPANIES

Gas Argentino S.A. ("Gas Argentino"), as owner of 70% of the Company's Common Stock, is the controlling shareholder of MetroGAS.

MetroGAS carries out certain transactions with the shareholders of Gas Argentino or their affiliates. As of March 31, 2010, the shareholders of Gas Argentino are BG Inversiones Argentinas S.A. ("BG") (54.67%) and YPF Inversora Energética S.A. ("YPF") (45.33%).

These consolidated financial statements include the following transactions and balances with related companies:

- Gas supply, sales and services contracts with companies directly and indirectly related to YPF.
- Management fees accrued pursuant to the Technical Assistance Agreement with BG International Limited.
- Fees accrued under the terms of a Personnel Supply Agreement with BG Argentina S.A. and YPF S.A..

METROGAS S.A.

NOTES TO UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 5 - TRANSACTIONS AND BALANCES WITH RELATED COMPANIES (Contd.)

Significant transactions with related companies are as follows:

	March 31,							
	2010				2009			
	Thousands of Ps.							
	Gas & transportation sales	Commission by operations on behalf third parties	Gas & transportation purchases	Fees for professional services	Gas & transportation sales	Commission by operations on behalf third parties	Gas & transportatio n purchases	Fees for professional services
Controlling company								
Gas Argentino S.A.	-	-	-	-	-	-	-	-
Related parties:								
BG Argentina S.A.	-	-	-	-	-	-	-	1,024
BG International Limited	-	-	-	-	-	-	-	-
YPF S.A.	2	392	10,729	177	4	136	10,913	-
Operadora de Estaciones de Servicios S.A.	294	-	-	-	591	-	-	-
Astra Evangelista S.A.	4	-	-	-	8	-	-	-
Board of directors and management:	-	-	-	-	-	-	-	-
	300	392	10,729	177	603	136	10,913	1,024

NOTE 5 - TRANSACTIONS AND BALANCES WITH RELATED COMPANIES (Contd.)

The outstanding balances as of March 31, 2010, December 31, 2009 and March 31, 2009 from transactions with related companies are as follows:

	March 31, 2010		December 31, 2009		March 31, 2009		
	Trade receivables	Accounts payable	Trade receivables	Accounts payable	Trade receivables	Other receivables	Accounts payable
	Current	Current	Current	Current	Current	Current	Current
	Thousands of Ps.						
Controlling company:							
Gas Argentino S.A.	-	-	-	-	-	-	-
Significant influence:							
YPF Inversora Energética S.A.	-	-	-	-	-	-	-
Other related parties:							
BG Argentina S.A.	-	-	-	-	-	3	552
BG International Limited	-	-	-	-	-	-	12,153
YPF S.A.	169	5,410	162	15,962	146	-	14,024
Operadora de Estaciones de Servicios S.A.	227	-	222	-	654	-	-
Astra Evangelista S.A.	5	-	5	-	-	-	-
Board of directors and management:	-	-	-	-	-	-	-
	401	5,410	389	15,962	800	3	26,729

Juan Carlos Fronza
President

EXHIBIT A

METROGAS S.A.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009 AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009
FIXED ASSETS

MAIN ACCOUNT	ORIGINAL VALUE					DEPRECIATION					NET BOOK VALUE 03-31-10
	AT BEGINNING OF YEAR	INCREASE	TRANSFERS	RETIREMENTS	AT END OF PERIOD	ACCUMULATED AT BEGINNING OF YEAR	RETIREMENT	FOR THE PERIOD ANNUAL RATE (1)	FOR THE PERIOD AMOUNT (2)	ACCUMULATED AT END OF PERIOD	
	Thousands of Ps.										
Land	17,501	-	-	-	17,501	-	-	-	-	-	17,501
Building and civil constructions	75,602	-	-	-	75,602	24,290	-	2.0%	351	24,641	50,961
High pressure mains	277,302	-	2,606	-	279,908	175,176	-	2.22% to 10%	2,536	177,712	102,196
Medium and low pressure mains	1,641,676	-	12,523	-	1,654,199	507,240	-	1.19% to 10%	9,538	516,778	1,137,421
Pressure regulating stations	63,973	-	217	-	64,190	35,847	-	4% to 12.5%	523	36,370	27,820
Consumption measurement installations	342,041	-	780	(27)	342,794	139,416	(12)	2.85% to 5%	3,165	142,569	200,225
Other technical installations	49,814	-	451	-	50,265	41,384	-	6.67%	670	42,054	8,211
Machinery, equipment and tools	27,583	-	149	-	27,732	25,589	-	6.67% to 20%	99	25,688	2,044
Computer and telecommunications equipment	158,978	-	6,883	-	165,861	150,489	-	5% to 50%	812	151,301	14,560
Vehicles	10,393	-	-	(437)	9,956	8,258	(437)	10% to 20%	171	7,992	1,964
Furniture and fixtures	5,461	-	-	-	5,461	5,444	-	10% to 20%	3	5,447	14
Materials	8,277	4,449	(3,264)	(172)	9,290	-	-	-	-	-	9,290
Gas in pipelines	214	-	-	-	214	-	-	-	-	-	214
Work in progress	84,915	17,950	(20,778)	-	82,087	-	-	-	-	-	82,087
Advances to fixed assets suppliers	370	176	-	(162)	384	-	-	-	-	-	384
Subtotal	2,764,100	22,575	(433)	(798)	2,785,444	1,113,133	(449)	-	17,868	1,130,552	1,654,892
Distribution network extensions constructed by third parties	63,372	-	857	-	64,229	13,128	-	1.82% to 2.38%	322	13,450	50,779
Offsetting item for distribution network extensions	(5,329)	-	(424)	-	(5,753)	(527)	-	2% to 2.38%	(36)	(563)	(5,190)
Allowance for obsolescence of materials (Exhibit E)	(529)	(55)	-	2	(582)	-	-	-	-	-	(582)
Allowance for disposal of fixed assets (Exhibit E)	(7,450)	(2,042)	-	15	(9,477)	-	-	-	-	-	(9,477)
Total as of March 31, 2010	2,814,164	20,478	-	(781)	2,833,861	1,125,734	(449)	-	18,154	1,143,439	1,690,422
Total as of December 31, 2009	2,723,708	98,317	-	(7,861)	2,814,164	1,062,507	(8,104)	-	71,331	1,125,734	1,688,430
Total as of March 31, 2009	2,723,708	17,038	-	(715)	2,740,031	1,062,507	(546)	-	17,640	1,079,601	1,660,430

Notes:

(1) The depreciation rates are variable and based on the useful lives assigned to the assets at the Takeover Date. The useful lives were estimated according to the type, current condition and renewal and maintenance programs of assets.

(2) Depreciation of fixed assets has been included in Exhibit H.

Juan Carlos Fronza
President

EXHIBIT D

METROGAS S.A.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009 AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009
CURRENT INVESTMENTS

ISSUER	FACE VALUE	QUANTITY	LISTED PRICE AS OF 03-31-10	FACE VALUE PLUS ACCRUED INTEREST	BOOK VALUE AS OF 03-31-10	BOOK VALUE AS OF 12-31-09	BOOK VALUE AS OF 03-31-09
		Thousands	Ps.	Thousands of Ps.			
CURRENT INVESTMENTS							
Government Securities							
National Government bonds (BODEN 2012)	1.4	16	1.3011	20	20	21	14
Units of mutual funds							
Fima Premium Clase B	-	17,861.4	1.31805	-	23,542	6,680	-
Goal Pesos - Clase B	-	6,904.8	3.1488	-	21,742	51,820	-
Bank deposits							
Saving account	54	1	-	54	54	53	37
Time deposits	1,153	-	-	1,153	1,153	6,149	25,230
TOTAL CURRENT INVESTMENTS					46,511	64,723	25,281
NON CURRENT INVESTMENTS							
Units of mutual funds							
RJ Delta Ahorro - Clase B	0	233.7	1.63003	-	381	371	335
TOTAL NON CURRENT INVESTMENTS					381	371	335
Total					46,892	65,094	25,616

Juan Carlos Fronza
President

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

EXHIBIT E

METROGAS S.A.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009 AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009

ALLOWANCES

MAIN ACCOUNT	03-31-10				12-31-09	03-31-09
	BALANCE AT BEGINNING OF YEAR	INCREASE	DECREASE	BALANCE AT END OF PERIOD	BALANCE AT END OF YEAR	BALANCE AT END OF PERIOD
	Thousands of Ps.					
Deducted from assets						
For doubtful accounts	17,378	1,574 (1)	(76)	18,876	17,378	14,337
For obsolescence of materials						
Inventories	1,835	(302) (2)	-	1,533	1,835	1,707
Fixed assets	529	55	(2)	582	529	595
For disposal of fixed assets	7,450	2,042 (3)	(15)	9,477	7,450	10,249
Valuation allowance on deferred income tax assets	-	-	-	-	-	23,279
Valuation allowance on minimum presumed income tax	21,066	-	-	21,066	21,066	-
Total	48,258	3,369	(93)	51,534	48,258	50,167
Included in liabilities						
For contingencies						
Executive proceedings	14,340	1,377	(7)	15,710	14,340	12,151
Turnover tax GCABA	6,978	7,657	-	14,635	6,978	5,960
Rates and charges	21,259	263	-	21,522	21,259	20,455
Fines GCBA	837	958	-	1,795	837	412
Interpretation disagreements with the Regulatory Authority	22,658	(13,723)	-	8,935	22,658	17,891
Others	4,704	2,080	-	6,784	4,704	6,212
Total contingencies	70,776	(1,388) (4)	(7)	69,381	70,776	63,081

Notes:

(1) The charge in results is disclosed in Exhibit H.
(2) Charged in results in the line Sundry materials of Exhibit H.
(3) Charged in results in the line Operating expenses - Others of Exhibit H.
(4) Charged in results in the line Contingencies reserve of Exhibit H.

Juan Carlos Fronza
President

EXHIBIT F

METROGAS S.A.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009 OPERATING COST

MAIN ACCOUNT	03-31-10	03-31-09
	Thousands of Ps.	
Stock at the beginning of the year		
Natural gas	-	-
Processed natural gas	-	-
	-	-
Plus		
Purchases		
Natural gas	65,921	53,783
Processed natural gas	-	-
	65,921	53,783
Transportation of natural gas	53,699	51,556
Transportation of processed natural gas	494	495
	54,193	52,051
Operating Expenses (Exhibit H)		
Natural gas	40,402	36,413
Processed natural gas	9	9
	40,411	36,422
Less		
Stock at the end of the period		
Natural gas	-	-
Processed natural gas	-	-
	-	-
Operating Cost	160,525	142,256
Natural gas	160,022	141,752
Processed natural gas	503	504

Juan Carlos Fronza
President

EXHIBIT G

METROGAS S.A.
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009 AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009
FOREIGN CURRENCY ASSETS AND LIABILITIES

MAIN ACCOUNT	03-31-10				12-31-09		03-31-09	
	FOREIGN CURRENCY AND AMOUNT		EXCHANGE RATE	BOOK VALUE	FOREIGN CURRENCY AND AMOUNT	BOOK VALUE	FOREIGN CURRENCY AND AMOUNT	BOOK VALUE
	Thousands			Thousands of Ps.	Thousands	Thousands of Ps.	Thousands	Thousands of Ps.
ASSETS								
CURRENT ASSETS								
Cash and banks								
Cash	US$	30	3.8380	115	30	113	32	118
	LBE	4	5.8265	23	4	24	4	21
	Euros	3	5.1932	16	3	16	3	15
	Real	3	2.0500	6	3	6	3	5
	Canadian dollars	1	3.7757	4	1	4	1	3
	Russian rublo	8	0.1316	1	8	1	7	1
Banks	US$	482	3.8380	1,850	606	2,279	269	990
	Euros	9	5.1932	47	-	-	-	-
Investments	US$	315	3.8380	1,209	315	1,184	6,592	24,259
Trade receivables	US$	9,850	3.8380	37,804	11,723	44,078	11,517	42,383
Other receivables	US$	305	3.8380	1,171	445	1,673	240	883
Total Current Assets				42,246		49,378		68,678
TOTAL ASSETS				42,246		49,378		68,678
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable	US$	7,297	3.8780	28,298	10,991	41,766	5,490	20,423
	Euros	3	5.2477	16	50	273	142	700
	LBE	-	5.8949	-	22	135	-	-
Financial debts								
Negotiable obligations (face value)	US$	21,085	3.8780	81,766	21,085	80,121	-	-
	Euros	-	5.2477	-	303	1,653	303	1,493
Interest and other expenses payable to foreign financial institutions	US$	4,295	3.8780	16,656	23	88	4,318	16,063
	Euros	248	5.2477	1,300	162	884	393	1,937
Total Current Liabilities				128,036		124,920		40,616
NON-CURRENT LIABILITIES								
Financial debts								
Negotiable obligations (face value)	US$	196,016	3.8780	760,150	196,016	744,860	217,100	807,613
	Euros	26,070	5.2477	136,809	26,070	142,162	26,070	128,462
Total Non-Current Liabilities				896,959		887,022		936,075
TOTAL LIABILITIES				1,024,995		1,011,942		976,691

US$: United States Dollars
LBE: Pounds Sterling

Juan Carlos Fronza
President

EXHIBIT H

METROGAS S.A.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH ENDED MARCH 31, 2010 AND 2009
EXPENSES INCURRED

MAIN ACCOUNT	03-31-10						03-31-09
		OPERATING EXPENSES					
	FIXED ASSETS EXPENSES	GAS SALES	PROCESSED NATURAL GAS	ADMINISTRATIVE EXPENSES	SELLING EXPENSES	TOTAL	TOTAL
	Thousands of Ps.						
Payroll and other employees benefits	831	8,873	-	9,076	7,371	26,151	21,731
Social security contributions	333	2,754	-	2,431	2,402	7,920	6,533
Directors´and members of Surveillance committee fee	-	-	-	304	-	304	242
Fees for professional services	-	30	-	1,077	44	1,151	1,566
Sundry materials	-	782	-	-	-	782	722
Fees for sundry services	-	3,174	-	211	2,977	6,362	5,979
Postage, telephone and fax	-	161	-	293	2,404	2,858	2,009
Leases	-	29	-	436	338	803	810
Transportation and freight charges	-	-	-	247	-	247	126
Office materials	-	139	-	299	53	491	449
Travelling expenses	-	96	-	95	16	207	164
Insurance premium	-	-	-	794	-	794	738
Fixed assets maintenance	-	6,487	-	3,184	13	9,684	7,040
Fixed assets depreciation	-	17,022	-	1,132	-	18,154	17,640
Taxes, rates and contributions	-	509	9	3,254	7,490	11,262	9,369
Publicity	-	-	-	-	139	139	243
Doubtful accounts	-	-	-	-	1,574	1,574	432
Bank expenses and commissions	-	-	-	36	1,248	1,284	1,035
Contingencies reserve	-	-	-	(1,388)	-	(1,388)	999
Others	-	346	-	87	32	465	1,531
Total as of March 31, 2010	1,164	40,402	9	21,568	26,101	89,244	79,358

Total as of March 31, 2009	1,122	36,413	9	20,613	21,201	79,358

Juan Carlos Fronza
President

METROGAS S.A.

UNAUDITED INTERIM BALANCE SHEETS AS OF MARCH 31, 2010 AND 2009 AND AUDITED BALANCE SHEET AS OF DECEMBER 31, 2009

	March 31, 2010	December 31, 2009	March 31, 2009
		Thousands of Ps.	
ASSETS			
CURRENT ASSETS			
Cash and deposits in banks (Note 4 a))	10,671	50,289	14,347
Investments (Exhibit C))	22,969	58,043	25,281
Trade receivables, net (Note 4 b))	114,076	122,211	136,504
Other receivables (Note 4 c))	12,567	11,481	13,631
Inventories, net (Note 4 d))	3,706	3,834	4,069
Total current assets	163,989	245,858	193,832
NON-CURRENT ASSETS			
Other receivables (Note 4 e))	232,070	220,948	215,699
Investments (Exhibit C)	29,037	26,018	22,011
Fixed assets, net (Exhibit A)	1,690,422	1,688,430	1,660,430
Total non-current assets	1,951,529	1,935,396	1,898,140
Total assets	2,115,518	2,181,254	2,091,972
LIABILITIES			
CURRENT LIABILITIES			
Debts			
Accounts payable (Note 4 f))	132,671	198,488	118,089
Financial debt (Note 4 g))	99,993	82,777	19,493
Payroll and social security payable	17,858	22,857	14,011
Taxes payable (Note 4 h))	44,990	52,841	42,097
Other liabilities	8,610	8,080	6,717
Total debts	304,122	365,043	200,407
Provision for contingencies (Exhibit E)	69,381	70,776	63,081
Total current liabilities	373,503	435,819	263,488
NON-CURRENT LIABILITIES			
Financial debt (Note 4 i))	852,539	837,857	874,962
Taxes payable	6,959	9,977	17,300
Total non-current liabilities	859,498	847,834	892,262
Total liabilities	1,233,001	1,283,653	1,155,750
SHAREHOLDERS' EQUITY (as per related statements)	882,517	897,601	936,222
Total	2,115,518	2,181,254	2,091,972

Notes 1 to 15 and Exhibits A, C, D, E, F, G and H are an integral part of these financial statements.

Juan Carlos Fronza
President

METROGAS S.A.

UNAUDITED INTERIM STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009

	March 31,	
	2010	2009
	Thousands of Ps., except for per share information	
Sales (Note 4 j))	174,405	165,463
Operating cost (Exhibit F)	(122,669)	(117,464)
Gross profit	51,736	47,999
Administrative expenses (Exhibit H)	(21,470)	(20,569)
Selling expenses (Exhibit H)	(23,605)	(19,655)
Operating income	6,661	7,775
Equity in income of controlled company	3,020	6,921
Financing and holding results generated by assets		
Holding results	82	87
Discount of long term other receivables result	(308)	(1,026)
Interest on commercial operations	871	2,994
Interest on financial operations	108	280
Exchange gain on financial operations	111	1,925
Financing and holding results generated by liabilities		
Interest on commercial operations	(102)	(140)
Interest on financial operations	(17,906)	(16,601)
Discount of long term financial debt result	(4,592)	(3,775)
Exchange gain (loss) on comercial operations	39	(232)
Exchange loss on financial operations	(11,722)	(58,752)
Others	2,123	(322)
Other income net	2,377	1,138
Loss before income tax	(19,238)	(59,728)
Income tax (Note 3.5.j))	4,154	20,007
Net loss for the period	**(15,084)**	**(39,721)**
Basic loss per share (Note 3.6.)	**(0.03)**	**(0.07)**
Diluted loss per share (Note 3.6.)	**(0.03)**	**(0.07)**

Notes 1 to 15 and Exhibits A, C, D, E, F, G and H are an integral part of these financial statements.

Juan Carlos Fronza
President

METROGAS S.A.

UNAUDITED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009

MAIN ACCOUNTS	SHAREHOLDERS´ CONTRIBUTIONS			LEGAL RESERVE	UNAPPROPRIATED RETAINED EARNINGS (ACCUMULATED DEFICIT)	TOTAL SHAREHOLDERS´ EQUITY
	COMMON STOCK SHARES OUTSTANDING	ADJUSTMENT TO COMMON STOCK	TOTAL			
	Thousands of Ps.					
Balance as of December 31, 2008	569,171	684,769	1,253,940	45,376	(323,373)	975,943
Net income for the three months ended March 31, 2009	-	-	-	-	(39,721)	(39,721)
Balance as of March 31, 2009	569,171	684,769	1,253,940	45,376	(363,094)	936,222
Net loss for the nine months ended December 31, 2009	-	-	-	-	(38,621)	(38,621)
Balance as of December 31, 2009	569,171	684,769	1,253,940	45,376	(401,715)	897,601
Net loss for the three months ended March 31, 2010	-	-	-	-	(15,084)	(15,084)
Balance as of March 31, 2010	569,171	684,769	1,253,940	45,376	(416,799)	882,517

Notes 1 to 15 and Exhibits A, C, D, E, F, G and H are an integral part of these financial statements.

Juan Carlos Fronza
President

METROGAS S.A.

UNAUDITED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009

	March 31, 2010	March 31, 2009
	Thousands of Ps.	
Cash flow from operating activities		
Net loss for the period	(15,084)	(39,721)
Financial debt interest expense accrued during the period	17,906	16,601
Income tax accrued during the period	(4,154)	(20,007)
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in income of controlled company	(3,020)	(6,921)
Depreciation of fixed assets	18,154	17,640
Net book value of fixed assets retired	332	169
Allowance for doubtful accounts	1,213	432
Allowance for inventory obsolescence	(247)	-
Allowance for disposal of fixed assets	2,042	1,416
Contingency provision	(1,388)	999
Materials consumed	559	747
Exchange differences on financial operations	11,722	58,752
Discount of long term financial debt result	4,592	3,775
Discount of long term other receivables result	308	1,026
Other financial results	(2,561)	-
Changes in assets and liabilities		
Trade receivables	6,922	(6,610)
Other receivables	(8,362)	(8,958)
Inventories	(129)	(1,050)
Accounts payable	(65,817)	(11,376)
Payroll and social security payable	(4,999)	(4,188)
Taxes payable	(3,171)	9,601
Other liabilities	530	406
Contingency provision	(7)	(261)
Minimum presumed income tax paid for the period	(7,698)	(2,734)
Net cash (used in) provided by operating activities	(52,357)	9,738
Cash flow used in investing activities		
Increase in fixed assets	(22,575)	(18,454)
Net cash used in investing activities	(22,575)	(18,454)
Cash flow provided by financing activities		
Loans	240	-
Net cash provided by financing activities	240	-
(Decrease) in cash and cash equivalents	(74,692)	(8,716)
Cash and cash equivalents at the beginning of the year	108,332	48,344
Cash and cash equivalents at the end of the period	33,640	39,628

Notes 1 to 15 and Exhibits A, C, D, E, F, G and H are an integral part of these financial statements.

Juan Carlos Fronza
President

METROGAS S.A.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 1 - THE COMPANY'S BUSINESS

MetroGAS S.A. (the "Company" or "MetroGAS"), a gas distribution company, was incorporated on November 24, 1992 and began operations on December 29, 1992, when the privatization of Gas del Estado S.E. ("GdE") (an Argentine Government-owned enterprise) was completed.

Through Executive Decree No. 2,459/92 dated December 21, 1992, the Argentine Government granted MetroGAS an exclusive license to provide the public service of natural gas distribution in the area of the Federal Capital and southern and eastern Greater Buenos Aires, by operating the assets allocated to the Company by GdE for a 35-year period from the Takeover Date (December 28, 1992). This period can be extended for an additional 10-year period under certain conditions.

MetroGAS' controlling shareholder is Gas Argentino S.A. ("Gas Argentino") who holds 70% of the Common Stock of the Company. The 20%, which was originally owned by the National Government, was offered in public offering as described in Note 10 and the remaining 10% is under the Employee Stock Ownership Plan ("Programa de Propiedad Participada" or "PPP") (Note 13).

As further described in Note 2, Note 8 and Note 14, the conditions under which the Company develops its activity and its regulatory framework have been significantly modified.

NOTE 2 - EMERGENCY LAW - IMPACTS ON THE COMPANY'S BUSINESS

Since December 2001 the Government adopted a number of measures in order to face up to the crisis the country was undergoing, which implied a deep change in the economic model effective so far.

The most important mentioned measures were: (i) the implementation of a floating rate of exchange that resulted in a significant devaluation during the first months of 2002, (ii) the pesification of certain assets and liabilities in foreign currency deposited in the country, and (iii) the pesification of public services prices and tariffs.

As part of the mentioned measures, on January 9, 2002, was enacted Law No. 25,561 Public Emergency Law ("Emergency Law"), rule that was complemented with other Laws, decrees and regulations issued by different Government organism. This group of rules have implied for MetroGAS a substantial change in terms of the License and its relation with the National Government, modifying the program of tariff reward accorded in the Law No. 24,076 (or "Gas Act") and its complementary regulations.

The Emergency Law authorized the Government to renegotiate public utility licenses taking into account the following: (a) the impact of the tariffs on the competitiveness of the economy, (b) the quality of services and the contractually required investment programs, (c) the interest of users as well as service access conditions, (d) the safety of the systems involved, and (e) the company profitability. The evolution of tariff renegotiation with the Government is described in Note 8.

METROGAS S.A.

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
AS OF MARCH 31, 2010 AND 2009**

NOTE 3 - ACCOUNTING STANDARDS

Below are the most relevant accounting standards used by the Company to prepare its financial statements, which were applied consistently with those for the same period of the previous year.

3.1. Preparation and presentation of financial statements

The financial statements are stated in Argentine pesos and were prepared in accordance with accounting disclosure and valuation standards contained in the technical pronouncements issued by the FACPCE approved by the CPCECABA and in accordance with the resolutions issued by the CNV.

The unaudited interim financial statements for the three months ended March 31, 2010 and 2009 have been subject to limited reviews. Management estimates that such interim financial statements include all the necessary adjustments to fairly present the results of each period. The results for the three months ended March 31, 2010 and 2009 do not necessarily reflect the proportion of the Company's results for the full years.

The CNV has established the application of the Technical Resolution No. 26 of the FACPCE which adopts, for entities included in the public offer under Law No. 17,811, for its capital or for negotiable obligations, or for having requested authorization to be included in the public offer, the international financial reporting standards issued by the IASB (International Accounting Standard Board). The application of such standards will became obligatory for companies with fiscal year beginning on January 1, 2012. On April 22, 2010, the Board of Directors approved the specific implementation plan.

3.2. Accounting estimates

The preparation of financial statements at a given date requires that management make estimates and evaluations affecting the amount of assets and liabilities recorded and contingent assets and liabilities disclosed at the date of issue of the financial statements, as well as income and expenses recorded during the period. Management makes estimates to calculate, at a given moment, for example, the allowance for doubtful accounts, depreciation, the recoverable value of assets, the income tax charge and contingency provision. Actual future results might differ from estimates and evaluations made at the date of preparation of these financial statements.

3.3. Recognition of the effects of inflation

The financial statements have been prepared in constant currency, reflecting the overall effects of inflation through August 31, 1995. Between that date and December 31, 2001, restatement of the financial statements was discontinued due to the existence of a period of monetary stability. Between January 1, 2002 and March 1, 2003, the effects of inflation were recognized to reflect the inflation recorded during that period. As from that date, restatement of financial statements has been discontinued.

This criterion is not in accordance with prevailing professional accounting standards, under which financial statements must be restated until September 30, 2003. The effect of the mentioned professional accounting standards deviation is not significant over the financial statements as of March 31, 2010 and 2009.

METROGAS S.A.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 3 - ACCOUNTING STANDARDS (Contd.)

The rate used for restatement of items was the IPM published by the National Institute of Statistic and Census.

3.4. Comparative information

Balances as of March 31 and December 31, 2009 and results for the three months ended March 31, 2009 disclosed in these financial statements for comparative purposes, arises from the financial statements as of such dates.

In accordance with professional accounting standards, the Company shows the information included in the unaudited interim balance sheet as of March 31, 2010 in comparative format with that as of December 31 and March 31, 2009, since it is engaged in seasonal activities.

Certain amounts in the unaudited interim financial statements for the three months ended on March 31, 2009 and in the audited financial statements for the year ended December 31, 2009 were reclassified for presentation on a comparative basis with those for the current period.

3.5. Valuation criteria

a) Cash and deposits in banks

Have been recorded at its nominal value.

b) Foreign currency assets and liabilities

Foreign currency assets and liabilities were valued at period-end exchange rates.

c) Short-term investments

National Government Bonds (“BODEN”) were valued at their market value at the end of the period.

Units in mutual funds were valued at their market value at the end of the period.

Saving accounts deposits and time deposits were valued at their nominal value plus interest accrued at the end of the period.

d) Trade receivables and accounts payable

Trade receivables and accounts payable were valued at their nominal value incorporating financial results accrued through period-end, where applicable. The values thus obtained do not significantly differ from those that would have been obtained had current accounting standards been applied, which establish that they must be valued at their spot price at the time of the transaction plus interest and implicit financial components accrued at the internal rate of return determined at each moment.

Trade receivables include accrued services pending billing at period-end.

METROGAS S.A.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 3 - ACCOUNTING STANDARDS (Contd.)

The line headed PURE corresponds to the Program for the Rational Use of Energy, comprising the recognition of incentives and additional charges for excess consumption. The balance for this item included in trade receivables corresponds to bonuses for consumption net of additional charges for excess consumption pending billing, while the amount recorded under accounts payable corresponds to additional charges for consumption, to be deposited in the Trust Fund indicated by ENARGAS.

The line headed Trust Funds within accounts payable corresponds to the collected amounts, which were pending of deposit at the end of each period.

Trade receivables are shown net of the allowance for doubtful accounts, which is based on management's collection estimates.

e) Financial debt

Financial debts resulting from the financial debt restructuring process, corresponding to Negotiable Obligations Series 1 and 2 were valued based on the amounts payables discounted using the market interest rate that reflects at the initial moment of the transaction the evaluation over the time value of the money and the specifics risks of the debt.

Financial debts not included in the financial debt restructuring process, corresponding to Negotiable Obligations Series A and B were valued at nominal value plus financial results accrued at the end of the period. Values thus obtained do not significantly differ from those that would have been obtained had current accounting standards been applied, which establish that they must be valued at the sums received, net of transaction costs, plus financial results accrued at the internal rate of return estimated at that time.

f) Other receivables and payables

Sundry receivables and payables were valued at their nominal value incorporating financial results accrued through period-end, except for the amounts to be recovered through tariffs included in long term Other receivables which were valued on the basis of the best possible estimation of the sums to be received discounted using the rate that reflects the time value of the money and the specific risks of the receivables; and for the deferred income tax which was valued at their nominal value.

Values thus obtained incorporating financial results accrued through period-end do not significantly differ from those that would have been obtained had current accounting standards been applied, which establish that they must be valued on the basis of the best estimation possible of the sum to receive and to pay, respectively, discounted using a rate that reflects the value time of the money and the specific risks of the transaction considered at the moment of its incorporation to the assets and liabilities, respectively.

The value registered in Other receivables does not exceed its respective recoverable value.

METROGAS S.A.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 3 - ACCOUNTING STANDARDS (Contd.)

g) Inventories

Warehouse materials were valued at their period-end replacement cost. The value thus obtained, net of the allowance for obsolescence, is less than the respective recoverable value estimated at the end of each period.

h) Non-current investments

The permanent investment in the controlled company MetroENERGÍA has been valuated according to the equity method based on the financial statements as of March 31, 2010, December 31, 2009 and March 31, 2009 issued by the company.

The accounting standards used by MetroENERGÍA for preparing its financial statements are the same used by MetroGAS.

The value thus obtained is less than the respective recoverable value estimated at the end of the period.

i) Fixed assets

For assets received at the time of granting of the License, the global transfer value defined in the Transfer Agreement arising as an offsetting item of contributions made and transferred liabilities restated following the guidelines indicated in Note 3.3. has been considered as original value of fixed assets.

Based on special work performed by independent experts, the global original value mentioned above was appropriated among the various categories of items making up that value, assigning as useful life the remaining years of service estimated by the Company on the basis of type of item, current status, and renewal and maintenance plans.

Assets incorporated to net worth after granting of the License were valued at restated acquisition cost, following the guidelines indicated in Note 3.3., except in the case of distribution networks built by third parties (various associations and cooperatives) which, as established by ENARGAS, are valued at amounts equivalent to certain cubic meters of gas.

Fixed assets are depreciated by the straight-line method, using annual rates sufficient to extinguish their values by the end of their estimated useful lives. Depreciation was computed based on the amount of these assets adjusted for inflation following the guidelines indicated in Note 3.3..

The Company capitalizes the portion of operating costs attributable to planning, execution and control of investments in fixed assets. The amounts capitalized during the three months ended March 31, 2010 and 2009 amounted to Ps. 1,164 thousand and to Ps. 1,122 thousand, respectively and Ps. 4,983 thousand for the year ended December 31, 2009.

Gas in pipelines is valued at acquisition cost restated following the guidelines indicated in Note 3.3..

METROGAS S.A.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 3 - ACCOUNTING STANDARDS (Contd.)

Net value of fixed assets does not exceed its economic utilization value at the end of the period.

j) Income tax

The Company recognized the income tax charge by the deferred tax liability method, recognizing temporary differences between accounting and tax assets and liabilities measurements.

Deferred tax asset is mainly generated by: i) tax loss carry forward, ii) the temporary differences of the allowance for doubtful accounts, iii) the accounting contingency provision and iv) the other non-current receivables discount.

Deferred tax liability is mainly generated by: i) temporary differences between the accounting valuation and the tax value of fixed assets, mainly due to different depreciation criteria and the treatment of financial results (interest and exchange differences) capitalized under those items and ii) discount of financial debt, valued at their nominal value accordingly tax purposes.

To determine deferred assets and liabilities, the tax rate in force at the date of issuance of these financial statements has been applied to the temporary differences identified and tax loss carry forwards.

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

Deferred assets

	Estimated loss carry forward	Trade receivables	Other liabilities	Other receivables	Other	Total
			Thousand of Ps.			
Balances as of December 31, 2009	13,468	19,808	25,296	9,058	211	67,841
Movements of the period	3,273	(1,037)	(464)	155	324	2,251
Balances as of March 31, 2010	16,741	18,771	24,832	9,213	535	70,092

Deferred liabilities

	Fixed assets	Financial debt	Other	Total
		Thousands of Ps.		
Balances as of December 31, 2009	(9,327)	(17,208)	161	(26,374)
Movements of the period	348	1,661	(106)	1,903
Balances as of March 31, 2010	(8,979)	(15,547)	55	(24,471)

METROGAS S.A.

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
AS OF MARCH 31, 2010 AND 2009**

NOTE 3 - ACCOUNTING STANDARDS (Contd.)

Deferred income tax assets generated by the tax loss carry forward recorded by the Company amount to Ps. 16,741 thousand at the end of the period and Ps. 13,468 thousand at the beginning of the year. That tax loss carry forward can be offset against profits for future years expiring Ps. 13,092 thousand in 2014 and Ps. 3,649 thousand in 2015.

The realization of deferred tax assets depends on the future generation of taxable profits in those years in which temporary differences become deductible. To determine the realization of assets, the Company considers the projection of future taxable profits based on its best estimation.

Net deferred assets derived from the information included in the preceding tables amount to Ps. 41,467 thousand at the beginning of the year and Ps. 45,621 thousand at the end of the period.

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

	March 31,	
	2010	2009
	Thousands of Ps.	
Income tax expense over pre-tax income	(6,733)	(20,905)
Permanent differences		
Restatement into constant currency	3,486	3,428
Non deductible expenses and non-computable income	(907)	(2,530)
Total income tax credit in results	(4,154)	(20,007)

Below is the reconciliation between income tax credit in results and the income tax determined for fiscal purpose:

	March 31,	
	2010	2009
	Thousands of Ps.	
Income tax determined for fiscal purpose	(3,273)	(16,948)
Temporary differences	(881)	(3,059)
Total income tax credit in results	(4,154)	(20,007)

METROGAS S.A.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 3 - ACCOUNTING STANDARDS (Contd.)

The Company, in accordance with the new accounting standards, has decided not to recognize the deferred tax liability caused by inflation adjustment on fixed assets to the effects of the calculation of the deferred tax. Had the deferred tax liabilities been recognized in this item, this value would amount at nominal values to Ps. 260 million at end of the period and Ps. 263 million at the beginning of the year. The difference of Ps. 3 million would have impacted in the result of the period.

k) Minimum notional income tax

The Company calculates minimum notional income tax by applying the current 1% rate on computable assets at the end of the period. This tax complements income tax. The Company's tax obligation for each year will agree with the higher of the two taxes. If in a fiscal year, however, minimum notional income tax obligation exceeds income tax liability, the surplus will be computable as a down payment of income tax through the next ten years.

The Company has recognized minimum notional income tax accrued during the period and paid in previous years as a credit. That credit is shown under the heading Other non-current credits and expires between the years 2012 and 2020.

In order to determine the realization of such asset, the Company considers the projections of future taxable revenues based on the best estimation. Considering the estimates made by the Company, it registered an allowance for impairment of the minimum notional income tax which amounts to Ps. 21,066 thousand at the end of the period.

l) Severance pay

Severance payments made to employees are expensed as incurred.

m) Balances with related parties

Balances with related parties mainly generated by commercial operations and sundry services were valued based on conditions agreed between the parties.

n) Contingency provision

Set up to cover labor or commercial contingencies and sundry risks that could give rise to liabilities to the Company. In estimating the amounts and probability of occurrence the opinion of the Company's legal counsel has been taken into account.

Insurance coverage taken out by the Company has also been considered. At the date of issuance of these financial statements, management considers that there are no elements to determine other contingencies that could have a negative impact on the financial statements.

o) Shareholders' equity accounts

Movements in shareholders' equity accounts were restated following the guidelines detailed in Note 3.3..

METROGAS S.A.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 3 - ACCOUNTING STANDARDS (Contd.)

The “Common Stock” account has been stated at historical nominal value. The difference between the amount stated in uniform currency and historical nominal value was shown in the “Adjustment to Common Stock” account making up the shareholders’ equity.

p) Revenue recognition

The Company recognizes sales revenue based on gas deliveries to customers, including estimated gas volumes delivered pending billing at the end of each period.

Volumes delivered were determined based on gas volumes purchased and other data.

q) Statements of income accounts

Statements of income accounts are shown at nominal value, except depreciation of fixed assets that are restated following the guidelines indicated in Note 3.3..

3.6. Basic and diluted loss per share

Basic and diluted loss per share is calculated based on weighted average shares at March 31, 2010 and 2009, respectively, amounting to 569,171,208. As the Company does not hold preferred shares or debt convertible into shares, both indicators are equivalent.

3.7. Information by segment

The Company mainly operates in providing gas distribution services and, through MetroENERGÍA, in buying and selling natural gas and/or its transportation on its own, on behalf of or associated to third parties.

Details regarding certain information classified by segment of business, in accordance with the guidelines of Technical Resolution No. 18 of the FACPCE are disclosured in Note 2.7 to the consolidated financial statement.

METROGAS S.A.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 4 - ANALYSIS OF THE MAIN ACCOUNTS OF THE FINANCIAL STATEMENTS

Details regarding the significant amounts included in the accompanying financial statements are as follows:

	March 31, 2010	December 31, 2009	March 31, 2009
	Thousands of Ps.		
Assets			
Current assets			
a) Cash and deposits in banks			
Cash	664	332	773
Banks	7,991	47,255	8,295
Collections to be deposited	2,016	2,702	5,279
	10,671	50,289	14,347
b) Trade receivables, net			
Trade accounts receivable	113,627	128,688	145,411
Unbilled revenues	11,915	5,544	8,096
Tax on banking transactions to be recovered	5,158	4,591	4,006
Related companies (Note 6)	3,250	2,295	890
PURE	(4,361)	(4,607)	(8,475)
Allowance for doubtful accounts (Exhibit E)	(15,513)	(14,300)	(13,424)
	114,076	122,211	136,504
c) Other receivables			
Other advances	5,880	4,538	10,190
Insurance and other prepaid expenses	3,667	4,564	2,142
Other receivables	1,040	923	646
Related companies (Note 6)	1,980	1,456	642
Legal guarantee deposits	-	-	11
	12,567	11,481	13,631
d) Inventories, net			
Warehouse materials	5,239	5,669	5,776
Allowance for inventory obsolescence (Exhibit E)	(1,533)	(1,835)	(1,707)
	3,706	3,834	4,069
Non-current assets			
e) Other receivables			
Deferred tax assets			
Deferred income tax assets (Note 3.5j))	45,621	41,467	35,456
Receivables for minimum notional income tax (Note 3.5.k))	69,240	66,296	78,265
	114,861	107,763	113,721
Study, revision and inspection of works in public space levy to be recovered GCABA (Note 8.4.5.)	52,364	49,990	43,932
Occupancy of public space levy to be recovered (Note 8.4.5.)	76,097	74,063	67,899
Sundry	40	47	397
Others (Fair Value Discount)	(11,292)	(10,915)	(10,250)
	232,070	220,948	215,699

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 4 - ANALYSIS OF THE MAIN ACCOUNTS OF THE FINANCIAL STATEMENTS (Contd.)

	March 31, 2010	December 31, 2009	March 31, 2009
	Thousands of Ps.		
Liabilities			
Current liabilities			
f) Accounts payable			
Gas and transportation	57,829	58,337	24,990
Other purchases and services	67,804	73,568	49,183
Related companies (Note 6)	4,589	12,477	17,177
PURE	-	-	4,558
Trust Funds	2,449	54,106	22,181
	132,671	198,488	118,089
g) Financial debt (Note 9)			
Negotiable obligations (face value) (Exhibit G)	81,766	81,774	1,493
Interest and other expenses payable to foreign financial institutions (Exhibit G)	17,956	972	18,000
Overdraft with financial institutions	271	31	-
	99,993	82,777	19,493
h) Taxes payable			
Value added tax	7,762	11,328	9,533
Occupancy of public space levy	8,610	7,974	7,523
GCABA study, revision and inspection of works in public space levy	15,246	13,217	8,490
CNG tax	4,449	5,209	5,611
Income tax	3,996	9,445	3,636
Gross receipts tax	408	313	1,203
Other taxes	4,519	5,355	6,101
	44,990	52,841	42,097
Non-current liabilities			
i) Financial debt (Note 9)			
Negotiable obligations (face value) (Exhibit G)	896,959	887,022	936,075
Negotiable obligations (fair value discount)	(44,420)	(49,165)	(61,113)
	852,539	837,857	874,962
Statements of income			
j) Sales			
Gas sales	89,736		86,973
Transportation and distribution services	55,502		57,080
Other sales	15,146		8,488
Processed natural gas sales	14,021		12,922
	174,405		165,463

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
AS OF MARCH 31, 2010 AND 2009

NOTE 5 - DUE DATES OF INVESTMENTS, RECEIVABLES AND PAYABLES

The due dates of investments, receivables and payables are as follows:

	March 31, 2010	December 31, 2009	March 31, 2009
	Thousands of Ps.		
5.1. Investments			
- Becoming due			
under 3 months	1,153	6,149	25,230
- Without due date	50,853	77,912	22,062
Total	52,006	84,061	47,292
5.2. Receivables			
- Past due			
under 3 months	34,703	30,187	43,922
from 3 to 6 months	16,082	13,450	1,173
from 6 to 9 months	7,334	22,542	6,202
from 9 to 12 months	183	913	437
from 1 to 2 years	6,985	5,539	4,694
more than 2 years	6,800	6,803	8,557
Sub-total	72,087	79,434	64,985
- Without due date	677	639	583
- Becoming due			
under 3 months	63,249	60,322	92,885
from 3 to 6 months	2,682	4,232	2,300
from 6 to 9 months	1,965	1,943	1,595
from 9 to 12 months	1,496	1,422	1,211
from 1 to 2 years	93,750	90,512	81,626
more than 2 years	138,320	130,436	134,073
Sub-total	301,462	288,867	313,690
Allowance for doubtful accounts	(15,513)	(14,300)	(13,424)
Total	358,713	354,640	365,834

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 5 - DUE DATES OF INVESTMENTS, RECEIVABLES AND PAYABLES (Contd.)

	March 31, 2010	December 31, 2009	March 31, 2009
	Thousands of Ps.		
5.3. Payables			
- Past due			
under 3 months	5,084	40,798	2,497
from 3 to 6 months	68	180	39
from 6 to 9 months	4	-	2
from 9 to 12 months	-	34	557
from 1 to 2 years	7,511	1,140	597
more than 2 years	-	74	6,765
Sub-total	12,667	42,226	10,457
- Without due date	7,224	6,998	5,617
- Becoming due			
under 3 months	183,526	216,363	156,746
from 3 to 6 months	43,728	44,459	10,600
from 6 to 9 months	11,204	2,845	11,064
from 9 to 12 months	45,773	52,152	5,923
from 1 to 2 years	131,906	130,944	48,943
more than 2 years	727,592	716,890	843,319
Sub-total	1,143,729	1,163,653	1,076,595
Total	1,163,620	1,212,877	1,092,669

Investments bearing interest according to the following detail: 1) “BODEN” at an annual rate of 4.00% as of March 31, 2010, December 31, 2009 and March 31, 2009 2) time deposits at an annual average rate in dollars of 0.25% as of March 31, 2010 and December 31, 2009, and 0.55% as of March 31, 2009 and at an annual average rate in pesos of 9.75% as of December 31, 2009 and 11.5% as of March 31, 2010 and 3) mutual funds at an annual average rate of 5.3% as of March 31, 2010 and of 5.8% as of December 31, 2009.

Pursuant legislation in force, in the case of invoices for services not paid when due, the Company is entitled to collect interest on overdue amounts from the due date through the date of payment. As these are overdue receivables, and following standards of prudence, the Company recognizes this income at the time of actual collection.

Payables do not accrue interest, except for the Financial debt (Note 9) and Taxes payable in relation to the payment facilitation plans.

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
AS OF MARCH 31, 2010 AND 2009**

NOTE 6 - TRANSACTIONS AND BALANCES WITH RELATED COMPANIES

Gas Argentino S.A. ("Gas Argentino"), as owner of 70% of the Company's Common Stock, is the controlling shareholder of MetroGAS.

MetroGAS carries out certain transactions with the shareholders of Gas Argentino or their affiliates. As of March 31, 2010, the shareholders of Gas Argentino are BG Inversiones Argentinas S.A. ("BG") (54.67%) and YPF Inversora Energética S.A. ("YPF") (45.33%).

MetroGAS holds 95% of the Common Stock of MetroENERGÍA and is therefore the controlling shareholder. The remaining shareholders are BG Argentina S.A. and YPF Inversora Energética S.A., holding 2.73% and 2.27% of MetroENERGÍA Common Stock respectively. MetroGAS renders certain services to MetroENERGÍA.

These financial statements include the following transactions and balances with related companies:

- Gas supply, sales and services contracts with companies directly and indirectly related to YPF.
- Management fees accrued pursuant to the Technical Assistance Agreement with BG International Limited.
- Fees accrued under the terms of a Personnel Supply Agreement with BG Argentina S.A. and YPF S.A..
- Rendering of services and gas and transportation sales to MetroENERGÍA.

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
AS OF MARCH 31, 2010 AND 2009**

NOTE 6 - TRANSACTIONS AND BALANCES WITH RELATED COMPANIES (Contd.)

Significant transactions with related companies are as follows:

	March 31,							
	2010				2009			
	Gas & transportation sales	Other income net	Gas purchases	Fees for professional services	Gas & transportation sales	Other income net	Gas purchases	Fees for professional services
	Thousands of Ps.							
Controlling company								
Gas Argentino	-	-	-	-	-	-	-	-
Controlled company:								
MetroENERGÍA	5,134	1,505	-	-	335	1,252	-	-
Other related parties:								
BG Argentina S.A.	-	-	-	-	-	-	-	1,024
BG International Limited	-	-	-	-	-	-	-	-
YPF S.A.	2	-	10,729	177	4	-	10,913	-
Operadora de Estaciones de Servicios S.A.	294	-	-	-	591	-	-	-
Astra Evangelista S.A.	4	-	-	-	8	-	-	-
Board of directors and management:	-	-	-	-	-	-	-	-
	5,434	1,505	10,729	177	938	1,252	10,913	1,024

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
AS OF MARCH 31, 2010 AND 2009**

NOTE 6 - TRANSACTIONS AND BALANCES WITH RELATED COMPANIES (Contd.)

The outstanding balances as of March 31, 2010, December 31, 2009 and March 31, 2009 from transactions with related companies are as follows:

	March 31, 2010			December 31, 2009			March 31, 2009		
	Thousands of Ps.								
	Trade receivables	Other receivables	Accounts payable	Trade receivables	Other receivables	Accounts payable	Trade receivables	Other receivables	Accounts payable
	Current	Current	Current	Current	Current	Current	Current	Current	Current
Controlling company:									
Gas Argentino	-	-	-	-	-	-	-	-	-
Controlled company:									
MetroENERGÍA	3,018	1,980	-	2,066	1,456	-	236	639	-
Other related parties:									
BG Argentina S.A.	-	-	-	-	-	-	-	3	552
BG International Limited	-	-	-	-	-	-	-	-	12,153
Operadora de Estaciones de Servicios S.A.	227	-	-	222	-	-	654	-	-
YPF S.A.	-	-	4,589	2	-	12,477	-	-	4,472
Astra Evangelista S.A.	5	-	-	5	-	-	-	-	-
Board of directors and management:	-	-	-	-	-	-	-	-	-
	3,250	1,980	4,589	2,295	1,456	12,477	890	642	17,177

NOTE 7 - RESTRICTED ASSETS

A substantial portion of the assets transferred to MetroGAS by GdE has been defined in the License as "Essential Assets" for the performance of licensed service. The Company is obliged to segregate and maintain them, together with any future improvements, in accordance with certain standards defined in the License.

The Company must not, for any reason, dispose of, encumber, lease, sublease or loan Essential Assets for purposes other than providing licensed service without prior authorization from the ENARGAS. Any extensions and improvements that the Company may make to the gas distribution system after the Takeover Date may only be encumbered to collateralize loans maturing after a year of one year and used to finance new extensions of and improvements to the distribution network.

Upon expiration of the License, the Company will be obliged to transfer to the Government, or its designee, the Essential Assets listed in the updated inventory as of the expiration date, free of any debt, encumbrance or attachment.

As a general rule, upon expiration of the License, the Company will be entitled to collect the lesser of the following two amounts:

a) The value of the Company's property, plant and equipment determined on the basis of the price paid by Gas Argentino, and the original cost of subsequent investments carried in US Dollars and adjusted by the Producer Price Index ("PPI"), net of the accumulated depreciation.

b) The proceeds of a new competitive bidding, net of costs and taxes paid by the successful bidder (Note 8.1.).

NOTE 8 - REGULATORY FRAMEWORK

The natural gas distribution system is regulated by the Gas Act, which, together with Executive Order No. 1,738/92, other regulatory decrees, the specific bidding rules ("Pliego"), the Transfer Agreement and the License establishes the Regulatory Framework for the Company's business.

The License, the Transfer Agreement and regulations promulgated pursuant to the Gas Act contain requirements regarding quality of service, capital expenditures, restrictions on transfer and encumbrance of assets, restrictions on cross ownership among gas production, transportation and distribution companies and restrictions on transfers of Common Stock of MetroGAS.

The Gas Act and the License establish ENARGAS as the regulatory entity to administer and enforce the Gas Act and applicable regulations. ENARGAS' jurisdiction extends to transportation, marketing, storage and distribution of natural gas. Its mandate, as stated in the Gas Act, includes the protection of consumers, the fostering of competition in the supply of and demand for gas, and the encouragement of long-term investment in the gas industry.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 8 - REGULATORY FRAMEWORK (Contd.)

Tariffs for gas distribution services were established in the License and are regulated by the ENARGAS.

8.1. Distribution License

Upon expiration of the original 35-year term, MetroGAS may apply to ENARGAS for a renewal of the License for an additional ten-year term. ENARGAS is required at that time to evaluate the Company's performance and make a recommendation to the Government. MetroGAS would be entitled to such ten-year extension of its License unless ENARGAS can prove that MetroGAS is not in substantial compliance with all its obligations stated in the Gas Act and its regulations and in the License.

At the end of the 35-year or 45-year term, as the case may be, the Gas Act requires that a new competitive bidding be held for the License, in which MetroGAS would have the option, if it has complied with its obligations, to match the best bid offered to the Government by any third party.

As a general rule, upon termination of the License, MetroGAS will be entitled to receive the lower of the value of specified assets of MetroGAS or the proceeds paid by the successful bidder in a new competitive bidding process (Note 7).

MetroGAS has various obligations under the Gas Act, including the obligation to comply with all reasonable requests for service within its service area. A request for service is not considered reasonable if it would be uneconomic for a distribution company to undertake the requested extension of service. MetroGAS also has the obligation to operate and maintain its facilities in a safe manner. Such obligation may require certain investments for the replacement or improvement of facilities as set forth in the License.

The License details further obligations of MetroGAS, which include the obligation to provide distribution service, to maintain continuous service, to operate the system in a prudent manner, to maintain the distribution network, to carry out mandatory investment program, to keep certain accounting records and to provide periodic reports to ENARGAS.

The License may be revoked by the Argentine Government upon the recommendation of ENARGAS under the following circumstances:

- Serious and repeated failure by the Company to meet its obligations.
- Total or partial interruption of not interruptible service for reasons attributable to the Company of duration in excess of the periods stipulated in the License within a calendar year.
- Sale, assignment or transfer of the Company's essential assets or encumbrances thereon without ENARGAS' prior authorization, unless such encumbrances serve to finance extensions and improvements to the gas pipeline system.
- Bankruptcy, dissolution or liquidation of the Company.

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
AS OF MARCH 31, 2010 AND 2009**

NOTE 8 - REGULATORY FRAMEWORK (Contd.)

- Ceasing and abandoning the provision of the licensed service, attempting to assign or unilaterally transfer the License in full or in part (without ENARGAS' prior authorization) or giving up the License, other than as permitted therein.
- Transfer of the technical assistance agreement mentioned above or delegation of the functions granted in that agreement without ENARGAS' prior authorization.

The License stipulates that the Company cannot assume the debts of Gas Argentino or grant loans to encumber assets, to secure debt of, or grant any other benefit to creditors of, Gas Argentino.

8.2. US PPI semi-annual adjustment

ENARGAS through Resolution No. 1,477 adjusted MetroGAS' tariffs as from January 1, 2000 without including adjustments to reflect changes in the US PPI, which would have resulted in a 3.78% increase in the transportation and distribution components of the tariffs as of that date. This was due to the fact that in negotiations with ENARGAS and the Government, the distribution and transportation companies agreed to defer the collection of the amounts related to the US PPI adjustment corresponding to the year 2000. Moreover, ENARGAS established, through the same resolution, the methodology to recover the accrued revenues corresponding to the application of the US PPI adjustment to the first semester of 2000 during the ten months beginning July 1, 2000.

On July 17, 2000, the gas distribution and transportation companies, ENARGAS and the Government agreed to pass through to the tariffs, as from July 1, 2000: a) the US PPI adjustment deferred for the first six months of 2000; and b) an increase in the tariffs to reflect the US PPI increase (3.78%). Additionally, they agreed to defer the billing of the amounts related to the US PPI adjustments corresponding to the period from July 1, 2000 through September 30, 2002. The deferred amounts were guaranteed by the Government and therefore the corresponding accrued revenues would be recovered through the tariffs as from July 1, 2002 to June 30, 2004.

On August 4, 2000, Executive Order No. 669 was issued by the Government, confirming the terms of this agreement.

With reference to proceedings brought by the Ombudsman, on August 29, 2000 MetroGAS was notified of a court order, suspending Decree No. 669, referring mainly to the unconstitutionality of the tariff adjustment according to a mechanism of indexation based on a foreign index within the applicability of the Convertibility Law. Accordingly, ENARGAS informed the Company that the tariffs should be reduced to exclude the US PPI adjustment. MetroGAS, as well as most gas distribution and transportation companies, appealed this ruling and the corresponding ENARGAS resolution.

Additionally, ENARGAS and the Government also appealed the court order. On October 5, 2001 the Chamber of Appeals rejected this appeal. The Government and several gas companies have appealed the decision before the Supreme Court of Justice of Argentina. It is not possible to predict when the Court will rule on this matter. The resolution of the main issue of the debate is still pending. Notice has been served upon the various licensees to participate in that matter.

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
AS OF MARCH 31, 2010 AND 2009**

NOTE 8 - REGULATORY FRAMEWORK (Contd.)

As a result of the measures adopted, mentioned in Note 2, the National Government issued the Emergency Law, which, among other provisions, and specifically as regards contracts for public works and services, made clauses providing for adjustments in dollars or other foreign currency ineffective, as well as indexation clauses based on the price indexes of other countries and any other indexation mechanisms, in addition to fixing a one peso to one dollar rate for tariffs and ordering renegotiations of utility contracts, passing US PPI on to tariffs, as rightfully claimed by the Company, becomes impracticable. Both a transfer to the tariffs of the US PPI as well as the possibility of recovery through the National Government, which endorsed the related credits, are contingent on future events that are beyond the Company's control.

In view of the above mentioned scenario, the net effect of income accrued during 2001 and 2000 in connection with the deferral of US PPI adjustments has been reversed in the financial statements as of December 31, 2001 in the "Extraordinary Loss" item.

The reversal should not be understood as a waiver of rights arising out of the Regulatory Framework that governs the Company's activities or as an abandonment of any of the actions filed by the Company so far.

On February 1, 2002, ENARGAS, according to the Emergency Law, approved tariffs without including the US PPI adjustment. Consequently, MetroGAS has filed an administrative action, claiming the PPI adjustment for the years 2000 and 2001, which resolution as of the date of issuance of these financial statements is pending.

8.3. Tariff renegotiation

On February 12, 2002, the Government issued Executive Order No. 293, which entrusted the Economy Ministry ("EM") with the renegotiation of public utility licenses and created a Committee for the Renegotiation of Contracts for Public Works and Services ("CRC").

On July 3, 2003, by means of Executive Order No. 311/03, the "Unit for the Renegotiation and Analysis of Utility Contracts" ("UNIREN") was created, aiming at giving advice during the renegotiation process of public works and services contracts and developing a regulatory framework common to all public services. The UNIREN continues the renegotiation process developed by the previous CRC.

Although MetroGAS strictly complied with the submittance of all information required, and the very reports made by the CRC and the UNIREN stated that the gas sector posed no difficulties as to the execution of license contracts and the compliance of conditions and obligations committed, and although licensees, among them MetroGAS, complied with the necessary conditions to continue with the process of renegotiation, there was an exchange of proposals between the parties and the National Government the process is still delayed being not possible to achieve an agreement.

The Emergency Law, which was originally to be due in December 2003, was extended consecutively by the approval of different laws, up to December 31, 2011. As a consequence, the renegotiation terms for licenses and concessions of utility services were also extended.

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
AS OF MARCH 31, 2010 AND 2009**

NOTE 8 - REGULATORY FRAMEWORK (Contd.)

Although during the last years several proposals were exchanged with the UNIREN, the Company failed to enter into a final agreement since the Government demands, as for that purpose, that the Company's majority shareholders suspend and eventually give up any local or international demand against the National State caused by the emergency situation or, alternatively, that the Company grants an indemnity for the National State in case the State itself is obliged to pay an amount for a shareholder's claim. The Company is aware of the favourable verdict of BG Group PLC, headquarter of one Metrogas´s shareholder, in the case against the Government, based on the Emergency Law, actually filling in United States Judgments.

On September 22, 2008, MetroGAS signed a Temporary Agreement with the UNIREN which was ratified by the Shareholder's Meeting on October 14, 2008 and approved by the PEN on March 26, 2009 by Decree No. 234 published on April 14, 2009. The mentioned Temporary Agreement establishes a Transitional Tariff Regime as from September 1, 2008, with a readequacy of prices and tariffs including price variation of gas, transportation and distribution services. The resulting increase in distribution tariffs must be deposited by MetroGAS in a specific trust fund created to carry out infrastructure works in the licensee area.

On March 10, 2010, Nación Fideicomisos S.A. and the Company signed a memorandum of understanding setting the basis of a future trust fund contract to implement the trust fund in which the Company will deposit the effective increases resulting from the tariff readjustment. After that, the Company sent all the necessary information and documentation to Nación Fideicomisos S.A. to continue with the effective implementation of said trust fund.

The Temporary Agreement establishes general guidelines for final tariff increases on average invoices, including adjustments of gas prices at well head and adjustments of transportation and distribution services, and it is complemented with ENARGAS Resolution No. I/409, which sets up a segmentation of residential customers according to their annual consumption, and Resolution No. 1,070/08 from the ES, which includes the Complementary Agreement signed with gas producers through which gas prices at well head are established as from September 2008 until December 2009 for each customer category according their annual consumption.

The Temporary Agreement stipulates that residential customers with consumption up to 800 CM/year will have no increase in tariffs (62% of the customers and 25% of volumes of MetroGAS´ residential customers). Tariff increases will be applied to charges per unit of consumption and reserve capacity charge but will not be applied neither to fixed charges nor minimum charges. The increase will be higher for higher level of consumption, and daily differences accumulated for gas purchases of previous periods will be eliminated. Likewise, the rates and charges that the Company is authorized to charge are adjusted by 25% .

On September 24, 2009, the ENARGAS sent the previous background and the MetroGAS´ tariff chart provided by the Temporary Agreement to the Undersecretary of Coordination and Management Control dependent on the MPFIPyS. On February 17, 2010, MetroGas filed a legal protection proceeding before the Federal Administrative Court of Appeals requiring the issuing of an order of quick dispatch against the Sub-Secretariat of Coordination and Management Control in order to make the Sub-Secretary to finally issue the file in which the tariff scheme to be approved by ENARGAS is considered. However, as of the date of issuance of these financial statements, ENARGAS has not yet issued the respective tariff charts arise from the Temporary

NOTE 8 - REGULATORY FRAMEWORK (Contd.)

Agreement. Thus, the Company has not registered nor invoiced the effects of the mentioned Temporary Agreement.

On December 16, 2009, the UNIREN sent to MetroGAS a new version of the Letter of Understanding with the proposal of the license renegotiation. It contains some changes regarding form issues, but it maintains the requirement that direct and indirect shareholders of MetroGAS have to hold their actions in suspense against the National State subject to the enforcement of the new tariff scheme which is object to the negotiation. Unfortunately no consensus has been reached so far to achieve an agreement that may satisfy both, the interests of the National Government and the ones of the Company and its shareholders

It is important to point out that tariffs for distribution services have not been increased since 1999, which has caused unbalances between MetroGAS´ income and expenses. If the issuance of the tariff charts continues delayed, the economic and financial condition of the Company will continue to deteriorate.

8.4. Changes in Regulation

8.4.1 Unbundling of natural gas

In mid-February 2004 the Executive Power issued two Executive Orders which provisions have influence on the Company's operating activities and its economic and financial performance. Executive Order No. 180/04 established an investment scheme for basic gas infrastructure works and created an Electronic Gas Market ("EGM") to coordinate transactions associated to gas purchase at the Spot market and to secondary gas transportation and distribution markets. Executive Order No. 181/04 enabled the energy authorities to enter into agreements with gas producers to determine an adjustment in the price of gas purchased by gas distributors and the implementation of applicable mechanisms to users who purchase their own gas directly as distributors would no longer be able to supply them. Furthermore, the Order divided "residential" customers in three categories according to consumption.

Later on a set of resolutions and provisions was issued to regulate the above mentioned executive orders. The main provisions refer to: i) suspension of the exportation of surpluses of natural gas useful for internal supply, ii) development of a Rationalization Program for the Exportation of Natural Gas and Use of Transportation Capacity, iii) ratification of the Agreement for the Implementation of the Schedule for the Normalization of Gas Prices at Points of Entry into the Transportation System, through which the Company has restructured all of its natural gas purchase contracts, iv) prizes for reduced consumption below defined thresholds and the application of additional charges to certain customers that exceed them, established by the Program for the Rational Use of Energy ("PURE"), suspended from September to April of each year, v) creation and constitution of a Trust System through a Trust Fund, vi) approval of a useful cut-off mechanism to ensure supply to non interruptible customers and vii) approval of the Implementation Agreement of the Electronic Gas Market between the Buenos Aires Stock Exchange and the Energy Secretariat throw which EGM started functioning.

Dated on December 22, 2005, the Energy Secretariat ("ES") passed Resolution No. 2,020/05. Such resolution established a schedule to start purchasing natural gas in a direct way for General Service "P" customers and CNG stations. This process was called "gas unbundling".

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 8 - REGULATORY FRAMEWORK (Contd.)

The schedule stipulated that: a) users with annual equal or over 30,000m3/month and up to 150,000m3/month had to purchase gas in a direct way as from January 1, 2006, b) users with annual consumptions equal or over 15,000m3/month and under 30,000m3/month had to purchase gas in a direct way as from March 1, 2006, c) users with annual consumptions over 9,000m3/month and under 15,000m3/month do not have a specified date yet for the purchase of gas in a direct way and d) as regards CNG stations, they had to purchase gas in a direct way as from March 1, 2006 (extended until April 1, 2006 through Resolution No. 275/06).

Moreover, such Resolution excluded non-profit civil associations, labor unions, trade associations or mutual benefit associations, health institutions and private or public educational institutions from the spectrum of customers that as from the stated dates have to acquire natural gas directly from producers and/or marketers.

Additionally, Resolution No. 2,020/05 established a set of restrictions for representing CNG stations in the purchase of natural gas, in order to limit possible vertical associations among people from the gas industry and stipulated a Mechanism for Assigning Natural Gas to CNG stations, through which, CNG stations get natural gas by means of an offer and demand system within the EGM.

In this context, the process of conforming MetroENERGÍA as a natural gas trading company was finished during 2005, in order to keep the biggest number of customers as possible and count on a proper tool in accordance with the new scenario where the Company has to perform.

Dated February 28, 2006, the Energy Secretariat issued Resolution No. 275/06, which modifies Resolution No. 2,020/05. These modifications are related to: (i) the extension, up to April 1, 2006, for CNG stations to purchase gas in a direct way, (ii) the limitation, up to April 30, 2007, of the effective date of CNG bargain and sale contracts to be signed as from April 1, 2006, (iii) the obligation, of the gas distributing service companies to represent CNG stations regarding their natural gas purchases, just for the first time that realize the procedure established for CNG purchase in the EGM. This obligation applicable to gas distribution companies was extended to any purchase made under such procedure.

On March 14, 2006 the National Government signed an agreement with natural gas producers and CNG stations to freeze prices for CNG was in force until December 31, 2007.

The procedures established for CNG to acquire natural gas directly from gas producers, with the volumes of gas established by the EGM, are carried out periodically. The most recent was celebrated in April 2009.

On September 22, 2006 Energy Secretariat issued Resolution No. 1,329/06, by which the following aspects of the industry were regulated: (i) specifies the different concepts that conform natural gas global volumes that producers commit to inject into the transportation system, (ii) sets a priority regime regarding nominations and natural gas nominations' confirmation to be complied with by producers and transportation companies, contemplating a penalty for non-fulfillment of their duties, (iii) categorizes as uninterruptible the "initial minimum reserve" of CNG stations operating in February 2004, (iv) incorporates a mechanism through which natural gas distribution companies will have to register unbalanced volumes resulting from the consumption of CNG stations that are below the distribution companies'

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nominations; being those unbalanced volumes then invoiced by the corresponding producers to the distribution companies at CNG price, or else compensated between them in the sphere of bargain and sale agreements that they may have in force, and (v) enables natural gas distribution companies to use specific natural gas volumes included in natural gas bargain and sale agreements that users enter into in a direct way with producers, under certain conditions.

8.4.2 Complementary Agreement with Natural Gas Producers

Resolution No. 1,070/08 by the ES was published on October 1st, 2008 approving the "Complementary Agreement with Natural Gas Producers" subscribed on September 19, 2008 aimed at restructuring gas prices at well head, segmenting natural gas residential demand, and establishing natural gas producers´ contribution to the Trust Fund created by Law No. 26,020 to finance the sale of LPG cylinders for residential use at differential prices.

In accordance with the Complementary Agreement approved by the ES Resolution No. 1,070/08, the ENARGAS Resolution No. I/409/08, published on September 19, 2008, established the segmentation of the category of residential customers "R" in 8 subcategories according to their consumption levels and based on such segmentation an increase on the value of natural gas at the point of entry into the transportation system was stipulated ; such increase did not apply to the first three residential subcategories and sub-distributors.

As in virtue of the Complementary Agreement approved by ES Resolution No. 1,070/2008 increases on the price of natural gas had to be fairly allocated on the different components of the users final tariff so as to guarantee that the distributors´ equation is kept unaltered after this raise, the ENARGAS made the necessary tariff adjustments, issuing as regards the Company the ENARGAS Resolution No. I/446/08 by means of which it approved a new tariff scheme reflecting the mentioned increases in force as from September 1, 2008 (as from October 1 , 2008 for NCG increases) without considering in this tariff scheme the readjustment of the distribution tariff.

Afterwards, on December 23, 2008, ES Resolution No. 1,417/08 was Published by means of which and based on the Complementary Agreement approved by ES Resolution No. 1,070/08, the ES fixed new natural gas prices at the point of entry into the transportation system. As a result of this the ENARGAS issued Resolution No. I/566/08, published on the same day approving the new tariff scheme to be applied reflecting those new increased prices for natural gas.

8.4.3 Total Energy Plans and Gas Plus

The National Government implemented the Total Energy Plan in 2007 and kept it in force during 2008 and 2009; the said plan aimed at guaranteeing the supply of energetic resources, of both liquid and gas fuels, and at encouraging the replacement of natural gas and/or electrical energy consumption for the use of alternative fuels. As a matter of fact, Resolution No. 459/07 by the MPFIPyS (Ministry of Federal Planning , Public Investment and Services) created the above mentioned Total Energy Plan, then ruled , enlarged and extended while in force by Provision No. 74/07 from the Secretariat of Interior Commerce ("SCI"),Resolution No. 54/07 from the Secretariat of Coordination and Management Control (SSCCG), Resolution MPFIPyS

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No. 121/08, SSCCG Provision No. 30/08 and Provision SSCCG No. 287/08. The Total Energy Plan includes a propane-air provision plan under the responsibility of ENARSA, who shall be in charge or shall get third parties to be in charge of designing, constructing, receiving, transporting, operating, maintaining and administering a system to deliver propane-air to be injected into the medium pressure natural gas distribution network in the Province of Buenos Aires. In connection to this last matter, ENARGAS Resolution No. I/259/08 was published on May 14, 2008 by means of which new specifications were set for natural gas as regards transportation and distribution systems, annulling ENARGAS Resolution No. 622/98 which previously ruled that matter. Subsequently, on August 20, 2009, ENARGAS Resolution No. 831 was notified by means of which quality specifications were set for mixed and synthetic natural gas. The propane air plant ("PIPA") would inject synthetic gas into MetroGAS ´ distribution system. The said plant was operated by YPF until December 31, 2009. MetroGAS is responsible to control that all quality specifications required by the ENARGAS to guarantee a safe operation are met at all times.

Through ES Resolution No. 24/08, modified by Resolution ES No. 1,031/08 and Resolution ES No. 695/09, the government launched in 2008 a program called "Gas Plus" to encourage production of natural gas in virtue of which every new gas volume produced under the said program shall not be considered part of the volumes included in the 2007-2011 Agreement nor it shall be under its price conditions, however, it can not be exported and its price has to cover associated costs and generate a reasonable profitability.

8.4.4 Trust Funds

Regarding the so called "specific charges" for financing extension works of the natural gas transportation system that natural gas distribution companies charge their industrial customers and thermoelectric generators (and CNG stations , only in the case of trust charges I) on behalf and order of Nación Fideicomisos S.A, according to the provisions that created and ruled them (among others, Law No. 26,095, PEN Executive Order No. 180/04 and No. 1,216/06, MPFIPyS Resolutions No.185/04, No. 2008/06 and No. 409/07, No. 161/08, ENARGAS Resolution No. 3,689/07 and ENARGAS Notes No. 6,398 /07, No. 4,381/07, No. 808/07, No. 1,989/05 and No. 3,937/05), there are cases in which MetroGAS´ customers who, being compelled to pay such charges have resorted to justice in order to determine such charge as unconstitutional and ask for a non-innovative precautionary measure until reaching a solution. In some cases, justice has effectively granted the requested precautionary measures, compelling MetroGAS not to invoice or collect such charges. MetroGAS has been complying with this measure up to this date. In other cases, the said precautionary measures were judicially revoked at subsequent proceedings. After some discussions between the ENARGAS and Nación Fideicomisos S.A., mid June 2009, Nación Fideicomisos S.A. authorized to MetroGAS to offer payment plans to debtors MetroGAS´s customers for specific charges.

Moreover, Executive Order No. 2,067/08, Published on December 3, 2008, established the creation of a Fund Trust to take care of natural gas imports and every necessary measure to complete the natural gas injection required to meet all national needs, while MPFIPyS Resolution No. 1,451/08 published on December 23, 2008, ruled the activities of the said Trust

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Funds stating the creation of the corresponding trust system, and ENARGAS Resolution No. I/563/08, also published on December 23, 2008, stipulated the implementation, as from November 1, 2008, of the corresponding tariff charges for financing the trust fund at issue being those charges payable by residential customers with annual consumptions over 1,000 m3.

In June 4, 2009, ENARGAS issued Resolution No.768, establishing, to MetroGAS´s residential customers with annual consumptions between 1,001 and 1,500 m3, categories R3 1o. y R3 2o., an exception in charges imposed by Resolution No. 2,067/08, for the period between May 1 and August 31, 2009.

On August 18, 2009, the ENARGAS notified the Resolution No. 828/08 which extended the exemption implemented by the Resolution No. 768 mentioned before up to October 1st, 2009, and ruled a subsidy of 100 % for consumptions between June and July, 2009, and of 70 % for consumptions between August and September, 2009 for customers obliged to pay charges imposed by the mentioned Resolution.

On August 19, 2009, the ENARGAS notified the Note No. 9,097 whereby MetroGAS was requested to highlight in the invoices the amount corresponding to the subsidy derived from the implementation of the Resolution No. 828, and to incorporate diagonally and with special typography the legend that reads "Consume subsidised by the National State", and also attaching to the invoice a document with the specification of the cost of the service if same were provided in cities of Brazil, Uruguay and Chile, as well as the indication of the hypothetical consumption of the volume invoiced by means of gas bottles of liquefied fuel gas.

Finally, through Note No. 11,821, the ENARGAS notified the protective order issued in the case entitled *"Defensor del Pueblo de la Nación – Inc. Med. C/Estado Nacional – Decreto Nro. 2,067/08 - Resolución No. 1,451/08 y Otro S/Proceso de Conocimiento"*, Case No. 6,530/09 before the National Court of Appeals with jurisdiction on federal administrative claims, informing the continuity of the validity and the application of the regime established by Decree 2,067/08 and the mandatory implementation of a process allowing users obliged to pay the charge to cancel their invoices, excluding the Charge 2,067/08 plus the corresponding VAT, this payment being thus considered an advance payment. Should the applicability of the Charge 2,067/08 be confirmed, MetroGAS could duly claim the Charge 2,067/08. This judicial resolution not applies to users domiciled in municipalities of Avellaneda and Quilmes´s jurisdictions. These users are obligated to pay the mentioned charge, but are reached for judicial resolutions issued in the frame of the judicial measures requested and obtained by Ombudsmen's municipalities, which prevent MetroGAS from invoicing the specific charge resulting from Decree No. 2,067/08. Additionally, at least one judicial verdict pronounced in first instance exists declaring the unconstitutionality of the mentioned Decree in a process initiated by a user of our distribution area, for which also MetroGAS is prevented from invoicing the mentioned charge.

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8.4.5 Municipal Rates

The regulatory framework in force and duly applicable to the distribution of natural gas contemplates the reallocation on tariffs of all new taxes or levies or rate increases, as well as, under certain conditions, the free use of public space concerning the laying of natural gas pipelines. Notwithstanding this, and without detriment to the many requests presented by MetroGAS, and the right it posses, as of the date of issuance of these financial statements the ENARGAS has not authorized any reallocation on tariffs of payments made to the different municipalities, not only from the province of Buenos Aires but also from the Autonomous City of Buenos Aires ("CABA"), regarding these concepts.

Given the lack of approval of the passing to the tariffs of the Study, revision and inspection of works in public spaces levy of the GCABA and of the Occupancy of public space levy of the GCABA and of the Municipalities of the Province of Buenos Aires mentioned, MetroGAS has filed two legal protection proceedings for payment in arrears against the Undersecretary of Coordination and Management control, who shall answer in accordance with the terms of Resolution MPFIPyS No. 2,000/05 in relation with the Study, revision and inspection of works in public spaces levy and the Occupancy of public space levy of the GCABA and five legal proceedings for the protection of rights for payment in arrears against the ENARGAS that still has not given the intervention related to the above mentioned Undersecretary in relation to the Occupancy of public space levy of the Province of Buenos Aires.

On December 7, 2009, MetroGAS was dully notified about the verdict pronounced on the case record created for the protection proceeding for default payments concerning the pass-through request in the case of Ezeiza, granting the ENARGAS 30 business days to solve this issue. The ENARGAS appealed to the sentence, without detriment to that, submitted the file under consideration to the Subsecretariat of Coordination and Management Control according to what is stipulated by Resolution No. 2,000/05. On February 25, 2010, another sentence declared desert such appeal, consequently, the verdict pronounced in first instance remained firm, recovering force the mentioned term of 30 business days after the judgment notification happened at the beginning of March, 2010.

On March 16, 2010, MetroGAS was formally notified of the requirement to the Undersecretary of Coordination and Management control of Resolution must be issued in 30 days, in the framework of the sentence pronounced about the protection proceeding initiated referred to the pass to tariffs of the Occupancy of public space levy of the GCABA.

MetroGAS considers that it has an acquired right to be recognized the reallocation on tariffs of the amounts paid for the Study, Revision and Inspection of Public Spaces Levy of the GCABA and for the Occupation for Public Spaces Levy corresponding to CABA, Esteban Echeverría, Almirante Brown, Ezeiza and Florencio Varela every time it is thus stipulated within the regulatory framework of the gas industry. Law No. 24,076 (Exhibit 41) and Executive Order No. 2,255/92 (Exhibit 9.6.2) stipulate that variations of costs resulting from tax changes, shall be reflected on tariffs, that's why Ps 52,364 million and Ps 76,097 million have been registered for these concepts under the heading Other Non current credits, respectively. (Note 4.e).

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This consideration is supported by the ruling of the Argentine Supreme Court of Justice that, in the cases "Gas Natural BAN c/ Municipalidad de Campana y Litoral Gas c/ Municipalidad de Villa Constitución s/ Acción meramente declarativa", stated that point 9.6.2 of Executive Decree No. 2,255/92 stipulated that costs variations originated by changes in tax regulations shall be reallocated on tariffs in accordance to what is laid down in Section 41 of Law No. 24,076.

In virtue of what has been expressed, and in accordance to what is established in the legislation in force and the resolution issued by the General Directorate of Legal Affairs from the Ministry of Economy, MetroGAS considers that these said credits are recoverable.

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NOTE 9 - FINANCIAL DEBT

The following table sets forth the conditions of the Company's Financial Debt as of March 31, 2010 and 2009:

	March 31,					
	2010			2009		
	Thousands of Ps.	Interest Rate	Maturity	Thousands of Ps.	Interest Rate	Maturity
Negotiable Obligations (1)						
Series B	-	7.375%	09/27/2002	1,493	7.375%	09/27/2002
Interest payable	17,956	-	-	18,000	-	-
Overdraft	271	11%	-	-	-	-
Negotiable Obligations (2)						
Series 1	817,659	8% (3)	12/31/2014 (6)	784,345	8% (3)	12/31/2014 (6)
Series 2 Class A	24,256	5% (4)	12/31/2014 (7)	23,268	5% (4)	12/31/2014 (7)
Series 2 Class B	136,810	3.8% (5)	12/31/2014 (7)	128,462	3.8% (5)	12/31/2014 (7)
Actual value discount	(44,420)	-		(61,113)	-	
Total financial debt	952,532			894,455		

(1) Correspond to the Global Program for issuing unsecured non-convertible Negotiable Bonds, approved by the Extraordinary Shareholders´ Meeting held on December 22, 1998.
(2) Correspond to the Global Program mentioned in point (1) extended for 5 years by the Extraordinary Shareholders´ Meeting held on October 15, 2004 and subsequently extended for an additional period of 5 years by the Extraordinary Shareholders´ Meeting held on February 24, 2010.
(3) Interest rates for this series are 8% for the years 2006-2010 and 9% subsequently.
(4) Interest rates for this series are 3% for the year 2006, 4 % for the years 2007-2008, 5% for the years 2009-2010, 7% for the years 2011-2012 and 8% subsequently.
(5) Interest rates for this series are 1.8% for the year 2006, 2.8% for the years 2007-2008, 3.8% for the years 2009-2010, 5.8% for the years 2011-2012 and 6.8% for the years 2013-2014.
(6) The amortization schedule for the principal amount of this series is the following: 5% on June 30 and December 31, 2010, 10% each subsequent June 30, and December 31 until December 31, 2012 and 12.5% each subsequent June 30 and December 31 until December 31, 2014.
(7) The amortization schedule for the principal amount of this series is the following: 16-2/3% on June 30 and December 31, 2012, 16-2/3% each subsequent June 30 and December 31 until December 31, 2014.

NOTE 9 - FINANCIAL DEBT (Contd.)

On March 25, 2002, MetroGAS announced the suspension of principal and interest payments on all of its financial indebtedness due to the fact that the Emergency Law, together with implementing regulations, altered fundamental parameters of the Company's license, including the suspension of the tariff adjustment formula and the redenomination of the tariff into pesos, and also the announcement of the devaluation of the peso.

On November 9, 2005, the Company announced the commencement of a solicitation of consents to restructure its unsecured financial indebtedness pursuant to an APE under Argentine law.

On May 12, 2006, the Company concluded the financial debt restructuring process, performing the effective exchange of the bonds. Consequently, it issued in exchange for its Existing Debt Series 1 Notes amounting to US$ 236,285,638 in principal amount, Series 2 Notes Class A amounting to US$ 6,254,764 in principal amount and Series 2 Class B amounting to Euros 26,070,450 in principal amount. Additionally the Company made payments amounting to US$105,608,445, for cash options received along with US$ 19,090,494 and Euros 469,268 to pay accrued interest on Series 1 notes and Series 2 notes through December 30, 2005.

The offering of the Series 1 and 2 was made in full compliance with the Fund Allocation Plan. The funds obtained were allocated to the refinancing of short-term indebtedness.

MetroGAS, and its subsidiaries, must comply with a series of restrictions under the Company's new debt obligations, which, among others, include the following:

- Mandatory redemption with excess cash: the company will apply an amount of excess cash (not allocated for Restricted Payments) (i) to redeem (ratably among the holders of the Series 1 Notes) any Outstanding Series 1 Notes through note prepayments and (ii) after all Outstanding Series 1 Notes have been paid in full, to redeem (ratably among the holders of the Series 2 Notes) any Outstanding Series 2 Notes through note prepayments, in each case to the extent the Company not used such amount of net available excess cash to make market purchase transactions.
- Limitations on indebtedness: the Company will not be able to incur in additional indebtedness, except in certain specific instances, and not to exceed US$ 20 million.
- Limitations on investments: until the Company had redeemed, repaid or purchased at least US$ 75 million principal amount of the Series 1 Notes, MetroGAS will make no Investments other than Permitted Investments. Furthermore, deductible capital expenditures, for the excess cash computation, will not excess US$ 15 million by each computation year.
- Limitations on restricted payments: until the Company had redeemed, repaid or purchased at least US$ 75 million principal amount of the Series 1 Notes, restricted payments (including dividends) will be subject to the company's indebtedness ratio.

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NOTE 9 - FINANCIAL DEBT (Contd.)

- Limitations on the sale of assets: the Company will not make any asset sale unless the following conditions are met: a) the asset sale is at the fair market value, b) at least 75% of the value under consideration is in the form of cash or Cash Equivalents and, c) such asset sale does not materially and adversely affect the Company's ability to meet these obligations.
- Limitation on transactions with controlling company, controlled company or under common control.

Pursuant to the excess cash provision mentioned on the first bullet, the Company calculated the respective amount for the period began on October 1st, 2008 and finished on March 31, 2009 and for the period began on April 1st, and finished on September 30, 2009, from which no excess cash was computed as a result. Moreover, all of the mentioned restrictions has been complied by the Company, including the payment obligations acquired under the actual global program of Negotiable bonds.

As from the time that new Series were issued up to March 31, 2010, the Company carried out market purchases amounting to accumulative principal amount of the Series 1 Notes of US$ 25.4 million. The Company did not carry out market purchases in the three months ended March 31, 2010 and 2009. Moreover, Metrogas´s Board of Directors has contracted as financial adviser to Barclays Plc in order to work together with MetroGAS to find the best possible alternative to timely refinance the Company's outstanding debt.

NOTE 10 - COMMON STOCK

As of March 31, 2010, the Company's Common Stock totaled Ps. 569,171 thousand, all of which is fully subscribed, paid-in and registered.

Class of Shares	Thousands of Ps.
Ordinary certified shares of Ps. 1 par value and 1 vote each:	
Class "A"	290,277
Class "B"	221,977
Class "C"	56,917
Common Stock as of March 31, 2010	569,171

The Shareholders at the Extraordinary Shareholders' Meeting held on March 12, 1997 approved the most recent capital increase resulting in total Common Stock of Ps. 569,171 thousand. This increase was authorized by the CNV on April 8, 1997 and by the Buenos Aires Stock Exchange on April 10, 1997 and was registered with the Public Registry of Commerce on June 17, 1997 under No. 6,244, Corporations Book 121, Volume A.

Gas Argentino owns 70% of the Company's Common Stock, 20% of the Company's Common Stock was distributed in an initial public offering as specified below and 10% of the Company's Common Stock is hold by the Employee Stock Ownership Plan (Programa de Propiedad Participada or "PPP") (Note 13).

In accordance with the Transfer Agreement, the Government sold through an initial public offering the 20% of the Company's Common Stock it held, represented by 102,506,059 Class "B" Shares. At the date of these financial statements this Common Stock is property of private investors.

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NOTE 10 - COMMON STOCK (Contd.)

On November 2, 1994, the CNV, pursuant to Resolution No. 10,706, authorized to public offering all the Company's outstanding shares at such date. The Class "B" Shares offered in the United States are represented by American Depositary Shares ("ADSs") and were registered with the SEC. The Class "B" Shares and the ADSs were approved for listing on the BCBA and the New York Stock Exchange ("NYSE"), respectively.

The Company is required to keep in effect the authorization to offer the Company's Common Stock to the public and the authorization for the shares to be listed on the Argentine Republic's authorized securities markets for a minimum period of fifteen years as of the respective dates on which such authorizations were granted.

After the first five years following the transfer date, any decrease, redemption or distribution of the Company's shareholders' equity will require prior authorization by ENARGAS.

NOTE 11 - RESTRICTIONS ON THE DISTRIBUTION OF PROFITS

In accordance with the Argentine Corporations Law, the Company's by-laws and Resolution No. 434/03 of the CNV, 5% of the Company's net income for the year plus (less) prior year adjustments must be transferred to the Company's Legal Reserve, until it reaches 20% of the subscribed capital including the adjustments to Common Stock.

Dividend distribution in cash will depend on the Company's indebtedness ratio until the Company has redeemed, repaid or purchased at least US$ 75 million principal amount of the Series 1 Notes.

NOTE 12 - LIMITATION ON THE TRANSFERABILITY OF GAS ARGENTINO SHARES

The Pliego stipulates that Gas Argentino, as controlling shareholder of MetroGAS, may sell part of its shares in the Company, provided it retains 51% of MetroGAS' equity.

In addition, the Company's by-laws provide that ENARGAS' approval must be obtained prior to the transfer of the Class "A" shares (representing 51% of Common Stock). The Pliego states that such prior approval will be granted three years after the Takeover Date provided that:

- The sale covers 51% of MetroGAS' Common Stock or, if the proposed transaction is not a sale, it will result in the acquisition of at least 51% of MetroGAS' equity by another company,
- The applicant provides evidence that the transaction will not affect the operating quality of the licensed service, and
- The existing technical operator, or a new technical operator approved by ENARGAS, retains at least 15% of the new owner's shares and the technical assistance contract remains in force.

Shareholders of Gas Argentino are subject to the same restrictions as those set forth in the preceding paragraph.

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NOTE 12 - LIMITATION ON THE TRANSFERABILITY OF GAS ARGENTINO SHARES (Contd.)

Dated December 7, 2005, Gas Argentino entered into an agreement to restructure its financial debt with all of its creditors, funds administered by Ashmore ("Ashmore Funds") and by Marathon ("Marathon Funds"), by means of which Gas Argentino would cancel all of its liabilities related to such debt in exchange for issuing and/or transferring, by the current shareholders of Gas Argentino, Common Stock of the said company representing 30% of its Common Stock post-issuing to Ashmore Funds and transferring 3.65% and 15.35% of MetroGAS' Common Stock, owned by Gas Argentino, to Ashmore Funds and Marathon Funds, respectively. Such agreement was, among other conditions, subject to the approval of the ENARGAS and of the Secretariat of Interior Commerce with prior agreement of the National Antitrust Committee (Comisión Nacional para la Defensa de la Competencia - "CNDC"). Through Resolution No 1/097 dated September 14, 2007, the ENARGAS approved the transference of shares, remaining pending the agreement of the CNDC and the approval of the Secretariat of Interior Commerce.

On May 15, 2008, Gas Argentino received a letter from Marathon Funds stating their willingness to terminate the restructuring agreement dated December 7, 2005. Marathon exercised the power as set forth in said agreement, which stated that any holder of the Gas Argentino's financial indebtedness would be able to terminate the agreement if corresponding approvals were not obtained.

On May 11, 2009, Gas Argentino received the notification of a bankruptcy proceeding filed by an alleged Gas Argentino creditor. Consequently, on May 19, 2009, the Board of Director of Gas Argentino decided to file a judicial motion of Insolvency Procedure, which was admitted on June 8, 2009 by the Argentine Courts.

At the date of these financial statements, the verification period of credits is ended, the Bankruptcy Receiver submitted its individual report on credits and the judicial resolution that determines the acceptance of verification requests was issued in February 2010. On March 12, 2010, Gas Argentino SA promoted review incidents in relation to declared admissible credits of Negotiable Obligations issued by that Company.

On March 17, 2010, the general report foreseen in Art. 39 of Law of Bankruptcies and Insolvency procedures was presented by the Syndicate, respect of which Gas Argentino SA made observations on April 5, 2010.

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NOTE 13 - EMPLOYEE STOCK OWNERSHIP PLAN

Executive Decree No. 1,189/92 of the Government, which provided for the creation of the Company, establishes that 10% of the Common Stock represented by Class “C” shares is to be included in the PPP, as required under Chapter III of Law No. 23,696. The transfer of the Class “C” Shares was approved on February 16, 1994 by Executive Order No. 265/94. The Class “C” shares are held by a trustee for the benefit of GdE employees transferred to MetroGAS who remained employed by MetroGAS on July 31, 1993 and who elected to participate in the PPP.

In addition, the Company’s by-laws provide for the issuance of profit sharing bonuses as defined in Article 230 of Law No. 19,550 in favor of all regular employees so as to distribute 0.5% of the net income of each year among the beneficiaries of this program. The accrued amounts will be deductible as expense in the income statements of each year, since inappropriate retained earnings exist.

Participants in the PPP purchased their shares from the Government for Ps. 1.10 per share, either by paying cash for them or by applying dividends on such shares and 50% of their profit sharing bonus to the purchase price. The trustee will retain custody of the Class “C” shares until they are fully paid.

Once the Class “C” shares are fully paid, they may be converted at the request of the holders thereof into freely transferable Class “B” shares. The decision to convert Class “C” Shares to Class “B” Shares must be taken by the Class “C” shareholders, acting as a single class. While the PPP is in effect, neither the by-laws of the Company nor the proportions of the various shareholdings may be changed until the requirements set forth in the PPP are fully complied with.

On March 6, 2008, the Board of Directors of MetroGAS approved Class “C” shares conversion to Class “B” shares, requested by the PPP Executive Committee on March 3, 2008.

On May 21, 2008, MetroGAS received a letter from the CNV notifying that share conversion will remain subject to the presentation of the Resolution of National Government approving the fully payment of the outstanding balance of the acquisition price of the Class “C” shares. The mentioned fully payment was approved by the ME through Resolution of National Government No. 252, on August 22, 2008.

On December 30, 2008, the PPP Executive Committee requested MetroGAS to suspend the conversion procedure presented before the CNV and the BCBA until further notices.

NOTE 14 - LONG-TERM CONTRACTS

In order to assure itself of sufficient gas supply and transportation capacity to enable it to provide the licensed service, since the beginning of the concession, MetroGAS has entered into long-term contracts for the purchase of gas and gas transportation services.

14.1. Gas supply

On June 14, 2007, Resolution No. 599/07 of the Energy Secretariat was published in the Official Bulletin through which was approved the proposed draft of the “Agreement with Natural Gas Producers 2007 – 2011 ”, then executed by certain natural gas producers, triggering its

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AS OF MARCH 31, 2010 AND 2009**

NOTE 14 - LONG-TERM CONTRACTS (Contd.)

enforceability. Basically, the Agreement 2007-2011: i) set forth the volumes to be injected in the points of entry to the transportation system by the natural gas producers for residential and commercial consumers, industries, power plants and CNG supply stations until December 31, 2011 (although with different contractual terms depending the type of consumer), (ii) indicates certain price adjustment parameters depending the type of consumer, and (iii) establishes the mechanisms of natural gas re-routing and additional injections to guarantee the supply of the domestic market in case of shortages. By virtue of said Agreement, the natural gas producers and natural gas distributors should execute gas purchase agreements including its terms and conditions. At the date of issuance of these financial statements, MetroGAS did not execute any of these agreements given the fact that it is our understanding that the offers received from the natural gas producers neither comply with the terms and conditions of the “Agreement with Natural Gas Producers 2007-2011” nor would allow MetroGAS to guarantee the supply of natural gas to its non interruptible consumers, considering the volumes included in said offers.

The Company operates with the following suppliers: YPF, Total Austral, Wintershall Energía, Pan American Energy, Petrobras, Apache and other producers in Tierra del Fuego, Neuquén and Santa Cruz.

Contracts that originally due on December 31, 2006 were kept in the same conditions, including prices, until July 31, 2007. As from August 1, 2007, the natural gas producers are supplying natural gas to MetroGAS in the volumes set forth under the Agreement with Natural Gas Producers 2007-2011 and based on several notes issued by the Sub-secretary of fuels and EGM, as delivery arrangements considering that those contracts with gas producers do not exists.

Due to MetroGAS understanding that the volumes, basins of injection and routes of transportation foreseen in the Agreement 2007-2011 would prevent the normal supplying of the non interruptible demand, the Company has carried out presentations to the ENARGAS, the ES and the Fuel Sub secretariat tending to raise this situation and to request its remediation.

14.2. Gas transportation

MetroGAS has entered into a number of transportation contracts, with expiration dates ranging between 2010 and 2021, with Transportadora de Gas del Sur S.A. ("TGS"), Transportadora de Gas del Norte S.A. ("TGN") and other companies, which provide for firm transportation capacity of 24.6 MMCM per day, considering contracts in force as of March 31, 2010.

The estimated annual valuation of firm transportation under these contracts is, as follows:

Periods	Contractual commitments (Million of Ps.)
April-December 2010	148.47
2011	190.04
2012	184.41
2013	184.41
2014	69.62
2015/21	25.50

METROGAS S.A.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 14 - LONG-TERM CONTRACTS (Contd.)

The contracts entered into by MetroGAS with gas transportation companies could be subject to modifications due to Emergency Law provisions applicable to utility services contracts, which include natural gas transportation. As of the date of issuance of these financial statements it is not possible to assess the impact of these modifications.

14.3 Transportation and distribution commitments

The contracts entered into with power plants include clauses to cede transportation during the winter period; these clauses allow MetroGAS to restrict the transportation and distribution service for a determinate volume to supply its non-interruptible demand.

In case MetroGAS is obligated to restrict the transportation and distribution service for a higher volume than the established in each contract, mainly due to a higher firm demand, those contracts establish penalties to pay to power plants due to these restrictions.

NOTE 15 - FISCAL AND LEGAL MATTERS

15.1. Turnover tax (Province of Buenos Aires)

During 1994, the Province of Buenos Aires agreed with the Argentine Government that the Province would not impose gross revenue taxes on sales of natural gas at a rate in excess of 3.5% of the invoice prices of those sales. Notwithstanding the above, the Province imposed gross revenue taxes on sales of natural gas at a higher rate and instructed us to include gross revenue taxes at the higher rate in our invoices to our customers and to remit the taxes so collected to the Province. MetroGAS declined to follow those instructions, citing the agreement between the Province and the Argentine government described above.

On December 22, 2005, through Resolution No. 907/05, the Revenue Department of the Province of Buenos Aires requested the payment of amounts corresponding to the period from 2001 to 2003, that would have been received from customers, if the mentioned rate increase had been applied in the invoices (actually amount approximately Ps. 10 million, including interests and fines). Such Resolution was appealed on January 16, 2006, before the Tax Court of the Province of Buenos Aires.

On September 27, 2006 the “Comisión Federal de Impuestos” (Federal Tax Commission) through its judgment No. 112/06 ratified the criterion followed by the Company and rejected a motion of revision filed by the Province of Buenos Aires within a file that analyzes a situation identical to MetroGAS. Against such judgment, the Province of Buenos Aires filed and extraordinary motion of revision against the same Federal Tax Commission to be decided by the Federal Supreme Court of Justice. Said extraordinary motion was granted and up to date the same is pending of definitive decision by the Federal Supreme Court of Justice.

METROGAS S.A.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

NOTE 15 - FISCAL AND LEGAL MATTERS (Contd.)

On March 3, 2008, through Resolutions No 95/08, 96/08 and 97/08, the Revenue Department of the Province of Buenos Aires requested the payment of amounts corresponding to the period from January 2004 to October 2005 of the above mentioned rate increase, and for difference in the income and expenses rate. Those amounts approximately Ps. 27 million, including interests and fines. On March 27, 2008, those resolutions were appealed before the Tax Court of the Province of Buenos Aires.

In the event that MetroGAS is finally compelled to pay for such amounts, it will request a reallocation of such rate increase to the tariffs paid by customers in compliance with the terms of the License.

As of March 31, 2010, the Company registered an allowance of Ps. 14,635 thousand for the contingency related to the difference on the determination of the income and expenses rate.

15.2. Rates and charges

Through resolution No. 2,778/03, the ENARGAS stated that MetroGAS had collected excessive rates and charges from its customers amounting to Ps. 3.8 million and stipulated a fine for Ps. 0.5 million. The Company duly filed an appeal for reconsideration with a subsidy appeal against the mentioned Resolution and against the interest rate applied on the fine. As of March 31, 2010 the total amount demanded by the ENARGAS amounted to Ps. 21,522 thousand, including interests and fines, which has been recorded as a provision.

15.3. Fines Government of the City of Buenos Aires – Works in public roadway.

On January 25, 2008, through Law No. 2,634, and its Regulation Decree No. 238/08 published on March 28, 2008, the new regime of openings and/or breaks in public roadway of the City of Buenos Aires was created and regulated, which specifies charges to pay for works in public spaces and establishes that closing works have to be made by GCBA, previous payment from the authorized companies to make openings. After that and in force as from November 1, 2009, the Government of the Autonomous City of Buenos Aires modified the procedure to repair sidewalks once more and stated that those companies which made holes in sidewalks have to repair and close them for good.

The GCBA´s Control of Special Misdemeanours Agency sanctioned MetroGAS in several causes. As of March 31, 2010, the Company is discharging the notified administrative infractions, and requesting the pass to the contravencional justice to made the corresponding defenses, in order to obtain the declaration of the law unconstitutionality and the irrationality of the fines and, consequently, the rejection of the imposed sanctions. As of March 31, 2010, the Company has registered an allowance of Ps. 1,795 thousand related to this concept.

METROGAS S.A.

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
AS OF MARCH 31, 2010 AND 2009**

NOTE 15 - FISCAL AND LEGAL MATTERS (Contd.)

15.4. Interpretation disagreements with the Regulatory Authority.

At the date of issuance of these financial statements, there are disagreements between the Company and the regulatory authorities as to the interpretation of various legal matters. As of March 31, 2010, the Company has registered an allowance of Ps. 8,935 thousand related to this concept.

Juan Carlos Fronza
President

METROGAS S.A.

EXHIBIT A

UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009 AND AUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009
FIXED ASSETS

MAIN ACCOUNT	ORIGINAL VALUE					DEPRECIATION					NET BOOK VALUE 03-31-10
	AT BEGINNING OF YEAR	INCREASE	TRANSFERS	RETIREMENTS	AT END OF PERIOD	ACCUMULATED AT BEGINNING OF YEAR	RETIREMENT	FOR THE PERIOD: ANNUAL RATE (1)	FOR THE PERIOD: AMOUNT (2)	ACCUMULATED AT END OF PERIOD	
	Thousands of Ps.										
Land	17,501	-	-	-	17,501	-	-	-	-	-	17,501
Building and civil constructions	75,602	-	-	-	75,602	24,290	-	2%	351	24,641	50,961
High pressure mains	277,302	-	2,606	-	279,908	175,176	-	2.22% to 10%	2,536	177,712	102,196
Medium and low pressure mains	1,641,676	-	12,523	-	1,654,199	507,240	-	1.19% to 10%	9,538	516,778	1,137,421
Pressure regulating stations	63,973	-	217	-	64,190	35,847	-	4% to 12.5%	523	36,370	27,820
Consumption measurement installations	342,041	-	780	(27)	342,794	139,416	(12)	2.85% to 5%	3,165	142,569	200,225
Other technical installations	49,814	-	451	-	50,265	41,384	-	6.67%	670	42,054	8,211
Machinery, equipment and tools	27,583	-	149	-	27,732	25,589	-	6.67% to 20%	99	25,688	2,044
Computer and telecommunications equipment	158,978	-	6,883	-	165,861	150,489	-	5% to 50%	812	151,301	14,560
Vehicles	10,393	-	-	(437)	9,956	8,258	(437)	10% to 20%	171	7,992	1,964
Furniture and fixtures	5,461	-	-	-	5,461	5,444	-	10% to 20%	3	5,447	14
Materials	8,277	4,449	(3,264)	(172)	9,290	-	-	-	-	-	9,290
Gas in pipelines	214	-	-	-	214	-	-	-	-	-	214
Work in progress	84,915	17,950	(20,778)	-	82,087	-	-	-	-	-	82,087
Advances to fixed assets suppliers	370	176	-	(162)	384	-	-	-	-	-	384
Subtotal	2,764,100	22,575	(433)	(798)	2,785,444	1,113,133	(449)	-	17,868	1,130,552	1,654,892
Distribution network extensions constructed by third parties	63,372	-	857	-	64,229	13,128	-	1.82% to 2.38%	322	13,450	50,779
Offsetting item for distribution network extensions	(5,329)	-	(424)	-	(5,753)	(527)	-	2% to 2.38%	(36)	(563)	(5,190)
Allowance for obsolescence of materials (Exhibit E)	(529)	(55)	-	2	(582)	-	-	-	-	-	(582)
Allowance for disposal of fixed assets (Exhibit E)	(7,450)	(2,042)	-	15	(9,477)	-	-	-	-	-	(9,477)
Total as of March 31, 2010	2,814,164	20,478	-	(781)	2,833,861	1,125,734	(449)	-	18,154	1,143,439	1,690,422
Total as of December 31, 2009	2,723,708	98,317	-	(7,861)	2,814,164	1,062,507	(8,104)	-	71,331	1,125,734	1,688,430
Total as of March 31, 2009	2,723,708	17,038	-	(715)	2,740,031	1,062,507	(546)	-	17,640	1,079,601	1,660,430

Notes:

(1) The depreciation rates are variable and based on the useful lives assigned to the assets at the Takeover Date. The useful lives were estimated according to the type, current condition and renewal and maintenance programs of assets.

(2) Depreciation of fixed assets has been included in Exhibit H.

Juan Carlos Fronza
President

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

METROGAS S.A.

EXHIBIT C

UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009 AND AUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009 NON-CURRENT INVESTMENTS

ISSUER	TYPE OF SECURITY	FACE VALUE	QUANTITY	COST VALUE	EQUITY VALUE	BOOK VALUE AS OF 03-31-10	BOOK VALUE AS OF 12-31-09	BOOK VALUE AS OF 03-31-09	ISSUER INFORMATION – LAST FINANCIAL STATEMENTS ISSUED: MAIN BUSINESS	DATE	COMMON STOCK	RESULT FOR THE PERIOD	SHAREHOLDER'S EQUITY	PERCENTAGE OF COMMON STOCK
		Ps.	Thousands	Thousands of Ps.							Thousands of Ps.			%
NON CURRENT INVESTMENTS														
Companies art.33 - Law No. 19,550														
MetroENERGÍA S.A.	Ordinary	1	219	219	29,037	29,037 (1)	26,018 (1)	22,011 (1)	BUY AND SELL NATURAL GAS AND /OR ITS TRANSPORTATION	03-31-10	230	9,116	36,034	95
Total					29,037	29,037	26,018	22,011			230	9,116	36,034	

(1) Interest in MetroENERGÍA´s equity, net of not-transcended to third parties intragroup results.

Juan Carlos Fronza
President

METROGAS S.A.

EXHIBIT D

UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009
AND AUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009
CURRENT INVESTMENTS

ISSUER	FACE VALUE	QUANTITY	LISTED PRICE AS OF 03-31-10	FACE VALUE PLUS ACCRUED INTEREST	BOOK VALUE AS OF 03-31-10	BOOK VALUE AS OF 12-31-09	BOOK VALUE AS OF 03-31-09
		Thousands		Thousands of Ps.			
CURRENT INVESTMENTS							
Government Securities							
National Government bonds (BODEN 2012)	1.4	16	1.3011	20	20	21	14
Units of mutual funds							
GOAL Pesos - Clase B	-	6,904.8	3.1488	-	21,742	51,820	-
Bank deposits							
Saving account	54	1	-	54	54	53	37
Time deposits	1,153	-	-	1,153	1,153	6,149	25,230
Total					22,969	58,043	25,281

Juan Carlos Fronza
President

METROGAS S.A.

EXHIBIT E

UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009 AND AUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009

ALLOWANCES

MAIN ACCOUNT	03-31-10				12-31-09	03-31-09
	BALANCE AT BEGINNING OF YEAR	INCREASE	DECREASE	BALANCE AT END OF PERIOD	BALANCE AT END OF YEAR	BALANCE AT END OF PERIOD
	Thousands of Ps.					
Deducted from assets						
For doubtful accounts (Note 4.b))	14,300	1,213 (1)	-	15,513	14,300	13,424
For obsolescence of materials						
Inventories (Note 4.d))	1,835	(302) (2)	-	1,533	1,835	1,707
Fixed assets	529	55	(2)	582	529	595
For disposal of fixed assets	7,450	2,042 (3)	(15)	9,477	7,450	10,249
Valuation allowance on deferred income tax assets	-	-	-	-	-	23,279
Valuation allowance on minimum presumed income tax	21,066	-	-	21,066	21,066	-
Total	45,180	3,008	(17)	48,171	45,180	49,254
Included in liabilities						
For contingencies						
Executive proceedings	14,340	1,377	(7)	15,710	14,340	12,151
Turnover tax GCABA (Note 15.1)	6,978	7,657	-	14,635	6,978	5,960
Rates and charges (Note 15.2)	21,259	263	-	21,522	21,259	20,455
Fines GCBA (Note 15.3)	837	958	-	1,795	837	412
Interpretation disagreements with the Regulatory Authority (Note 15.4)	22,658	(13,723)	-	8,935	22,658	17,891
Others	4,704	2,080	-	6,784	4,704	6,212
Total contingencies	70,776	(1,388) (4)	(7)	69,381	70,776	63,081

Notes:

(1) The charge in results is disclosed in Exhibit H.
(2) Charged in results in the line Sundry materials of Exhibit H.
(3) Charged in results in the line Operating expenses - Others of Exhibit H.
(4) Charged in results in the line Contingencies reserve of Exhibit H.

Juan Carlos Fronza
President

METROGAS S.A.

EXHIBIT F

UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009
OPERATING COST

MAIN ACCOUNT	03-31-10	03-31-09
	Thousands of Ps.	
Stock at the beginning of the year		
Natural gas	-	-
Processed natural gas	-	-
	-	-
Plus		
Purchases		
Natural gas	29,461	29,030
Processed natural gas	-	-
	29,461	29,030
Transportation of natural gas	50,747	51,517
Transportation of processed natural gas	494	495
	51,241	52,012
Operating Expenses (Exhibit H)		
Natural gas	41,958	36,413
Processed natural gas	9	9
	41,967	36,422
Less		
Stock at the end of the period		
Natural gas	-	-
Processed natural gas	-	-
	-	-
Operating Cost	122,669	117,464
Natural gas	122,166	116,960
Processed natural gas	503	504

Juan Carlos Fronza
President

METROGAS S.A.

EXHIBIT G

UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009
AND AUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009
FOREIGN CURRENCY ASSETS AND LIABILITIES

MAIN ACCOUNT	03-31-10				12-31-09		03-31-09	
	FOREIGN CURRENCY AND AMOUNT		EXCHANGE RATE	BOOK VALUE	FOREIGN CURRENCY AND AMOUNT	BOOK VALUE	FOREIGN CURRENCY AND AMOUNT	BOOK VALUE
	Thousands			Thousands of Ps.	Thousands	Thousands of Ps.	Thousands	Thousands of Ps.
ASSETS								
CURRENT ASSETS								
Cash and banks								
Cash	US$	28	3.8380	107	28	105	30	110
	LBE	4	5.8265	23	4	24	4	21
	Euros	3	5.1932	16	3	16	3	15
	Real	3	2.0500	6	3	6	3	5
	Canadian dollars	1	3.7757	4	1	4	1	3
	Russian rublo	8	0.1316	1	8	1	7	1
Banks	US$	482	3.8380	1,850	606	2,279	269	990
	Euros	9	5.1932	47	-	-	-	-
Investments	US$	315	3.8380	1,209	315	1,184	6,592	24,259
Other receivables	US$	305	3.8380	1,171	445	1,673	240	883
TOTAL ASSETS				4,434		5,292		26,287
				4,434		5,292		26,287
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable	US$	2,271	3.8780	8,807	2,072	7,874	1,611	5,993
	Euros	3	5.2477	16	50	273	142	700
	LBE	-	5.8949	-	22	135	-	-
Financial debts								
Negotiable obligations (face value)	US$	21,085	3.8780	81,766	21,085	80,121	-	-
	Euros	-	5.2477	-	303	1,653	303	1,493
Interest and other expenses payable	US$	4,295	3.8780	16,656	23	88	4,318	16,063
to foreign financial institutions	Euros	248	5.2477	1,300	162	884	393	1,937
Total Current Liabilities				108,545		91,028		26,186
NON-CURRENT LIABILITIES								
Financial debts								
Negotiable obligations (face value)	US$	196,016	3.8780	760,150	196,016	744,860	217,100	807,613
	Euros	26,070	5.2477	136,809	26,070	142,162	26,070	128,462
Total Non-Current Liabilities				896,959		887,022		936,075
TOTAL LIABILITIES				1,005,504		978,050		962,261

US$: United States Dollars
LBE: Pounds Sterling

Juan Carlos Fronza
President

METROGAS S.A.

EXHIBIT H

UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009
EXPENSES INCURRED

MAIN ACCOUNT	03-31-10						03-31-09
	FIXED ASSETS EXPENSES	OPERATING EXPENSES		ADMINISTRATIVE EXPENSES	SELLING EXPENSES	TOTAL	TOTAL
		GAS SALES	PROCESSED NATURAL GAS				
	Thousands of Ps.						
Payroll and other employees benefits	831	8,873	-	9,076	7,252	26,032	21,567
Social security contributions	333	2,754	-	2,431	2,367	7,885	6,506
Directors´and members of Surveillance committee fee	-	-	-	304	-	304	242
Fees for professional services	-	30	-	1,033	19	1,082	1,531
Sundry materials	-	782	-	-	-	782	722
Fees for sundry services	-	3,174	-	211	2,977	6,362	5,979
Postage, telephone and fax	-	161	-	293	2,404	2,858	2,009
Leases	-	29	-	436	338	803	810
Transportation and freight charges	-	-	-	234	-	234	110
Office materials	-	139	-	293	48	480	447
Travelling expenses	-	96	-	95	12	203	161
Insurance premium	-	-	-	794	-	794	738
Fixed assets maintenance	-	6,487	-	3,184	13	9,684	7,040
Fixed assets depreciation	-	17,022	-	1,132	-	18,154	17,640
Taxes, rates and contributions	-	509	9	3,246	5,593	9,357	8,090
Publicity	-	-	-	-	107	107	208
Doubtful accounts	-	-	-	-	1,213	1,213	432
Bank expenses and commissions	-	-	-	17	1,240	1,257	1,020
Contingencies reserve	-	-	-	(1,388)	-	(1,388)	999
Others	-	1,902	-	79	22	2,003	1,517
Total as of March 31, 2010	1,164	41,958	9	21,470	23,605	88,206	77,768
Total as of March 31, 2009	1,122	36,413	9	20,569	19,655	77,768	

Juan Carlos Fronza
President

METROGAS S.A.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

SUMMARY OF ACTIVITY REQUIRED BY RESOLUTION No. 368/01 ISSUED BY THE NATIONAL SECURITIES COMMISSION

Basis of Presentation

The consolidated financial statements are stated in Argentine pesos and were prepared in accordance with accounting disclosure and valuation standards contained in the technical pronouncements issued by the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE") approved by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires ("CPCECABA") and in accordance with the resolutions of the National Securities Commission ("CNV").

The consolidated financial statements have been prepared in constant currency, reflecting the overall effects of inflation through August 31, 1995. Between that date and December 31, 2001, restatement of the financial statements was discontinued due to the existence of a period of monetary stability. Between January 1, 2002 and March 1, 2003, the effects of inflation were recognized to reflect the inflation recorded during that period. As from that date, restatement of consolidated financial statements has been discontinued. The rate used for restatement of items was the internal wholesale price index published by the National Institute of Statistic and Census.

The Company has consolidated line by line its balance sheet as of March 31, 2010, December 31, 2009 and March 31, 2009, as well as its statements of income and cash flow for the three months ended March 31, 2010 and 2009 and for the year ended December 31, 2009, with the financial statements of its controlled company ("MetroENERGÍA") in compliance with Technical Resolution No. 21 issued by FACPCE, approved by the CPCECABA.

Advances on the compliance with the International Financial Reporting Standards ("IFRS") implementation plan.

The CNV has established the application of the Technical Resolution No. 26 of the FACPCE which adopts, for entities included in the public offer under Law No. 17,811, for its capital or for negotiable obligations, or for having requested authorization to be included in the public offer, the international financial reporting standards issued by the IASB (International Accounting Standard Board). The application of such standards will became obligatory for companies with fiscal year beginning on January 1, 2012.

Considering the recent approval of the specific implementation plan by the MetroGAS´s Board of Directors on April 22, 2010, no advances have taken place in the implementation of the mentioned plan at the date of issuance of the these financial statements. Consequently, the Board of Directors has not acknowledged of any circumstance that requires modifications to the above-mentioned plan or that indicates an eventual detour from the objectives and dates established.

The Argentine Economic Scenario and its impact on the Company

As from the passing of the Emergency Law and its subsequent decrees, MetroGAS' activity has been significantly affected. Among the measures adopted the most important are the devaluation registered during the first months of year 2002, the pesification of certain assets and liabilities in foreign currency deposited in the country, the consequent increase in internal prices and the pesification of prices and tariffs of public services.

METROGAS S.A.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

SUMMARY OF ACTIVITY REQUIRED BY RESOLUTION No. 368/01 ISSUED BY THE NATIONAL SECURITIES COMMISSION (Contd.)

Moreover, the provisions of the Emergency Law modified standards of the Regulatory Framework applicable to the transportation and distribution of natural gas, mainly those which establish that the tariffs are calculated in U.S. dollars and stated in pesos and that are adjustable according to international indexes.

These situations have been considered by the Company's Management when calculating significant accounting estimates included in these consolidated financial statements, including those related to the recoverable value of non current assets. For that purpose, the Company's Management periodically elaborates economic-financial projections from alternative scenarios based on macroeconomic, financial, market and regulatory assumptions.

As a consequence of the situations described above, such projections have considered modifications to the tariffs and adjustments to the operative costs of the Company in order to restore its economic-financial equation. Actual future results could differ from those estimates.

In Notes 2, 8 and 14 to primary financial statements, there is a detailed description of the economic context, the impacts of the Emergency Law and its ruling decrees and the uncertainties generated about the future results of the Company.

General Considerations

MetroGAS' sales and earnings are highly sensitive to weather conditions in Argentina. Demand for natural gas and, consequently, MetroGAS' sales and earnings, are significantly higher during the winter months (May to September), due to larger gas volumes sold and the tariff mix affecting revenues and gross profit.

According to changes in regulations (see Note 8.4.1 to the primary financial statements) the Board of Directors of MetroGAS decided to constitute MetroENERGÍA, on April 20, 2005; MetroGAS holds 95 % of the Common Stock and whose purpose is to buy and sell natural gas and/or its transportation on its own, on behalf of or associated to third parties.

In the framework of the license renegotiation process, on September 2008, the UNIREN sent an alternative proposal to MetroGAS which involves the celebration of a Temporary Agreement, which establishes a Transitional Tariff Regime as from September 1st, 2008, with a readequacy of prices and tariffs including price variation of gas, transportation and distribution services. The above mentioned agreement was ratified by the Shareholders' Assembly of MetroGAS on October 14, 2008 and approved by the PEN on March 26, 2009 by the Decree No. 234.

The resulting increase in distribution tariffs will be deposited by MetroGAS in a specific trust fund created to carry out infrastructure works in the licensee area.

METROGAS S.A.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2010 AND 2009

SUMMARY OF ACTIVITY REQUIRED BY RESOLUTION No. 368/01 ISSUED BY THE NATIONAL SECURITIES COMMISSION (Contd.)

On March 10, 2010, Nación Fideicomisos S.A. and the Company signed a memorandum of understanding setting the basis of a future trust fund contract to implement the trust fund in which the Company will deposit the effective increases resulting from the tariff readjustment. After that, the Company sent all the necessary information and documentation to Nación Fideicomisos S.A. to continue with the effective implementation of said trust fund.

The Temporary Agreement establishes general guidelines for final tariff increases on average invoices, including adjustments of gas prices at well head and adjustments of transportation and distribution services, and it is complemented with ENARGAS Resolution No. I/409, which sets up a segmentation of residential customers according to their annual consumption, and Resolution No.1,070 from the ES, which includes the Complementary Agreement signed with gas producers through which gas prices at well head are established as from September 2008 until December 2009 for each customer category according their annual consumption.

On September 24, 2009, the ENARGAS sent the previous background and the MetroGAS´ tariff chart provided by the Temporary Agreement to the Undersecretary of Coordination and Management control dependent on the MPFIPyS. On February 17, 2010, MetroGas filed a legal protection proceeding before the Federal Administrative Court of Appeals requiring the issuing of an order of quick dispatch against the Sub-Secretariat of Coordination and Management Control in order to make the Sub-Secretary to finally issue the file in which the tariff scheme to be approved by ENARGAS is considered. However, as of the date of issuance of these financial statements, ENARGAS has not yet issued the respective tariff charts arise from the Temporary Agreement. Thus, the Company has not registered nor invoiced the effects of the mentioned Agreement.

On December 16, 2009, the UNIREN sent to MetroGAS a new version of the Letter of Understanding with the proposal of the license renegotiation. It contains some changes regarding form issues, but it maintains the requirement that direct and indirect shareholders of MetroGAS have to hold their actions in suspense against the National State subject to the enforcement of the new tariff scheme which is object to the negotiation. Unfortunately no consensus has been reached so far to achieve an agreement that may satisfy both, the interests of the National Government and the ones of the Company and its shareholders.

It is important to point out that tariffs for distribution services have not been increased since 1999, which has caused unbalances between MetroGAS´ income and expenses. If the issuance of the tariff charts continues delayed, the economic and financial condition of the Company will continue to deteriorate.

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Analysis of Operations for the three months ended March 31, 2010 and 2009

The Company's sales increased by 11.8% during the three months ended March 31, 2010, and operating cost increased by 12.8% compared to the same period of the previous year, thus producing an increase in gross profit of Ps. 5,589 thousand, amounting to Ps. 65,194 thousand during the three months ended March 31, 2010 compared to Ps. 59,605 thousand in the same period of the previous year.

Administrative and selling expenses increased 14.0% from Ps. 41,814 thousand during the three months ended March 31, 2009 to Ps. 47,669 thousand during the same period of the present year.

Consequently, during the three months ended March 31, 2010 an operating income of Ps. 17,525 thousand was recorded compared to Ps. 17,791 thousand recorded in the same period of the previous year.

During the three months ended March 31, 2010 a financial and holding loss of Ps. 32,184 thousand was recorded compared to a loss of Ps. 74,033 thousand recorded in the same period of the previous year.

The Company's net loss for the three months ended March 31, 2010 amounted to Ps. 15,084 thousand compared to a net loss of Ps. 39,721 thousand recorded in the same period of the previous year.

Operating results and financial position

Sales

The Company's consolidated sales during the three months ended March 31, 2010 increased by 11.8%, amounting to Ps. 225,719 thousand compared to Ps. 201,861 thousand in the same period of the previous year.

Sales increase during the three months ended March 31, 2010 was mainly originated by MetroENERGÍA´s sales to industrial customers traded on its own behalf.

Sales to residencial customer increased by 2.4%, from Ps. 71,860 thousand during the three months ended March 31, 2009 to Ps. 73,580 thousand in the same period of the present year, mainly due to an increase of 2.3% in volumes delivered to this category of customer.

MetroGAS's sales with gas to industrial, commercial and governmental customers increased by 6.9% from Ps. 15,113 thousand during the three months ended March 31, 2009 to Ps. 16,156 thousand in the same period of the present year, with a decrease of 4.0% in gas volumes delivered.

Sales of transportation and distribution services to power plants decreased by 16.7% from Ps. 33,794 thousand during the three months ended March 31, 2009 to Ps. 28,152 thousand in the same period of the present year, mainly due to a decrease of 12.4% in gas volumes delivered.

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On the other hand, sales of transportation and distribution service to industrial, commercial and governmental customers increased 31.3% from Ps. 14,119 thousand during the three month ended March 31, 2009, to Ps. 18,535 thousand in the same period of the present year, due to the increase of 9.6% in gas volumes delivered.

Sale of transportation and distribution service to CNG decreased by 3.8% from Ps. 9,167 thousand during the three month ended March 31, 2009 to Ps. 8,815 thousand during the same period of 2010, mainly due to a decrease of 2.2% in volumes delivered and a decrease in the amounts charged for reserve of capacity.

Sale of processed natural gas increase by 8.5% from Ps. 12,922 thousand recorded during the three months ended March 31, 2009, to Ps. 14,021 thousand in the same period of 2010, mainly due to an increase of 4.8% in volumes delivered and the increase in the average price.

MetroENERGÍA's gas and transportation sales on its own behalf increased 51.9%, from Ps. 32,970 thousand during the three months ended March 31, 2009 to Ps. 50,068 thousand during the same period of 2010, mainly as a consequence of an increase of 74.6% in volumes delivered.

Commission for operations on behalf of third parties carried out by MetroENERGÍA, increased from Ps. 3,763 thousand during the three month ended March 31, 2009 to Ps. 6,380 thousand during the same period of 2010, mainly as a consequence of an increase in volumes delivered and to an increase in the average price.

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The following chart shows the consolidated Company's sales by customer category for the three months ended March 31, 2010 and 2009, expressed in thousands of pesos:

	For the three months ended March 31, 2010	% of Sales	For the three months ended March 31, 2009	% of Sales
MetroGAS				
Gas sales:				
Residential	73,580	32.6	71,860	35.6
Industrial, Commercial and Governmental	16,156	7.2	15,113	7.5
Subtotal	89,736	39.8	86,973	43.1
Transportation and Distribution Services				
Power Plants	28,152	12.5	33,794	16.7
Industrial, Commercial and Governmental	18,535	8.2	14,119	7.0
Compressed Natural Gas	8,815	3.9	9,167	4.5
Subtotal	55,502	24.6	57,080	28.2
Processed Natural Gas	14,021	6.2	12,922	6.5
Other Gas Sales and Transportation and Distribution Services	10,012	4.4	8,153	4.0
MetroENERGÍA				
Gas and transportation sales on its own behalf	50,068	22.2	32,970	16.3
Selling commission	6,380	2.8	3,763	1.9
Total of Sales	**225,719**	**100**	**201,861**	**100.0**

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The following chart shows the Company's natural gas sales and transportation and distribution services by customer category for the three months ended March 31, 2010 and 2009, expressed in million of cubic meters:

	For the three months ended March 31, 2010	% of Sales	For the three months ended March 31, 2009	% of Sales
Gas sales:				
Residential	198.8	9.6	194.3	8.7
Industrial, Commercial and Governmental	84.9	4.1	81.6	3.6
Subtotal	283.7	13.7	275.9	12.3
Transportation and Distribution Services				
Power Plants	1,270.3	61.6	1,450.5	64.8
Industrial, Commercial and Governmental	209.9	10.2	191.6	8.6
Compressed Natural Gas	126.5	6.1	129.4	5.8
Subtotal	1,606.7	77.9	1,771.5	79.2
Processed Natural Gas	34.8	1.7	33.2	1.5
Other Gas Sales and Transportation and Distribution Services	137.3	6.7	156.3	7.0
Total delivered volume by MetroGAS	**2,062.5**	**100.0**	**2,236.9**	**100.0**
Total gas and transportation delivered volume by MetroENERGÍA on its own behalf	**206.2**	**100.0**	**118.1**	**100.0**

Operating costs

Operating costs totaled Ps. 160,525 thousand during the three months ended March 31, 2010 generating a 12.8% increase compared to Ps. 142,256 thousand recorded in the same period of the previous year. This variation was mainly due to the increase in gas and transportation costs, in payroll and social contributions and to the increase in reparation and maintenance costs.

Gas purchases of natural gas increased by 22.6% from Ps. 53,783 thousand during the three months ended March 31, 2009 to Ps. 65,921 thousand during the same period of 2010, mainly due to an increase in purchased gas volumes from MetroENERGÍA. During the three months ended March 31, 2010, 349.6 million of cubic meters were acquired by MetroGAS and 124.3 million of cubic meters were acquired by MetroENERGÍA representing an increase of 4.2% compared to the gas volumes purchased in the same period of the previous year.

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Gas transportation costs increase by 4.1% during the three months ended March 31, 2010 compared to the same period of the previous year, due to the increase of interruptible transportation costs.

During the three months ended March 31, 2010 and 2009, the Company capitalized Ps. 1,164 thousand and Ps. 1,122 thousand, respectively, corresponding to the portion of operating costs attributable to the planning, execution and control of investments in fixed assets.

The following chart shows the Company's operating costs by type of expense for the three months ended March 31, 2010 and 2009, expressed in thousands of pesos:

	For the three months ended March 31, 2010	% of Total Operating Costs	For the three months ended March 31, 2009	% of Total Operating Costs
Gas purchases of natural gas and processed natural gas	65,921	41.1	53,783	37.8
Gas transportation	54,193	33.7	52,051	36.6
Depreciation of fixed assets	17,022	10.6	16,680	11.7
Payroll and social contributions	12,791	8.0	10,575	7.4
Fixed assets maintenance	6,487	4.0	4,390	3.1
Sundry materials	782	0.5	722	0.5
Fees for sundry services	3,174	2.0	3,084	2.2
Other operating expenses	1,319	0.8	2,093	1.5
Capitalization of operating costs in fixed assets	(1,164)	(0.7)	(1,122)	(0.8)
Total	**160,525**	**100.0**	**142,256**	**100.0**

Administrative expenses

Administrative expenses increased 17.6% from Ps. 20,613 thousand during the three months ended March 31, 2009 to Ps. 21.568 thousand during the same period of the present year. This increase was mainly due to the increase in payroll and social contributions, tax, rates and surcharges partially offset by the recovery of the contingency provision charge.

Selling expenses

Selling expenses increased 23.1% from Ps. 21,201 thousand during the three months ended March 31, 2009 to Ps. 26,101 thousand during the same period of the present year, mainly due to the increase in the allowance for doubtful account, in payroll and social contributions, in tax, rates and surcharges, in postage, telephone and fax expenses and in fees for sundry services.

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Financing and holding results

During the three months ended March 31, 2010 a financial and holding loss of Ps. 32,184 thousand was recorded compared to a loss of Ps. 74,033 thousand recorded in the same period of the previous year. Such variation in financial and holding results was mainly due to the decrease of the exchange loss registered in the three months ended March 31, 2010, as a consequence of the lower increase in the exchange rate over financial debts compared to the same period of the previous year.

Other income (loss) net

Other income (loss) net, for the three months ended March 31, 2010 totaled a gain of Ps. 786 thousand compared to a loss of Ps. 322 thousand recorded in the same period of the previous year.

Income tax

During the three months ended March 31, 2010, the Company registered a loss amounted to Ps. 755 thousand for income tax compared to a gain of Ps. 17,112 thousand registered in the same period of the previous year. Such variation was mainly due to a lower tax loss carry forward in MetroGAS as of March 31, 2010 compared to the same period of the present year.

Net cash flows (used in) provided by operating activities

Net cash flows provided by operating activities amounted to Ps. 47,493 thousand during the three months ended March 31, 2010 compared to net cash flows used in operating activities amounted to Ps. 7,624 thousand in the same period of the previous year. Such variation was mainly due to an increase in cash flows required by working capital during the same period of the present year.

Net cash flows used in investing activities

Net cash flows used in investing activities totaled Ps. 22,575 thousand during the three months ended March 31, 2010, due to higher fixed assets additions, compared to Ps. 18,454 thousand used in the same period of the previous year.

Net cash flows provided by financing activities

Net cash flows provided by financing activities totaled Ps. 240 thousand during the three months ended March 31, 2010, compared to Ps. 1,253 thousand provided during the same period of the previous year, mainly due to lower overdraft in argentine banks.

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Liquidity and capital resources

Financing

As of March 31, 2010, the total indebtedness of the Company was Ps. 952,532 thousand.

At the Extraordinary Shareholders' Meeting held on December 22, 1998 the Shareholders approved the creation of a Global Program for issuing unsecured non-convertible Negotiable Bonds, for an amount of up to US$ 600 million (or the equivalent in other currencies or currency combinations) over a five-year term as from the date of authorization of the Program by the CNV. On October 15, 2004, Extraordinary Shareholders Meeting approved the five years extension of the Global program, that was authorized by CNV on March 31, 2005.

Later, on February 24, 2010, the Shareholders' Extraordinary Assembly approved the extension of the Global Program for 5 additional years, which is pending of authorization for the CNV.

Under the mentioned Global Program, the following Negotiable Obligations were placed and issued (i) Series A, on March 27, 2000, by the amount of US$ 100 million, maturing in 2003, bearing interest at the rate of 9.875% per annum, (ii) Series B, on September 27, 2000, by the amount of Euros 110 million maturing in 2002, bearing interest at the rate of 7.375% per annum and (iii) Series C, on May 7, 2001, by the amount of US$ 130 million, maturing in May 2004 and bearing interest at LIBOR plus a margin ranging from 2.625% to 3.25%.

On March 25, 2002, MetroGAS announced the suspension of principal and interest payments on all of its financial indebtedness due to the fact that the Emergency Law, together with implementing regulations, altered fundamental parameters of the Company's license, including the suspension of the tariff adjustment formula and the redenomination of the tariff into pesos, and also the announcement of the devaluation of the peso.

On November 9, 2005, the Company announced the commencement of a solicitation of consents to restructure its unsecured financial indebtedness pursuant to an APE under Argentine law.

On May 12, 2006, the Company concluded the financial debt restructuring process, performing the effective exchange of the bonds. Consequently, it issued in exchange for its Existing Debt Series 1 Notes amounting to US$ 236,285,638 in principal amount, Series 2 Notes Class A amounting to US$ 6,254,764 in principal amount and Series 2 Class B amounting to Euros 26,070,450 in principal amount. Additionally the Company made payments amounting to US$ 105,608,445 for the cash options received, along with US$ 19,090,494 and Euros 469,268 to pay accrued interest on Series 1 notes and Series 2 notes through December 30, 2005.

The offering of the Series 1 and 2 was made in full compliance with the Fund Allocation Plan. The funds obtained were allocated to the refinancing of short-term indebtedness.

MetroGAS, and its subsidiaries, must comply with a series of restrictions under the Company's new debt obligations (Note 9 to the primary financial statements).

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Comparative consolidated balance sheets

In order to appraise the development of the Company's activities, the chart below sets forth comparative consolidated balance sheet information from the Company's unaudited consolidated interim financial statements as of March 31, 2010, 2009, 2008, 2007 and 2006.

	03.31.10	03.31.09	03.31.08	03.31.07	03.31.06
	Balance Sheet				
	Thousand of Ps.				
Current assets	228,885	260,422	222,685	273,621	736,458
Non-current assets	1,924,046	1,877,356	1,817,029	1,800,954	1,925,115
Total assets	2,152,931	2,137,778	2,039,714	2,074,575	2,661,573
Current liabilities	409,114	305,694	263,081	353,368	1,959,286
Non-current liabilities	859,498	894,545	783,733	753,107	45,605
Total liabilities	1,268,612	1,200,239	1,046,814	1,106,475	2,004,891
Minority interest	1,802	1,317	1,064	663	185
Shareholders' equity	882,517	936,222	991,836	967,437	656,497
Total	2,152,931	2,137,778	2,039,714	2,074,575	2,661,573

Comparative consolidated statements of income

The chart below contains a summary of the consolidated statements of income for the three months ended March 31, 2010, 2009, 2008, 2007 and 2006.

	03.31.10	03.31.09	03.31.08	03.31.07	03.31.06
	Thousand of Ps.				
Gross profit	65,194	59,605	68,309	54,242	60,371
Administrative and Selling expenses	(47,669)	(41,814)	(40,649)	(32,932)	(30,605)
Operating income	17,525	17,791	27,660	21,310	29,766
Financial and holding results	(32,184)	(74,033)	(27,126)	(29,513)	(54,934)
Other income (loss) net	786	(322)	869	2,788	1,597
Minority interest	(456)	(269)	(261)	(205)	(93)
(Loss) income before income tax	(14,329)	(56,833)	1,142	(5,620)	(23,664)
Income tax	(755)	17,112	1,202	(648)	(991)
Net (loss) income	(15,084)	(39,721)	2,344	(6,268)	(24,655)

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Comparative statistical data

The chart below shows a summary of operating data for the three months ended March 31, 2010, 2009, 2008, 2007 and 2006.

	03.31.10	03.31.09	03.31.08	03.31.07	03.31.06
	Million of CM				
Gas purchased by MetroGAS	349.6	346.4	347.0	328.1	743.5
Gas contracted by third parties	1,892.2	2,076.6	2,043.2	2,079.9	1,410.2
	2,241.8	2,423.0	2,390.2	2,408.0	2,153.7
Volume of gas withheld:					
-Transportation	(136.2)	(139.2)	(129.6)	(138.4)	(130.3)
-Loss in distribution	(41.3)	(45.3)	(45.1)	(45.1)	(48.5)
-Transportation and processing gas production	(1.8)	(1.6)	(2.2)	(3.0)	(2.5)
Volume of gas delivered by MetroGAS	2,062.5	2,236.9	2,213.3	2,221.5	1,972.4
Volume of gas purchased and delivered by MetroENERGÍA on its own behalf	124.3	108.6	139.1	315.0	214.1

Comparative ratios

The chart below contains certain financial ratios as of March 31, 2010, 2009, 2008, 2007 and 2006.

	03.31.10	03.31.09	03.31.08	03.31.07	03.31.06
Liquidity	0.56	0.85	0.85	0.77	0.38
Solvency	0.70	0.78	0.95	0.87	0.33
Immobilization	0.89	0.88	0.89	0.87	0.72

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Other information

The chart below contains information regarding the price per share of the Company's common shares and its ADSs:

		Share Price on the Buenos Aires Stock Exchange (1)	ADSs Price on the New York Stock Exchange (1)
		Ps.	US$
March	2006	1.27	4.06
March	2007	1.32	4.42
March	2008	1.25	3.90
January	2009	0.52	1.35
February	2009	0.50	1.30
March	2009	0.50	1.52
April	2009	0.50	1.36
May	2009	0.52	1.51
June	2009	0.64	1.56
July	2009	0.70	1.85
August	2009	0.64	1.52
September	2009	0.95	2.55
October	2009	0.80	2.07
November	2009	0.66	1.80
December	2009	0.88	2.17
January	2010	0.81	2.09
February	2010	0.77	1.98
March	2010	0.75	1.94

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

Outlook

Based on the economic context and the provisions issued by the National Government, which include the modification of MetroGAS' Regulatory Framework, the Company will continue concentrating its efforts towards ensuring business continuity, maintaining the quality of gas supplies and meeting the Basic License Rules. Finally, and depending on the outcome of the renegotiation of the License define its future strategy.

Autonomous City of Buenos Aires, May 6, 2010.

Juan Carlos Fronza
President