



Tecpetrol Sociedad Anónima

INTERIM CONDENSED FINANCIAL STATEMENTS

At March 31, 2021

and for the three-month period ended on March 31, 2021

Translation of a document originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

Tecpetrol Sociedad Anónima

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TECPETROL SOCIEDAD ANÓNIMA

SUMMARY OF INFORMATION

In accordance with the regulations issued by the National Securities Commission for Argentina (Comisión Nacional de Valores, CNV), the Board of Directors of the Company has approved this Summary of Information for the three-month period which commenced on January 1, 2021 and ended on March 31, 2021.

1. Activity of the Company

The operations of Tecpetrol mainly consist in the exploration and exploitation of oil and gas in Argentina.

Operating profits or losses of the Company are principally affected by production levels, sales prices, market demand for oil, gas and derivative products, fluctuations in operating costs, the national economic and financial setting and government regulations.

The Company operates in an economic setting whose main variables are affected by the fluctuation in the prices of commodities and the impact of the COVID-19 syndemic, all of which produced a global economic and financial crisis that affects the activities of Tecpetrol. The economic agenda of the government is currently dominated by the sanitary emergency and the economic crisis.

The management of the Company closely monitors the evolution of the abovementioned situations in order to adopt measures according to the complexity of the events, aiming at safeguarding the integrity of the staff, keeping operations running and preserving the corporate financial health.

Analysis of the first quarter of 2021

Net sales totaled \$21,692 million, representing an increase in relation to the same period of the previous year. Such increase was caused by a fluctuation in the exchange rate and an increase in average crude sales prices, all of which was partially offset by fewer deliveries of gas and oil and a drop in average gas sales prices. The drop in production was primarily generated by the lower demand due to the impact of the economic crisis caused by the COVID-19 syndemic mentioned above.

Gas production totaled 1,056 million m³, representing a decrease of 7% in relation to that of the first quarter of 2020, which was of 1,139 million m³. During the quarter under analysis, 3.7 million m³ of gas were exported to the international market, whereas in the first quarter of 2020, exports totaled 8.1 million m³.

Volumes of crude oil production reached 130 thousand m³ (39% from escalante crude oil and 61% from medanito crude oil), representing a 18% decrease with respect to the production recorded during the first quarter of 2020. In the first quarter of 2021, 64% of crude oil production was destined for exports, whereas during the first quarter of 2020, 26% of crude oil production was destined for exports.

Operating costs totaled \$11,496 million, representing an increase of 13% compared to the amount recorded in the first quarter of 2020. Said increase is mainly explained by the exchange rate fluctuation, in spite of a decrease in depreciation of Property, plant and equipment, royalty expenses and maintenance operations and wells service costs, as a consequence of the abovementioned drop in production.

The Company recorded selling and administrative expenses for \$1,018.6 million (profits), compared to losses for \$1,149.8 million recorded in the first quarter of 2020. Such variation is mainly explained by an allowance for doubtful accounts recovery and a decrease in storage and transport expenses due to lower production volumes, all of which was partially offset by the exchange rate fluctuation.

Net financial profits (losses) resulted in a loss of \$6,516 million, compared to losses for \$2,247.3 million recorded in the first quarter of 2020. Such fluctuation is primarily explained by an increase in net losses generated by exchange differences on balances in ARS, losses from derivative financial instruments, and profits and losses from the purchase and sale and holding of other investments, all of which was partially offset by an increase in interest income from short-term deposits.

The income tax expense represented a loss of \$633.1 million, compared to losses for \$591.1 million recorded in the first quarter of 2020. This increase is mainly explained by fluctuations in sales, costs and other expenses already mentioned, the tax inflation adjustment and the effect of the exchange rate fluctuation upon tax balances.

Profits for the period amounted to of \$4,112.4 million, while in the same period of 2020, the Company had profits for \$2,208.3 million.

Liquidity and cash flows

During the period under consideration, the Company received funds primarily from its regular business activities, bank borrowings and the issuance of negotiable obligations.

Net cash generated by activities in the first quarter of 2021 totaled \$12,071.3 million.

At March 31, 2021, the Company's borrowings totaled \$92,663.3 million and equity totaled \$54,143.9 million.

Additionally, on February 9, 2021, the Company issued Class 4 negotiable obligations for a nominal value of USD 6.5 million, paid in cash (in USD) and in kind through the delivery of Class 2 negotiable obligations, with an issuance price of 100%, bearing interest at a fixed rate of 4% and maturing on February 9, 2023. Interest is payable quarterly, and the capital will be fully paid off upon maturity. Funds obtained from the issuance of such negotiable obligations were used for the partial refinancing of Class 2 negotiable obligations, as enforced by Communication "A" 7106 from the BCRA.

Additionally, in March 2021, the Company took out a loan from Itaú Unibanco S.A. Nassau Branch for USD 286 million intended for the settlement of financial debt and other purposes related to the ordinary activities of the Company. The loan bears compensatory interest at an annual rate of 5.75% which must be paid on a quarterly basis. Capital will be cancelled in 13 equal and quarterly installments. The first installment will be payable after the first six months following receipt of funds and the last installment will be payable on September 26, 2024.

Such financing was obtained at market rates, considering comparable solvency, soundness, fund generation and risk indicators.

By means of Communication "A" 7106 dated September 15, 2020, the BCRA introduced restrictions to access the exchange market. One of such measures applicable to entities with offshore financial debt with a non-related counterparty and with debt securities issued in Argentina and denominated in foreign currency, maturing between October 15, 2020 and March 31, 2021, is the obligation to submit a refinancing plan under certain parameters. Additionally, on February 25, 2021, through Communication "A" 7230. the BCRA extended the obligation to submit a refinancing plan to capital amounts maturing on or after April 1, 2021 and until December 31, 2021, pursuant to Communication "A" 7106. At the date of this Summary of Information, the Company has refinanced its debts maturing on or before March 31, 2021, pursuant to Communication "A" 7106, and must submit a refinancing plan pursuant to Communication "A" 7230.

Investments in Property, plant and equipment during the three-month period ended on March 31, 2021, net of unpaid acquisitions at the end of such period, reached \$3,317.6 million (mainly from the development of Fortin de Piedra area).

2. Structure of Financial Position (comparative at March 31, 2020, March 31, 2019, March 31, 2018 and March 31, 2017 – amounts stated in thousands of pesos)

	At March 31,				
	2021	2020	2019	2018	2017
Non-current assets	119,585,114	102,976,212	82,240,792	24,904,369	10,386,662
Current assets	51,444,808	28,113,542	19,752,017	11,288,417	1,597,966
Total Assets	171,029,922	131,089,754	101,992,809	36,192,786	11,984,628
Equity attributable to the owners of the Parent Company	54,143,924	33,449,106	20,690,927	6,371,222	892,731
Non-controlling interest	-	-	-	2,179	(16,743)
Total Equity	54,143,924	33,449,106	20,690,927	6,373,401	875,988
Non-current liabilities	84,942,067	46,571,710	59,990,215	23,387,478	6,815,050
Current liabilities	31,943,931	51,068,938	21,311,667	6,431,907	4,293,590
Total Liabilities	116,885,998	97,640,648	81,301,882	29,819,385	11,108,640
Total Equity and Liabilities	171,029,922	131,089,754	101,992,809	36,192,786	11,984,628

3. Structure of Income and Comprehensive Income for the three-month period ended on March 31, 2021
(comparative with the three-month periods ended on March 31, 2020, March 31, 2019, March 31, 2018 and March 31, 2017 – amounts stated in thousands of pesos)

	Three-month period ended on March 31,				
	2021	2020	2019	2018	2017
Operating profit (loss)	11,268,487	5,060,016	4,061,584	617,860	(60,182)
Net financial losses	(6,515,963)	(2,247,278)	(2,394,685)	(235,104)	(51,580)
Profit (loss) from investments in entities accounted for using the equity method	(6,952)	(13,283)	35,682	-	-
Profit (loss) before taxes	4,745,572	2,799,455	1,702,581	382,756	(111,762)
Income tax	(633,144)	(591,143)	619,633	(32,117)	41,728
Profit (loss) from continuing operations	4,112,428	2,208,312	2,322,214	350,639	(70,034)
Profit (loss) from discontinued operations	-	-	-	23	(76,264)
Profit (loss) for the period	4,112,428	2,208,312	2,322,214	350,662	(146,298)
Statement of Comprehensive Income					
Profit (loss) for the period	4,112,428	2,208,312	2,322,214	350,662	(146,298)
Other comprehensive income from continuing operations	4,413,024	2,277,374	2,636,094	444,748	(58,596)
Other comprehensive income from discontinued operations	-	-	-	6,811	28,492
Comprehensive income for the period	8,525,452	4,485,686	4,958,308	802,221	(176,402)

4. Structure of Cash Flow for the three-month period ended on March 31, 2021 (comparative with the three-month periods ended on March 31, 2020, March 31, 2019, March 31, 2018 and March 31, 2017 – amounts stated in thousands of pesos)

	Three-month period ended on March 31,				
	2021	2020	2019	2018	2017
Cash generated by/(used in) operating activities	12,071,274	5,548,465	4,458,108	(790,961)	535,548
Cash used in investing activities	(6,636,707)	(1,166,647)	(7,142,333)	(6,004,973)	(635,014)
Funds (used in)/generated by financing activities	(12,532,608)	(4,837,675)	2,826,772	4,019,536	48,040
Total cash generated/(used) during the period	(7,098,041)	(455,857)	142,547	(2,776,398)	(51,426)

5. Statistical Data for the three-month period ended on March 31, 2021 (comparative with the three-month periods ended on March 31, 2020, March 31, 2019, March 31, 2018 and March 31, 2017 – amounts stated in thousands of m³ of oil and gas equivalents)

	Three-month period ended on March 31,				
	2021	2020	2019	2018	2017
Production volume (*)					
Total production in equivalent units	1,186	1,297	1,612	511	271
Oil production	130	158	162	111	110
Gas production	1,056	1,139	1,450	400	161
Domestic market	1,099	1,248	1,540	447	211
Exports	87	49	72	64	60

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

6. Indicators at March 31, 2021 (comparative at March 31, 2020, March 31, 2019, March 31, 2018 and March 31, 2017)

	At March 31,				
	2021	2020	2019	2018	2017
Liquidity	1.61	0.55	0.93	1.76	0.37
Solvency	0.46	0.34	0.25	0.21	0.08
Locked-up capital	0.70	0.79	0.81	0.69	0.87

Liquidity: Current assets/Current liabilities

Solvency: Total Equity/Total liabilities

Locked-up capital: Non-current assets/Total assets

7. Prospects

The Company has knowledge and skills which give it a competitive advantage to position itself as a leader in the regional development of unconventional resources in long-term projects which are significant for the country's economy, since they have an impact upon job creation, the development of value chains, tax saving, import replacement, the improvement of the trade balance and the reduction in gas prices for consumers and industries.

The COVID-19 syndemic and the new outbreak taking place in several locations worldwide still cause an adverse impact on the global economy. At the date of issuance of this Summary of Information, the full extent of the syndemic, its impact on the country's economy and the effect on the Company's activities are unknown and cannot be reasonably predicted. However, such situation is not expected to affect the continuity of the business.

In Neuquina basin, Tecpetrol is taking part in the Promotion Plan for Argentine Natural Gas Production/2020-2024 Supply and Demand Scheme (hereinafter referred to as the "Gas Plan 4"), which is expected to increase drilling and completion activities throughout 2021 in order to keep a production plateau of 14 million m³/d.

City of Buenos Aires, May 7, 2021.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

LEGAL INFORMATION

Legal domicile:	Pasaje Della Paolera 299/297, 16th floor, City of Buenos Aires
Reported fiscal year:	No. 42
Company's main line of business:	Exploration, exploitation and development of hydrocarbon fields; transport, distribution, transformation, distillation and industrial use of hydrocarbons and by-products and hydrocarbons trade; electric power generation and commercialization through the construction, operation and exploitation in any manner of power plants and equipment for the generation, production, self-generation and/or co-generation of electric power
Registration dates with the Companies Registration Office:	By-laws: registered under No. 247 of Book 94, Volume of companies by Shares on June 19, 1981 Amendments to by-laws: March 25, 1983; October 16, 1985, July 1, 1987; February 24, 1989; December 12, 1989; August 18, 1992; December 21, 1992; April 6, 1993; December 14, 1995; October 30, 1997; October 13, 2000; September 14, 2005; November 16, 2007; March 23, 2009; September 20, 2010; March 2, 2016; November 25, 2016; September 28, 2017 and August 14, 2018
Date of expiry of Company's by-laws:	June 19, 2080
Correlative registration number With the Companies Controlling Office (Inspección General de Justicia, IGJ):	802.207
Name of Parent Company:	Tecpetrol Internacional S.L.U.
Legal domicile of Parent Company:	Calle De Recoletos 23, 3rd floor, apartments A and B, 28001 Madrid, Spain.
Parent Company's main line of business:	Investment
Equity interest held by Parent Company:	95.99%
Percentage of votes of Parent Company:	98.175%

		At March 31, 2021
Capital status (Note 22)	Type of shares	Total subscribed, paid-up and registered \$
	Book entry shares	
	Class A common shares of \$1 par value - 1 vote per share	3,106,342,422
	Class B common shares of \$1 par value - 5 votes per share	1,330,105,646
		<hr/> 4,436,448,068 <hr/>

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

INTERIM CONDENSED INCOME STATEMENT
for the three-month periods ended on March 31, 2021 and March 31, 2020

(Amounts stated in thousands of pesos, unless otherwise specified)

	Notes	Three-month period ended on March 31,	
		2021	2020
Continuing operations		(Unaudited)	
Net sales	5	21,692,019	16,342,565
Operating costs	6	<u>(11,496,039)</u>	<u>(10,141,508)</u>
Gross margin		<u>10,195,980</u>	<u>6,201,057</u>
Selling expenses	7	1,980,887	(493,369)
Administrative expenses	8	(962,293)	(656,395)
Exploration costs		(1,379)	(21,830)
Other operating income	10	57,130	32,413
Other operating expenses	10	<u>(1,838)</u>	<u>(1,860)</u>
Operating profit		<u>11,268,487</u>	<u>5,060,016</u>
Financial income	11	611,569	65,955
Financial costs	11	(1,870,088)	(1,301,071)
Other net financial loss	11	<u>(5,257,444)</u>	<u>(1,012,162)</u>
Profit before loss from investments in entities accounted for using the equity method and income tax		<u>4,752,524</u>	<u>2,812,738</u>
Loss from investments in entities accounted for using the equity method	15	<u>(6,952)</u>	<u>(13,283)</u>
Profit before income tax		<u>4,745,572</u>	<u>2,799,455</u>
Income tax	12	<u>(633,144)</u>	<u>(591,143)</u>
Profit for the period		<u>4,112,428</u>	<u>2,208,312</u>
Profit attributable to:			
Owners of the Parent Company		4,112,428	2,208,312

The accompanying notes 1 to 35 form an integral part of these Interim Condensed Financial Statements. These Interim Condensed Financial Statements must be read together with the audited Financial Statements at December 31, 2020.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the three-month periods ended on March 31, 2021 and March 31, 2020

(Amounts stated in thousands of pesos, unless otherwise specified)

	Notes	Three-month period ended on March 31,	
		2021	2020
		(Unaudited)	
Profit for the period		4,112,428	2,208,312
Other comprehensive income:			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Currency translation differences		17,241	9,902
<i>Items that will not be reclassified to profit or loss:</i>			
Currency translation differences - Tecpetrol S.A.		4,392,827	2,310,182
Changes in the fair value of investments in equity instruments	16	4,830	(55,875)
Income tax related to components of other comprehensive income (i)	27	(1,874)	13,165
Total other comprehensive income for the period		4,413,024	2,277,374
Total comprehensive income for the period		8,525,452	4,485,686
Comprehensive income attributable to:			
Owners of the Parent Company		8,525,452	4,485,686

(i) Generated by changes in the fair value of investments in equity instruments.

The accompanying notes 1 to 35 form an integral part of these Interim Condensed Financial Statements. These Interim Condensed Financial Statements must be read together with the audited Financial Statements at December 31, 2020.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
at March 31, 2021 and December 31, 2020

(Amounts stated in thousands of pesos, unless otherwise specified)

	Notes	March 31, 2021 (Unaudited)	December 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment - Exploration, evaluation and development assets	13	114,603,763	105,584,348
Right-of-use assets	14	1,501,727	1,520,902
Investments in entities accounted for using the equity method	15	197,907	187,618
Investments in equity instruments at fair value	16	1,690,630	1,542,888
Other receivables and prepayments	17	1,535,785	1,537,422
Income tax credit		55,302	74,822
Total Non-current assets		119,585,114	110,448,000
Current assets			
Inventories	19	2,892,216	2,771,888
Other receivables and prepayments	17	19,549,307	18,423,719
Income tax credit		27,373	-
Trade receivables	18	9,724,203	7,857,235
Derivative financial instruments	28	-	14,399
Other investments	20.a	15,255,017	11,933,176
Cash and cash equivalents	20.b	3,996,692	10,391,822
Total Current assets		51,444,808	51,392,239
Total Assets		171,029,922	161,840,239
EQUITY AND LIABILITIES			
Equity			
Share capital	22	4,436,448	4,436,448
Capital contributions		897,941	897,941
Reserve for future dividends		7,500,558	3,877,319
Legal reserve		621,256	430,559
Special reserve		1,017,867	1,017,867
Other reserves		35,557,426	31,144,402
Retained earnings		4,112,428	3,813,936
Total Equity		54,143,924	45,618,472
Non-current liabilities			
Borrowings	23	72,033,326	48,240,195
Deferred tax liability	27	5,125,253	4,085,293
Right-of-use liabilities	14	979,612	1,016,265
Employee benefits programs	24	1,885,752	1,920,168
Provisions	25	4,918,124	4,390,633
Total Non-current liabilities		84,942,067	59,652,554
Current liabilities			
Borrowings	23	20,630,007	47,957,135
Right-of-use liabilities	14	628,429	595,711
Employee benefits programs	24	315,984	289,023
Provisions	25	391,184	359,107
Derivative financial instruments	28	-	118,710
Trade and other payables	26	9,978,327	7,249,527
Total Current liabilities		31,943,931	56,569,213
Total Liabilities		116,885,998	116,221,767
Total Equity and Liabilities		171,029,922	161,840,239

The accompanying notes 1 to 35 form an integral part of these Interim Condensed Financial Statements. These Interim Condensed Financial Statements must be read together with the audited Financial Statements at December 31, 2020.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
for the three-month periods ended on March 31, 2021 and March 31, 2020

(Amounts stated in thousands of pesos, unless otherwise specified)

		Attributable to the owners of the Parent Company								
		Shareholders' contributions		Accumulated profits (losses)						
		Share capital		Reserved earnings			Retained earnings	Total		
Notes		Subscribed capital (i)	Capital contributions	Legal reserve	Special reserve (ii)	Other reserves			Reserve for future dividends	
(Unaudited)										
Balances at December 31, 2020		4,436,448	897,941	430,559	1,017,867	31,144,402	3,877,319	3,813,936	45,618,472	
Profit for the period		-	-	-	-	-	-	4,112,428	4,112,428	
Currency translation differences		-	-	-	-	4,410,068	-	-	4,410,068	
Changes in the fair value of investments in equity instruments		16	-	-	-	4,830	-	-	4,830	
Income tax related to components of other comprehensive income		27	-	-	-	(1,874)	-	-	(1,874)	
Other comprehensive income for the period		-	-	-	-	4,413,024	-	-	4,413,024	
Total comprehensive income for the period		-	-	-	-	4,413,024	-	4,112,428	8,525,452	
Distribution of earnings according to the decision adopted during the Annual General Meeting of Shareholders held on March 25, 2021:										
Reserve allocation		-	-	190,697	-	-	3,623,239	(3,813,936)	-	
Balances at March 31, 2021		4,436,448	897,941	621,256	1,017,867	35,557,426	7,500,558	4,112,428	54,143,924	

(i) See Note 22.

(ii) It corresponds to General Resolution No. 609/12 of the CNV [See Note 31 (iii)].

The accompanying notes 1 to 35 form an integral part of these Interim Condensed Financial Statements. These Interim Condensed Financial Statements must be read together with the audited Financial Statements at December 31, 2020.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
for the three-month periods ended on March 31, 2021 and March 31, 2020 (cont'd)

(Amounts stated in thousands of pesos, unless otherwise specified)

		Attributable to the owners of the Parent Company						
		Shareholders' contributions		Accumulated profits (losses)				
		Share capital		Reserved earnings		Retained earnings	Total	
Notes		Subscribed capital (i)	Capital contributions	Legal reserve	Special reserve (ii)	Other reserves		
		(Unaudited)						
	Balances at December 31, 2019	4,436,448	897,941	219,911	1,017,867	18,303,286	4,212,967	29,088,420
	Profit for the period	-	-	-	-	-	2,208,312	2,208,312
	Currency translation differences	-	-	-	-	2,320,084	-	2,320,084
	Changes in the fair value of investments in equity instruments	-	-	-	-	(55,875)	-	(55,875)
	Income tax related to components of other comprehensive income	-	-	-	-	13,165	-	13,165
	Other comprehensive income for the period	-	-	-	-	2,277,374	-	2,277,374
	Total comprehensive income for the period	-	-	-	-	2,277,374	2,208,312	4,485,686
	Cash dividends (i)	-	-	-	-	-	(125,000)	(125,000)
	Balances at March 31, 2020	4,436,448	897,941	219,911	1,017,867	20,580,660	6,296,279	33,449,106

(i) See Note 22.

(ii) It corresponds to General Resolution No. 609/12 of the CNV [See Note 31 (iii)].

The accompanying notes 1 to 35 form an integral part of these Interim Condensed Financial Statements. These Interim Condensed Financial Statements must be read together with the audited Financial Statements at December 31, 2020.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

INTERIM CONDENSED CASH FLOW STATEMENT
for the three-month periods ended on March 31, 2021 and March 31, 2020

(Amounts stated in thousands of pesos, unless otherwise specified)

	Notes	Three-month period ended on March 31,	
		2021	2020
(Unaudited)			
OPERATING ACTIVITIES			
Profit for the period		4,112,428	2,208,312
Adjustments to profit for the period to reach operating cash flows	29	6,356,357	7,710,852
Changes in working capital	29	(1,550,656)	(5,311,828)
Others, including currency translation differences		3,474,442	1,096,510
Payment of employee benefits programs		(312,005)	(145,443)
Payment of income tax		(9,292)	(9,938)
Cash generated by operating activities		12,071,274	5,548,465
INVESTING ACTIVITIES			
Investments in Property, plant and equipment		(3,317,587)	(1,185,910)
Collection from the sale of Property, plant and equipment		2,721	1,677
Additions of Investments in equity instruments at fair value		-	(801)
Income from the sale of interest in associates		-	18,387
Changes in Other investments		(3,321,841)	-
Cash used in investing activities		(6,636,707)	(1,166,647)
FINANCING ACTIVITIES			
Proceeds from Borrowings	23	25,232,589	1,256,955
Issuance of negotiable obligations, net of issuance costs		467,977	2,951,943
Payment of Borrowings		(37,951,742)	(8,791,256)
Repurchase of negotiable obligations	23	(108,987)	-
Right-of-use liabilities payments	14	(172,445)	(255,317)
Cash used in financing activities		(12,532,608)	(4,837,675)
Decrease in Cash and cash equivalents		(7,098,041)	(455,857)
Changes in Cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		10,391,822	2,000,326
Decrease in Cash and cash equivalents		(7,098,041)	(455,857)
Currency translation differences		702,911	130,732
Cash and cash equivalents at the end of the period	20.b	3,996,692	1,675,201
At March 31,			
		2021	2020
(Unaudited)			
Cash and cash equivalents		3,996,692	1,675,201
Cash and cash equivalents at the end of the period		3,996,692	1,675,201
Non-cash transactions			
Unpaid investments in Property, plant and equipment at the end of the period		5,327,063	3,601,108
Payments in kind of negotiable obligations		109,262	-
Unpaid dividends	22	-	125,000

The accompanying notes 1 to 35 form an integral part of these Interim Condensed Financial Statements. These Interim Condensed Financial Statements must be read together with the audited Financial Statements at December 31, 2020.

Tecpetrol Sociedad Anónima

Interim Condensed Financial Statements at March 31, 2021

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Tecpetrol Sociedad Anónima

Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021

(Amounts stated in thousands of pesos, unless otherwise specified)

1. General information

Tecpetrol S.A. (hereinafter referred to as the "Company") was incorporated on June 5, 1981 and its main activity consists in the exploration and exploitation of oil and gas in Argentina. Its legal domicile is Pasaje Della Paolera 299/297, 16th floor, city of Buenos Aires, Argentina.

The Company has an important presence in Vaca Muerta area, through (i) unconventional exploitation concessions in the areas of Fortín de Piedra and Punta Senillosa, which were granted in July 2016 for a period of 35 years and over which the Company holds all rights and obligations; (ii) joint operations over unconventional exploitation concessions in the areas of Los Toldos I Norte, Los Toldos II Este and Los Toldos I Sur, and (iii) the exploration permissions over the areas of Loma Ancha and Loma Ranqueles.

In addition, the Company operates in conventional hydrocarbon areas in Neuquina, Noroeste, Golfo San Jorge and other basins through joint operations (see Note 34). It also holds all exploitation rights over the area Los Bastos (province of Neuquén) and has an exploratory (and potential exploitation) permission over the area Gran Bajo Oriental located in the province of Santa Cruz.

The Interim Condensed Financial Statements were approved for issuance by the members of the Board of Directors on May 7, 2021.

The macroeconomic environment

The Company operates in an economic setting whose main variables are affected by the fluctuation in the prices of commodities and the impact of the COVID-19 syndrome, all of which produced a global economic and financial crisis that affects the activities of Tecpetrol.

The economic agenda of the government is currently dominated by the sanitary emergency and the economic crisis. Under these circumstances, the national government implemented several measures intended to reduce population movement. The abovementioned situations have greatly affected the hydrocarbon demand, and its evolution in the short-term remains uncertain.

As of the date of these Interim Condensed Financial Statements, on site access to the fields by essential operations staff and the remote work of all other employees have not greatly affected the capacity of Tecpetrol to conduct its operations as usual. In line with this, such changes have not adversely affected corporate information systems or financial information internal controls.

The management of the Company closely monitors the evolution of the abovementioned situations in order to adopt measures according to the complexity of the events, aiming at safeguarding the integrity of the staff, keeping operations running and preserving the corporate financial health.

The full extent of the syndrome and the duration of the containment measures, as well as the impact on the country's economy and the effect on the Company's activities and its resulting profits or losses are still uncertain and cannot be reasonably predicted. However, such situation is not expected to affect the continuity of the business. Given the financial soundness of the Company and its shareholders, all financial commitments, due in subsequent twelve months are expected to be honored.

Tecpetrol Sociedad Anónima

Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

1. General information (cont'd)

The macroeconomic environment (cont'd)

Besides, the restrictions imposed by the Central Bank of Argentina (Banco Central de la República Argentina, BCRA) in 2020 remain in force. Such limitations intend to restrict access to the exchange market for the purposes of restraining the demand for U.S. dollars; therefore, prior approval from the BRCA is required in order to conduct specific transactions and specific debts have to be refinanced. Measures applicable to the Company mainly relate to the payment of principal from financial borrowings granted by non-residents and the payment of debt securities issued in Argentina and denominated in foreign currency (see Note 23). Additionally, the existing exchange rate regime sets forth that it is mandatory that all income obtained from goods and services exports (among others) be converted to local currency.

These exchange restrictions, and the ones that might be implemented in the future, could affect the Company's access to the Argentine foreign exchange market (Mercado Único y Libre de Cambios, MULC), and therefore, the acquisition of foreign currency to honor its financial obligations. Assets and liabilities in foreign currency at March 31, 2021 have been valued based on MULC current quotations.

These Interim Condensed Financial Statements of the Company should be construed in light of these circumstances.

Seasonality

Neither the demand for crude oil nor its prices significantly vary throughout the year due to seasonality. Gas demand for residential use and electricity generation is seasonal by nature; thus, there are substantial fluctuations between winter and summer seasons. Gas demand intended for industrial use and compressed natural gas (CNG) stations does not significantly vary throughout the year. Gas prices vary upon demand.

Consequently, the operations of Tecpetrol S.A. might be subject to seasonal fluctuations in relation to both volume and sales prices.

2. Basis for preparation

These Interim Condensed Financial Statements of the Company were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), under a historical cost convention, modified by the revaluation of financial assets and liabilities at fair value.

The National Securities Commission for Argentina (Comisión Nacional de Valores, CNV), by means of General Resolution No. 622/13, has established the application of Technical Resolutions No. 26 and 29 issued by the Argentine Federation of Professional Councils in Economic Sciences (Federación Argentina de Consejos Profesionales de Ciencias Económicas, FACPCE) which adopt IFRS issued by the IASB, for entities included in the public offering regime under Law No. 17.811 and amendments, either due to their capital stock or negotiable obligations, or because they requested authorization to be included in such regime.

These Interim Condensed Financial Statements of Tecpetrol S.A. for the three-month period ended on March 31, 2021 were prepared in accordance with International Accounting Standard (IAS) 34 titled "Interim Financial Reporting".

The Interim Condensed Financial Statements are presented in thousands of Argentine pesos, unless otherwise stated.

Tecpetrol Sociedad Anónima

Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

2. Basis for preparation (cont'd)

These Interim Condensed Financial Statements were prepared pursuant to the same accounting policies applied in the preparation of the audited Financial Statements at December 31, 2020; therefore, they must be read together.

All information corresponding to the balances at December 31, 2020 and to the three-month period ended on March 31, 2020 is part of these Interim Condensed Financial Statements and is presented for comparative purposes only. If applicable, some figures from the financial statements at December 31, 2020 and March 31, 2020 have been reclassified in order to present comparative information in respect of the current period.

Pursuant to the IFRS, the preparation of these Interim Condensed Financial Statements requires the management of the Company to make certain estimates that may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the income and expense figures for the reported periods. Actual profits or losses might differ from these estimates.

Functional and presentation currencies

Items included in the Interim Condensed Financial Statements are reported in the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company is the United States Dollar ("USD"), since this is the currency which best reflects the economic substance of the transactions. Both sales and prices of main drilling costs are negotiated, agreed upon and settled either in USD or considering the exchange rate fluctuation with respect to said currency.

The presentation currency of these Interim Condensed Financial Statements is the Argentine peso ("ARS").

Translation of Interim Condensed Financial Statements

Interim Condensed Financial Statements prepared using the functional currency of the Company are translated into the presentation currency pursuant to the following:

- (i) assets and liabilities are translated at the closing exchange rate at each reporting date; profits and losses are translated at the average exchange rate of the period.
- (ii) all resulting translation differences are recognized under Other comprehensive income as currency translation differences. When a subsidiary is dissolved or disposed of, accumulated currency translation differences are reported as profit or loss upon sale or disposal.

3. New accounting standards

(a) New standards, interpretations and amendments to published standards effective as from the current period

For the period ended on March 31, 2021, there are no new standards, interpretations and amendments to published standards in force that must be disclosed and that are relevant to the Company.

(b) New standards, interpretations and amendments to published standards not yet effective and not early adopted

The Management assessed the importance of other new standards, interpretations and amendments not yet effective and concluded that they are not relevant for the Company.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

4. Segment information

	Three-month period ended on March 31, 2021 (Unaudited)			Total
	Neuquina basin	Noroeste - San Jorge basin and others	Others (1)	
Net sales - Managerial Vision	19,583,389	2,170,772	5,319	21,759,480
Effect of hydrocarbon inventory valuation	164,893	(232,354)	-	(67,461)
Net sales - IFRS				21,692,019
Gas	16,878,208	200,209	-	17,078,417
Oil	2,779,368	1,733,997	-	4,513,365
Other services	90,706	4,212	5,319	100,237
Net sales - IFRS				21,692,019
Operating profit - Managerial vision	11,625,165	752,777	(106,576)	12,271,366
Adjustment of hydrocarbon inventory valuation	139,583	(186,746)	-	(47,163)
Depreciation differences	16,277	(33,272)	91	(16,904)
Administrative expenses (2)				(938,812)
Operating profit - IFRS				11,268,487
Depreciation of PPE (3) - Managerial Vision	(6,898,214)	(230,003)	(23,572)	(7,151,789)
Depreciation differences	16,277	(33,272)	91	(16,904)
Depreciation of PPE - IFRS				(7,168,693)
PPE - Managerial Vision	107,826,024	6,834,404	385,940	115,046,368
Accumulated depreciation and impairment differences				(442,605)
PPE - IFRS				114,603,763
Investments in PPE	5,833,758	401,006	131,629	6,366,393
Investments in PPE				6,366,393

(1) It corresponds to other activities of the Company not included under the defined operating segments.

(2) It corresponds to expenses not allocated to operating profit of defined reportable segments.

(3) PPE: Property, plant and equipment.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

4. Segment information (cont'd)

	Three-month period ended on March 31, 2020 (Unaudited)			
	Neuquina basin	Noroeste - San Jorge basin and others	Others (1)	Total
Net sales - Managerial Vision	14,840,449	1,351,357	10,181	16,201,987
Effect of hydrocarbon inventory valuation	74,284	66,294	-	140,578
Net sales - IFRS				16,342,565
Gas	12,894,567	327,055	-	13,221,622
Oil	1,964,998	1,089,102	-	3,054,100
Other services	55,168	1,493	10,182	66,843
Net sales - IFRS				16,342,565
Operating profit - Managerial vision	5,628,414	(45,293)	(58,157)	5,524,964
Adjustment of hydrocarbon inventory valuation	102,117	69,783	-	171,900
Depreciation differences	(12,447)	(10,030)	713	(21,764)
Administrative expenses (2)				(615,084)
Operating profit - IFRS				5,060,016
Depreciation of PPE (3) - Managerial Vision	(5,825,771)	(332,322)	(42,024)	(6,200,117)
Depreciation differences	(12,447)	(10,030)	713	(21,764)
Depreciation of PPE - IFRS				(6,221,881)
PPE - Managerial Vision	91,739,838	8,661,604	419,049	100,820,491
Accumulated depreciation and impairment differences				(1,027,443)
PPE - IFRS				99,793,048
Investments in PPE	2,135,091	554,502	39,407	2,729,000
Investments in PPE				2,729,000

(1) It corresponds to other activities of the Company not included under the defined operating segments.

(2) It corresponds to expenses not allocated to operating profit of defined reportable segments.

(3) PPE: Property, plant and equipment.

Depreciation and impairment differences mainly arise from the difference in acquisition costs resulting from the Property, plant and equipment valuation criteria adopted upon transition to IFRS.

At March 31, 2021 net sales arose mainly from The Netherlands (21.80%) and Argentina (76.40%), whereas at March 31, 2020 net sales came mainly from France (8.80%) and Argentina (90.50%). The designation of net sales is based upon customer location.

At March 31, 2021, Compañía Administradora del Mercado Mayorista Eléctrico S.A. (CAMMESA), Vitol S.A. and Maerks Oil Trading & Investments A/S represented 35.63%, 11.25%, and 10.55%, respectively, of all sales revenues of the Company, not taking into account the incentives to investments granted under Resolution No. 46E/2017 and amendments, whereas at March 31, 2020, CAMMESA and Raizen Argentina S.A. represented 23.90% and 19.62%, respectively.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

5. Net sales

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
Gas (i)	17,078,417	13,221,622
Oil	4,513,365	3,054,100
Other services	100,237	66,843
	21,692,019	16,342,565

(i) It includes \$8,237,176 and \$6,277,019 due to incentives to investments in natural gas production developments from unconventional reservoirs, granted under Resolution 46E/2017 as amended, for the three-month periods ended on March 31, 2021 and March 31, 2020, respectively (see Note 32).

6. Operating costs

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
Inventories at the beginning of the period	2,771,888	1,607,093
Purchases, uses and production costs	11,362,792	10,045,648
Inventories at the end of the period	(2,892,216)	(1,629,437)
Currency translation differences	253,575	118,204
Operating costs	11,496,039	10,141,508
Labor costs	600,049	531,415
Fees and services	172,863	156,786
Maintenance operations and wells service costs	1,177,490	1,225,339
Depreciation of Property, plant and equipment	7,145,212	6,180,570
Depreciation of Right-of-use assets	126,351	171,466
Treatment and storage	91,323	94,028
Royalties and other taxes (ii)	1,684,126	1,293,238
Others	367,376	422,892
Stock uses and purchases	(1,998)	(30,086)
Purchases, uses and production costs	11,362,792	10,045,648

(ii) Royalties are paid for the production of crude oil and natural gas ranging from 12% to 17% of said production, valued on the basis of the prices actually obtained in the commercialization of hydrocarbons in the area, less deductions provided for in the legislation for the treatment of the product to make it fit for delivery to third parties.

7. Selling expenses

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
Taxes	356,330	274,236
Storage and transport	56,697	183,142
Allowance for doubtful accounts (recovery)/expense	(2,406,118)	28,755
Others	12,204	7,236
	(1,980,887)	493,369

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

8. Administrative expenses

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
Labor costs	627,466	515,247
Fees and services	141,382	93,872
Depreciation of Property, plant and equipment	23,481	41,311
Depreciation of Right-of-use assets	19,656	18,283
Taxes	314,209	147,424
Office expenses	103,429	92,482
Reimbursement of expenses (i)	(267,330)	(252,224)
	962,293	656,395

(i) These are not liable to association or proration in connection with each line involved in the costs and/or expenses notes, but rather in connection with the tasks which constitute the function of the operator.

9. Labor costs (included in Operating costs and Administrative expenses)

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
Salaries, wages and other costs	843,948	767,318
Social security costs	249,133	184,595
Employee benefits programs (Note 24)	134,434	94,749
	1,227,515	1,046,662

10. Other operating profits (losses), net

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
<i>Other operating income</i>		
Recovery of provisions for legal claims and contingencies	-	22,347
Profit from the sale of Property, plant and equipment	2,555	226
Reimbursements and compensations	9,612	-
Others	44,963	9,840
	57,130	32,413
<i>Other operating expenses</i>		
Provision for legal claims and contingencies	(569)	(1,860)
Others	(1,269)	-
	(1,838)	(1,860)

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

11. Net financial profits (losses)

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
Interest income	611,569	65,955
Financial income	611,569	65,955
Interest cost	(1,870,088)	(1,301,071)
Financial costs	(1,870,088)	(1,301,071)
Net loss from exchange differences	(3,367,431)	(992,339)
Changes in the fair value of derivative instruments	(465,614)	-
Loss from the purchase and holding of Other investments	(1,359,324)	-
Other net financial loss	(65,075)	(19,823)
Other net financial loss	(5,257,444)	(1,012,162)
Net financial loss	(6,515,963)	(2,247,278)

12. Income tax

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
Deferred income tax - Loss (Note 27)	633,144	591,143
	633,144	591,143

Title 6 of Law No. 20.628 on Income Tax, as amended by Laws No. 27.468 and No. 27.541 published on December 4, 2018 and December 23, 2019, respectively, was considered for the assessment of income tax for the period, given that there was a variation percentage of the Consumer Price Index (CPI) which, accumulated during the last three years prior to the commencement of the current period, exceeds 100%.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

13. Property, plant and equipment - Exploration, evaluation and development assets

	Three-month period ended on March 31,						2020	
	2021							
	Development and production assets	Machinery and equipment	Asset retirement obligations	Exploration and evaluation	Works in progress (i)	Others	Total	Total
	(Unaudited)							
<u>Cost</u>								
At the beginning of the period	177,285,551	87,754,231	2,047,465	8,078,832	17,545,384	6,034,195	298,745,658	208,881,761
Currency translation differences	16,808,325	8,190,382	191,278	758,643	1,609,656	549,365	28,107,649	16,102,227
Additions	-	-	7,421	-	6,255,906	106,221	6,369,548	2,678,067
Right-of-use assets transfers	-	-	-	-	4,266	-	4,266	50,933
Transfers	7,194,163	110,770	-	133,261	(6,976,561)	(461,633)	-	-
Write-offs	(186)	-	-	-	(4,838)	(5,317)	(10,341)	(23,617)
At the end of the period	201,287,853	96,055,383	2,246,164	8,970,736	18,433,813	6,222,831	333,216,780	227,689,371
<u>Depreciation</u>								
At the beginning of the period	134,475,677	54,594,206	1,621,488	-	-	2,469,939	193,161,310	112,754,682
Currency translation differences	12,697,425	5,200,838	153,435	-	-	236,467	18,288,165	8,923,760
Depreciation of the period	4,068,525	2,875,821	57,871	-	-	166,476	7,168,693	6,221,881
Write-offs	-	-	-	-	-	(5,151)	(5,151)	(4,000)
At the end of the period	151,241,627	62,670,865	1,832,794	-	-	2,867,731	218,613,017	127,896,323
Residual value	50,046,226	33,384,518	413,370	8,970,736	18,433,813	3,355,100	114,603,763	99,793,048

(i) It includes \$247,133 and \$242,786 from works in progress related to exploration and evaluation investments at March 31, 2021 and March 31, 2020, respectively.

Tecpetrol Sociedad Anónima

Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

13. Property, plant and equipment. Exploration, evaluation and development assets (cont'd)

Impairment of long-term assets

The Company analyses *Property, plant and equipment - Exploration, evaluation and development assets and Right-of-use assets* for impairment periodically or whenever events or changes in the circumstances indicate a potential evidence of impairment.

The recoverable value of each CGU (considering a CGU as each area in which Tecpetrol S.A has interest) is estimated as the higher of an asset's fair value less direct costs of disposal and value in use. The value in use is calculated based on the discounted cash flows, applying a discount rate based on the weighted average cost of capital (WACC), which considers the risks of the country where the CGU operates and its specific characteristics.

The determination of the discounted cash flows is based on projections approved by the Management and includes a set of sensitive estimates and assumptions, such as changes in hydrocarbons production levels, sales prices, the evolution of the curve of future hydrocarbon prices, inflation, exchange rates, costs and other cash expenditures, on the basis of the best estimate the Company foresees regarding its operations and available market information.

Cash flows derived from the different CGUs are usually projected for a period that covers the existence of commercially exploitable reserves and is limited to the existence of reserves for the term of the concession or contract.

In the three-month periods ended on March 31, 2021 and March 31, 2020 the Company has not recognized impairment charges in Property, plant and equipment. Exploration, evaluation and development assets.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

14. Leases

Right-of-use assets and liabilities

There follows the evolution of right-of-use assets and liabilities disclosed in the Interim Condensed Statement of Financial Position at March 31, 2021 and March 31, 2020:

Right-of-use assets

	Three-month period ended on March 31,					2020 Total
	2021				Total	
	Drilling equipment	Other equipment	Offices	Others		
	(Unaudited)					
At the beginning of the period	67,286	1,097,285	355,312	1,019	1,520,902	1,288,036
Currency translation differences	5,684	97,947	32,364	55	136,050	98,859
Net additions/(write-offs)	(3,984)	(968)	-	-	(4,952)	248,491
Transfers to Property, plant and equipment	(4,266)	-	-	-	(4,266)	(50,933)
Depreciation of the period	(7,552)	(116,585)	(20,796)	(1,074)	(146,007)	(189,749)
At the end of the period	57,168	1,077,679	366,880	-	1,501,727	1,394,704

Right-of-use liabilities

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
At the beginning of the period	1,611,976	1,334,314
Exchange and translation differences	144,791	98,103
Net additions/(write-offs)	(4,952)	248,491
Accrued interest (i)	28,671	23,842
Payments	(172,445)	(255,317)
At the end of the period	1,608,041	1,449,433

	March 31, 2021	December 31, 2020
	(Unaudited)	
Non-current	979,612	1,016,265
Current	628,429	595,711
	1,608,041	1,611,976

(i) Included under Financial costs in the Interim Condensed Income Statement at March 31, 2021 and March 31, 2020.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

15. Investments in entities accounted for using the equity method

The Company holds 15% of the share capital of Oleoducto Loma Campana - Lago Pellegrini S.A. and YPF S.A. holds the remaining 85%. Both shareholders exercise joint control over that company, pursuant to the Shareholders' Agreement.

The evolution of investments in joint ventures is disclosed below:

	Three-month period ended on	
	March 31,	
	2021	2020
	(Unaudited)	
At the beginning of the period	187,618	137,964
Currency translation differences	17,241	9,902
Loss from investments in entities accounted for using the equity method	(6,952)	(13,283)
At the end of the period	197,907	134,583

Regarding the financing of the project, the shareholders agreed that 70% of such funds would come from a loan granted by the National Social Security Administration (Administración Nacional de la Seguridad Social, ANSES), acting as legal administrator of the Pension Fund of the Argentine Integrated Pension System (Fondo de Garantía de Sustentabilidad del Sistema Integrado Previsional Argentino, FGS-ANSES); and the remaining 30% would come from shareholders' contributions in proportion to their interest. As a condition precedent to the first payment for up to an amount of USD 63 million under the loan for consumption entered into by Oleoducto Loma Campana – Lago Pellegrini S.A and the FGS-ANSES, in May 2019, YPF S.A. and the Company granted a first-ranking pledge over all shares of Oleoducto Loma Campana – Lago Pellegrini S.A., in favor of FGS-ANSES.

Accounting information from Oleoducto Loma Campana - Lago Pellegrini S.A. is disclosed below:

	At March 31,
	2021
Share capital	868,399
Loss for the period	(46,347)
Equity	1,319,380
Holding of common shares (1 vote)	130,259,852

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

16. Investments in equity instruments at fair value

	March 31, 2021	December 31, 2020
	(Unaudited)	
Non-quoted investments	1,690,630	1,542,888

There follows the evolution of investments in equity instruments at fair value:

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
At the beginning of the period	1,542,888	942,407
Currency translation differences	144,066	69,371
Net additions/(write-offs) (i)	(1,154)	801
Changes in the fair value	4,830	(55,875)
At the end of the period	1,690,630	956,704

There follows a detail of the main investments in equity instruments at fair value:

Company	Country	Interest %		March 31, 2021	December 31, 2020
		Mar-21	Dec-20		
				(Unaudited)	
Tecpetrol del Perú S.A.C.	Peru	2.00	2.00	1,031,402	891,763
Tecpetrol Bloque 56 S.A.C.	Peru	2.00	2.00	267,058	297,606
Oleoductos del Valle S.A.	Argentina	2.10	2.10	262,702	234,800
Terminales Marítimas Patagónicas S.A.	Argentina	4.20	4.20	83,076	75,987
Tecpe Trading S.A. (i)	Argentina	-	4.00	-	1,097
Tecpetrol Operaciones S.A. de C.V.	Mexico	0.9482	0.9482	29,386	25,996
Norpower S.A de C.V.	Mexico	0.60	0.60	5,224	4,862
Other investments				11,782	10,777
Total				1,690,630	1,542,888

(i) In February 2020, Tecpetrol S.A and its Parent Company, Tecpetrol Internacional S.L.U., approved the constitution of Tecpe Trading S.A., whose main objective was the commercialization of hydrocarbons and electric power, among others. As of the date of issuance of these Interim Condensed Financial Statements, the registration of the liquidation procedure due to inactivity of Tecpe Trading S.A. before the IGJ is pending.

The fair value of the investments in equity instruments is estimated on the basis of discounted cash flows, which include a set of sensitive estimates and assumptions, such as changes in hydrocarbons production levels, sales prices, the evolution of the curve of future hydrocarbon prices, inflation, exchange rates, collection of dividends, costs and other cash expenditures, on the basis of the best estimate the Company foresees regarding the evolution of its investments and available market information.

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Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

17. Other receivables and prepayments

	March 31, 2021	December 31, 2020
	(Unaudited)	
Non-current		
Receivables	-	14,681
Expenses paid in advance	202,554	257,319
Employees loans and advances	83,247	54,386
Other receivables from related parties (Note 33)	1,249,984	1,225,717
	1,535,785	1,552,103
Allowance for doubtful accounts	-	(14,681)
	1,535,785	1,537,422
Current		
Receivables (i)	18,283,092	19,481,848
Tax credits	1,023,778	891,746
Expenses paid in advance	148,692	121,595
Employees loans and advances	97,717	42,623
Other receivables from related parties (Note 33)	547,538	434,186
	20,100,817	20,971,998
Allowance for doubtful accounts	(551,510)	(2,548,279)
	19,549,307	18,423,719

(i) It includes \$17,933,594 and \$19,137,348 due to incentives to investments in natural gas production developments from unconventional reservoirs, granted under Resolution No. 46E/2017 as amended. At March 31, 2021 and December 31, 2020 \$11,593,278 and \$12,003,271 of the abovementioned amounts, respectively, are past due (see Note 32). In the three-month period ended on March 31, 2021 the Company collected \$9,527,564 from receivables that were past due at December 31, 2020.

There follows the evolution of the allowance for doubtful accounts:

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
Balance at the beginning of the period	(2,562,960)	(58,071)
Exchange and translation differences	(393,304)	(366)
Net (increases)/recoveries	2,404,754	(5,762)
Balance at the end of the period	(551,510)	(64,199)

18. Trade receivables

	March 31, 2021	December 31, 2020
	(Unaudited)	
Non-current		
Trade receivables	-	68,329
	-	68,329
Allowance for doubtful accounts	-	(68,329)
	-	-
Current		
Trade receivables	10,577,651	8,592,050
Trade receivables from related parties (Note 33)	295,451	313,793
	10,873,102	8,905,843
Allowance for doubtful accounts	(1,148,899)	(1,048,608)
	9,724,203	7,857,235

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Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

18. Trade receivables (cont'd)

The evolution of the allowance for doubtful accounts is disclosed below:

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
Balance at the beginning of the period	(1,116,937)	(656,565)
Exchange and translation differences	(33,326)	(20,617)
Net (increases)/recoveries	1,364	(22,993)
Balance at the end of the period	(1,148,899)	(700,175)

19. Inventories

	March 31, 2021	December 31, 2020
	(Unaudited)	
Hydrocarbons	302,237	401,117
Materials and spare parts	2,589,979	2,370,771
	2,892,216	2,771,888

20. Other investments and Cash and cash equivalents

(a) Other investments

	March 31, 2021	December 31, 2020
	(Unaudited)	
Bonds	11,459,326	9,406,093
CEDEARS	3,795,691	2,527,083
	15,255,017	11,933,176

(b) Cash and cash equivalents

	March 31, 2021	December 31, 2020
	(Unaudited)	
Cash and banks	1,635,410	59,441
Short-term deposits	2,361,282	10,332,381
	3,996,692	10,391,822

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Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

21. Financial instruments

21.1 Financial instruments by category

Financial instruments by category are disclosed below:

	At fair value through profit or loss	At amortized cost	At fair value through other comprehensive income	Total
At March 31, 2021				
Assets				
(Unaudited)				
Investments in equity instruments at fair value	-	-	1,690,630	1,690,630
Other receivables	-	19,091,416	-	19,091,416
Trade receivables	-	9,724,203	-	9,724,203
Other investments	14,951,153	303,864	-	15,255,017
Cash and cash equivalents	2,361,282	1,635,410	-	3,996,692
Total	17,312,435	30,754,893	1,690,630	49,757,958

	At fair value through profit or loss	At amortized cost	Total
At March 31, 2021			
Liabilities			
(Unaudited)			
Borrowings	-	92,663,333	92,663,333
Right-of-use liabilities	-	1,608,041	1,608,041
Trade and other payables	-	8,490,990	8,490,990
Total	-	102,762,364	102,762,364

	At fair value through profit or loss	At amortized cost	At fair value through other comprehensive income	Total
At December 31, 2020				
Assets				
Investments in equity instruments at fair value	-	-	1,542,888	1,542,888
Other receivables	-	18,193,319	-	18,193,319
Trade receivables	-	7,857,235	-	7,857,235
Derivative financial instruments	14,399	-	-	14,399
Other investments	11,314,027	619,149	-	11,933,176
Cash and cash equivalents	6,098,991	4,292,831	-	10,391,822
Total	17,427,417	30,962,534	1,542,888	49,932,839

	At fair value through profit or loss	At amortized cost	Total
At December 31, 2020			
Liabilities			
Borrowings	-	96,197,330	96,197,330
Right-of-use liabilities	-	1,611,976	1,611,976
Derivative financial instruments	118,710	-	118,710
Trade and other payables	-	6,001,713	6,001,713
Total	118,710	103,811,019	103,929,729

Tecpetrol Sociedad Anónima

Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

21. Financial instruments (cont'd)

21.2 Fair value estimate

At March 31, 2021 and December 31, 2020, the fair value of all assets and liabilities of Tecpetrol S.A. did not significantly differ from their carrying value. Moreover, there were no transfers among fair value hierarchies of financial instruments of Tecpetrol S.A during the three-month periods ended on March 31, 2021 and March 31, 2020.

Financial instruments measured at fair value can be classified into any of the following hierarchical levels, depending on how the fair value is estimated:

Level 1 – Based on quoted prices in active markets for identical assets and liabilities. A market is considered active when the quoted prices are available and such prices represent transactions regularly conducted between independent parties.

Level 2 – Based on market inputs (other than quoted market prices included within Level 1) that are observable for assets and liabilities, either directly (e.g., prices) or indirectly (e.g., derived from prices). The fair value of financial instruments that are not traded in an active market is determined by means of standard valuation techniques which maximize the use of observable market inputs.

Level 3 – Based on information not observable in the market (for example, discounted cash flows).

The following table presents the financial instruments measured at fair value by hierarchy level at March 31, 2021 and December 31, 2020:

At March 31, 2021	Level 1	Level 3	
Assets			
(Unaudited)			
Investments in equity instruments at fair value	-	1,690,630	
Other investments	14,951,153	-	
Cash and cash equivalents	2,361,282	-	
Total	17,312,435	1,690,630	
At December 31, 2020	Level 1	Level 2	Level 3
Assets			
Investments in equity instruments at fair value	-	-	1,542,888
Derivative financial instruments	-	14,399	-
Other investments	11,314,027	-	-
Cash and cash equivalents	6,098,991	-	-
Total	17,413,018	14,399	1,542,888
Liabilities			
Derivative financial instruments	-	118,710	-
Total	-	118,710	-

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Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

22. Equity

Share capital

At March 31, 2021 and December 31, 2020, the Company's capital amounted to \$4,436,448 and was represented by 4,436,448,068 shares carrying a nominal value of \$1 each.

Distribution of dividends

On January 16, 2020, the members of the Board of Directors of Tecpetrol S.A. approved the distribution of cash dividends for \$125 million (equivalent to \$0.028 per share), which were ratified by the Shareholders at an Annual General Meeting held on April 28, 2020 and paid on May 29, 2020.

23. Borrowings

	March 31, 2021	December 31, 2020
	(Unaudited)	
Non-current		
Bank borrowings	26,039,598	6,675,443
Negotiable obligations	45,993,728	41,564,752
	72,033,326	48,240,195
Current		
Bank borrowings	11,695,281	4,379,832
Borrowings from related parties (Note 33)	8,345,708	40,115,501
Negotiable obligations	589,018	3,461,802
	20,630,007	47,957,135

The Company must comply with certain obligations and must refrain from performing certain acts under the conditions set forth in the borrowing agreements and negotiable obligations. Such commitments have been fulfilled at March 31, 2021 and December 31, 2020.

Pursuant to Communication "A" 7030, as amended, issued by the Central Bank of Argentina on May 28, 2020, prior approval from the BCRA is required to access the foreign exchange market in order to settle principal payments of offshore financial debts when the lender is a counterparty related to the debtor.

By means of Communication "A" 7106 dated September 15, 2020, the BCRA introduced restrictions to access the exchange market. One of such measures applicable to entities with offshore financial debt with a non-related counterparty and with debt securities issued in Argentina and denominated in foreign currency, maturing between October 15, 2020 and March 31, 2021, is the obligation to submit a refinancing plan under certain parameters. Additionally, on February 25, 2021, through Communication "A" 7230, the BCRA extended the obligation to submit a refinancing plan to capital amounts maturing on or after April 1, 2021 and until December 31, 2021, pursuant to Communication "A" 7106. At the date of these Interim Condensed Financial Statements, the Company has refinanced its debts maturing on or before March 31, 2021, pursuant to Communication "A" 7106, and must submit a refinancing plan pursuant to Communication "A" 7230.

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Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

23. Borrowings (cont'd)

There follows the evolution of borrowings:

	Three-month period ended on	
	March 31,	
	2021	2020
	(Unaudited)	
Balance at the beginning of the period	96,197,330	80,079,584
Proceeds from borrowings	25,232,589	1,256,955
Issuance of negotiable obligations	577,239	2,951,943
Payment of borrowings	(38,061,004)	(8,791,256)
Accrued interest	1,743,089	1,207,855
Paid interest	(1,250,472)	(726,398)
Profit or loss from repurchase of negotiable obligations	43,887	-
Repurchase of negotiable obligations	(108,987)	-
Exchange and translation differences	8,289,662	5,700,950
Balance at the end of the period	92,663,333	81,679,633

Bank borrowings and borrowings from related parties are detailed below:

Lender	Mar-21	Interest rate	Contract's currency	Amortization of capital	Maturity
Tecpetrol Internacional S.L.U. (i)	8,345,708	9.00%	USD	2 installments	Jul-21 and Mar-22 (i)
J.P. Morgan Chase Bank, Citibank and others	10,141,351	Libor 3M + 1.50%	USD	Quarterly	Jun-21 to Mar-23
Banco Santander Río	1,388,356	4.25%	USD	2 installments	May-22 and Nov-22
Itaú Unibanco S.A. Nassau Branch (ii)	26,205,172	5.75%	USD	Quarterly	Sep-21 to Sep-24

(i) In March 2021, the Company partially cancelled capital balances from loans arranged with Tecpetrol Internacional S.L.U., therefore, there remains a balance of USD 90.7 million, whose last installment matures in March 2022, as mutually agreed by the parties.

(ii) Intended for the settlement of financial debt and other purposes related to the ordinary activities of the Company.

Lender	Dec-20	Interest rate	Contract's currency	Amortization of capital	Maturity
Tecpetrol Internacional S.L.U.	27,348,750	9.00%	USD	At maturity	Mar-21
Tecpetrol Internacional S.L.U.	1,262,250	9.00%	USD	At maturity	Mar-21
Tecpetrol Internacional S.L.U.	4,604,201	9.00%	USD	At maturity	Mar-21
Tecpetrol Internacional S.L.U.	6,900,300	9.00%	USD	At maturity	Mar-21
J.P. Morgan Chase Bank, Citibank and others	9,785,241	Libor 3M + 1.50%	USD	Quarterly	Mar-21 to Mar-23
Banco Santander Río	1,270,034	4.25%	USD	2 installments	May-22 and Nov-22

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Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

23. Borrowings (cont'd)

Negotiable obligations are detailed below:

Series	Mar-21	Dec-20	Interest rate	Contract's currency	Amortization of capital	Maturity
Class 1 (i)	45,980,488	41,591,858	4.875%	USD	At maturity	Dec-22
Class 2 (ii)	-	916,877	4.00%	USD	At maturity	Feb-21
Class 3 (ii)	-	2,517,819	BADLAR + 4.5%	ARS	At maturity	Feb-21
Class 4 (iii)	602,258	-	4.00%	USD	At maturity	Feb-23

(i) On December 12, 2017, the Company issued Class 1 negotiable obligations for a nominal value of USD 500 million, with an issuance price of 100%, which bear interest at a fixed rate of 4.875% and mature on December 12, 2022. Interest is payable semi-annually as from June 12, 2018. Capital will be paid upon maturity; and the Company has the right to redeem the Negotiable obligations with no premium, in whole or in part, at any time as from December 12, 2020. Funds obtained from the issuance of such negotiable obligations were used to invest in fixed assets in Fortín de Piedra area in Vaca Muerta formation, located in the province of Neuquén. The Parent Company, Tecpetrol Internacional S.L.U., unconditionally and irrevocably guarantees the negotiable obligations of the Company.

At March 31, 2021, the Company has repurchased its negotiable obligations at market values for a nominal value of USD 6 million (USD 5.2 million at December 31, 2020) corresponding to Class 1 negotiable obligations maturing in December 2022.

(ii) On February 20, 2020, the Company issued Class 2 and Class 3 negotiable obligations for a nominal value of USD 10.8 million and \$2,414.1 million, respectively, with an issuance price of 100%, which matured on February 20, 2021 (or the following business day). Class 2 negotiable obligations bore interest at a fixed rate of 4.0% and Class 3 negotiable obligations bore interest at a BADLAR rate plus a margin of 4.50%. In both cases, interest was payable quarterly, and the capital was fully paid off upon maturity. Funds obtained from the issuance of such negotiable obligations were used for the integration of working capital and the refinancing of liabilities.

(iii) Additionally, on February 9, 2021, the Company issued Class 4 negotiable obligations for a nominal value of USD 6.5 million, paid in cash (in USD) and in kind through the delivery of Class 2 negotiable obligations, with an issuance price of 100%, bearing interest at a fixed rate of 4% and maturing on February 9, 2023. Interest is payable quarterly, and the capital will be fully paid off upon maturity. Funds obtained from the issuance of such negotiable obligations were used for the partial refinancing of Class 2 negotiable obligations, as enforced by Communication "A" 7106 from the BCRA. On February 22, 2021, the Company had administered all funds in accordance with the use set forth under the program. On March 2, 2021, the members of the Board of Directors of the Company approved such use of the funds and complied with the requirements set forth in Section 25, Chapter V, Title II of CNV Regulations.

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Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

24. Employee benefits programs

The liability recognized in the Interim Condensed Statement of Financial Position and the amounts disclosed in the Interim Condensed Income Statement are detailed below:

	March 31, 2021	December 31, 2020
	(Unaudited)	
Non-current		
Pension programs and other plans (i)	1,331,783	1,192,032
Employee retention and long-term incentive program	553,969	728,136
	1,885,752	1,920,168
Current		
Employee retention and long-term incentive program	315,984	289,023
	315,984	289,023

(i) There were no enforceable debts at March 31, 2021 and December 31, 2020.

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
Pension programs and other plans	61,067	27,294
Employee retention and long-term incentive program	73,367	67,455
Total included in Labor costs (Note 9)	134,434	94,749

25. Provisions

	March 31, 2021	December 31, 2020
	(Unaudited)	
Non-current		
Asset retirement obligations	4,826,505	4,304,514
Provision for other contingencies	91,619	86,119
	4,918,124	4,390,633
Current		
Asset retirement obligations	391,184	359,107
	391,184	359,107

The evolution of provisions is disclosed below:

Asset retirement obligations

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
Balance at the beginning of the period	4,663,621	2,867,423
Currency translation differences	439,357	221,188
Increases	116,082	67,037
Uses	(1,371)	(27,618)
Balance at the end of the period	5,217,689	3,128,030

Other contingencies

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
Balance at the beginning of the period	86,119	87,618
Exchange and translation differences	4,915	3,006
Net (recoveries)/increases	585	(22,648)
Balance at the end of the period	91,619	67,976

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Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

26. Trade and other payables

	March 31, 2021	December 31, 2020
	(Unaudited)	
Trade payables	8,016,056	5,847,044
Payables to related parties (Note 33)	465,500	147,185
Social security debts and other taxes	1,487,337	1,247,814
Other liabilities	9,434	7,484
	9,978,327	7,249,527

27. Deferred income tax

There follows the evolution of deferred income tax:

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
Balance at the beginning of the period - Net deferred liabilities	(4,085,293)	(1,436,883)
Charged directly to Other comprehensive income	(1,874)	13,165
Loss for the period	(633,144)	(591,143)
Currency translation differences	(404,942)	(138,017)
Balance at the end of the period - Net deferred liabilities	(5,125,253)	(2,152,878)

28. Derivative financial instruments

There follows a detail of net fair values of derivative financial instruments:

	March 31, 2021	December 31, 2020
	(Unaudited)	
Foreign currency derivatives	-	14,399
Derivatives with a positive fair value	-	14,399
Foreign currency derivatives	-	(118,710)
Derivatives with a negative fair value	-	(118,710)

There follows a detail of derivative financial instruments:

Purchase currency	Sale currency	Maturity	Type of contract	Fair value	
				March 31, 2021	December 31, 2020
				(Unaudited)	
USD	ARS	2021	Forward (NDF)	-	(104,311)
USD	ARS	2021	Futures (Rofex)	-	-
				-	(104,311)

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Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

29. Cash Flow Statement complementary information

Adjustments to profit for the period (i)

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
Depreciation of Property, plant and equipment (Note 13)	7,168,693	6,221,881
Depreciation of Right-of-use assets (Note 14)	146,007	189,749
Profit from the sale and write-off of Property, plant and equipment (Note 10)	(2,555)	(226)
Exploration costs	1,379	21,830
Income tax (Note 12)	633,144	591,143
Net accrued interest from Borrowings	492,617	481,457
Accrued interest from Right-of-use liabilities (Note 14)	28,671	23,842
Provisions - Net increases/(recoveries)	(2,296,872)	73,144
Loss from the repurchase of negotiable obligations (Note 23)	43,887	-
Loss from investments in entities accounted for using the equity method (Note 15)	6,952	13,283
Loss from employee benefits programs (Note 9)	134,434	94,749
	6,356,357	7,710,852

(i) There is no significant difference between interest income and interest collected.

Changes in working capital

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
Increase in Trade and other receivables	(1,010,277)	(5,168,334)
Increase in Inventories	(120,328)	(22,344)
Changes in Derivative financial instruments	(104,311)	-
Decrease in Trade and other payables	(315,740)	(121,150)
	(1,550,656)	(5,311,828)

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Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

30. Assets and liabilities in currency other than Argentine pesos ⁽¹⁾

Item	Type ⁽²⁾	03.31.2021 (Unaudited)		12.31.2020	
		Amount in currency other than Argentine pesos ⁽³⁾	Amount in local currency at 92 ⁽⁴⁾	Amount in currency other than Argentine pesos ⁽³⁾	Amount in local currency at 84.15 ⁽⁴⁾
Assets					
Non-current assets					
Other receivables and prepayments	USD	14,190	1,305,457	15,780	1,327,899
Current assets					
Other receivables and prepayments	USD	3,035	279,252	4,111	345,909
Other investments	USD	45,753	4,209,254	32,914	2,769,733
Trade receivables	USD	16,035	1,475,200	23,773	2,000,464
Cash and cash equivalents	USD	315	28,945	365	30,686
Total assets			7,298,108		6,474,691
Liabilities					
Non-current liabilities					
Borrowings	USD	782,971	72,033,326	573,264	48,240,195
Right-of-use liabilities	USD	10,648	979,612	12,077	1,016,265
Provisions	USD	52,462	4,826,505	51,153	4,304,514
Current liabilities					
Borrowings	USD	224,239	20,630,007	539,980	45,439,316
Right-of-use liabilities	USD	6,831	628,429	7,073	595,234
Provisions	USD	4,252	391,184	4,267	359,107
Trade and other payables	USD	63,275	5,821,296	48,814	4,107,671
Total liabilities			105,310,359		104,062,302

(1) This information is presented for the purposes of complying with the provisions of the CNV. Foreign currency is the currency which is different from the Company's presentation currency.

(2) USD = US dollar.

(3) Amounts stated in thousands.

(4) USD quotation: Banco de la Nación Argentina exchange rate in force at March 31, 2021 and December 31, 2020, respectively.

31. Contingencies, commitments and restrictions on the distribution of profits

(i) Contingencies

The Company has contingent liabilities in respect of claims arising from the ordinary course of business. Moreover, there are certain interpretations of controlling authorities as to the calculation and payment of certain taxes that differ from the criterion applied by the Company. Based on the Management's assessment and the opinion of the legal counsels, the Company does not anticipate incurring in any material expenses derived from contingent liabilities other than those provided for in these Interim Condensed Financial Statements.

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Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

31. Contingencies, commitments and restrictions on the distribution of profits (cont'd)

(ii) Main investment commitments and guarantees

There follows a detail of all main commitments assumed by Tecpetrol S.A. through surety bonds as of the date of issuance of these Interim Condensed Financial Statements:

- Guarantee, in favor of the Office of the Secretary of Energy of the Ministry of Economy, of all obligations set forth under Section V, Subsection 3 of Exhibit to Resolution No. 46-E/2017 and amendments, for USD 215.44 million.
- Guarantee in favor of the Energy Institute of the province of Santa Cruz for contract performance for the first exploratory phase in Gran Bajo Oriental for an amount of USD 13.56 million.
- Guarantee for contract performance under the investment and work plan for the exploration of Block MLO-124 Ronda Costa Afuera N°1 for an amount of USD 1.99 million.
- Guarantee for the postponement of commitments corresponding to Agua Salada area for USD 5.04 million.

Furthermore, the Company has the following investment commitments in the areas where it operates:

Basin	Area	Pending investment commitments
Noroeste - San Jorge and others	El Tordillo and La Tapera - Puesto Quiroga	- Additional investments for USD 200 million until December 31, 2026 aiming at extending the operations in the area until 2047. USD 135 million of such amount must be invested before December 31, 2023.
	Gran Bajo Oriental	- Seismic reprocessing and drilling of two exploratory wells before June 2022 for an amount of USD 13.56 million
	MLO-124	- 3D seismic studies over the totality of the area, 3D seismic performance and acquisition of seismic to be completed before 2023.
Neuquina	Agua Salada	- Exploratory and development investments for USD 26.46 million to be made before 2025 consisting of the drilling of 1 exploratory well, 4 extension wells, facilities and asset retirement obligations
	Los Bastos	- Exploratory investments for USD 10.85 million to be made until 2026 outside the exploitation area
	Loma Ancha	- Drilling of 1 exploratory well with horizontal branch of 1,500 meters minimum, to be drilled before December 31, 2020, and testing of such well for six months to be performed before June 30, 2021. (*)
	Los Toldos I Norte	- Pilot Project investments consisting of the drilling and completion of 4 wells, acquisition of 3D seismic, infrastructure and other investments until December 2022 (by July 2022, 4 wells must have been drilled, completed and partially tested).
	Los Toldos II Este	- Pilot Project investments consisting of the drilling and completion of 3 wells, infrastructure and other investments until December 2022 (by September 2022, 3 wells will have been drilled, completed and partially tested).

(*) As of the date of issuance of these Interim Condensed Financial Statements, Tecpetrol is under negotiations with the government of the province of Neuquén about the commitment term.

Under the Promotion Plan for Argentine Natural Gas Production/2020-2024 Supply and Demand Scheme (hereinafter referred to as "Gas Plan 4"), Tecpetrol assumed a total investment commitment of approximately USD 451 million in Neuquina basin: USD 13 million for the first quarter of 2021 and about USD 29.2 million for the remaining quarters starting on the second quarter of 2021. Such investments will be made during 2021-2024 and include keeping drilling equipment in operation (an average of 0.85 rigs per quarter). At March 31, 2021 Tecpetrol has already made investments for USD 69.3 million. Besides, Tecpetrol committed to a production curve of up to 14.2 million m³/d in Neuquina basin until 2024, and regarding the hiring of local, regional and national workforce, the Company made a commitment to proportionally increase the number of Argentinian workers related to committed investment plans until 2024.

Tecpetrol Sociedad Anónima

Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

31. Contingencies, commitments and restrictions on the distribution of profits (cont'd)

(ii) Main investment commitments and guarantees (cont'd)

Also, in relation to the agreements entered into with the distribution service licensees, CAMMESA and IEASA, for the supply of natural gas under the abovementioned Plan, regular clauses for the delivery or payment of up to 9.94 million m³/d until December 2024 were included, considering increases of 4.5 million m³/d from May to September of each year.

(iii) Restrictions on the distribution of profits

In accordance with Companies Law No. N°19.550 (hereinafter referred to as "LGS"), the Company's by-laws and General Resolution No. 622/13 issued by the CNV, 5% of the net profits for the year must be allocated to a legal reserve until such reserve equals 20% of the adjusted capital.

CNV General Resolution No. 609/12 sets forth that the difference between the initial balance of retained earnings disclosed in the financial statements of the first year-end under IFRS implementation and the final balance of retained earnings at the end of the last fiscal year under the previous accounting standards then in force shall be allocated to a Special Reserve. Such reserve shall not be used for distribution (whether in cash or in kind) among shareholders or owners of the entity and shall only be used for capitalization purposes or to compensate potential negative balances under "Retained earnings". On April 26, 2018, the Shareholders at an Annual General Meeting approved the setting up of this reserve and the restrictions upon its use.

The Company's capital does not include preferred stocks. Tecpetrol S.A. is not subject to any other restriction on the distribution of profits other than the ones mentioned in the paragraph above.

32. Program of Incentives to Investments in Natural Gas Production Developments from Unconventional Reservoirs

On March 2, 2017, the Mining and Energy Ministry issued Resolution MINEM 46E/2017, whereby it creates a Program of Incentives to Investments in Natural Gas Production Developments from Unconventional Reservoirs located in Neuquina basin (hereinafter referred to as the "Program".)

For the purposes of participating in the Program and pursuant to all principles, objectives and guidelines established, Resolution MINEM No. 46-E/2017 set forth certain requirements, including, but not limited to, the presentation of an investment plan approved by the authorities of the province implementing the Program, initial production, an estimated production volume under the concession included during the term of the Program, a projection of the prices Tecpetrol S.A. will charge for natural gas from said exploitation concession, and a presentation of a measurement scheme for the production from said exploitation concession.

Subsequently, by means of Resolution MINEM No. 419-E/2017 dated November 1, 2017, some amendments were introduced to the Program aiming at: (i) including projects that already were in a development phase, but which required, in order to increase production, investments comparable to those made in projects in the early stages of their development phase, and (ii) avoiding market cost distortions arising from the assessment of the compensation based upon sales prices of each beneficiary company. In this respect, it was defined that the determination of the effective price assessment will be based on average prices in the market.

Tecpetrol Sociedad Anónima

Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

32. Program of Incentives to Investments in Natural Gas Production Developments from Unconventional Reservoirs (cont'd)

Finally, Resolution MINEM No. 447-E/2017 extended the Program created under Resolution MINEM No. 46-E/2017 in order to include the production of natural gas from unconventional reservoirs located in Austral basin.

For unconventional exploitation concessions whose adherence to the Program has been approved ("Included Concession"), the Program provided for the payment, by the State, over the whole natural gas production from such concession ("Included Production"), of an amount which equals the difference between the value of Included Production of natural gas from unconventional reservoirs ("Minimum Price"), which is of USD 7.5 per million BTU for 2018, USD 7 per million BTU for 2019, USD 6.5 per million BTU for 2020 and USD 6 per million BTU for 2021, and the average price ("Effective Price") according to Resolution MINEM No. 419-E/2017 dated November 1, 2017). To this effect, and pursuant to the Program, member companies must report: (i) the total volume of natural gas from unconventional reservoirs and (ii) the prices of all sales of natural gas.

Within this compensation scheme, the Program provided for the possibility of member companies to choose a scheme of provisional monthly payments ("Provisional Payments") consisting of 85% (eighty-five percent) of the compensation to be received for the monthly Included Production, over the basis of production estimates submitted by the company for said month. These payments will be subsequently adjusted ("Payment Adjustments") considering final delivered volumes, certificates issued by independent auditors and definitive prices reported to the authority of implementation. The Company adopted the above-mentioned Provisional Payments scheme.

Moreover, member Companies must report to the former Office of Hydrocarbon Resources any circumstance that substantially modifies projected values or any other submitted information affecting the payments.

After fulfilling all related requirements and obtaining approval of the investment plan by the Ministry of Energy, Public Services and Natural Resources of the province of Neuquén by means of Resolution No. 240/17; on August 23, 2017, the Company requested to participate in the Program to obtain an exploitation concession over Fortín de Piedra area.

Adherence of Tecpetrol S.A. to the Program, as beneficiary of the unconventional exploitation concession over Fortín de Piedra area, was approved by the then Secretary of Exploration and Production in charge of the Office of Hydrocarbon Resources through Resolution No. 2017-271-APN-SECRH#MEM dated November 3, 2017.

In relation to the production from January to July 2018 (all seven months included), the authority implementing the Program timely settled and paid to Tecpetrol S.A. the resulting compensations for the total of the production from the unconventional exploitation concession over Fortín de Piedra area.

Nevertheless, the Office of the Secretary of Energy settled Provisional Payment for August 2018 and subsequent months as from such date, but introduced a change of criteria regarding the assessment of the compensations provided for in Resolution MINEM E-46/2017. Said modification consisted in restricting the amount to be paid to the production projections submitted by the Company upon request of adherence to the Program. Such criterion has been retrospectively applied; thus, affecting the compensations already settled corresponding to April-July 2018.

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Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

32. Program of Incentives to Investments in Natural Gas Production Developments from Unconventional Reservoirs (cont'd)

This change of criteria has a negative impact upon cash flows; therefore, the Company periodically reassesses the conditions under the Development Plan of Fortín de Piedra area for the purposes of readjusting cash flows to a new scenario and improving financial indicators.

The Company filed appeals against the resolutions issued by the Office of the Secretary of Energy settling Provisional Payments from Aug-18 to Dec-20 and Payment Adjustments from Apr-18 to Aug-20, since the Company considers that the change of criteria adopted flagrantly violates Section 17 of the National Constitution by affecting acquired rights of the Company previously acknowledged by the State.

In such appeals, the Company claimed, among other things, that the contested issues were contrary to the terms of the promotion regime created under Resolution MINEM 46-E/2017 and the Company's acquired rights protected by said regime after adherence. Moreover, it was explained that the terms of the Program should be understood in the sense of avoiding any kind of restriction to the production of natural gas which is the subject matter of the compensations. Besides, the change of criteria implemented by the Government constitutes a unilateral and arbitrary modification of the legal framework under consideration and violates not only previous commitments assumed by the authority of implementation, but also acts carried out by such government. Additionally, concern was expressed regarding the contended issues arising from resolutions issued by the Office of the Secretary of Energy, including, cause, subject matter, purpose, misuse of power, procedure and issuance, among others. The Company reserved its right to claim interest and damages derived from the above-mentioned contended administrative acts.

In April 2019, the Ministry of Finance denied the appeals filed by the Company against the resolutions issued by the Office of the Secretary of Energy by means of which Provisional Payments for August, September and October 2018 were determined.

In May 2019, the Company filed a complaint against the State in order to obtain the nullity of the resolutions issued by the Office of the Secretary of Energy and confirmatory resolutions issued by the Ministry of Finance, which settled Provisional Payments for August, September and October 2018, according to the above-mentioned criterion. Apart from the request for nullity, the complaint also included a request for the collection of \$2,553.3 million (plus interest) and a request for an injunction ordering the Office of the Secretary of Energy to settle all Provisional Payments and Payment Adjustments pursuant to the criterion laid down by the Company for the remaining term of the Program. Besides, direct and indirect shareholders of Tecpetrol S.A. may file claims before international courts.

Within the framework of the Public Bidding – Promotion Plan for Argentine Natural Gas Production/2020-2024 Supply and Demand Scheme, established by means of Executive Decree No. 892/2020 and the Bidding Terms and Conditions of the Public Bidding – Promotion Plan for Argentine Natural Gas Production/2020-2024 Supply and Demand Scheme under Resolution No. 317/2020 issued by the Office of the Secretary of Energy (“Gas Plan 4”), subject to the term and validity of Gas Plan 4 and in relation to the volumes of production therein committed and delivered, Tecpetrol accepted that payments under the Program related to the volumes of natural gas delivered in accordance with Gas Plan 4 as from the first delivery, that is, January 1, 2021, will be limited to the production projection of natural gas estimated upon request of adherence of Fortín de Piedra Project to the Program.

Tecpetrol Sociedad Anónima Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

32. Program of Incentives to Investments in Natural Gas Production Developments from Unconventional Reservoirs (cont'd)

Therefore, the Company waived its right to demand payments for natural gas volumes under the Program as from January 1, 2021, exceeding the figures projected for the above-mentioned production.

In compliance with applicable accounting standards, the Company included those compensations that are highly likely to be paid by the government according to the assessment criterion used for the last payments. This would represent a lower income for a total amount of \$29,915 million and \$21,012 million accumulated from the commencement of the Program and until March 31, 2021 and March 31, 2020, respectively.

33. Related-party balances and transactions

Tecpetrol S.A. is controlled by Tecpetrol Internacional S.L.U., which holds 95.99% of the Company's shares.

San Faustin S.A. ("San Faustin"), a *Société Anonyme* based in Luxembourg, controls the Company through its subsidiaries.

Rocca & Partners Stichting Administratiekantoor Aandelen San Faustin, a private foundation located in the Netherlands (Stichting) ("R&P STAK") holds enough voting shares in San Faustin to control it. No person neither any group of persons control R&P STAK.

Main transactions with related parties

	Three-month period ended on March 31,	
	2021	2020
	(Unaudited)	
Net sales		
Other related companies	774,914	454,736
Purchases of goods and services		
Other related companies	(1,220,311)	(1,095,814)
Oleoducto Loma Campana - Lago Pellegrini S.A.	(18,067)	-
	<u>(1,238,378)</u>	<u>(1,095,814)</u>
Reimbursement of expenses		
Other related companies	38,498	69,063
Interest income		
Other related companies	15,305	4,172
Interest cost		
Tecpetrol Internacional S.L.U.	(951,089)	(312,872)
Other related companies	-	(10,968)
	<u>(951,089)</u>	<u>(323,840)</u>

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

33. Related-party balances and transactions (cont'd)

Balances with related parties

	March 31, 2021	December 31, 2020
	(Unaudited)	
Other receivables from related parties (Note 17)		
<i>Non-current</i>		
Expenses paid in advance - Other related companies	329,984	326,988
Borrowings - Other related companies	920,000	898,729
	<u>1,249,984</u>	<u>1,225,717</u>
<i>Current</i>		
Expenses paid in advance - Other related companies	109,998	75,459
Other receivables - Tecpetrol Internacional S.L.U.	1,195	20,385
Other receivables - Tecpetrol Investments S.L.U.	415	380
Other receivables - Other related companies (i)	435,930	337,962
	<u>547,538</u>	<u>434,186</u>
Trade receivables from related parties (Note 18):		
Current - Other related companies	295,451	313,793
Borrowings from related parties (Note 23):		
Current - Tecpetrol Internacional S.L.U.	8,345,708	40,115,501
Trade and other payables with related parties (Note 26):		
Current - Oleoducto Loma Campana - Lago Pellegrini S.A.	5,486	5,467
Current - Other related companies (ii)	460,014	141,718
	<u>465,500</u>	<u>147,185</u>

(i) It mainly includes balances from reimbursement of expenses.

(ii) It mainly includes balances from purchases of materials and services.

34. Main joint operations

Joint operations

a) *Areas operated by Tecpetrol S.A.*

Name	Location	% at March 31, 2021	% at December 31, 2020	Expiration date of the concession
Aguaragüe	Salta	23.0	23.0	Nov-27
Agua Salada	Río Negro	70.0	70.0	Sep-25
El Tordillo	Chubut	52.1	52.1	Nov-27
La Tapera - Puesto Quiroga	Chubut	52.1	52.1	Aug-27
Lago Argentino (i)	Santa Cruz	74.6	74.6	Nov-33
Loma Ancha (ii)	Neuquén	95.0	95.0	Dec-21
Loma Ranqueles (iii)	Neuquén	65.0	65.0	Jun-20
Los Toldos (I Norte, II Este)	Neuquén	90.0	90.0	May-54

(i) Tecpetrol S.A. assumes 100% of the costs and investments pursuant to an agreement among private parties and Alianza Petrolera S.A. and a joint venture agreement between Fomento Minero de Santa Cruz S.E. and Alianza Petrolera S.A.

(ii) Tecpetrol S.A. assumes 100% of the costs and investments during the basic exploration period under an agreement with its partner Gas y Petróleo del Neuquén S.A.

(iii) In March 2020, the Company filed a petition to extend the term for the evaluation of the area. As of the date of issuance of these Interim Condensed Financial Statements, the government of the province of Neuquén has not yet approved said request.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2021

Notes to Interim Condensed Financial Statements at March 31, 2021 (cont'd)

34. Main joint operations (cont'd)

b) Areas operated by third parties

Name	Location	% at March 31, 2021	% at December 31, 2020	Expiration date of the concession
Ramos	Salta	25	25	Jan-26
Los Toldos I Sur	Neuquén	10	10	Mar-52
MLO-124 (i)	Malvinas marine basin	10	10	Oct-27

(i) The term of the exploration permission is divided into 2 exploratory periods of 4 years each. Once the first period is completed, the Office of the Secretary of Energy should be notified if the area will continue to be explored or not.

35. Subsequent events

In April 2021, the operations in the Fortín de Piedra and Los Bastos areas were affected for 21 days because of the forceful measures adopted by the healthcare workers of the province of Neuquén, which included the total restriction on the access and circulation in different areas of the province, impeding the regular access of employees and contractors. This situation resulted in a sudden suspension of the works and activities necessary to guarantee the continuity of the production, and the production increase intended for the subsequent months.

No events, situations or circumstances have taken place as from March 31, 2021 and until the date of issuance of these Interim Condensed Financial Statements, other than the ones mentioned herein, which affect or might significantly affect the economic and financial position of the Company or are otherwise worth mentioning.



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REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Tecpetrol Sociedad Anónima
Legal address: Pasaje Della Paolera 299/297 - 16th floor
Autonomous City of Buenos Aires
Tax Code No. 30-59266547-2

Introduction

We have reviewed the accompanying interim condensed financial statements of Tecpetrol Sociedad Anónima (hereinafter, "the Company"), which comprise the interim condensed statement of financial position at March 31, 2021, the interim condensed income statement and the interim condensed statement of comprehensive income for the three-month period ended March 31, 2021, the interim condensed statement of changes in equity and the interim condensed cash flow statement for the three-month period then ended, and selected explanatory notes.

The balances and other information corresponding to the year 2020 and to its intermediate periods are an integral part of the financial statements mentioned above and, therefore, they must be considered in connection with these financial statements.

Board's responsibility

The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE, for its Spanish acronym) as professional accounting standards and incorporated by the Argentine Securities Commission (CNV, for its Spanish acronym) to its regulations, as approved by the International Accounting Standards Board (IASB) and, therefore, is responsible for the preparation and presentation of the interim condensed financial statements mentioned in the first paragraph in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34).

Scope of our review

Our review was limited to the application of the procedures established by International Standard on Review Engagements ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity", which was adopted as review standard in Argentina by Technical Resolution No. 33 of the FACPCE as it was approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries to the Company's personnel responsible for preparing the information included in the interim condensed financial statements and applying analytical and other review procedures. The scope of this review is substantially less than an audit conducted in accordance with International Standards on Auditing. Consequently, a review does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the financial position, comprehensive income and cash flows of the Company.

Conclusion

Based on our review, nothing has come to our attention that caused us to believe that the interim condensed financial statements mentioned in the first paragraph of this report are not prepared, in all material respects, in accordance with International Accounting Standard 34.



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Report on compliance with current regulations

In accordance with current regulations, we report, regarding Tecpetrol Sociedad Anónima, that:

- a) the interim condensed financial statements of Tecpetrol Sociedad Anónima are transcribed into the "Inventory and Balance Sheet" book and, as regards those matters that are within our competence, they are in compliance with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;
- b) the interim condensed financial statements of Tecpetrol Sociedad Anónima arise from accounting records kept in all formal respects in conformity with legal provisions;
- c) we have read the summary of information, on which, as regards those matters that are within our competence, we have no observations to make;
- d) as of March 31, 2021, the debt of Tecpetrol Sociedad Anónima accrued in favor of the Argentine Integrated Social Security System arising from the Company's accounting records amounted to \$73,052,626.06, none of which was claimable at that date.

Autonomous City of Buenos Aires, May 7, 2021

PRICE WATERHOUSE & CO. S.R.L.

by  (Partner)
Alejandro J. Rosa