



Tecpetrol S.A. announces Results for the year ended on December 31, 2018

Summary of Results for the year ended on December 31, 2018

	2018	2017	%
Production (equivalent Mm3)(*)	3,941	1,292	205%
Net sales (ARS millions)	29,029.6	4,956.3	486%
Operating profit (loss) (ARS millions)	5,499.8	(517.1)	1,164%
EBITDA (ARS millions)	19,062.9	1,314.8	1,250%
Net profit (loss) (ARS millions)	3,792.1	(786.9)	582%

(*) Caloric equivalence (1,000 m³ of gas = 1 m³ of oil)

The EBITDA for the year ended on December 31, 2018 was ARS 19,062.9 millions, compared to ARS 1,314.8 millions recorded in the previous year.

Investments in Property, plant and equipment during 2018, net of unpaid acquisitions at year-end, reached ARS 30,630.5 millions, representing an increase of ARS 23,340.4 millions in comparison with 2017. Such increase is mainly explained by the development of Fortín de Piedra area in Vaca Muerta formation.

At December 31, 2018, net debt (net debt = borrowings – cash and cash equivalents) totaled ARS 54,057.9 millions, which was mainly taken to afford the abovementioned investments. At December 31, 2017, net debt totaled ARS 7,225.1 millions.

Operating profit (loss) for the year ended on December 31, 2018 amounted to ARS 5,499.8 millions (profit), compared to a loss of ARS 517.1 millions during 2017. Such increase is mainly explained by the increase in sales of gas production related to the development of Fortin de Piedra area.

Net profit (loss) for the year 2018 totaled ARS 3,792.1 millions (profit), compared to a loss of ARS 786.9 millions recorded in 2017. This increase is primarily explained by the abovementioned effects which were partially offset by the net loss generated by exchange differences due to the exchange rate fluctuation of the Argentine peso against the U.S. dollar over balances in local currency, and the interest costs of a larger amount of borrowings.