



Tecpetrol S.A. announces Results for the three-month period ended on March 31, 2019

Summary of Results for the three-month period ended on March 31, 2019

	3 months 2019	3 months 2018	%
Production (equivalent Mm3)(*)	1,612	511	215%
Net sales (ARS millions)	13,330.3	2,768.7	381%
Operating profit (ARS millions)	4,061.6	617.9	557%
EBITDA (ARS millions)	9,023.4	1,361.0	563%
Net profit (ARS millions)	2,322.2	350.7	562%

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

The EBITDA for the three-month period ended on March 31, 2019 was ARS 9,023.4 millions, compared to ARS 1,361 millions recorded in the same period of the previous year.

Investments in Property, plant and equipment during the three-month period ended on March 31, 2019, net of unpaid acquisitions at the end of such period, reached ARS 7,161.8 millions, representing an increase of ARS 1,151.8 millions in comparison with the same period of 2018. Such increase is mainly explained by the development of Fortín de Piedra area in Vaca Muerta formation.

At March 31, 2019, net debt (net debt = borrowings – cash and cash equivalents) totaled ARS 65,891.3 millions, which was mainly taken to afford the abovementioned investments. At December 31, 2018, net debt totaled ARS 54,057.9 millions. The increase in net debt is mainly due to the exchange rate fluctuation of the Argentine peso against the U.S. dollar.

Operating profit for the three-month period ended on March 31, 2019 amounted to ARS 4,061.6 millions, compared to ARS 617.9 millions during the same period of 2018. Such increase is mainly explained by the increase in sales of gas production related to the development of Fortin de Piedra area.

Net profit for the three-month period ended on March 31, 2019 totaled ARS 2,322.2 millions (profit), compared to a profit of ARS 350.7 millions for the same period of the previous year. 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 increase in interest costs due to a larger amount of borrowings.