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Buenos Aires, August 14, 2017 (10 am Eastern Time)

## **Pampa Energía and Edenor Q2 2017 Conference Call**

Presenting:

Leandro Montero, CFO of Edenor

Lida Wang, Investor Relations Manager at Pampa Energía

### **Leandro Montero**

Thank you very much. Good morning everyone and thanks for joining our second quarter 2017 combined earnings conference call for Pampa Energía and Edenor. As we usually do, myself Leandro Montero will be presenting for Edenor first, and then Lida Wang will present for Pampa Energía.

First, we will focus on the main events that lately took place and then briefly review the results of the quarter. As you know, you can always call any member of our team for more details on the results of the period or any doubts you might have.

In first place, and regarding our Corporate Regulatory Assets and Liabilities, in April of this year, the Secretariat of Electric Energy ('SEE') issued a Note under the instruction of the Ministry of Energy and Mining ('MEyM'), requiring us to provide all relevant information aiming to determine if there are still pending obligations regarding the period since the Adjustment Agreement and until the entry into force of the tariff schemes resulting from the Integral Tariff Review and, if applicable, the treatment to be afforded to such obligations.

In response to this note, in May of this year, we submitted a report of damages, with values adjusted as of January 2017, including the recognition of compensations for injuries resulting from the non-compliance of the Adjustment Agreement by the National Government, not only regarding the Integral Tariff Review but also the Transition Tariff Schedule as well.

In that report, we provided a detail of the receivables for damages sustained from the breach of the agreements in force by the National Government, the allocation of the amounts received and the transfers made by the National Government pursuant to Secretariat of Electric Energy Resolutions No. 250 and 32 and Ministry of Energy & Mining Resolution No.7, and the Liabilities we incurred as a result of the tariff lag which meant the deterioration of our economic and financial situation.

Another matter we have to mention is our electricity dependent customers. On May this year, Law No. 27,351 was passed, which guarantees the permanent and free-of-charge supply of electricity to those individuals who qualify as dependent on power for reasons of health and who require medical equipment to avoid risks in their lives or health. The law provides that the account holder of the service or its cohabitant registered as 'Electricity dependent for reasons of health' will be exempt from the payment of any and all connection fees and will be benefit from a special free of charge tariff treatment.



On July, the ENRE issued Resolution No. 292 providing that those discounts are to be made as from the effective date of the aforementioned law, and instructing CAMMESA to implement those discounts in its billing to distribution companies. The amounts paid by customers for the bills that fall under the scope of this Resolution will be made available within the stipulated time limits.

Turning into other subject, in relation with the Comprehensive Tariff Review revenue recognition, on July 27, this year, the ENRE issued Resolution No. 329, which sets forth the procedure applicable to the billing of deferred revenues. Such amounts will be adjusted as of February 2018, by applying the "Methodology for the Redetermination of the Company's Recognized Own Distribution Costs" set forth in ENRE Resolution No. 63 issued this year, which granted the tariff increase.

As of June 2017, the amount arising from deferred revenues and not recognized by the Company in its financial statements amounts approximately to 2.3 billion pesos.

Moving to the Framework Agreement, on August 3, this year, the Company and the National and Provincial Governments executed an extension to this agreement until September 2017. The execution of this extension represented in the quarter the recognition of revenues in our favor related to the distribution of electricity to low-income neighborhoods and shantytowns for the period from January 2015 to June 2017 in the amount of 203 million pesos.

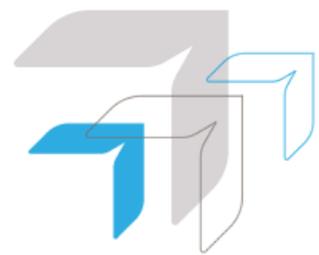
Last but not least, and in connection with the stock reduction we mentioned in our last conference call, we should say we remain in the same situation. Due to the fact that our negative annual loss as of December 2016, exceeded 100% of our reserves and more than 50% of our capital stock, we were required to mandatorily reduce our capital stock, in accordance with the Argentine Corporations Law. On April 18, this year, the issue was discussed in our shareholders' meeting, where there was decided not to approve the capital stock reduction at that time and leave the decision linked to the results of the following two quarters. As of March and June, 2017, the company's positive retained earnings were enough to avoid the mandatory Capital Stock Reduction situation.

Lastly, and as a result of the Integral Tariff Review resolution, the Company is facing new demands and obligations for the following five years. In this connection, we aim to improve our investments and operational efficiency in order to comply with the challenging quality standards that the electric public utility requires, and reach the results our shareholders deserve.

To lead this change, today we are launching our new brand and identity. At Edenor, we are evolving towards a closer and more efficient company. We seek to recover our leading role in society, enhance the bond with our customers, and be active players of the times by incorporating technology and innovation.

This evolution also reaches our brand and how we communicate with our stakeholders. Edenor is more than just electricity: it is power that is also reflected in our brand.

From now on, we are incorporating the green color, which represents the future of energy and efficiency. The light-blue color, which represents proximity and our commitment to the country. Blue identifies our history.



These two energy-filled points merge to open up a new stage for Edenor, a change which will be led by every person making up this company.

Edenor's evolution has already begun, and in the next few days our new identity system will start to be disclosed.

Now, taking into consideration our results in the second quarter of 2017, net sales increased by 112%, reaching about 5.8 billion pesos, compared to 2.7 billion pesos for the same period in 2016. This increase is mainly explained by the application of the first stage of the tariff increase, of 42%, effective as from February 2017, following the implementation of the Integral Tariff Review under ENRE Resolution No. 63. Net sales also included 203 million pesos from the execution of the extension to the Framework Agreement aforementioned.

The increase in the amount of sales was partially offset by a 6.8% decrease in the volume of energy sales, which reached 5.3 TWh in the second quarter of 2017, against 5.7 TWh for the same period in 2016, mainly due to a 12% decrease in the demand by residential customers, as well as a 6.7% decrease in the demand by small and medium commercial customers. As regards the residential demand, the lower consumption is mainly due to weather conditions, as during the months of May and June temperatures were on average more than 3° C higher than in 2016, with less occurrence of extremely low temperatures. Furthermore, the decrease in consumption by commercial customers is mainly attributable to a slight fall in the economic activity in certain sectors and to a more rational use of energy. Besides, Edenor's customer base increased by 1.8%.

The electricity power purchases increased 126% to 3.3 billion pesos in the second quarter 2017 compared to 1.5 billion pesos in the same period the last year, mainly due to an approximate 176% increase in the purchase average price resulting from the entry into force of the new seasonal prices for electricity, set forth by Resolution 20 of the Secretariat of Electricity Energy. However, the reference seasonal price for residential users still has an approximate 50% subsidy, taking into consideration the system's average generation cost. Additionally, even though the energy loss rate decreased by 17.2% in the second quarter this year, against 18.2% in the same period of 2016, because of the demand decline, its associated cost increased by 100% following the application of the new seasonal price for its determination.

Meanwhile, operating expenses decreased by 21% to 2 billion pesos, in the second quarter this year, against 2.6 billion pesos in the same period 2016, mainly due to an 800 million pesos decrease in penalties resulting from changes introduced by ENRE Note No. 125.248, both in the calculation methodology and in the criteria for their adjustment. This effect was partially offset by a 76 million pesos increase in salaries, social security taxes and pension plans as a result of the 6% salary increase granted on March, 2017, in addition to another 6% agreed since November last year; a 40 million pesos increase in the allowance for the impairment of trade and other receivables as a result of the tariff increase pursuant to the RTI, and a 47 million pesos increase in fees and remuneration for services, mainly attributable to the incorporation of the meter reading personnel into the 'Luz y Fuerza' union.

Arriving to our net operating income, it had an increase of 1.8 billion pesos, recording profits for about 300 million pesos in the second term this year, in comparison with losses of 1.5 billion pesos for the same period in 2016. This positive result was mainly due to the 42% tariff increase granted



by the RTI in February, 2017, which was partially offset by the increase in the average purchase price and its impact on losses, and the decrease in operating costs explained before.

Regarding our financial results, they experienced an 88% decrease, with an approximate 427 million pesos loss in the second quarter of 2017, against 227 million pesos loss for the same period last year. The main reason was a higher negative impact of foreign exchange rate variations, which amounted to 181 million pesos, as a result of an acceleration in the domestic currency depreciation rate against the U.S. Dollar, the currency in which our financial debt is denominated, also resulting into a higher financial interest charge. This loss was partially offset by a 35 million pesos increase in the results of financial placements of temporarily available surplus funds.

Finally, net results showed a 1.0 billion pesos increase, reaching a 53 million pesos loss in the second term this year, against a 1,060 million loss for the same period in 2016. This is mainly accounted for by the explained improvement in operating results, which was partially offset by higher financial losses.

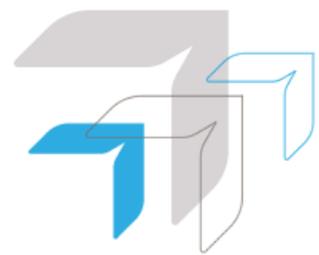
Talking about Edenor's adjusted EBITDA, it resulted in a gain of 424 million pesos in the second quarter this year, compared to a loss of 815 million pesos for the same quarter of 2016. In the second term last year, the EBITDA includes an adjustment for non-recurring items associated with adjustments by the ENRE and a reclassification of financial interest on the balance of sanctioned penalties for a total amount of 505 million pesos.

Regarding Edenor's capital expenditures, during the second quarter of 2017 our investments totalized 962 million pesos, compared to 711 million pesos in the same quarter of the last year, from which a 80% corresponds to network infrastructure and expansion, and the remaining 20% to network maintenance.

The increase in investments results from the start of our ambitious 5-years plan, which was seriously and adversely affected in the first year of its implementation by the partial deferral of revenues increase granted by the RTI in 48 installments as from February 2018. Consequently, we outlined an investment plan in line with this new scenario, which is currently being executed in its entirety.

Finally, taking into account our energy losses, they showed a decreased of 1% on a GWh basis for the second quarter 2017, in comparison with the same period of 2016. However, its amount increased in 123 million pesos, as a result of the grown up by 100% in their cost, following the application of the new seasonal price, amounting a loss of 321 million pesos for the second term this year. Furthermore, during this period the Market Discipline Plan for the following five years was launched aiming to detect and normalize irregular connections and electricity theft and frauds, which is expected to be intensified in the following months until reaching the level of actions necessary to meet with the defined loss reduction goals.

So this concludes my review on Edenor, I will now leave you with Lida Wang, Investor Relations manager at Pampa Energía, who will review other relevant events of the group, as well as the consolidated results. After that, we will be open for questions.



**Lida Wang**

Good morning everyone and thank you Leandro. I will give a quick recap of all what has been going on since our last call on May.

So, let's begin talking about the consolidated results. In the second quarter of 2017 we recorded an EBITDA of 3.9 billion pesos, compared to an EBITDA of 186 million pesos in the same period of 2016. Let me remind you all that in the second quarter of 2017, Pampa's figures fully contains former Petrobras Argentina's results as they merged from November of last year.

The large variation was due to increases of 579 million pesos in power generation, 1,240 million pesos in electricity distribution, 1,549 million pesos in oil and gas segment, 80 million pesos in refining and distribution, 77 million pesos in petrochemicals, 148 million pesos in holding and others plus intersegment eliminations.

The higher EBITDA of 579 million pesos at our generation segment was mainly given by a larger dispatch, which increased by 80% quarter over quarter, mainly due to the inclusion as of August 2016 of former Petrobras Argentina's assets, which during the quarter contributed sales by 1,646 GWh out of the total 4,102 GWh sold. Moreover, the higher sales were also driven by the commissioning of the 105 MW gas turbine at Loma in July 2016 and higher availability of gas in the region, partially offset by lesser generation at Güemes due to technical problems in the steam turbines and lower performance of Piedra Buena due to the extension of programmed maintenance and unavailability at both units.

In addition, during the entire Q2 2017 the legacy capacity was billed under the new remuneration scheme in US dollars: minimum remuneration in April and scaled to base remuneration as from May, as thermal units began to be tested their committed to its real availabilities. In the same period of last year, legacy capacity was remunerated under the old scheme, in pesos and at lower US\$ terms. Peso devaluation also positively impacted our EBITDA, since besides legacy capacity we hold US dollar PPAs to CAMMESA and Energía Plus. All these effects were partially offset by increasing operating costs from labor and maintenance services.

Regarding the latest updates in this segment, more than a week ago we commissioned the first of the four expansion projects we are building within last year's power tenders, the gas turbine number 5 at Loma de la Lata power plant. We proudly say that we achieved this milestone according to the terms and conditions of the PPA signed with CAMMESA, as well as this is the second consecutive year that Pampa has been adding capacity to the Argentine Grid. The 105 MW turbine increased the total capacity of Loma to 750 MW and required an investment of approximately US\$90 million.

About the remaining three expansion projects, they are all in good track: Pilar is expected to commission at the end of this month and Piedra Buena's addition at the end of this year. The Corti wind farm is on track, currently building the base of the windmills, which so far we have done seven. The power plant is expected to be online in the mid-Q2 of next year.

In addition, last June a new power tender was called, requesting co-generation and closing to combined cycle projects over already existing equipment. Awarded projects will sign a 15-year



PPAs in dollars with CAMMESA. Pampa presented three projects, being the closing of Genelba the most important and ambitious one, in addition to the closing of cycle at Loma and a co-generation project built within our Puerto General San Martín Petrochemical complex. Should all three projects be awarded, they would be commissioning by 2020 and adding 524 MW of installed capacity to the Grid. We will know which projects are awarded next September 22.

Moreover, last month we signed a PPA with CAMMESA remunerating the gas turbine number 4 we commissioned last year, which was built against the collection of CAMMESA credits. 76% of the turbine will be charging monthly almost US\$17 thousand per MW installed, while the remaining will charge as legacy capacity, currently at 6,000.

Last in Power Generation news, regarding the merger of Loma with EASA and IEASA, the involved companies' shareholders meetings resolved to defer the merger approval discussions until approval was obtained from the Electricity Regulator ENRE, which is still pending.

Moving on briefly to the distribution segment which was previously reviewed by Leandro, during the second quarter of 2017 the EBITDA increased by 1.2 billion pesos on a consolidated basis compared to the same period of 2016, mainly because of the gradual application of the RTI tariff increase set in February of this year in addition to last year's injunction that negatively affected Q2 2016 performance, partially offset by higher cost of energy purchases.

In the oil and gas segment, regarding the results in the second quarter of 2017 we posted an adjusted EBITDA of 2.3 billion pesos, compared to 704 million pesos in the same period of 2016, mainly due to the production increase through the inclusion of ex-Petrobras Argentina since August 2016, which contributed 50 thousand barrels of oil equivalent per day out of the total 72 thousand barrels of oil equivalent per day produced in Q2 17, composed by 179 million cubic feet per day of natural gas production and 21 thousand barrels per day of crude oil production. These figures include PELSAs. In addition, Petrolera Pampa's gas production increased 12% quarter over quarter to 106 million cubic feet per day plus 4 thousand barrels per day of oil production, mainly as a result of our partnership with YPF in the Rincón del Mangrullo block and the service provided in Medanito La Pampa. In total and only considering Argentina, during the Q2 of 2017 Pampa produced on average 22 thousand barrels of crude oil and 285 million cubic feet of gas per day.

Segment's performance was driven by improved gas prices in pesos, due to the effect of the peso devaluation since they are denominated in US\$, partially offset by higher operating costs from higher production volume. Keep in mind that Petrolera Pampa was conceived as a sole gas upstream company, being almost all its production sold to wholesale market such as industrials, power plants and Cammesa, achieving during Q2 2017 an average sale price of 7.4 dollars per million of BTU. In the case of former Petrobras Argentina and PELSAs' production 61% is linked to gas upstream, having an important weight from Plan Gas subsidy but a broader price range since it sells to residential as well, achieving 5.5 dollars per million of BTU. On weighted average including the Plan Gas subsidy, Pampa's consolidated sale price of gas during the quarter was 6.2 dollars per million of BTU.

Our crude oil production, which I was commenting before, that reached to 22 thousand barrels of daily production is entirely loaded to our refinery in Bahía Blanca. The Peso denominated barrel of oil price decreases compared year over year, as the dollar denominated barrel is going down



because the country shrunk the spread between the domestic and international prices, currently selling at a price of 54 dollars per barrel.

In the oil and gas segment, during the second quarter of 2017 we continued with our investment plan budgeted for this year of 70 wells drilled and completed, being as of June 2017 41 wells drilled. Our focus is the development of blocks with tight gas reservoirs located in Neuquén basin, which are Rincón del Mangrullo, El Mangrullo, Rio Neuquén and Sierra Chata. In the tight gas blocks, during last quarter we drilled 8 wells and completed 6 wells. Hence, our consolidated gas production run rate keeps slightly higher but very close to Q1 17 performance, being around 280 million cubic feet per day. As we said before, these blocks and their associated reservoirs are prospective, creating an upside potential that we plan to keep the same strategy over our investment plan throughout 2017.

In addition, this quarter we must highlight the exploration campaign, in which we finished and cased a well with 2,500 meters of horizontal leg in Parva Negra Este block. This well drilled to Vaca Muerta will assess the potential of the area. We are working to complete the well and expecting results in the next few months.

Pampa's E&P is working very hard to achieve by early 2018 an approximately 15% increase in gas compression, treatment and delivery capacity in Mangrullo and Sierra Chata areas. The engineering stage is finished and the long lead items are being manufactured, therefore according to schedule works are expected to start in the Q3 of this year. We are also expanding Sierra Chata gas gathering system to optimize and allow new wells connection.

Regarding crude oil, it is important to highlight that this investments were made considering a benchmark return and domestic and international pricing environment. Hence, we have been only focusing our development efforts at Medanito and PELSA, blocks in which so far we've drilled 10 wells and completed another 8. The production run rate is lower by 2 thousand barrels per day to the one reported on Q1 17, mainly because of the climate issues that affected El Tordillo block in Chubut province.

Finally, we continue negotiating with the provincial authorities to obtain new unconventional concessions in blocks Sierra Chata and El Mangrullo. The investment plan we expect to execute will secure the new Plan Gas provisions within our operated gas portfolio of assets. Therefore, we may be guaranteed the floor price of 7.5 dollar per million of BTU on 2018 and declining by 50 cents of dollar each year until 2021. In this sense, on August 1<sup>st</sup> our partner and operator at Rincón del Mangrullo block, YPF, reached an agreement with the Neuquén province to be granted an unconventional exploitation license for 35 years, in exchange of a US\$150 million investment commitment destined to further develop tight gas at Mulichinco formation and explore the potential in Las Lajas and Vaca Muerta formations. Pampa, through Petrolera Pampa, only participates in the Block's tight gas development at 50% stake, so 25% of the total commitment corresponds to our share.

Downstream business, comprised by refining, distribution and petrochemicals segments came along with the acquisition of former Petrobras Argentina, which were not part of the original portfolio of assets of Pampa.



In the second quarter of this year, refining and marketing posted an adjusted EBITDA of 80 million pesos, which considers Refinor's EBITDA adjusted by ownership, a company where Pampa holds 28.5% stake.

In operating terms, total sales volume of refined products totaled 480 thousand m3 in Q2 2017, a little lower level to the 506 thousand m3 recorded in Q2 16. Gross margin during Q2 17 decreased to 12% over sales, in comparison to 17% of gross margin reached in Q2 16, mainly explained by larger operating costs and higher costs of crude oil, which it is converging towards export parity, but was affected by the devaluation of Argentine Peso since prices are denominated in US dollars. These effects were partially offset by the improvements in sales prices of diesel oil and gasoline, which are mainly sold to brokers and gas stations, and IFOs sold to the shipping sector.

In the latest news of this business segment, following the Secretariat of Hydrocarbon Resources Resolution No. 5/16 addressing the diesel oil quality, Pampa is currently carrying out a tender process for the construction and commissioning of a hydro-treatment unit, estimated to be operating and dispatching the adequate fuel quality throughout the year 2020. Also, aiming to facilitate the fuel oil supply to Piedra Buena and secure a sales channel for the Bahía Blanca Refinery, Pampa has called a tender for the construction of a pipe to connect both assets fully owned by the Company. Construction works under the project are estimated to begin during the second half of 2017, and commissioning is expected in the second quarter of 2018.

Lastly, on July 1, 2017 the Company has adjusted the prices of gasoline and diesel oil sold in our gas stations, rounding an increase of 7% and 6%, respectively.

In petrochemicals, we posted an adjusted EBITDA of 77 million pesos during the second quarter of 2017. In operating terms, total sales volume increased by 9% in Q2 17 compared to same period of 2016. Gross margin increased as well to 10% of sales, compared to 8% of sales recorded salt year Q2. This was mainly driven by the improvement of international commodity prices denominated in US dollars, which along with the Peso devaluation reflected in Q2 17 an increase in sales expressed in Argentine Pesos, partially offset by higher operating and raw materials' costs, denominated in US dollars as well.

Finally, our holding and others segment presented an EBITDA of 58 million pesos in the second quarter of 2017, compared to a loss of 55 million pesos in the same period of 2016. This is mainly due to the addition of former Petrobras Argentina's corporate structure since August 2016, which contributed higher operating expenses of 396 million pesos. In addition, on second quarter of 2017 our indirect stake in TGS through former Petrobras Argentina is recorded at the holding and others segment as 'Results for participation in joint businesses'. We remove its equity net income and add back TGS's EBITDA adjusted by our indirect stake of 25.5%, posting 327 million pesos in the quarter. This figure is higher than same period in 2016, mainly explained by the tariff increase of 64% from the implementation of the first out of three installments resulting from the RTI for gas transportation business, effective as of April 2017 along with the margin improvement in the liquids segment, due to prices as well as nominal exchange rate. Again, keep in mind we started to consider TGS's ownership adjusted results as of the takeover of former Petrobras Argentina.

Moreover, on second quarter of 2017, the results from our participation in Transener no longer are shown as a sole segment but they are recorded under the line 'Results for participation in joint



businesses' of holding and others segment. Likewise, we remove its equity net income by adding back Transener's EBITDA adjusted by our indirect shareholding of 26.3%, contributing 223 million pesos in the quarter, compared to a loss of 4 million pesos in the same period of 2016, mainly explained by the application of RTI tariff scheme as of February of this year and acknowledgment of higher costs. On June 19, 2017, CAMMESA made its final disbursement under the Loan Agreements executed with Transener and Transba, consequently offsetting all credits from cost variations recognized in the Instrumental Agreement and amendments.

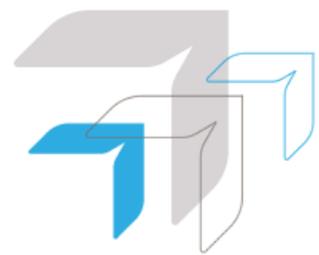
Moving to the latest news in the segment, since the acquisition of Petrobras Argentina, Pampa began a corporate reorganization process in order to make the Company's structure more efficient by getting significant advantages related to higher operating efficiency, optimized use of available resources and better use of technical, administrative and financial structures, among other improvements. In this regard, on last June the Board instructed the management to assess merging Pampa, as the acquiring company, and certain companies within the group as acquired companies, such as Güemes, Loma, Piedra Buena –which are fully-owned gencos- and EG3, out refining and marketing subsidiary. This reorganization process of merger is scheduled to be effective as from October 2017.

Moreover, with the objective of aligning the senior management's interest with the Company shareholders' by rewarding them only if there is also value created for shareholders, on June 2017 the Board approved the execution of compensation agreements with the Company's senior management. The agreements mainly stipulates a compensation of 3% over the increase of Pampa's market capitalization, of which only is cashable per year the half of it and up to 1.5% of the Adjusted EBITDA of the period to be remunerated. The agreement also considers a High-Water Mark provision and its payment will be subject to a previous approval of the Shareholders' Meeting, which will take place every fiscal year. Moreover, Pampa will deduct from the compensation the amounts that the beneficiaries would have received through bonuses and/or similar items from other subsidiaries of Pampa, if any, adjusted by the Company's ownership in these companies.

Said compensation agreements' were based on a report prepared by Spencer Stuart, an international well-known consulting firm specialized in the matter, in line with domestic and United States' standards.

In terms of net income, Pampa presented a consolidated gain of 51 million pesos in the second quarter of 2017, of which 91 million pesos loss corresponds to the shareholders of the Company, compared to the loss of 669 million pesos in the same period of 2016. This is mainly explained by the addition of former Petrobras Argentina assets and better pricing as a result of tariff reviews and increases in remuneration, partially offset by financial net exchange differences from peso devaluation.

Finally, moving on to news related to debt, it is worth highlighting that the leverage of the Company is still quite low compared to other peers in the same industry. As of June 30, the gross consolidated debt including affiliates debt at ownership, reached to US\$2 billion, of which 95% is denominated in US\$ and 71% placed at stand-alone level. Net of cash, it amounts to US\$1.3 billion. The average interest rates are almost 7% in US\$ and less than 21% AR\$; average life is slightly above 6 years.



As the capital demands would become higher if Pampa engages in further expansion projects of any kind, the management wants to diversify as much as possible the sources of funding so can capture as much capital at the most optimal way. In this sense, on July 28 Loma engaged a credit facility with Crédit Agricole and Finnish Export Credit Limited for an amount up to US\$55 million. This facility is sponsored by the Republic of Finland's Export Agency, known as Finnvera, and facility will bear an interest rate of six-month Libor plus a margin and a guarantee premium. Principal will be repaid in 7 years. The proceeds will finance of the expansion currently being built in Bahía Blanca, project carried out under the 2016 power tenders, consisting in the installation of Finnish Wärtsilä 100 MW capacity engines, which commissioning is scheduled on December 31, 2017.

Finally, within the actions to optimize financing costs and reach an efficient debt structure, the Company redeemed Güemes' series 7 for 173 million pesos and Petrolera Pampa's series 2 for 525 million pesos. Moreover, Petrolera Pampa executed loans with banks for US\$105 million at an average rate of 3.9% and maturing between one to three years, while Pampa engaged bank loans for US\$152 million at an average of 4% rate and due between one to two years.

So this concludes our presentation. Now, I will turn the word to the operator, who will open the floor for questions. Thank you.

**Leandro Montero**

Finally, it's worth mentioning that this year Edenor is celebrating its 25th anniversary since the Company was created, as well as its 10th anniversary since it is listed at the New York Stock Exchange. Because of that, we would like to invite you all, our investors, fund managers, traders and financial analysts to join us in the Opening Bell and Investor Day to be held in the morning of September 12 at the NYSE. Please, contact our IR Team for further information about this event. We hope to see you all there.



# **Pampa & Edenor Joint Q2 17 Results Call**

August 14, 2017

10 AM EST / 11 AM ART

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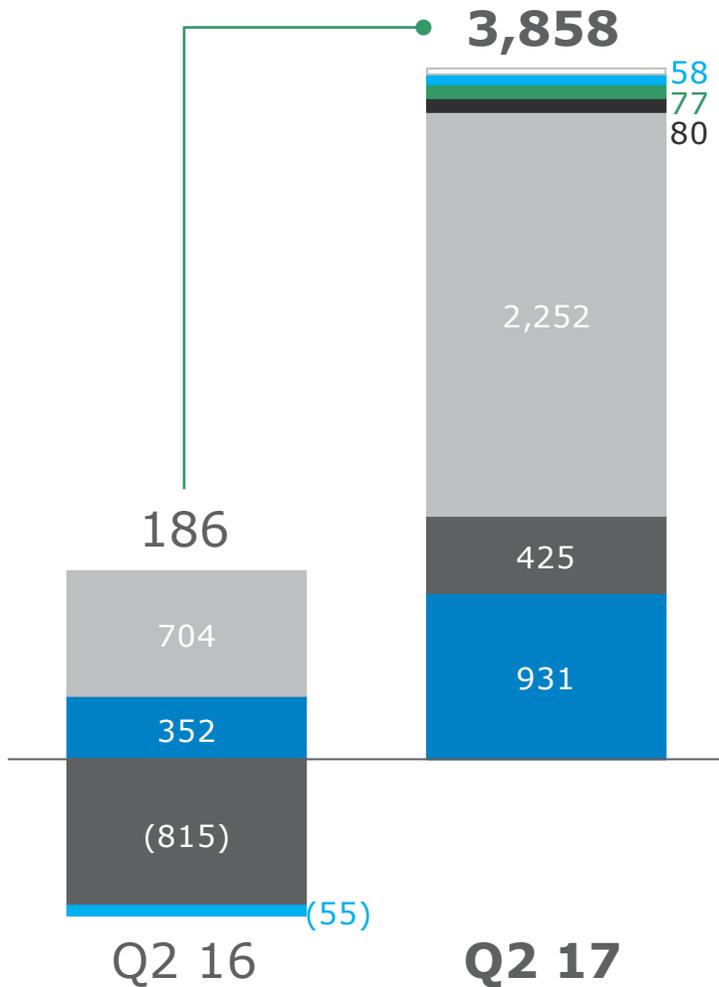
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# Today's Agenda

- **Edenor, presented by Leandro Montero, CFO**
- **Pampa, presented by Lida Wang, IRO**
  - Q2 17 results by business segment
    - *Power Generation*
    - *Oil & Gas Upstream*
    - *Refining & Distribution*
    - *Petrochemicals*
    - *Holding & Others*
  - Cash and Debt

# Q2 17 Consolidated Results

**Adjusted EBITDA<sup>1</sup>**  
In million AR\$



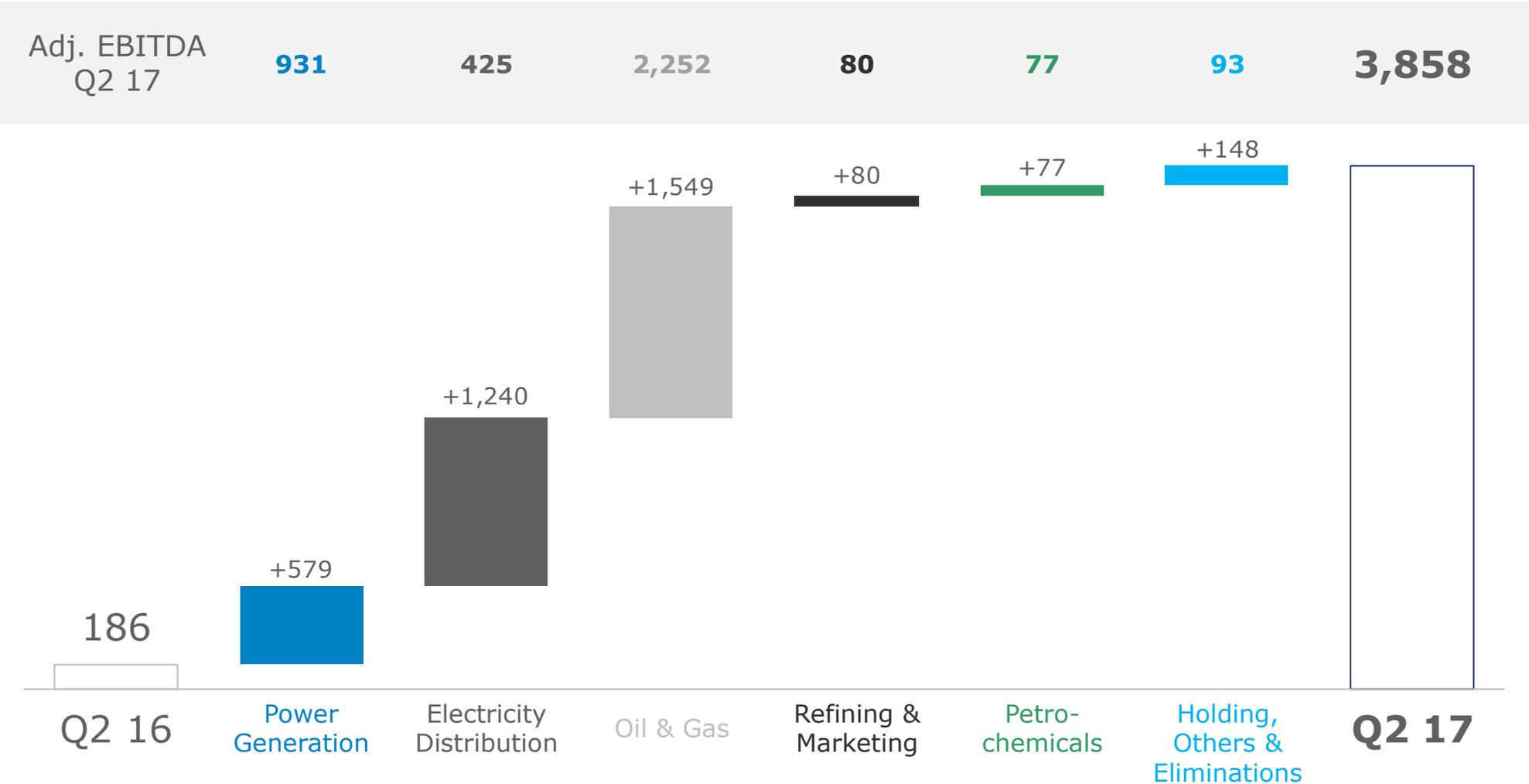
Segment	Q2 16	Q2 17
Power Generation	352	<b>931</b>
Electricity Distribution	(815)	<b>425</b>
Oil & Gas	704	<b>2,252</b>
Refining & Marketing	-	<b>80</b>
Petrochemicals	-	<b>77</b>
Holding and Others	(55)	<b>58</b>
Eliminations	-	<b>35</b>
<b>Total</b>	<b>186</b>	<b>3,858</b>

(1) Consolidated adjusted EBITDA represents the consolidated results before net financial results, income tax and minimum notional income tax, depreciations and amortizations, non-recurring incomes and expenses and non-controlling interests, and includes other incomes not accrued and other adjustments from the IFRS implementation, as well as affiliates EBITDA's at ownership. For more information, please refer to section 3 of the Earnings Release.

# Q2 17 Consolidated Results

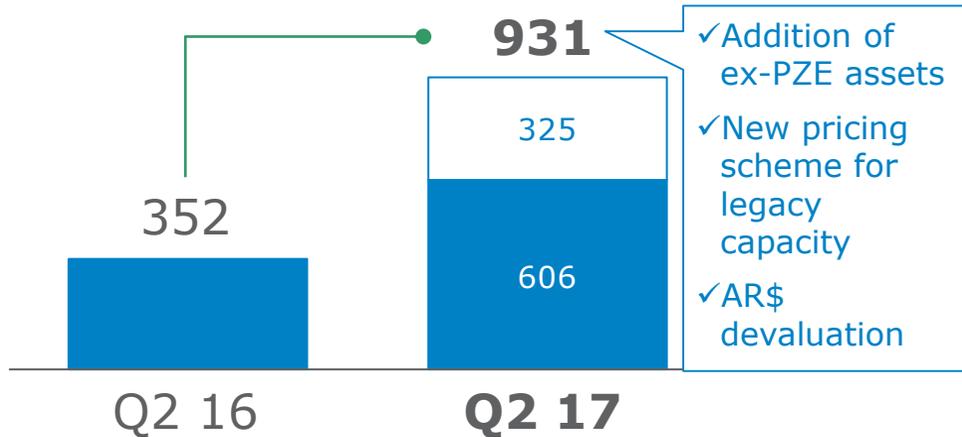


## Adjusted EBITDA In million AR\$

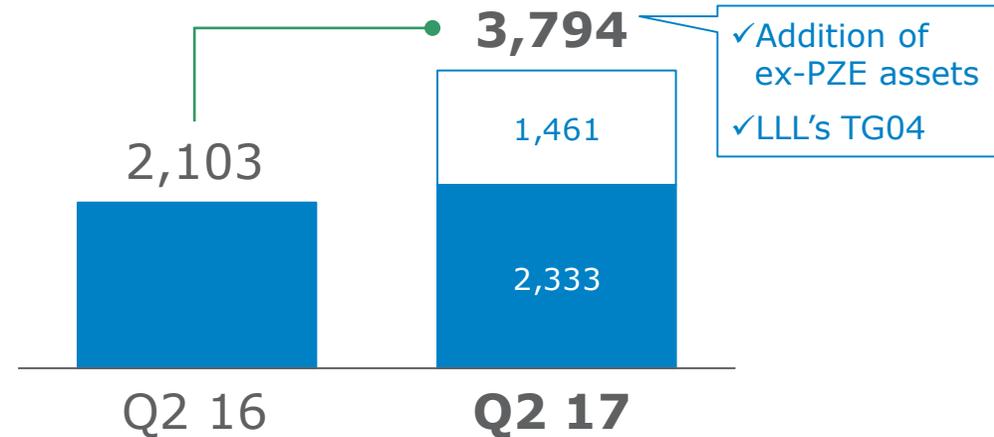


# Power Generation

**Adjusted EBITDA**  
In million AR\$



**Generation Performance**  
In GWh

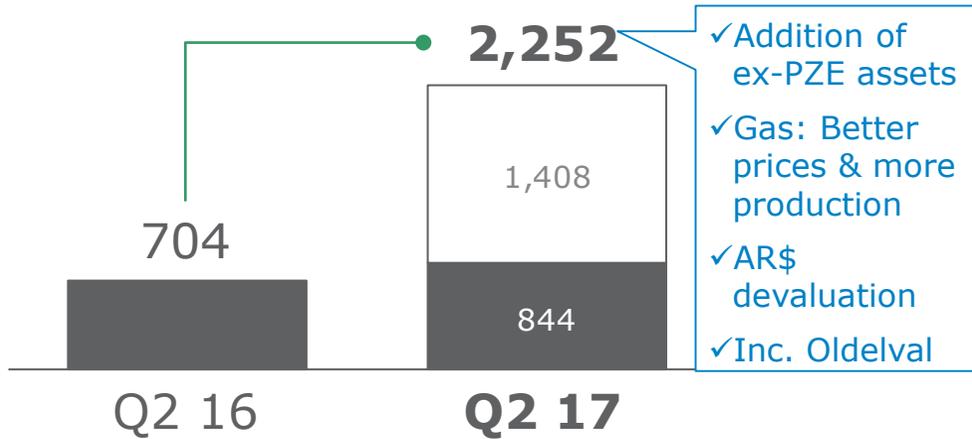


## News Update

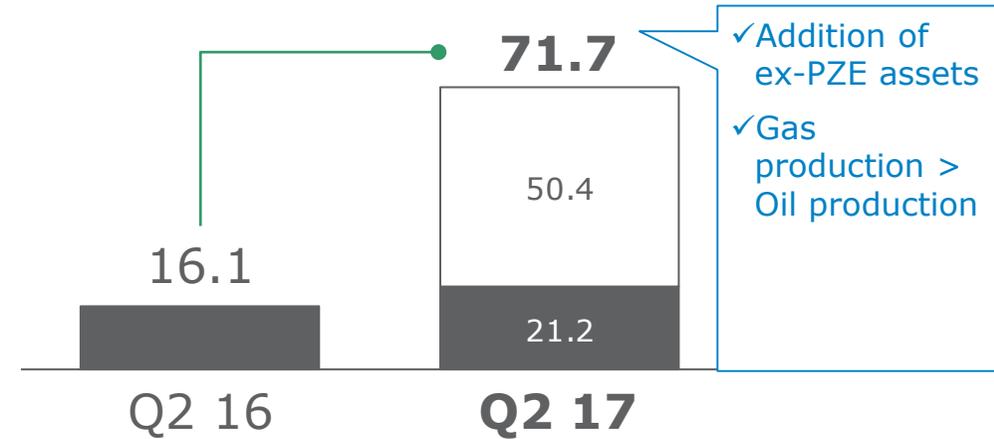
- Commissioning of a new turbine in Central Térmica Loma de la Lata
- Status of remaining expansion projects
- Call for new power generation projects
- Execution of PPA within the Agreement to Increase the Thermal Generation Availability 2014 framework
- Pending merger of CTLL, EASA and IEASA

# Oil & Gas

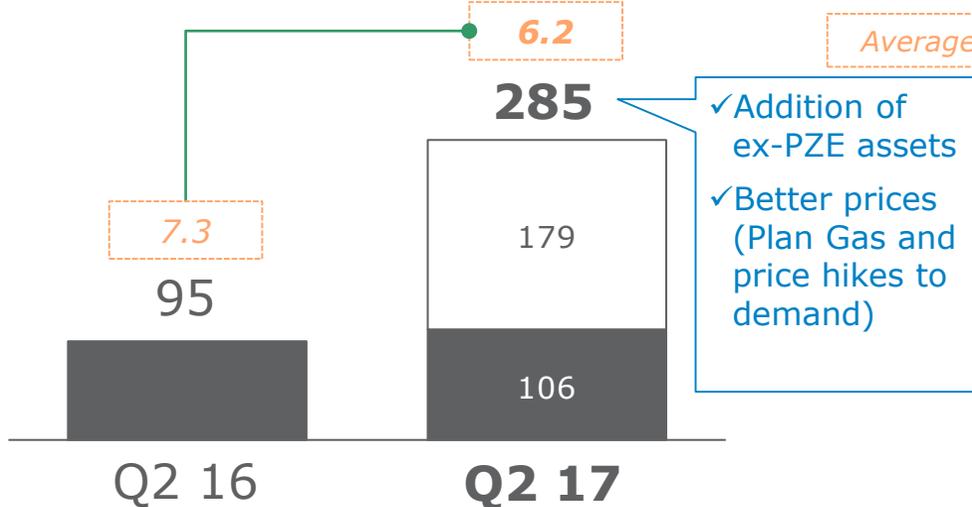
**Adjusted EBITDA**  
In million AR\$



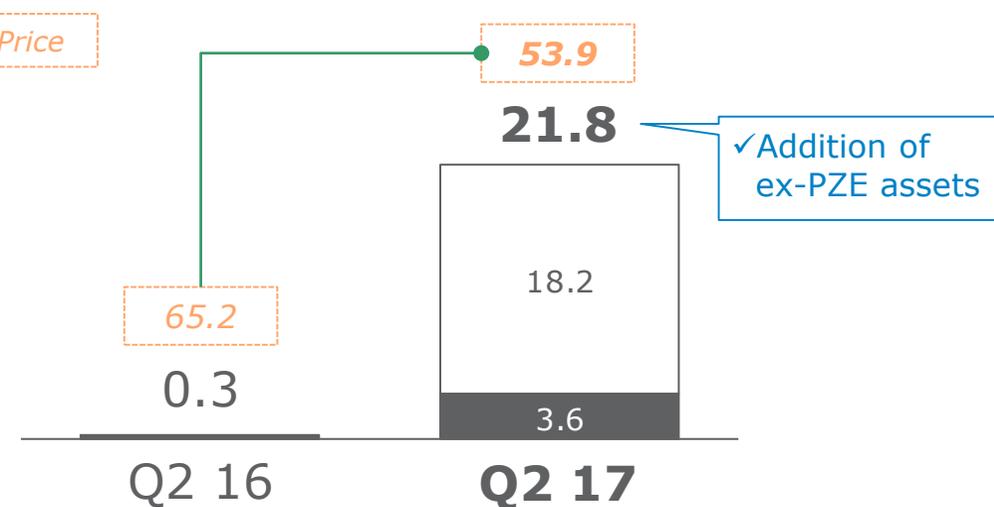
**Total Production Performance**  
In kboe per day



**Argentina Gas Production Performance**  
In mcf/d



**Argentina Crude Oil Production Performance**  
In kb/d



# Oil & Gas



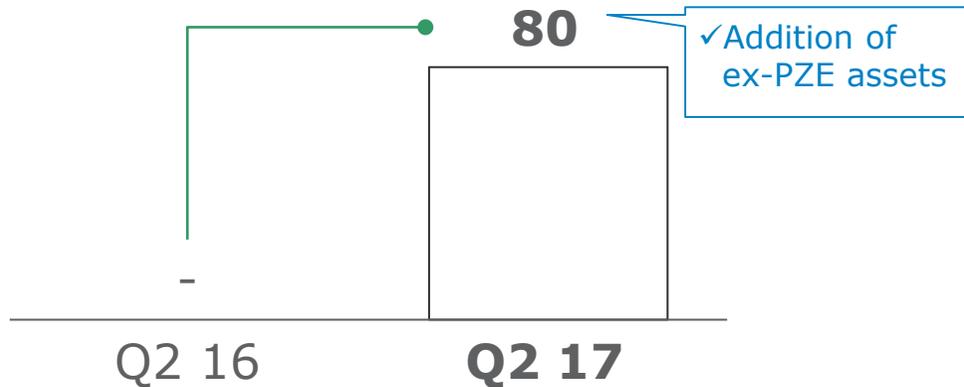
## News Update

- Status of well drilling program
- Status of investments in midstream services
- Crude oil production situation
- Plan Gas Resolution 46E/17: continuing negotiations with provincial authorities for unconventional licenses
  - Investment agreement in Rincón del Mangrullo Block

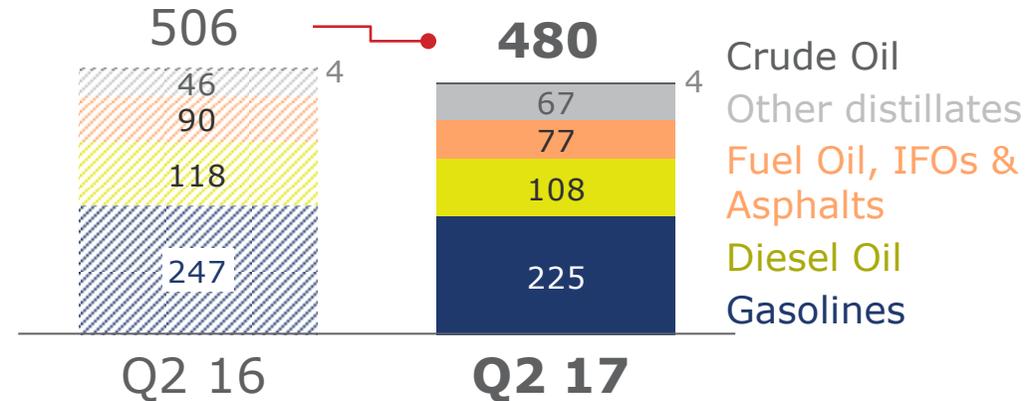
# Downstream: Refining & Marketing



**Adjusted EBITDA**  
In million AR\$



**Sales Performance**  
In thousand m3



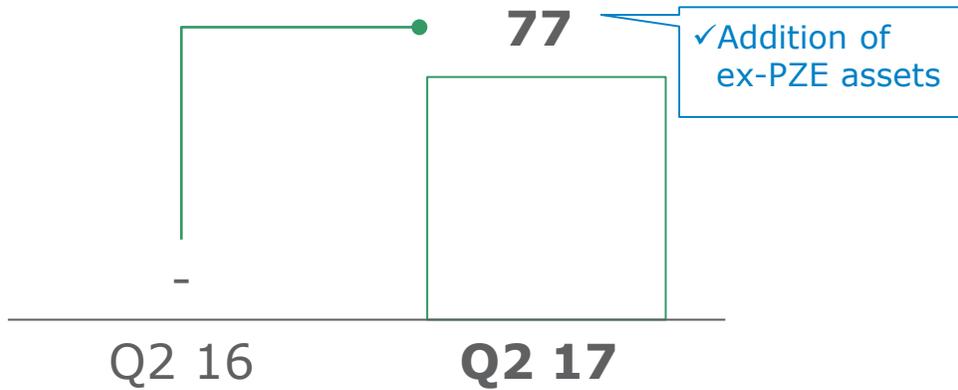
## News Update

- Actions Related to Fuel Specifications
- Investments for Vertical Integration Between Business Segments
- Increase in Fuel Prices Sold at Gas Stations

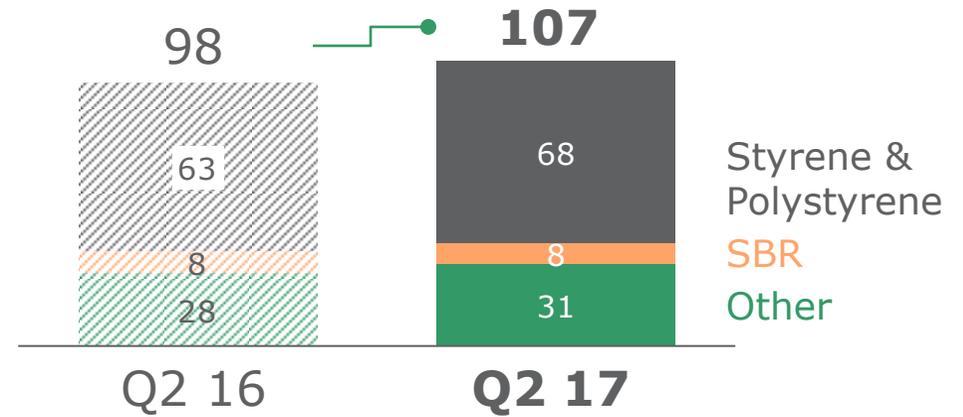
# Downstream: Petrochemicals



**Adjusted EBITDA**  
In million AR\$



**Sales Performance**  
In thousand ton

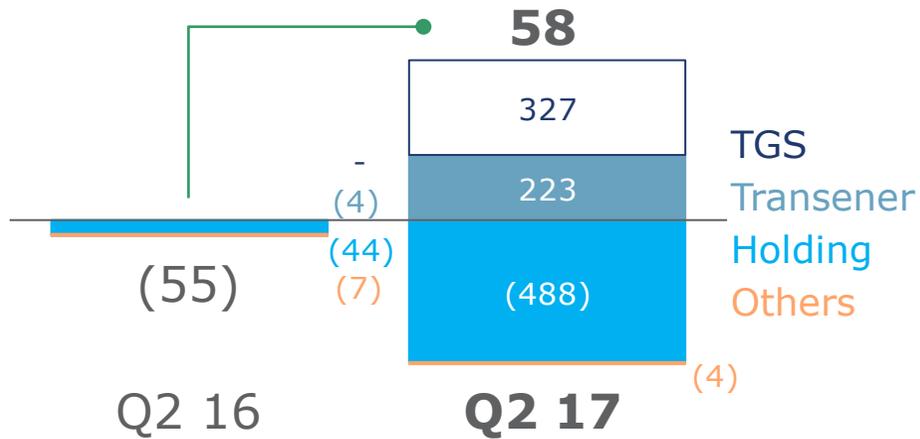


## News Update

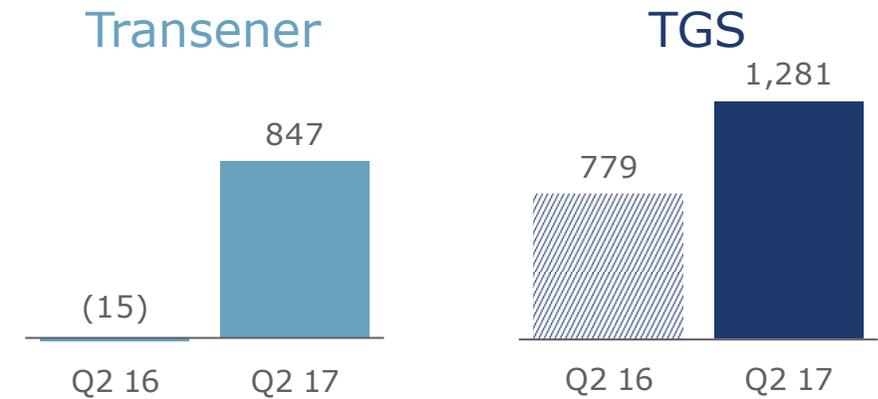
- *No news*

# Holding & Others

**Adjusted EBITDA**  
In million AR\$



**Affiliates' EBITDA Performance**  
In million AR\$



## News Update

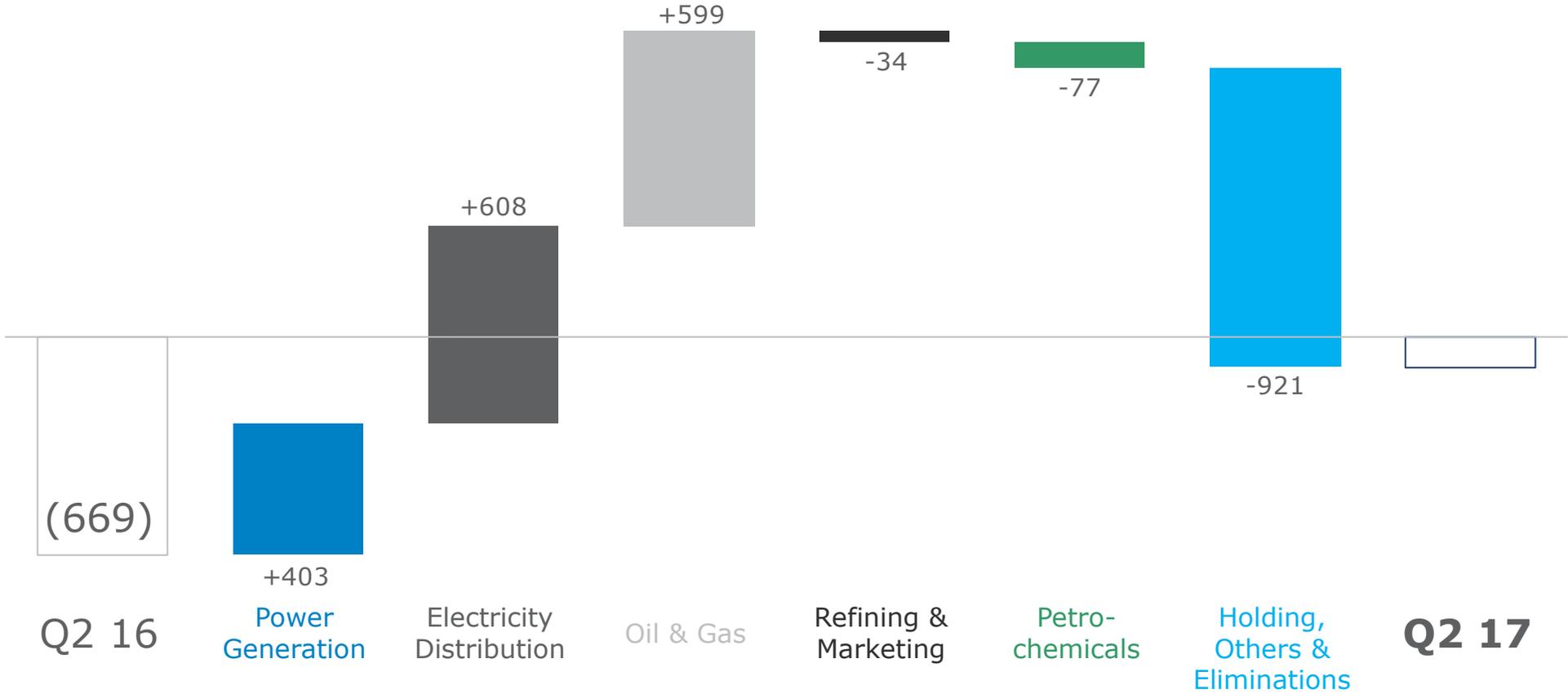
- End of Instrumental Agreement of Transener and Transba
- Merger of Pampa, CTG, CTLL, CPB, EG3 EG3 and Other Subsidiaries of Pampa
- Compensation Agreements for the Senior Management of Pampa

# Q2 17 Consolidated Results



## Net Income to Shareholders In million AR\$

Reported Q2 17 NI to Shareholders	<b>557</b>	<b>(20)</b>	<b>655</b>	<b>(34)</b>	<b>(77)</b>	<b>(1,172)</b>	<b>(91)</b>
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# Cash & Debt

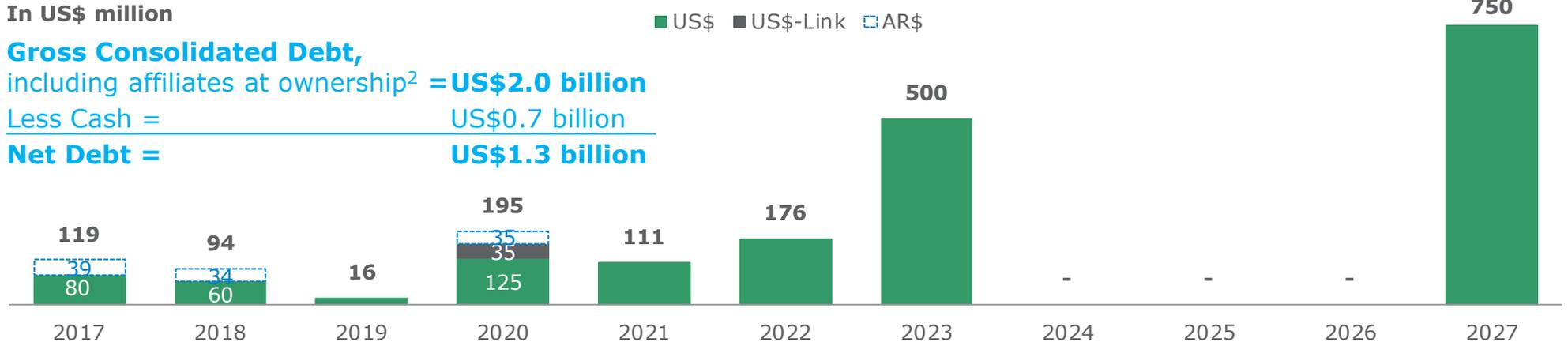
## Debt Profile as of June 30, 2017

In US\$ million

**Gross Consolidated Debt,**  
including affiliates at ownership<sup>2</sup> = **US\$2.0 billion**

Less Cash = **US\$0.7 billion**

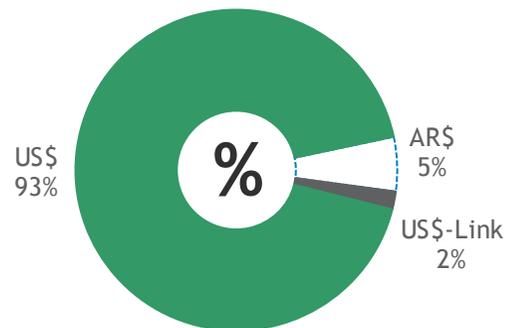
**Net Debt = US\$1.3 billion**



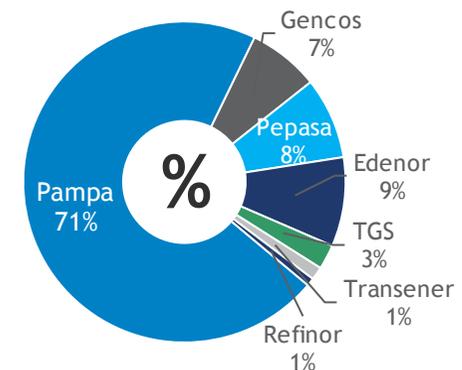
## News Update

- Loma de la Lata: Credit facility sponsored by Finnvera
- Loans with banks in US\$ at Petrolera Pampa & Pampa Energía
- Full redemption of Güemes' Series 7 Bond: AR\$173 million
- Full redemption of Petrolera Pampa's Series 2 Bond: AR\$525 million

## Gross Debt Breakdown by Currency



## Gross Debt Breakdown by Company



## Thank you! Any Questions?

For further information, contact:

- Gustavo Mariani Vice President
- Ricardo Torres Vice President
- Mariano Batistella Planning, Strategy & Related Companies Executive Director
- Lida Wang Investor Relations Officer

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