CONSOLIDATED FINANCIAL STATEMENTS

As of June 30, 2009 and December 31, 2008, and
for the six-month periods ended June 30, 2009 and 2008

Pampa Energía

PAMPA ENERGIA S.A.

CONSOLIDATED BALANCE SHEET
As of June 30, 2009 and December 31, 2008

(In Argentine Pesos ("Ps.") – unless otherwise stated)

	As of June 30, 2009 (Unaudited)	As of December 31, 2008 (Audited)
Assets		
Current Assets		
Cash and banks	129,771,679	121,685,278
Short-term investments	474,012,973	501,161,133
Trade receivables, net	716,164,359	756,469,713
Other receivables, net	210,923,041	207,270,901
Materials and spare parts	22,661,422	22,657,834
Inventories	5,095,793	22,215,885
Other assets	8,219,187	162,850
Total Current Assets	1,566,848,454	1,631,623,594
Non-Current Assets		
Trade receivables, net	244,783,043	191,133,395
Long-term investments	407,271,828	504,008,009
Other receivables, net	177,329,111	220,787,932
Materials and spare parts	28,420,547	16,808,927
Inventories	485,103	3,594,560
Fixed assets, net	5,991,223,667	5,504,672,088
Intangible assets, net	308,930,859	317,118,396
Other assets	124,384,784	135,750,887
Goodwill, net	579,276,743	612,680,752
Total Non- Current Assets	7,862,105,685	7,506,554,946
Total Assets	9,428,954,139	9,138,178,540
Liabilities		
Current Liabilities		
Accounts payable	459,622,456	579,635,012
Financial debt	408,984,878	167,033,039
Salaries and social security payable	119,824,832	128,469,107
Taxes payable	162,653,060	153,215,936
Other liabilities	189,405,967	86,710,525
Provisions	55,743,000	52,756,000
Total Current Liabilities	1,396,234,193	1,167,819,619
Non- Current Liabilities		
Accounts payable	79,378,782	78,275,344
Financial debt	1,900,945,786	2,031,000,665
Salaries and social security payable	55,370,423	52,228,145
Taxes payable	565,308,254	591,947,883
Other liabilities	353,614,491	340,130,039
Provisions	15,850,502	51,710,559
Total Non-Current Liabilities	2,970,468,238	3,145,292,635
Total Liabilities	4,366,702,431	4,313,112,254
Minority Interest	1,733,546,717	1,613,784,221
Shareholders´ Equity	3,328,704,991	3,211,282,065
Total Liabilities and Shareholders´ Equity	9,428,954,139	9,138,178,540

The accompanying notes are an integral part of these unaudited consolidated financial statements.

PAMPA ENERGIA S.A.

UNAUDITED CONSOLIDATED STATEMENT OF INCOME
For the six-month periods ended June 30, 2009 and 2008

(In Argentine Pesos ("Ps.") – unless otherwise stated)

	For the six-month periods ended June 30, 2009	2008
Sales	2,086,049,908	1,962,375,479
Cost of sales	(1,613,719,301)	(1,535,477,288)
Gross profit	472,330,607	426,898,191
Selling expenses	(62,107,072)	(69,396,303)
Administrative expenses	(135,997,901)	(115,427,161)
Goodwill amortization	(9,981,145)	(10,064,766)
Operating income	264,244,489	232,009,961
Financial and holding results		
Generated by assets		
Interest income	23,859,522	19,197,932
Taxes and bank commissions	(5,611,001)	(2,238,977)
Foreign currency exchange difference	88,012,867	(13,036,156)
Result of receivables measured at present value	(3,403,420)	3,053,692
Holding results on financial assets	94,431,348	427,376
Impairment of fixed assets and other assets	(17,617,332)	(31,390,812)
Other financial results	2,989,494	(4,121,874)
Generated by liabilities		
Interest expense	(106,973,389)	(86,115,362)
Foreign currency exchange difference	(183,007,686)	65,218,718
Result from repurchase of financial debt	209,936,300	-
Taxes and bank commissions	(9,221,342)	(7,567,119)
Other financial results	(4,110,536)	47,008
Total financial and holding results, net	89,284,825	(56,525,574)
Other income (expenses), net	15,116,100	(3,543,352)
Income before taxes and minority interest	368,645,414	171,941,035
Income tax and tax on assets	(98,235,392)	(66,775,853)
Minority interest	(74,239,894)	(47,205,638)
Net income for the period	196,170,128	57,959,544
Earnings per share (Note 3):		
Basic	0.1465	0.0380
Diluted	0.1436	0.0375

The accompanying notes are an integral part of these unadited consolidated financial statements.

PAMPA ENERGIA S.A.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
For the six-month periods ended June 30, 2009 and 2008

(In Argentine Pesos ("Ps.") – unless otherwise stated)

	Common Stock									
	Shares	Amount	Additional Paid-In Capital	Treasury Stock	Total	Reserve for Directors' options	Legal Reserve	Voluntary Reserve	Retained earnings	Total Shareholders' Equity
Balance at December 31, 2007 (Audited)	1,526,194,242	1,526,194,242	1,507,437,729	-	3,033,631,971	14,708,338	896,129	5,163,169	167,738,076	3,222,137,683
Setting up of reserves	-	-	-	-	-	-	10,012,637	-	(10,012,637)	-
Reserve for Directors' options	-	-	-	-	-	5,883,336	-	-	-	5,883,336
Net income for the period	-	-	-	-	-	-	-	-	57,959,544	57,959,544
Balance at June 30, 2008 (Unaudited)	1,526,194,242	1,526,194,242	1,507,437,729	-	3,033,631,971	20,591,674	10,908,766	5,163,169	215,684,983	3,285,980,563
Reserve for Directors' options	-	-	-	-	-	5,883,336	-	-	-	5,883,336
Acquisition of Company´s own shares	(126,426,196)	(126,426,196)	-	126,426,196	-	-	-	-	(120,848,801)	(120,848,801)
Distribution of dividends in advance	-	-	-	-	-	-	-	-	(16,797,217)	(16,797,217)
Net income for the six-month period	-	-	-	-	-	-	-	-	57,064,184	57,064,184
Balance at December 31, 2008 (Audited)	1,399,768,046	1,399,768,046	1,507,437,729	126,426,196	3,033,631,971	26,475,010	10,908,766	5,163,169	135,103,149	3,211,282,065
Setting up of reserves	-	-	-	-	-	-	5,751,186	(5,163,169)	(588,017)	-
Reserve for Directors' options	-	-	-	-	-	5,883,336	-	-	-	5,883,336
Acquisition of Company´s own shares	(85,457,151)	(85,457,151)	-	85,457,151	-	-	-	-	(84,630,538)	(84,630,538)
Net income for the period	-	-	-	-	-	-	-	-	196,170,128	196,170,128
Balance at June 30, 2009 (Unaudited)	1,314,310,895	1,314,310,895	1,507,437,729	211,883,347	3,033,631,971	32,358,346	16,659,952	-	246,054,722	3,328,704,991

The accompanying notes are an integral part of these unaudited consolidated financial statements.

PAMPA ENERGIA S.A.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six-month periods ended June 30, 2009 and 2008

(In Argentine Pesos ("Ps.") – unless otherwise stated)

	For the six-month periods ended June 30,	
	2009	2008
OPERATING ACTIVITIES		
Net income for the period	196,170,128	57,959,544
Income tax and tax on assets	98,235,392	66,775,853
Interests accrued	8,474,534	41,859,513
Adjustments to reconcile net income to cash flows provided by (used in) operating activities		
Depreciation of fixed assets	136,267,366	126,154,642
Amortization of intangible assets	11,406,676	11,950,094
Depreciation of other assets	11,366,103	11,366,103
Amortization of goodwill	9,981,145	10,064,766
Reserve for Directors' options	5,883,336	5,883,336
Setting up of provisions	(46,216,057)	(15,049,874)
Result from repurchase of financial debt	(209,936,300)	-
Foreign currency exchange differences and other financial results	144,477,477	(40,105,690)
Impairment of fixed assets and other assets	17,617,332	31,390,812
Minority interest	74,239,894	47,205,638
Other	(1,884,295)	3,806,812
Changes in operating assets and liabilities		
Decrease (Increase) in trade receivables	71,147,475	(104,128,971)
(Increase) in other receivables	(18,121,762)	(99,074,749)
(Increase) Decrease in materials and spare parts	(6,142,665)	1,253,219
Decrease in inventories	25,291,399	28,582,695
(Increase) Decrease in other assets	(36,120)	4,105
(Decrease) in accounts payable	(199,097,504)	(137,029,319)
(Decrease) in salaries and social security payable	(6,061,266)	(923,451)
(Decrease) in taxes payable	(53,716,257)	(27,374,061)
Increase in other liabilities	114,103,822	19,548,118
Increase in provisions	2,561,000	6,867,250
Dividend payments to third parties by subsidiaries	-	(1,158,021)
Net cash provided by operating activities	386,010,853	45,828,364
INVESTING ACTIVITIES		
Payment for acquisition of companies, net of cash acquired	9,408,698	(59,126,400)
Collection from short-term investments	31,093,197	48,833,721
Payment for acquisition of investments	(50,984,501)	-
Collateral for letters of credit	-	(30,777,322)
Increase (Decrease) in restricted cash	203,670,782	(126,745,992)
Payment for the acquisition of fixed assets	(466,496,254)	(437,412,697)
Proceeds from the sale of fixed assets	854,186	29,373,306
Capital contributions	-	(38,048,272)
Net cash used in investing activities	(272,453,892)	(613,903,656)
FINANCING ACTIVITIES		
Dividends paid	(16,797,217)	(18,314,331)
Bank and financial borrowings	326,538,522	190,271,422
Payment of bank and financial debt	(293,350,532)	(65,764,604)
Acquisition of Company´s own shares	(84,630,538)	-
Third parties contributions	-	51,944,780
Net cash (used in) provided by financing activities	(68,239,765)	158,137,267
Net increase (decrease) in cash and cash equivalents	45,317,196	(409,938,025)
Cash and cash equivalents at the beginning of the year	395,209,631	721,216,542
Cash and cash equivalents at the end of the period	440,526,827	311,278,517

The accompanying notes are an integral part of these unaudited consolidated financial statements.

NOTE 1. BUSINESS OF THE COMPANY

Pampa Energía S.A. ("the Company") is an integrated electricity company which, through its subsidiaries, has a share of the electricity generation, transmission and distribution market in Argentina.

In the generation business, the Company has an installed capacity of approximately 2,003 MW, which accounts for approximately 8% of the installed capacity in Argentina.

In the transmission business, the Company through Compañía de Transporte de Energía Eléctrica de Alta Tensión Transener S.A. ("Transener") joint-controls the operation and maintenance of the high-tension transmission network in Argentina which covers some 10,155 km of lines of its own, as well as 6,108 km of high-tension lines belonging to Empresa de Transporte de Energía Eléctrica por Distribución Troncal de la Provincia de Buenos Aires Sociedad Anónima Transba S.A. ("Transba"). Transener carries 95% of the electricity in Argentina.

In the distribution business, through Empresa Distribuidora y Comercializadora Norte S.A ("Edenor"), the Company distributes electricity among over 2.5 million customers throughout the northern region of Buenos Aires and the Greater Buenos Aires, which is covered by the concession.

The Company´s shares are listed for trading on the Buenos Aires Stock Exchange and form part of the Merval Index. Global Depository Shares (GDSs) representative of shares in the Company are listed for trading on the Luxemburg Stock Exchange and on the Euro MTF Market. The Company is in process of obtaining the authorization to quote its ADSs (American Depositary Shares) in the New York Stock Exchange ("NYSE") (see Note 17).

On February 25, 2008, the Company's Ordinary and Extraordinary Shareholders' Meeting resolved to amend the Company's corporate name to "Pampa Energía S.A." and the respective amendment to the bylaws. On September 4, 2008, this amendment was registered with the respective enforcement agencies.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These unaudited consolidated financial statements are stated in Argentine pesos ("Ps."), and have been prepared in accordance with generally accepted accounting principles used in Argentina ("Argentine GAAP") and the regulations of the *Comisión Nacional de Valores* (the Argentine National Securities Commission or "*CNV*").

On March 20, 2009 and June 12, 2009, new accounting standards under Argentine GAAP were approved, referred to the adption of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and "Amendments to Technical Resolutions No. 6, 8, 9, 11, 14, 16, 17, 18, 21, 22, 23 and 24", respectively, which will become effective for fiscal years beginning after January 1, 2011. However, as of the issuance date of this unaudited consolidated financial statements, these new Technical Resolutions had not been adopted by the enforcement agencies.

Basis of consolidation

The unaudited consolidated financial statements include the accounts of the Company and Inversora Nihuiles S.A. ("Inversora Nihuiles"), Inversora Diamante S.A. ("Inversora Diamante"), Dilurey S.A. ("Dilurey"), Powerco S.A. ("Powerco"), Corporación Independiente de Energía S.A. ("CIESA"), Central Térmica Loma de la Lata S.A. ("Loma de la Lata"), Transelec Argentina S.A. ("Transelec"), Dolphin Energía S.A. ("DESA"), IEASA S.A. ("IEASA"), Pampa Renovables S.A. ("Pampa Renovables" formerly Inversora Güemes S.A.), Pampa Real Estate S.A. ("PRESA"), Pampa Participaciones S.A. ("Pampa Participaciones"), Pampa Participaciones II S.A. ("Pampa Participaciones II"), Pampa Generación S.A. ("Pampa Generación"), Petrolera Pampa S.A. ("Petrolera Pampa"), Central Hidroeléctrica Lago Escondido S.A. ("Lago Escondido") and Inversora Ingentis S.A. ("Inversora Ingentis") on a line-by-line basis, as stated by Technical Resolution No. 21. As of December 31, 2008, the consolidated financial statements proportionally consolidated the accounts of Inversora Ingentis over which the Company exercised joint control (see Note 5). All significant intercompany balances and transactions have been eliminated in consolidation.

(in Argentine Pesos ("Ps.") – unless otherwise stated)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

Data reflecting consolidated corporate control are as follows:

Companies under direct control	Ownership interest and voting stock percentage		Companies under indirect control / Companies jointly controlled	Ownership interest and voting stock percentage	
	06.30.09	**12.31.08**		**06.30.09**	**12.31.08**
Generation					
Inversora Nihuiles	90.27	90.27	Hidroeléctrica Los Nihuiles S.A.	51.00	51.00
Inversora Diamante	91.60	91.60	Hidroeléctrica Diamante S.A.	59.00 (4)	59.00
Loma de la Lata / Powerco (1)	100.00	100.00	Central Térmica Güemes S.A.	89.68 (5)	89.68 (5)
CIESA	100.00	100.00	Central Piedra Buena S.A.	100.00	100.00
Loma de la Lata	100.00	100.00	Energía Distribuida S.A.	100.00 (6)	99.95 (6)
Inversora Ingentis	100.00	50.00 (7)	Ingentis S.A.	61.00	61.00
Transportation					
Transelec (2)	100.00	100.00	Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.	52.65 (8)	52.65
Distribution					
DESA (3)	100.00	100.00	Empresa Distribuidora y Comercializadora Norte S.A.	51.54 (9)	51.54
IEASA (3)	100.00	100.00			
Holding					
Dilurey	100.00	100.00			
PRESA	100.00	100.00			
Pampa Generación	100.00	100.00			
Pampa Participaciones	100.00	100.00			
Pampa Participaciones II	100.00	100.00			
Pampa Renovables	100.00	100.00			
Petrolera Pampa	100.00	--			
Lago Escondido	100.00	--			

(1) Loma de la Lata has control over Central Térmica Güemes S.A. ("CTG") as a result of its 74.20% ownership interest in its capital and voting stock. Powerco, a fully owned subsidiary of the Company, carries an additional 15.48% interest in such company.

(2) Transelec owns 50% of Compañía Inversora en Transmisión Eléctrica Citelec S.A. ("Citelec"), which in turn controls Transener with a 52,65% ownership interest in its capital and voting stock. Consequently, the Company effectively owns an indirect equity interest in Transener of 26.325%. The unaudited consolidated financial statements proportionally consolidate the accounts of Citelec.

(3) DESA and IEASA control Edenor through Electricidad Argentina S.A. ("EASA") as a result of its 100% ownership interest in its capital and voting stock.

(4) As of June 30, 2009, additionally to the 59% equity interest in Hidroeléctrica Diamante S.A. through Inversora Diamante, the Company carries a direct 2% interest in such company.

(5) As of June 30, 2009, in adittion the Company holds a direct 2.58% interest in CTG. See Note 5 for more detail.

(6) Energía Distribuida S.A. ("Energía Distribuida") is a company controlled by CTG with 99.99 % of its equity and votes.

(7) As of December 31, 2008, the Company held the co-control of Inversora Ingentis. Based on Note 5 as of June 30, 2009, the Company held 100% of such company.

(8) The subsidiary CPB holds an additional 0.96% ownership interest.

(9) Additionally, the Company holds an additional 1.11% direct interest as indicated in Note 5.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

In accordance with Argentine GAAP, the presentation of the parent company's individual financial statements is mandatory. Consolidated financial statements are to be included as supplementary information to the individual financial statements. For the purpose of these financial statements, parent company's individual financial statements have been omitted.

In preparing the consolidated financial statements as of June 30, 2009 (unaudited) and December 31, 2008 (audited) the Company used financial statements of its subsidiaries covering the period between the acquisition or incorporation date and the date of these consolidated financial statements.

Presentation of consolidated financial statements in constant Argentine Pesos

The unaudited consolidated financial statements have been prepared in constant monetary units, reflecting the overall effects of inflation through August 31, 1995. As from that date, in accordance with Argentine GAAP and the requirements of the control authorities, restatement of the financial statements was discontinued until December 31, 2001. As from January 1, 2002, in accordance with Argentine GAAP recognition of the effects of inflation has been resumed.

In accordance with CNV Resolution 441/03, inflation accounting was discontinued as from March 1, 2003.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting standards requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the recorded amounts of revenues and expenses during the reported periods. Significant estimates include those required for the accounting of depreciation and amortization, the recoverable value of assets, the income tax charge and provisions for contingencies. Actual results could differ from those estimates.

Cash and cash equivalents

Cash has been stated at its face value.

The Company considers all highly liquid temporary investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

Investments

Short-term

Time deposits have been valued at cost plus accrued interest at each period /year-end. Investments in corporate and government securities and mutual funds with an active market have been valued at their market price at each period / year-end. Other corporate and public securities have been valued at their face value plus accrued interests at each reporting date.

Changes in market values of such instruments are included in the line Financial and holding results, net in the statement of income.

Financial trusts: Valued based on the market period-end price of securities held by the trustee, translated into Pesos at each period/year end at the exchange rate effective.

Deposits from purchasing or selling U.S. Dollars at a future date and at a previously agreed-upon price are included as financial placements at the prevailing exchange rate for the period / year. Income from this transaction is included in Financial and holding results, net.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

Long-term

Investments in which the Company has the ability to exercise significant influence but no control (between 20% to 50% of interest in the investee), are accounted for using the equity method. The Company evaluates its equity method investments for impairment whenever event or changes in circumstances indicate that the carrying amounts of such investments may not be recoverable. The difference between the carrying value of the equity method investment and its fair value is recognized as an impairment when the loss in value is deemed other than temporary. Currently, the Company does not have any investments accounted for under the equity method.

Investments in equity securities in which the Company does not exercise control or significant influence (less than 20%) are accounted for at cost.

Receivables and liabilities

Accounts receivable and payable are stated at their nominal value plus financial results accrued at each balance sheet date. Non-current trade receivables include receivables from the generation and distribution segments which, according to its contractual terms, are expected to be realized beyond one year.

Financial receivables and debt have been valued at the amount deposited or collected, respectively, plus accrued interest based on the interest rate estimated at the time of the transaction.

Non-current financial receivables and debt have been stated at their nominal value plus financial results accrued at period or year end, if applicable. The values thus obtained do not significantly differ from those that would result from application of the prevailing accounting standards, which establish that they must be valued at the amount receivable and payable, respectively, discounted applying a rate reflecting the time value of money and the risks specific to the transaction estimated at the time of their addition to assets and liabilities, respectively.

Inventories, materials and spare parts

Inventories, materials and spare parts are stated at its replacement cost, which does not exceed their net realizable value at period/year end. Where necessary, an allowance is made for obsolete, slow moving or defective inventory.

Land acquired for their development and subsequent sale and fuel oil stocks were classified as inventories.

The Company classified inventories as current or non-current on the basis of the management estimate of when they will be sold or consummed.

Fixed assets

Fixed assets have been valued at cost less accumulated depreciation. Depreciation charges are generally computed under the straight-line method over the estimated useful lives assigned to the assets. Depreciation of Central Térmica Güemes and Loma de la Lata turbines and related equipment are calculated following the unit of production method. Depreciation of certain Transener assets have been calculated using technical formulas other than the straight-line method.

The cost of maintenance and repairs is charged to expense as incurred. The cost of significant renewals and improvements are added to the carrying amount of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the consolidated statement of income.

Financial costs generated by building, assembling and finishing fixed assets, when such processes extend over time are capitalized as asset cost. Capitalizing financial costs generated by third-parties´ capital during the six-month periods ended June 30, 2009 and 2008, amounted to Ps. 69,103,096 and Ps. 18,159,000, respectively, mainly related to works to expand the electric power generation plant located in Loma de la Lata and Edenor's investments .

As of June 30, 2009, the Company recognized an impairment of Ps. 17,617,332 over certain fixed assets that are part of an electric power generation project due to changes in circumstances that affected its recoverability.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Preoperating and organization costs: corresponds to general administrative costs, studies, valuations and other costs incurred in connection with Ingentis project. These costs will be amortized as from the start-up of the corresponding electricity generation plant.

Concession contract: corresponds to the total value assigned to the concessions of Hidroeléctrica Los Nihuiles S.A. ("HINISA") and Hidroeléctrica Diamante S.A. ("HIDISA") and they are amortized under the straight-line method based on the duration of the concession agreement. Concession agreements are recognized as intangible assets upon being purchased, irrespective of the goodwill that could be identified, when the intangible asset has been previously recognized by the acquired company.

Other intangible assets: corresponds to the intangible assets identified in the acquisition of companies of the distribution segment which are amortized under the straight-line method over the period the benefits derived from each asset are obtained.

Non- current other assets

Costs incurred in relation with Transener "Fourth Line" project are included under other non-current assets. These costs are amortized under the straight-line method over the term of the operating contract, consisting in 15 years.

Goodwill

Goodwill represents the excess or shortfall in the fair value of identifiable net assets acquired compared with their acquisition cost. Positive goodwill amortization charges are calculated on a regular basis throughout their useful life, representing the best estimate for the period during which the Company expects to receive economic benefits from them. Negative goodwill is amortized on a regular basis throughout a period equal to the weighted average remaining useful life of the issuer's assets subject to depreciation and amortization.

Impairment of long-lived assets

The Company periodically evaluates the carrying value of its long-lived assets and certain intangible assets for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying value of a long-lived asset is considered impaired by the Company when the expected cash flows, discounted and without interest cost, from such an asset, is less than its carrying value. In that event, a loss would be recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Previously recognized impairment loss should only be reversed when there is a subsequent change in estimates used to compute the fair value of the asset. In that event, the new carrying amount of the asset should be the lower of its fair value or the net carrying amount the asset would have had if no impairment had been recognized.

Foreign currency assets and liabilities

Assets and liabilities denominated in foreign currencies are translated at the prevailing exchange rates at year-end. Transactions denominated in foreign currencies are translated into local currency at the prevailing exchange rates on the date of transaction settlement.

Derivative financial instruments

The Company uses derivative financial instruments in the form of foreign currency forward exchange contracts to manage foreign currency risks. These instruments, designated or not as hedge instruments, are measured at their fair value. Changes in their fair value at each measurement date are charged to the statement of income under the line "Financial and holding results, net".

Allowances and provisions

The Company provides for losses relating to accounts receivable. The allowance for losses is recognized when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the terms of the agreements.

The Company has certain contingent liabilities with respect to existing or potential claims, lawsuits and other proceedings. The Company accrues liabilities when it is probable that future costs will be incurred and such costs can be reasonably estimated.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes

Income tax

The Company records income taxes using the liability method, thus recognizing the effects of temporary differences between the carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be reversed and settled, considering the regulations in effect at the time of issuance of these financial statements.

The Company recognizes tax assets on its balance sheet only when their realization is deemed to be probable. A valuation allowance is recognized for that component of net deferred tax asset which is not recoverable.

Tax on assets

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

Shareholders´ Equity

The account "Treasury stock" represents the face value of Company´s own shares acquired, which, as of June 30, 2009, and December 31, 2008, amounted to 211,883,347 and 126,426,196 Class A shares with a face value of Ps. 1, respectively. The acquisition cost of such shares amounted to Ps. 205,479,339 and Ps. 120,848,801 as of June 30, 2009, and December 31, 2008, respectively and it is disclosed by adjusting retained earnings (see Note 11).

Revenue recognition

Revenue is recognized when it is realized or realizable and earned when the following criteria are met: persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered; the prices are fixed or determinable; and collectability is reasonably assured.

Revenues for each of the business segments identified by the Company are recognized when the following conditions are met:

Generation

Revenues from generation are recognized under the accrual method, including power and energy effectively consumed by customers.

Transmission

Revenues from transmission services include the following items: (i) connection to the system, (ii) energy transmission and (iii) transmission capacity. Revenue is recognized in income as services are provided. As stated in the concession agreements, Transener and Transba receive bonus payments when certain quality thresholds are met. Bonusses are recognized on income when earned. The Company derives additional revenues related to the transmission services from the supervision of the construction and operation of certain assets and other services provided to third parties. These revenues are recognized in income as services are rendered.

Distribution

Revenues for distribution services include electricity supplied, whether billed or unbilled. Unbilled revenue is determined based on electricity effectively delivered to customers and valued on basis of applicable tariffs. Unbilled revenue is classified as current trade receivables. The Company also recognizes revenues from other concepts included in distribution services, such as new connections, pole rental and transportation of electricity to other distribution companies. All revenues are recognized when the Company's revenue earning process has been substantially completed, the amount of revenues may be reasonably measured, and the economic benefits associated with the transaction will flow to the Company.

Holding

Income from the sale of plots of land is recognized upon granting possession.

(in Argentine Pesos ("Ps.") – unless otherwise stated)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial and holding results, net (generated by assets) – Impairment of fixed and other assets

Impairment of fixed and other assets includes those losses arising from the evaluation of recoverability over those assets where indicators of impairment have been detected.

As of June 30, 2008, the Company recognized an impairment of Ps. 31,390,812 over a heavy duty 178 MW Alstom model GT13E2 gas turbine which sale was decided at that time, for considering it to be the best available alternative heeding changes in technical and economic conditions that affected the original project.

NOTE 3. EARNINGS PER SHARE

The Company has calculated basic earnings per share on the basis of the weighted average amount of outstanding common stock at June 30, 2009 and 2008, as follows:

	For the six-month periods ended June 30, (Unaudited)	
	2009	2008
Net income for the period	196,170,128	57,959,544
Weighted average amount of outstanding shares	1,339,247,035	1,526,194,242
Basic earnings per share	0.1465	0.0380

Furthermore, the Company has calculated diluted earnings per share on the basis of the possible dilutive effect of the options granted, as described in Note 9. Whether the dilutive effect increases the earnings per share, such dilutions will not be considered in calculations.

	For the six-month periods ended June 30, (Unaudited)	
	2009	2008
Net income for the period	196,170,128	57,959,544
Weighted average amount of outstanding shares	1,366,476,111	1,545,352,255
Diluted earnings per share	0.1436	0.0375

The reconciliation of the weighted average number of outstanding shares for basic and diluted earnings per share is as follows.

	For the six-month periods ended June 30, (Unaudited)	
	2009	2008
Weighted average amount of outstanding shares for basic earnings per share	1,339,247,035	1,526,194,242
Number of shares to be added if all the options granted are exercised	27,229,075	19,158,013
Weighted average amount of outstanding shares for diluted earnings per share	1,366,476,111	1,545,352,255

PAMPA ENERGIA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in Argentine Pesos ("Ps.") – unless otherwise stated)

NOTE 4. BREAKDOWN OF CERTAIN BALANCE SHEET ACCOUNTS

	As of June 30, 2009 (Unaudited)	As of December 31, 2008 (Audited)
Trade receivables, net		
Current		
Receivables from energy distribution	424,166,000	469,105,000
Receivable from Argentine Wholesale Electric Market Compañía Administradora del Mercado Mayorista Eléctrico S.A. ("CAMMESA"):	73,256,497	102,297,362
- Generation	147,032,580	118,324,172
- Transmission	42,230,365	42,899,205
Res. Nº 406/03 and FONINVEMEM consolidated receivables	23,438,806	34,168,145
Debtors in litigation	15,260,354	14,799,354
Related parties	412,528	346,336
Other	13,364,858	13,777,768
Subtotal	739,161,988	795,717,342
Allowance for doubtful accounts	(22,997,629)	(39,247,629)
	716,164,359	756,469,713
Non-current		
Receivables from energy distribution	83,094,000	65,839,000
CAMMESA - Generation	616,082	616,084
Res. Nº 406/03 and FONINVEMEM consolidated receivables	161,145,461	124,794,701
Other	332,295	288,405
Subtotal	245,187,838	191,538,190
Allowance for doubtful accounts	(404,795)	(404,795)
	244,783,043	191,133,395
Other receivables, net		
Current		
Tax credits	121,852,141	124,348,712
Advances to suppliers	29,858,385	31,105,146
Advances to employees	12,157,594	8,756,991
Related parties	8,535,767	4,685,606
Prepaid expenses	10,275,714	12,708,135
Other	36,104,210	30,620,081
Subtotal	218,783,811	212,224,671
Allowance for doubtful accounts	(7,860,770)	(4,953,770)
	210,923,041	207,270,901

(1) Compañía Administradora del Mercado Mayorista Eléctrico S.A. ("*CAMMESA*").
(2) Fondo para Inversiones Necesarias que permitan incrementar la Oferta de Energía Eléctrica en el Mercado Eléctrico Mayorista ("*FONINVEMEM*"), Fund for Investments required to increase the electric power supply in the WEM.

PAMPA ENERGIA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in Argentine Pesos ("Ps.") – unless otherwise stated)

NOTE 4. BREAKDOWN OF CERTAIN BALANCE SHEET ACCOUNTS (CONTINUED)

	As of June 30, 2009 (Unaudited)	As of December 31, 2008 (Audited)
Other receivables, net (continued)		
Non-current		
Tax credits:		
- Tax on assets	16,890,318	55,804,158
- Deferred income tax asset	89,835,025	113,668,182
- Other tax credits	61,709,970	42,367,715
Advances to suppliers	3,653,335	3,653,335
Employee stock ownership programme	6,641,591	5,867,230
Prepaid expenses	1,560,000	1,680,000
Other	692,207	1,400,647
Subtotal	180,982,446	224,441,267
Allowance for doubtful accounts	(3,653,335)	(3,653,335)
	177,329,111	220,787,932
Other assets		
Current		
Other	8,219,187	162,850
	8,219,187	162,850
Non-current		
"Fourth Line" Project	124,384,784	135,750,887
	124,384,784	135,750,887
Accounts payable		
Current		
Suppliers	408,553,440	536,188,252
CAMMESA	5,142,260	-
Fees and royalties	1,284,759	6,068,040
Related parties	51,133	604,394
Deferred income	3,527,697	5,326,559
Customer advances	41,063,167	31,447,767
	459,622,456	579,635,012
Non-current		
Deferred income	3,023,363	3,115,990
Customer advances	76,355,419	75,159,354
	79,378,782	78,275,344
Financial debt		
Current		
Financial loans	128,070,693	22,351,184
Bank overdrafts	225,024,758	119,608,288
Corporate bonds	2,148,140	484,163
Short-term notes	22,522,213	-
Accrued interest	23,780,780	24,589,404
Related parties	7,438,294	-
	408,984,878	167,033,039
Non-current		
Financial loans	119,050,942	63,742,777
Corporate bonds	1,768,409,746	1,955,058,896
Accrued interest	13,485,098	12,198,992
	1,900,945,786	2,031,000,665

(in Argentine Pesos ("Ps.") – unless otherwise stated)

NOTE 4. BREAKDOWN OF CERTAIN BALANCE SHEET ACCOUNTS (CONTINUED)

	As of June 30, 2009 (Unaudited)	As of December 31, 2008 (Audited)
Taxes payable		
Current		
Provision for income tax, net of witholdings and advances	50,446,443	23,830,872
Provision for tax on assets, net of witholdings and advances	2,757,561	29,037,566
Value added tax	43,481,825	41,228,362
Municipal contributions	23,284,957	23,927,956
Tax related to energy	23,125,939	20,754,004
Income tax withholdings to be deposited	8,782,864	6,989,114
Other	10,773,471	7,448,062
	162,653,060	153,215,936
Non-current		
Deferred tax liabilities	534,908,654	563,435,160
Value added tax	17,417,836	28,512,723
Other	12,981,764	-
	565,308,254	591,947,883
Other liabilities		
Current		
Expenses accrued	28,946,003	24,204,451
Programme of rational use of energy	135,308,000	33,494,000
Related parties	14,866,894	748,202
Accrual for Directors and Syndics' fees	763,060	602,609
Dividends payable	-	16,797,217
Other	9,522,010	10,864,046
	189,405,967	86,710,525
Non-current		
ENRE fines and bonuses (1)	342,292,000	331,613,000
Other	11,322,491	8,517,039
	353,614,491	340,130,039

(1) Corresponds to sanctions imposed by the regulator in the Company's distribution business due to non-compliance of certain service quality indexes established by the respective concession contract.

NOTE 5. ACQUISITION OF BUSINESSES

Acquisition of Transelec

On September 15, 2006, the Company acquired 89.76% of Transelec, a company holding 50% of the shares of Citelec, from Dolphin Opportunity LLC for a total consideration of US$ 48.5 million. On the same date, a written put and a call option were signed with Marcelo Mindlin, Damian Mindlin and Gustavo Mariani, Transelec minority shareholders, comprising the remaining 10.24% interest.

On January 2, 2008 the minority shareholders of Transelec decided to exercise the option to sell 7,807,262 ordinary shares in Transelec under the terms provided for in the agreement for the merger and granting of purchase and sale options respectively.

Citelec is the controlling company of 52.65% of Transener. Transener is the leading company in extra-high voltage electricity transmission utility services in Argentina and owns the extra high voltage electricity transmission national network, consisting of almost 9,300 kilometers of transmission lines plus approximately 5,500 kilometers of lines of its subsidiary network, Transba; therefore it operates 95% of the high-voltage lines in Argentina.

On January 23, 2008, the Company cancelled its obligation with the minority shareholders of Transelec paying the amount of Ps.38,762,432.

Exchange of Central Térmica Güemes´ preferred shares

On September 18, 2007, CTG increased its capital stock for a total amount of Ps. 208,000,040, issuing 180,869,600 non-voting preferred stock with a face value of Ps. 1 each, at a price of Ps. 1.15 per share for purposes of financing the expansion of its generation capacity. Preferred shares were fully subscribed by Central Loma de la Lata, one of the Company's subsidiaries, for the total amount of Ps. 208,000,040. In turn, Loma de La Lata executed a call option agreement in favor of the National Government by which, if this option is exercised, it shall transfer to the National Government 54,260,880 shares of preferred stock of its interest in CTG, representing 30% Loma de La Lata's shares of preferred stock of CTG's capital stock. The National Government did not exercise its option to acquire such CTG preferred shares from Loma de La Lata during the term agreed.

Consequently and as provided by issuance conditions, on September 19, 2008, Loma de La Lata advised CTG of its decision to convert each one of its shares of preferred stock into one Class "A" share of common stock. On that date CTG's Board of Directors was informed of this decision. Based on the above, as of December 31, 2008, the Company's interest in CTG's capital stock and votes, through its subsidiaries, Loma de La Lata and Powerco, amounts to 89.68% related to total Class "A" shares of common stock.

On June 5, 2008, the Ministry of Economy issued Resolution No. 72 which approved the early settlement of the CTG's Employee Stock Ownership Plan. On October 3, 2008, the Company executed with Personnel adhering to the CTG's Employee Stock Ownership Plan a share purchase agreement, by which the Company acquired 6,290,600 Class "C" book-entry shares of common stock of CTG representing 2.58% of the capital stock and votes for total amount of Ps. 9,513,900. Under the terms and conditions of the previously mentioned agreement, the Class "C" shares acquired are converted into Class "B" shares, freely transferable to third parties.

Acquisition of controlling interest in Edenor

On September 28, 2007, the Company purchased 100% of the capital stock of DESA and IEASA, companies that jointly hold 100% of the capital stock of EASA, a company holding 51% of the capital stock and voting rights of Edenor, issuing 480,194,242 shares of common stock with Ps. 1 face value at Ps. 1.61 (US$ 0.83) per share.

As part of the agreement, each of DESA and IEASA selling shareholders agreed not to sell, directly or indirectly, more than 10% per month of the Company's shares received as a result of the transaction during 120 days after its closing. The selling shareholders might also have the right to partly or fully sell the Company's shares received as a result of the transaction, together with future share issues by the Company, and request the Company's support to place those shares through a public or private offering, provided that in both cases the selling shareholders sell at least 60 million shares in the Company.

Incorporation of Inversora Ingentis

On August 6, 2007 the Company signed an agreement with Emgasud S.A. ("Emgasud") for the construction of a power plant fueled by natural gas through the installation of two natural gas turbine-generators of 102.3 MW of power each and a wind farm of approximately 100 MW. This project will be carried out by Ingentis whose capital will comprise as follows: (i) 39% by the Province of Chubut and (ii) 61% by Inversora Ingentis.

NOTE 5. ACQUISITION OF BUSINESSES (CONTINUED)

Inversora Ingentis Shareholders' Meeting held on October 11, 2007 increased the capital stock of Inversora Ingentis to Ps.125,020,000, represented by 12,510,000 class A common stock held by Emgasud, 12,510,000 class B common stock held by Dilurey S.A., 50,000,000 non-voting preferred stock held by Dilurey S.A. and 50,000,000 non-voting preferred stock held by the Company.

On May 13, 2008, the Ordinary Shareholders' Meeting of Inversora Ingentis S.A. approved a capital increase of Ps. 62,500,000, by issuing 31,250,000 Class "A" of common stock subscribed by Emgasud S.A. and 31,250,000 Class "B" shares of common stock subscribed by the Company.

On October 2, 2008, the Company and its subsidiary, Dilurey, executed a share purchase agreement by which they would transfer and sell to Emgasud all their shares (the "Shares") in Inversora Ingentis for a price of US$ 51,000,000 (the "Price"), with all the rights and obligations that holding such shares implied, as well as the rights to receive shares from Inversora Ingentis, or any asset, money or right, resulting from capitalizing, converting or returning revocable or irrevocable contributions, loans or any type of capital contribution in cash or in kind, made by the Company or Dilurey (the "Purchase Agreement").

To secure compliance with their obligations, the parties executed a trust and security deposit agreement (the "Trust Agreement") with Deutsche Bank S.A. (the "Trustee") transferring the trust property of all its shares in Inversora Ingentis. Likewise, Emgasud transferred as a deposit to the Trustee a promissory note issued in favor of the Company for US$ 3,000,000 (the "Promissory Note"). As established in the Trust Agreement the parties should have complied with their respective obligations under the Purchase agreement by January 5, 2009, (the "Closing Date"). However, Emgasud did not pay the price of the Shares as provided in the Purchase Agreement, the Trustee: (i) transferred Inversora Ingentis shares held by Emgasud to the Company, (ii) transferred the Shares to the Company, and (iii) delivered the Promissory Note to the Company.

Consequently, the Company directly and indirectly controls 100% of the capital stock of Inversora Ingentis S.A., which own 61% of the shares of Ingentis, hence the Province of Chubut is the owner of the remaining 39%.

For this transaction and considering that the acquisition cost was lower than the amount of net assets identified upon the purchase, the Company recognized a negative goodwill of Ps. 24,357,076 related to the portion attributable to identified nonmonetary assets. Likewise, the Company has discontinued the consolidation proportional to the investment in such company to consolidate it line by line in its consolidated financial statements.

Interest of Transener´s ordinary shares

As of June 30, 2009, the subsidiary CPB held 4,249,465shares of common stock of Transener acquired in various market transactions equivalent to a 0.96% interest in such company's equity. The Company has considered such interest as current temporary investments and, consequently, it was classified as short-term investments in the consolidated balance sheet.

Interest of Edenor's ordinary shares

As of June 30, 2009, the Company holds 10 million ordinary class B shares issued by Edenor, acquired in various market transactions, equivalent to 1.11% interest in its common stock. The Company has considered such interest as current temporary investments and consequently it was classified as short-term investments in the consolidated balance sheet.

Acquisition of own shares from Edenor

During the last quarter of 2008 and as a result of the two own share acquisition processes, Edenor acquired 9,412,500 Class B shares with a face value of Ps. 1 per share, at an acquisition cost of Ps. 6.1 million. On March 17, 2009, concluded the process established to repurchase its own shares on the market under the terms and conditions filed by Edenor.

NOTE 6. REGULATORY FRAMEWORK

Generation

The Company and its subsidiaries generate energy which, through the SADI (interconnected system) is directly sold to the Wholesale Electric Market (WEM) at the prices approved by CAMMESA. Such prices arise from supplying the WEM's electric demand with electric supply whose variable production cost is related to the less efficient machine that is currently generating power with natural gas. Revenues from the sale of power result from the sales on the WEM's spot market and sales to large client on the WEM's Forward Market through agreements executed by the parties and in accordance with the regulations established by the Energy Secretariat (ES).

Restrictions on spot prices Energy Secretariat Resolution 240/2003

By means of this resolution the ES amends the methodology to set the prices on the WEM and determines that the maximum variable production cost (CVP) recognized to set the prices is that of the most inefficient unit operating or available using natural gas. The difference between the CVP and the Node Price of the thermal machine in operation is included as Temporary Dispatch over cost (Stabilization FundSub-account). Additionally, in case of restrictions to the demand, the maximum Spot Price recognized is Ps. 120 per MW.

As the seasonal price had not followed the evolution of the WEM's spot price approved by CAMMESA, the resources from the Stabilization Fund were used to meet production costs, for which during the last few years this fund underwent an ongoing definancing.

Receivables from WEM generators

In September 2003, the ES issued Resolution No. 406/03 by which it was established that, based on the depletion of available resources in the WEM's Stabilization Fund, amounts pending payments in each month are consolidated, accruing interest at an interest rate equivalent to the mean monthly yield obtained by OED-CAMMESA (agency in charge of dispatch) in its financial placements, to be paid when the Fund will have sufficient funds according to a priority order of payment to agents.

This situation directly affects the Company's financial position and its subsidiaries as they carry consolidated receivables documented by CAMMESA, under LVFVD (Sales Settlements with Due Date to be Defined).

Fund for Investments required to increase the electric power supply in the WEM (FONINVEMEM)

ES Resolution No. 712/04 created the FONINVEMEM to increase the available electric generation by investments in thermal generation.

By means of resolutions No. 826/04, 1,427/04, 622/05 and 633/05, the Energy Secretariat invited all WEM agents creditors with LVFVD to express their decision to convert (or not) 65% of their receivables accumulated from January 2004 and through December 2006, in an interest in a combined cycle project, payable once all new combined cycles to be built with the financing of FONINVEMEM are operational.

The portion of LVFVD contributed to FONINVEMEM will be converted into US$ and will have an annual yield at LIBO + 1% and will be received in 120 equal, monthly and consecutive installments as from the commercial authorization of the combined cycle of electric plants, expected for the first quarter to 2010.

Consequently, on December 13, 2005, the agreements to organize the generating companies "Sociedad Termoeléctrica Manuel Belgrano S.A." and "Sociedad Termoeléctrica José de San Martín S.A." were executed. Both companies with the object to produce electric power and its commercialization in block and specifically, the management to purchase the equipment, construction, operation and maintenance of a thermal power station. The Company through some of its subsidiaries executed the respective minutes accepting the subscription of shares for both generating companies. Both generators were cleared to operate in open cycle during 2008.

Accumulated balances originated by the LVFVD related to the years 2004 through 2006 under FONINVEMEM, plus accrued interest through June 30, 2009 add up to Ps. 107 million approximately.

NOTE 6. REGULATORY FRAMEWORK (CONTINUED)

Generation (continued)

Likewise and in regards to receivables generated during 2007, on May 31, 2007, the ES issued Resolution No. 564, convoking again those private MEM creditors to extend their interest in the FONINVEMEM by contributing 50% of such receivables. Although such resolution establishes various alternatives to recover funds contributed to FONINVEMEM, the Company and its generation subsidiaries chose to allocate such receivables to alternative projects to invest in new electric generation equipment. Therefore, the required conditions were duly complied with: (a) the investment should be equivalent to three times the value of the receivables; (b) the project should consist of a contribution of a new generating plant or the installation of new generating unit within an already-existing plant; and (c) power and reserved capacity should be sold on the forward market (including Energía Plus) while exports are not allowed for the first 10 years.

Based on the investment projects presented, on June 20, 2008 by means of Brief No. 615, the ES considered verified the Company and its subsidiaries´ proposal and instructed the OED to pay the 2007 LVFVD, which as of December 31, 2008, had been duly collected.

Committed Supply Agreements

On July 24, 2008, the ES issued Resolution No. 724/08 by which it authorized the execution of MEM Committed Supply Agreements with generating agents, related to the repair and or repowering of generation groups and/or related equipment. This applies to those MEM generation agents filing plans to repair and/or repower their generating equipment whose cost exceeds 50% (fifty percent) of revenues expected to receive by the Generation Agent on the "Spot" market during the life of such agreement, related to compensating items subject to subsection (c), Section 4, ES Resolution No. 406/03.

The procedure will consist in the ES evaluating the proposals filed, instructing CAMMESA as to those authorized to enter into a contract, even indicating, if convenient, the granting of loans to the Generation Agent in the event they are required to finance the disbursement to be made to meet the cost of repairs exceeding the compensation to be received for the agreement.

Under this resolution, Central Piedra Buena and Loma de La Lata have executed agreements that will allow them to recover consolidated receivables from subsection (c), ES Resolution No. 406/03, either of their own or from third parties, by applying them to improvement or expansion works for up to a maximum 50% of their costs.

As of June 30, 2009, under such agreements, the Company partially collected from OED-CAMMESA its consolidated receivables accrued during 2008. The outstanding balance of 2008 LVFVD and those accrued during 2009, plus interest accrued as of June 30, 2009 add up to approximately Ps. 109 million..

The future evolution of this situation could call for the Government to modify some of the measures adopted or issue additional regulations. Impacts generated by the measures adopted to date by the Federal Government on the Company's, and its subsidiaries´ economic and financial situation as of June 30, 2009, were calculated according to evaluations and estimates carried out by management when preparing these consolidated financial statements and should be read considering such circumstances.

Energy Plus - ES Resolution No. 1,281/06

The Energy Secretariat approved Resolution No. 1,281/06, in which it is established that the existing energy commercialized in the Spot market will have the following priorities: (1) Demands below 300 KW; (2) Demands over 300 KW with contracts; and (3) Demands over 300 KW without contracts.

It also establishes certain restrictions to the commercialization of electricity, and implements the Energy Plus service, which consist in the offering of additional generation availability by the generating agents. These measures imply the following:
- Hydroelectric and thermal generators without fuel contracts are not allowed to execute any new contract.
- Large Users with a demand over 300 KW ("LU300") will be only allowed to contract their energy demand in the forward market for the electrical consumption made during the year 2005 ("Base Demand") with the thermoelectric plants existing in the WEM.
- The new energy consumed by LU300 over the Base Demand must be contracted with new generation at a price freely negotiated between the parties (Energy Plus).
- The New Agents joining the system must contract their whole demand under the Energy Plus service.
- For the new generation plants to be included within the Energy Plus service, they must have fuel supply and transportation contracts.

NOTE 6. REGULATORY FRAMEWORK (CONTINUED)

Generation (continued)

Under such standard, CTG increased its generation capacity by 98.8 MW ISO upon starting up the new LMS 100 generation unit. CTG is the first WEM generator that is in a position of providing the service to Energía Plus. For such purpose, service agreements were executed with Energía Plus for the entire Net Effective Power of the extension with various agents from the Forward Market (MAT).

ES Resolutions No. 599/07 and 1,070/08: Natural gas supply

Resolution No. 599/07, dated June 14, 2007, approves the proposal for the agreement with the producers of Natural Gas 2007 - 2011, aiming at supplying the domestic demand of that fuel.

Each of the signing producers undertakes to make available to the gas consumers, whose consumptions are a part of the Agreement Demand, the daily volumes which are set forth for said Signing Producer, which have been calculated according to established proportions. The Agreement Demand has been established on the basis of the gas consumption of the natural gas Internal Market of Argentina during 2006.

For the purposes of supplying the Priority Demand and performing a useful and efficient contracting of the corresponding part of the Agreement Volumes, the Signing Producers must satisfy at least the consumption profile verified in each of the supply arrangements to be renewed and corresponding to the consumption of each month of 2006.

Additionally, on October 1, 2008, the ES issued resolution No. 1,070/08 setting forth a supplementary agreement with natural gas producers, and which purpose was to establish a contribution by the producers to the trust fund for subsidizing residential liquefied gas consumptions, created by Law No. 26,020. This agreement brought about new benchmark prices for natural gas for the energy sectors including that of generating electricity.

Recognition of variable costs

On October 29, 2007 the National Energy Secretariat informed that the current variable cost to be recognized to the generators of Ps.7.96/MW, shall be increased in accordance with the consumed liquid fuel, by:

- Gas-oil/Diesel Oil Generation: Ps. 8.61/MW
- Fuel Oil Generation: Ps. 5.00/MW

In addition, if a thermal unit generated with natural gas of the company's own receives a remuneration in which the difference between the maximum recognized variable production cost and the node price is below 5 Ps./MW, the latter value must be recognized.

Benchmark fuel oil price

By means of Brief No. 483/08, the ES instructed CAMMESA to recognize to generators a maximum price of 60.50 US$/barrel plus a 10% related to administrative cost plus freight, for purchases of fuel oil of national origin to generate electric power as from April 24, 2008.

Afterwards, and due to significant variations in the International fuel market as regards to listed prices of crude and its derivatives, the ES issued Brief No. 1,381/08 in October 2008, instructing CAMMESA to recognize as from November 1, 2008, to generators acquiring fuel oil with proprietary resources, a weekly price resulting from considering the average of 10 listed prices (based on the benchmark listed price of Base Platts as defined in the resolution) prior to the calculation closing date, less a differential of 2.50 US$/barrel, under FOB La Plata plus 10% of the total purchase cost of fuel, for administrative and financial expenses plus freight cost.

In the case that listed prices on the International market increase, the maximum benchmark price to be recognized will be 60.50 US$/barrel plus 10% (ten percent) of the total purchase cost of fuel for administrative costs plus the freight cost.

NOTE 6. REGULATORY FRAMEWORK (CONTINUED)

Transmission

Tariff situation

Within the framework of the renegotiation of Utility contracts, in May 2005 Transener and Transba signed the Agreement Minutes with the Renegotiation and Analysis of Utility Contracts Unit ("UNIREN"), including the terms and conditions to adjust the Concession Contracts, which were ratified by Decrees 1,460/05 and 1,462/05 of the Executive Branch dated November 28, 2005.

Based on the guidelines established in the above Agreement Minutes, a Comprehensive Tariff Review was scheduled to be performed to determine a new tariff system for Transener and Transba. However, the ENRE continued with the suspension of the Public Hearing to deal with the tariff proposals submitted by both Companies, which should have become effective for Transener and Transba in February 2006 and May 2006, respectively.

On December 26, 2006 Transener requested the ENRE fulfillment of the obligations assumed in the Agreement Minutes, stating its decision to continue with the Comprehensive Tariff Review during 2007, provided that the remaining obligations assumed by the parties continue to be in force and the new system resulting from the Comprehensive Tariff Review process becomes effective as from February 1, 2008. On December 28, 2006 Transba submitted a note to the ENRE similar to that submitted by Transener, although adapted to the provisions of its Agreement Minutes as regards the terms and investments to be made.

On April 9, 2007 Transener made a new presentation to the ENRE, stating non-fulfillment of the obligations assumed in the Agreement Minutes by the latter and the serious situation arising from such non-fulfillment. Furthermore, the ENRE was requested to immediately regularize the Comprehensive Tariff Review process, and issue administrative acts aimed at recognizing in the tariff the cost increases occurred after the signing of the Agreement Minutes. In the case of Transba, on April 10, 2007 a note similar to that submitted by Transener was presented to the ENRE, which was subsequently submitted on May 28, 2007.

On June 29, 2007, the ENRE formally requested Transener and Transba to submit their tariff proposals based on the terms outlined in the respective Agreement Minutes and section 45 of Law No. 24065 and related provisions. Therefore, in September, both companies submitted their tariff and regulatory proposals to the ENRE for the five-year period 2008/2012, updating the information submitted in August 2005.

In spite of this, ENRE did address the requested tariff requirements by Transener SA. and Transba S.A. under the RTI (integral tariff review).

In turn, by means of Resolutions Nos. 869/08 and 870/08 of July 30, 2008, the ES extended the contractual transition period of Transener S.A. and Transba S.A., respectively, through the actual effective date of the tariff schedule resulting from the RTI, establishing also such date for February 2009. In December 2008, both companies filed the information regarding the rate requirements requested by ENRE in notes 83,199 and 83,200 to be analyzed and to define in the new rate schedule prior to holding the Public Hearing.

However, as of June 30, 2009, ENRE had not yet summoned any Public Hearing as instructed by ES by Resolution Nos. 869/08 and 870/08, by which a new rate schedule had to be issued in February 2009. Consequently, a new claim was made with such Department and UNIREN, stating the lack of determination of the new rate schedule.

Lastly, as a result of the increase in labor costs arising from the application of Decree 392/04 of the Executive Branch and subsequent decrees, which have been translated into higher operating costs as from 2004, during 2007 Transener and Transba continued filing the corresponding claims with the ENRE to proceed to readjust remuneration regulated of both companies.

It should be noted that on april 21, 2008 and on may 5, 2008, UNIREN has stated by means of a brief that the mechanism to monitor costs and the service quality system was stated when the RTIs of Transener S.A. and Transba S.A., respectively, became effective and that upon defining such process it may not be attributed to Concessionaires and could derive in an impairment of their rights.

NOTE 6. REGULATORY FRAMEWORK (CONTINUED)

Transmission (Continued)

In that sense, by means of ES brief 897 of July 29, 2008, the Energy Secretariat instructed ENRE to enforce covenants 4.2, 4.3 and 11.1 of the Memorandum of Understanding even partially issuing ENRE the Resolutions Nos. 327/08 and 328/08 adapting Transener's and Transba's compensation by about 23 and 28%, respectively, effective as from July 1, 2008.

Since these tariff increases did not reflect for both companies the recognition of the highest current costs from 2004 to date, Transener and Transba have filed claims with ENRE, due to disagreements about the implementation of the previously mentioned resolutions as they contract the instruction issued by the Energy Secretariat which instructed ENRE to implement increases of 39.2% and 43.03 % on regulated compensations effective as of June 30, 2008 for both companies, respectively. As of June 30, 2009, neither company has received any reply regarding such claims.

Distribution

Tariff situation

The Executive Branch, in the exercise of the powers granted by Section 99 of the Argentine Constitution and Law No. 25,561 and yours modify and complementary, proceeded to ratify the Agreement Minutes signed on February 13, 2006 within the framework of the renegotiation of the Utility contracts through Decree No. 1,957/06 published in the Official Gazette on January 8, 2007.

The above Agreement Minutes contain the terms and conditions which, once the other procedures provided for in that instrument has been performed, constitute the basis that will allow the Comprehensive Renegotiation of the Concession Utility Contract between the Executive Branch and this concessionaire for the distribution and selling of electricity in federal jurisdiction.

The execution of the agreement begins the process of adjustment of the concession agreement as a means of overcoming the effects of the public emergency status, freezing and "pesification" of tariffs established by Law No. 25,561. The Agreement establishes a transitional period and the later comprehensive renegotiation of the agreement through a Comprehensive Tariff Review process. The agreement contemplates in the immediate, within the transitional period: 1) an increase of the added distribution value (VAD) of 23%, retroactive at November 1, 2005, which will not apply to household customers; 2) an additional amount of 5% destined to certain works; 3) a system of installment settlement of unpaid fines; 4) the beginning of the Comprehensive Tariff Review process, in charge of the ENRE. This review will be the one that finally restructures the Concession Contract of Edenor; 5) the coming into force of a differential service quality regime for the duration of the transitional period; 6) the suspension of the claims filed before the International Centre for Settlement of Investment Disputes (ICSID) during the "transitional period" and the final waiving of these once the comprehensive tariff review is finished. This suspension also includes that of any proceedings before national or international courts, filed by the company and/or its shareholders against the Argentine National Government as a consequence of the public emergency declared by Law No. 25,561, as well as the commitment not to start any proceedings before national or foreign courts against the National Government as a consequence of that emergency. Regarding EASA, it establishes the obligation to extend the surety for the foreclosure of the pledge to the class A shares it has in Edenor in favor of the National Government for any non-fulfillment of the Agreement Minutes by EASA or by Edenor itself.

The new tariff system resulting from the comprehensive tariff review process will be effective for five years and its final determination will be the responsibility of the ENRE pursuant to the provisions of Law No. 24,065.

On April 30, 2007, Resolution No. 434/07 of the Secretariat of Energy was published in the Official Gazette, through which a new contract transition period was established under the terms of the Renegotiation Agreement Minutes signed on February 13, 2006. This period covers from January 6, 2002 and the date the tariff schedule resulting from the Comprehensive Tariff Review becomes effective.

On July 30, 2008, the ES issued Resolution No. 865/08 amending Resolution No. 434/07 designating February 2009 as the date on which the tariff schedule resulting from the RTI (integral tariff review) shall become effective. As of the issuance date of these financial statements, there has been no definition as to when the tariff schedule resulting from the RTI would become effective, scheduled for February 1, 2009.

NOTE 6. REGULATORY FRAMEWORK (CONTINUED)

Distribution (continued)

On October 4, 2007, Resolution No. 1,037/2007 of the Secretariat of Energy was published in the Official Gazette, which establishes that the amounts paid by EDENOR for the Quarterly Adjustment Index (CAT) sets forth by Section 1 of Law No.25,957 and the amounts corresponding to the Cost Monitoring Mechanism (MMC) be deducted from the funds resulting from the difference between collection of the additional charges derived from the application of the Good Use of Electricity Programme (PUREE) and the payment of bonuses to users under such Programme, until their transfer to the tariff is approved. In addition, the above Resolution sets forth that the adjustment for the MMC for the May 2006 – April 2007 period effective as from May 1, 2007 amounts to 9.63%.

Additionally, on October 25, 2007, Resolution No. 710/07 of the ENRE was passed, which approves the MMC compensatory procedure sets forth by Resolution No. 1,037/07.

The MMC (cost monitoring system) rate adjustment related to the period May 2006 through April 2007 together with that related to period May 2007 through October 2007 became effective as from July 1, 2008 as provided by Resolution No. 324/08.

By means of Brief No. 1,383 of November 26, 2008, the ED instructed ENRE to consider using funds pending recognition from applying the MMC for the enforcement period May 2007 through October 2007, and to allow that they be deducted from surplus funds derived from applying the Programa de Uso Racional de la Energía Eléctrica (PUREE) (rational electric power use program), as previously regulated by Resolution ES No. 1,037/07. The adjustment by MMC for the period May 2007 through October 2007, applicable as from November 1, 2007 is 7.56%.

On the other hand, on July 31, 2007, the ENRE issued Resolution No. 324/08 approving the values of Edenor's new tariff schedule that contemplates the partial enforcement of adjustments by MMC and passing them on to the rates. Such tariff schedule increases the distribution added value of such company by 17.9% and has been applied to consumption as from July 1, 2008.

As described above, on average, tariffs for final users, depending on their consumption, will be increased by percentages ranging from 0% to 30%.

Likewise, on October 31, 2008, the ED issued Resolution No. 1,169/08 approving the new seasonal benchmark prices for energy and power on the Wholesale Electric Market (MEM). Consequently, ENRE issued Resolution No. 628/08 approving the rate schedule values to be enforced as from October 1, 2008. Apart from the new seasonal benchmark prices for energy and power, the previously mentioned rate schedule established passing the ex-post pending adjustments as well as the other items related to MEM. The increase provided by this Resolution is aimed at reducing the Federal State subsidies to the electric sector, and not at increasing Edenor's value added of distribution.

Regarding those resolutions that implemented the new rate schedule as from October 1, 2008, the Argentine Ombudsman sponsored a claim against them and against enforcing the PUREE. Consequently, on January 27, 2009, ENRE notified Edenor of a precautionary measure issued by the Court hearing the case, by which it is ordered to refrain from disrupting the electric power supply as a result of failure to pay bills issued with the rate increase challenged by the Argentine Ombudsman, until a final ruling is issued on the case. The measure has been appealed by Edenor and the Federal Government and it is pending resolution.

On July 1, 2009, notice of the proceedings in the matter of "Argentine Ombudsman vs. Federal Government – Resolution No. 1,169 and Others, proceeding to decide a legal issue" was served upon Edenor. To the date of issuance of these financial statements the complaint was answered in time and form.

NOTE 7. FINANCING STRUCTURE

The indebtedness structure of the Company's subsidiaries as of June 30, 2009 is mainly made up of the following corporate bonds and short-term notes:

Subsidiary company	Corporate bonds	Issuance date	Currency	Notional Amount	Repurchased amount	Remaining amount	Repurchase result	Agreed rate	Final maturity
				in thousands			in thousands of Ps.		
Transener	At par at fixed rate	Dec-20-06	US$	220,000	92,774	127,226	57,960	8.88%	2016
	At par at variable rate	Dec-20-05	US$	12,397 (1)	9,015	3,382			
Edenor	At par at variable rate	Abr-24-06	US$	12,656	-	12,656	69,451	Libor + 0% a 2% (incremental)	2019
	At par at fixed rate	Abr-24-06	US$	80,048	62,761	17,287		3% a 10% (incremental)	2016
	At par at fixed rate	Oct-09-07	US$	220,000	33,173	186,827		10.50%	2017
EASA	At par at fixed rate	Jul-19-06	US$	12,874	49	12,825	78,119	3% a 5% (incremental)	2017
	At a discount at fixed rate	Jul-19-06	US$	76,545	74,523	2,022		2,125% a 7% (incremental)	2016
CTG	At par at fixed rate	Oct-03-03	US$	6,069	855	5,214	3,426	2%	2013
	At par at fixed rate	Jul-20-07	US$	22,030	17,739	4,291		10.50%	2017
Loma de la Lata	At a discount at fixed rate	Sep-08-08	US$	178,000	10,312	167,688	981	11.25%	2015
Edenor	At par at variable rate	May-07-09	$	75,700	-	-	-	Badlar private + 6,75%	2013
Central Piedrabuena	Short-term note	Abr-15-09	$	21,750	-	-	-	Badlar private + 4,25%	2009

(1) Corresponds to the remaining amount as of December 31, 2008.

During the six-month period ended June 30, 2009, the Company and its subsidiaries acquired corporate bonds of various subsidiaries at their respective market value for a total face value of US$ 157,7 million. Due to these debt-repurchase transactions, the Company and its subsidiaries posted consolidated income of Ps. 209.936.300 disclosed in the line "Results of repurchase of financial debt" in financial and holding results generated by liabilities. As of June 30, 2009, the Company and its subsidiaries held own corporate bonds for a total face value of US$ 292,1 million.

Below are described the main characteristics of the indebtedness of each of the subsidiaries:

Transener

In October 2006 Transener started a process for refinancing its outstanding financial debt, offering to the bondholders the repurchase of Class 6 and Class 8 Corporate Bonds at par value in cash, and to fully redeem Class 7 and Class 9 Corporate Bonds issued at a discount, obtaining the approval of approximately 76% of them.

To finance the purchase offer and the redemption of the mentioned bonds, Class 1 Corporate Bonds for US$ 220 million were issued. These new securities with a final maturity on December 15, 2016 bear interest at an annual rate of 8.875% and shall be repaid in four equal installments on December 15, 2013, 2014, 2015 and 2016. Class 1 Corporate Bonds have been authorized for public offering in Argentina pursuant to the provisions of CNV Resolution No. 15,523 dated November 30, 2006.

The settlement of the purchase offer in cash of the Class 6 and Class 8 Corporate Bonds at Par, the full redemption of the Class 7 and Class 9 Corporate Bonds at a discount, and the issuance of the new Class 1 Corporate Bonds took place on December 20, 2006.

Under the refinancing terms, Transener and its restricted subsidiaries are subject to complying with a series of restrictions, among which we may highlight limitations to indebtedness, sale of assets, transactions with shareholders and subsidiaries and making control change in under certain circumstances. At the date of issuance of these financial statements Transener and its subsidiaries had fulfilled these obligations.

NOTE 7. FINANCING STRUCTURE (CONTINUED)

Edenor

Corporate Bonds Programme

On October 9, 2007, Class 7 Corporate Bonds for US$ 220 million were issued under the public offering regime for a term of ten years, at par value, accruing interest at an annual fixed rate of 10.5%, payable on April 9 and October 9 of each year, the first service of which was on April 9, 2008, the principal being amortized in a down payment on October 9, 2017.

Proceeds from the issuance of these Corporate Bonds were used to repaid existing outstanding Corporate Bonds with maturity in 2014.

Edenor Debt Issuance

On April 13, 2009, the Board of Directors of Edenor approved the issuance and listing of Floating Rates Notes due 2013 for a principal amount of up to Ps. 150 million, within the framework of the Global Medium Term Corporate Notes Issuance Program.

On May 7, 2009, Edenor issued Ps. 75.7 million Class No. 8 Notes, with a four year maturity, priced at 100% of principal, accruing interest as of the date of issuance at a floating rate equal to the BADLAR private rate plus a spread of 6.75% per annum. The Notes will pay interest quarterly, with the first interest payment date on August 7, 2009. The principal amount will be amortized in 13 consecutive quarterly installments, with the first principal payment date on May 7, 2010.

The Company requested the listing of the notes on the BCBA and its admission to negotiation on the Mercado Abierto Electronico S.A.

Net proceeds from placing the Notes will be used to finance the capital expenditures plan of Edenor.

Derivative financial instruments

During the six-month period ended June 30, 2009, Edenor executed transactions with derivative financial instruments to ensure the exchange rate of cash flows related to three maturities of interest on financial debt, Corporate Bonds at par at fixed interest rate and Corporate Bonds Class No. 7, for US$ 4.8 million and US$ 23.1 million, respectively, through December 2009.

As of June 30, 2009 Edenor helds financial instruments to be hedge against the fluctuation of exchange rate in connection with US$ financial obligations mentioned above. Additionally, Edenor has executed forward transactions to use them as hedging instruments to mitigate the risk generated by the fluctuations of the US dollar exchange rate.

Since these transactions have not been designated as hedge instruments, Edenor has accounted for these derivative instruments at their net realizable value or settlement value, depending on whether they have been classified as assets or liabilities with changes in the financial results, in the statement of income.

EASA

Financial debt renegotiation – Main obligations

As established in the issuance prospectus of its corporate bonds, the main obligations assumed by EASA consist in limitations to: (i) indebtedness; (ii) certain transactions with shareholders; (iii) level of operating expenses; and, (iv) restricted payments (among others, payments of dividends, fees to shareholders, banned investments).

At the date of the issuance of the Company's financial statements, EASA complies with its obligations as established in the trust agreement relating to the Corporate Bonds issued after having completed the restructuring process of its financial debt.

On the dates provided in the issuance conditions, EASA paid interest related to the New Corporate Bonds, capitalizing the portion of interest accrued from the coupon in kind. Considering such interest capitalization, debt amounts as of June 30, 2009, are as indicated in this note.

NOTE 7. FINANCING STRUCTURE (CONTINUED)

Central Térmica Güemes

Exchange of Corporate Bonds

On June 12, 2007 CTG launched an exchange offer of all outstanding Series A Corporate Bonds amounting to US$ 31.7 million and Series B Corporate Bonds amounting to US$ 21.9 million with maturity in 2013 ("Bonds 2013"). The exchange offer was authorized by resolutions adopted by the Shareholders´ Meeting held on June 28, 2007 and by the Board of Directors Meetings held on June 12, 2007, June 21, 2007 and June 28, 2007.

The above mentioned Shareholders´ Meeting approved the issuance of unsecured and unsubordinated non-convetible US dollar-denominated Corporate Bonds up to US$ 34.8 million. On July 20, 2007, date of expiration of the exchange offers, CTG received the acceptance of 88.7% of the holders of the total debt subject to restructuring. The exchange took place on July 25, 2007, date on which CTG, under the conditions offered to and accepted by the participating bondholders:

- Issued US$ 22.0 million Corporate Bonds accruing interest at a rate of 10.5%, falling due on September 11, 2017 ("Bonds 2017);
- Paid US$ 8.9 million in cash to the holders that exercised this option; and
- Paid US$ 0.3 million in cash of accrued and unpaid interest at the date of the exchange, plus a cash payment of US$ 0.1 million for holders that accepted the offering in advance.

The Corporate Bonds were authorized by the CNV on July 11, 2007 in conformity with the certificate Nº 329. Corporate Bonds have been also authorized for trading on the Buenos Aires Stock Exchange and the Mercado Abierto Electrónico.

Amendments to covenants of Corporate Bonds

On December 23, 2008, and on January 20, 2009, GTG completed the process to amend certain restrictive covenants of its Bonds 2007 and Bonds 2013, respectively. The main objective of these approved amendments is to change certain restrictive covenants to reflect the current financial position and business prospects of CTG and grant CTG the ability of assuming debt and encumbrances that are reasonable considering its EBITDA and its debt service capacity.

The approved amendments allow CTG, among others to:

- Incur in additional debt for up to US$ 30 million for any purpose, irrespective of its indebtness.
- Incur in additional debt as long as the debt ratio of its outstantding debt and EBITDA does not exceed the 3 to 1 ratio (excluding up to US$ 30 million of additional permitted debt).
- Incur in additional debt or guarantee incurred debt to finance or refinance the acquisition, construction, improvement or development of any other asset, including the new generation unit at CTG.

Global programme of securities representing short–term debt

On July 21, 2008, the Ordinary and Extraordinary Shareholders' Meeting of CTG approved the creation of a Global Programme of securities representing short-term debt up to a maximum amount outstanding at any time that may not exceed Ps. 200 million or the equivalent amount in other currencies, under which CTG may issue corporate bonds in various classes and/or series, each one of them with an amortization term of up to 365 days or a shorter or longer term that in the future applicable regulations may contemplate. Such Meeting delegated to CTG's Board of Directors the power to establish certain conditions of the Programme and the opportunity of issuance and other terms and conditions of each class and/or series of corporate bonds to be issued under the Programme.

As of June 30, 2009, CTG has not issued any class and/or series of corporate bonds under this Programme.

Central Piedra Buena S.A.

On June 18, 2008, the Ordinary and Extraordinary Shareholders' Meeting of CPB approved the creation of a global programme for the issuance of securities representing short–term debt (the "VCP") in the form of simple corporate bonds non-convertible into shares, denominated in pesos, US dollars or any other currency with or without guarantee, either subordinated or not, for a maximum outstanding amount at any time that may not exceed Ps. 200 million, with an amortization term of up to 365 days, or at a longer term that applicable rules may contemplate (the "Programme"). Such Meeting delegated to CPB's Board of Directors the power to establish certain conditions of the Programme and the opportunity to issue and other terms and conditions of each class and/or series of corporate bonds to be issued under the Programme.

NOTE 7. FINANCING STRUCTURE (CONTINUED)

Additionally, on February 26, 2009, the General Ordinary and Extraordinay Shareholders' Meeting of CPB approved an amendment to the Programme in order to give CPB the alternative of issuing VCPs under the form of serial promissory notes, giving more flexibility for the placement of VCP among institutional investors in the corporate debt market.

Under this Program, on April 15, 2009, CPB issued VCPs for a face value of Ps. 21,750,000, at a Badlar Private interest rate plus a spread of 4.25%. Payment of principal and interest will be made on three dates, 180, 210 and 240 days as from the issuance date. Proceeds obtained by issuing these VCPs were used to refinance liabilities.

After the period-end, CPB's Board of Directors approved the issuance of a new class of VCPs under such Program (see Note 17).

Loma de La Lata

Financing for Loma de La Lata s' Project

On May 30, 2008, Loma de la Lata entered into two facility agreements with ABN AMRO Bank N.V. and Standard Bank Plc., as lenders, and ABN AMRO Bank N.V., Argentine Branch, for financing a part of the costs to be incurred in connection with Loma de la Lata's current expansion project (converting such plant's existing generation units into a combined cycle-gas fired power plant which has a total cost of approximately US$ 205 millions). The facility agreements provided for the issuance of letters of credit for an aggregate amount of US$ 88.2 million (in addition to other fully collateralized letters of credits issued by ABN AMRO Bank N.V. for an aggregate amount of US$ 66.5 million), and set forth the financial commitments granted by such banks to make loans in favor of Loma de la Lata for an aggregate amount of up to US$ 80 million, which loans would mature in March 2013 (except as extended pursuant to the terms of the facility agreements).

Fees on such letters of credit accrue at an annual rate ranging from 2% to 2.5% (this fee was reduced since Loma de La Lata collateralized such letters of credit with funds from de issuance of corporate bonds, as defined below).

Due to the issuance of the corporate bonds, Loma de La Lata has made guaranteed deposit securing the funds to be disbursed under the previously mentioned letters of credit (and their related payable fees), thus replacing the obligation of making reimbursements by joint arrangers under the financing agreements and reducing, among others, the fees payables under such letters of credit.

The Corporate Bonds are guaranteed by credit rights against such company and fiduciary assignment of: (a) rights to receive payments and/or claim damages arising from (i) sales of electricity (energy and/or power) resulting from the additional capacity arising from the extension project, (ii) agreements to supply natural gas, (iii) project agreements, and (iv) insurance agreements; and (b) funds deposited in guarantee to cover the amount of the fixed interes portion until the provisional reception date of the expansion works. Additionally, the corporate bonds issued are secured by PESA (shareholder controlling Loma de La Lata) as direct and main obligor.

On December 29, 2008, Dilurey executed an option agreement by which it grants an irrevocable put option on the corporate bonds issued by Loma de la Lata for US$ 10 million, and such option may be exercised within 30 days as from September 8, 2011.

Authorization for the issuance of Corporate Bonds of Loma de La Lata

Loma de la Lata approved by means of the Extraordinary Shareholders' Meeting held on June 24, 2008 and the Ordinary and Extraordinary Shareholders' Meeting held on July 24, 2008, the issuance of corporate bonds up to the amount of US$ 200 million (the "Corporate Bonds") for, among other purposes, finance the Project, replacing the disbursement of the joint organizers, under the financing agreements. Such Meetings also approved the admission of Loma de La Lata into the public offering system and the application to the CNV of the respective public offering authorization of Corporate Bonds.

On September 8, 2008, Loma de Lata issued simple Corporate Bonds for a face value of US$ 178,000,000 at 11.25%, maturing in 2015 and with a subscription price of 93.34% implying a yield through maturity of 12.95%. The capital will be amortized in five semiannual consecutive payments, the first of which will be sixty months as from the issuance and settlement date. The first four amortization payments will be for an amount equivalent to 12.5% of capital, while the fifth and last amortization payment and full settlement will be made upon maturity for an amount equivalent to 50% of the issued capital. Interest will accrue on the outstanding capital as from the issuance and settlement date and until settling all the amounts owed under the Corporate Bonds at a fixed rate equivalent to a nominal 11.25% interest rate. The interest rate will be comprised of (i) one fixed interest rate portion equivalent to a fixed nominal rate of 5% and (ii) an interest portion capitalizable at a nominal fixed 6.25% (the "Capitalizable Interest Portion").

NOTE 7. FINANCING STRUCTURE (CONTINUED)

Loma de La Lata is obliged to cancel the amounts related to all interest, however it is stated that: (i) the Capitalizable Interest Portion related to interest payable on the first two Interest Payment Date (as defined in the Prospectus for the issuance of Corporate Bonds) will be automatically capitalizable, and (ii) provided no Event of Default occurred for failing to pay any amount owed under the Corporate Bonds or they were declared due and payable either fully or partially, Loma de La Lata may choose, at its sole discretion, to defer paying interest exclusively as regards the Portion of Capitalizable Interest and capitalize accrued interest related to such portion payable on the following three Interest Payment Dates (the "Option to Capitalize"). The Option to Capitalize may be exercised by Loma de La Lata only on the third, fourth and/or fifth Interest Payment Date. The option to capitalize interest could only be exercised by Loma de la Lata in the first four semiannual interest payments.

NOTE 8. SEGMENT INFORMATION

The Company is engaged on the electricity sector, with a participation in the electricity generation, transmission and distribution segments through different legal entities. Operating segments are revenue-producing components of the enterprise for which separate financial information is produced internally for management. Accordingly, the following business segments have been identified by means of its subsidiaries and based on the nature, customers and risks involved:

Generation: Made up of the direct and indirect equity interest in Loma de la Lata, Hidroeléctrica Los Nihuiles, Hidroeléctrica Diamante, Powerco, Central Térmica Güemes, Central Piedra Buena, Ingentis and investments in shares in other companies related to the electricity generation sector.

Transmission: Made up of the indirect equity interest in Transener and its subsidiaries.

Distribution: Made up of the indirect equity interest in Edenor.

Holding: Made up of own operations, such as advisory services and financial investments, and investments in real estate and other companies not related to the electricity sector.

The Company manages its segments to the net income (loss) level of reporting.

Below is a table with the information for each segment identified by the Company as of and for the six-month periods ended June 30, 2009 and 2008:

(in Argentine Pesos ("Ps.") – unless otherwise stated)

NOTE 8. SEGMENT INFORMATION (CONTINUED)

Unaudited Consolidated Statement of Income information at June 30, 2009

	Generation	Transmission	Distribution	Holding	Eliminations	Consolidated
Sales	868,438,419	151,435,939	1,060,189,000	5,306,132	-	2,085,369,490
Other Sales	6,364,606	144,994	-	21,704,774	(27,533,956)	680,418
Total sales	874,803,025	151,580,933	1,060,189,000	27,010,906	(27,533,956)	2,086,049,908
Cost of sales [1]	(661,005,708)	(87,307,117)	(698,414,930)	(21,924,115)	8,768,953	(1,459,882,917)
Subtotal [1]	213,797,317	64,273,816	361,774,070	5,086,791	(18,765,003)	626,166,991
Selling expenses [1]	(6,684,011)	-	(54,978,000)	(631,017)	1,088,609	(61,204,419)
Administrative expenses [1]	(27,033,384)	(15,028,128)	(80,586,000)	(20,842,339)	17,676,394	(125,813,457)
Subtotal [1]	180,079,922	49,245,688	226,210,070	(16,386,565)	-	439,149,115
Reserve for Director's options [2]	-	-	-	(5,883,336)	-	(5,883,336)
Depreciation of fixed assets [3]	(21,737,315)	(19,192,389)	(94,657,142)	(680,520)	-	(136,267,366)
Amortization of intangible assets	(9,381,228)	-	(2,025,448)	-	-	(11,406,676)
Amortization of other assets	-	(11,366,103)	-	-	-	(11,366,103)
Amortization of goodwill	(7,478,502)	400,278	(2,765,605)	(137,316)	-	(9,981,145)
Operating results	141,482,877	19,087,474	126,761,875	(23,087,737)	-	264,244,489
Financial and holding results						
Generated by assets	81,566,151	9,306,674	46,360,000	50,949,512	(5,520,859)	182,661,478
Generated by liabilities	(101,211,782)	1,146,222	(104,539,000)	105,707,048	5,520,859	(93,376,653)
Other income (expenses), net	333,290	1,701,377	13,209,000	(127,567)	-	15,116,100
Income before taxes and minority interest	122,170,536	31,241,747	81,791,875	133,441,256	-	368,645,414
Income tax and tax on assets	(46,415,723)	(3,019,749)	(48,089,787)	(710,133)	-	(98,235,392)
Minority interest	(24,178,392)	(12,763,502)	(37,298,000)	-	-	(74,239,894)
Net income (loss) for the period	51,576,421	15,458,496	(3,595,912)	132,731,123	-	196,170,128

(in Argentine Pesos ("Ps.") – unless otherwise stated)

NOTE 8. SEGMENT INFORMATION (CONTINUED)

Unaudited Consolidated Statement of Income information at June 30, 2009

	Generation	Transmission	Distribution	Holding	Eliminations	Consolidated
(1) Net of deprecietion and amortization						
(2) Allocated to administrative expenses						
(3) Charges to:						
Cost of sales	(30,334,128)	(28,662,697)	(94,613,590)	(225,969)	-	(153,836,384)
Selling expenses	(182,653)	-	(720,000)	-	-	(902,653)
Administrative expenses	(601,762)	(1,895,795)	(1,349,000)	(454,551)	-	(4,301,108)
Unaudited Consolidated information as of June 30, 2009						
Total Assets	3,131,655,510	987,696,633	5,203,688,059	855,584,355	(749,670,418)	9,428,954,139
Total Liabilities	1,446,686,752	516,743,551	2,827,583,243	325,359,303	(749,670,418)	4,366,702,431

PAMPA ENERGIA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(in Argentine Pesos ("Ps.") – unless otherwise stated)

NOTE 8. SEGMENT INFORMATION (CONTINUED)

Unaudited Consolidated Statement of Income information at June 30, 2008

	Generation	Transmission	Distribution	Holding	Eliminations	Consolidated
Sales	938,735,424	109,443,050	912,440,000	1,214,056	-	1,961,832,530
Other Sales	1,732,500	-	-	5,516,735	(6,706,286)	542,949
Total sales	940,467,924	109,443,050	912,440,000	6,730,791	(6,706,286)	1,962,375,479
Cost of sales [1]	(738,340,147)	(57,629,983)	(592,462,328)	(1,592,198)	542,949	(1,389,481,707)
Subtotal [1]	202,127,777	51,813,067	319,977,672	5,138,593	(6,163,337)	572,893,772
Selling expenses [1]	(6,751,575)	-	(61,841,000)	(783,581)	575,501	(68,800,655)
Administrative expenses [1]	(20,145,196)	(11,078,702)	(63,850,000)	(17,178,153)	5,587,836	(106,664,215)
Subtotal	175,231,006	40,734,365	194,286,672	(12,823,141)	-	397,428,902
Reserve for Director's options [2]	-	-	-	(5,883,336)	-	(5,883,336)
Depreciation of fixed assets [3]	(13,877,618)	(17,149,651)	(94,921,054)	(206,319)	-	(126,154,642)
Amortization of intangible assets	(9,419,113)	-	(2,530,981)	-	-	(11,950,094)
Amortization of other assets	-	(11,366,103)	-	-	-	(11,366,103)
Amortization of goodwill	(7,698,738)	365,471	(2,731,499)	-	-	(10,064,766)
Operating results	144,235,537	12,584,082	94,103,138	(18,912,796)	-	232,009,961
Financial and holding results						
Generated by assets	(45,033,913)	2,911,852	8,223,000	5,790,242	-	(28,108,819)
Generated by liabilities	(8,899,403)	(5,791,186)	(13,783,000)	56,834	-	(28,416,755)
Other income and expenses, net	2,244,450	4,794,564	(10,392,220)	(190,146)	-	(3,543,352)
Income (loss) before taxes and minority interest	92,546,671	14,499,312	78,150,918	(13,255,866)	-	171,941,035
Income tax and tax on assets	(39,740,378)	(6,814,233)	(25,697,848)	5,476,606	-	(66,775,853)
Minority interest	(16,601,182)	(2,366,456)	(28,238,000)	-	-	(47,205,638)
Net income (loss) for the period	36,205,111	5,318,623	24,215,070	(7,779,260)	-	57,959,544

(in Argentine Pesos ("Ps.") – unless otherwise stated)

NOTE 8. SEGMENT INFORMATION (CONTINUED)

Unaudited Consolidated Statement of Income information at June 30, 2008	Generation	Transmission	Distribution	Holding	Eliminations	Consolidated
(1) Net of depreciation and amortization						
(2) Allocated to administrative expenses						
(3) Charged to:						
Cost of sales	(23,109,051)	(26,830,495)	(96,056,035)	-	-	(145,995,581)
Selling expenses	(66,648)	-	(529,000)	-	-	(595,648)
Administrative expenses	(121,032)	(1,685,259)	(867,000)	(206,319)	-	(2,879,610)
Audited Consolidated information as of December 31, 2008						
Total Assets	3,011,277,350	998,976,381	5,008,266,941	699,655,642	(579,997,774)	9,138,178,540
Total Liabilities	1,466,974,481	556,245,297	2,698,438,204	171,452,046	(579,997,774)	4,313,112,254

NOTE 9. OPPORTUNITIES ASSIGNMENT AGREEMENT - PURCHASE OPTIONS

As approved by the Shareholders' Meeting of September 16, 2006, on September 27, 2006 the Company signed an Opportunities Assignment Agreement, whereby certain executives were committed to provide the Company with potential business opportunities encompassed by the Company's investment guidelines, exceeding US$ 5,000,000. In consideration, the Company granted to those executives purchase options for up to 20% of capital, to be exercised at the same price per ordinary share in US$ that shareholders have subscribed at each capital increase, adjusted in accordance with the purchase option agreements.

The purchase options could be exercised in equal portions as from the expiration of the term of one, two or three years, respectively as from the issuance date, and they will maintain their validity for a period of fifteen years as from their issuance date. If the purchase options are not exercised, they will expire after the term for their validity. The number of options and the exercise price are to be adjusted in accordance with the purchase option agreements.

CNV, through Resolution No. 15,447 dated August 7, 2006, approved the issuance of the purchase options representing 20% of the Company's capital stock, conditioning that authorization to certain actions that were fulfilled on October 9, 2006.

The Shareholders Meeting held on August 30, 2007 approved certain amendments to the Opportunities Assignment and Purchase Option agreements, which are in force as from September 28, 2007:

- The beneficiaries of the purchase options waive their right to subscribe whenever the Company's capital is increased an additional number of common stock which allows them at any time hold 20% of the capital stock of the Company, as established in the purchase option agreements;
- The executives' purchase options other than purchase options that may be exercised at the date of death, absence or permanent disability shall be automatically reassigned to the remaining beneficiaries in proportion to their respective participations in all the purchase options.

Pursuant to this agreement, the Company issued 111,500,000 purchase options, granting the right to subscribe: (i) 111,500,000 shares at an exercise price of US$ 0.37 per share, (ii) 150,000,000 shares at an exercise price of US$ 0.72 per share, and (iii) 120,048,560 shares at an exercise price of US$ 0.83 per share, representative of 20% of the Company's capital stock on fully diluted basis. Option are exercisable as from September 27, 2007, 2008 and 2009.

The Company had valued the options granted at Ps. 35.3 million. A compensation expense is recognized ratably over the effective term of the Opportunities Assignment Agreement (consistent with the vesting period), with a credit to an equity reserve. As of June 30, 2009 the equity reserve amounts to Ps. 32.4 million.

On April 16, 2009, in accordance with the resolution of the Ordinary and Extraordinary Shareholders Meeting of April 8, 2009 and the report of the Company's Audit Committee, the Company and certain of its Executives executed an amendment to the Opportunities Assignment Agreement, which extended the term of the Agreement by five years until September 27, 2014. In addition, the Company signed a Restated Warrant Agreement with each of the relevant executives amending certain terms of the Warrant Agreements, including the exercise date of the Warrants and the exercise price, which was set at U.S. $0.27 per warrant. In accordance with the amendment, one-fifth of each of the Series I, Series II and Series III Warrants may be exercised as from September 28, 2010, 2011, 2012, 2013 and 2014, and will remain in effect for fifteen years from the date of issuance.

The Company has determined the difference existing between the warrants value in the original agreement and that same value under the new agreement executed, both calculated upon the amendment, which amounts to Ps. 44,7 million, approximately. The Company will book this difference as from September 28, 2009, when the new agreement amending the Opportunity Assignment Agreement becomes effective.

Additionally, on August 3, 2009, the Company received a communication from the Executives by which they stated that aiming to emphasizing even more their commitment with the Company's sustained growth, each of them has personally and irrevocably waived their right to exercise any option accrued in their favor (or their transferees) and to receive Company shares of common stock underlying such options before September 28, 2013. Consequently, none of the Executives will exercise options accrued and received through September 28, 2012, before September 28, 2013.

NOTE 10. RESTRICTED ASSETS, LIMITATION ON THE TRANSFERABILITY OF SHARES AND OBLIGATIONS ASSUMED

Inversora Nihuiles

Pursuant to point 12.13 of Chapter XII of the Terms and Conditions for the sale of 51% of Hidroeléctrica Nihuiles capital stock, Class B shares are of free availability and their transfer by public offering shall be mandatory once the Government of the Province of Mendoza has transferred its Class C shares to retail investors resident of the Province of Mendoza. The Government of the Province of Mendoza has not performed any transfer of the Class C shares to retail investors resident in the Province of Mendoza.

Furthermore, it is established that the concessionaire should take the necessary measures for the Company to list its securities on the Stock Exchange.

On March 9, 2006, the Provincial Executive Branch, through the Ministry of the Environment and Public Works, issued Decree No.334, whereby it was agreed the sale of 37% of Hidroeléctrica Nihuiles capital stock, represented by Class C shares, to institutional minority investors of the Province of Mendoza, by means of a procedure guaranteeing that none of the purchasers of this class of shares could hold more than 5% of the capital stock and none of the holders of Class A shares could hold any other classes of shares. The same decree authorized the Ministry of the Environment and Public Works and Finance to carry out the pertinent formalities to confirm the irrevocable sales mandate granted by the holder of Class B shares to the Provincial Government.

On September 7, 2006, the legislature of the Province of Mendoza ratified Decree No. 334 dated March 9, 2006.

On July 5, 2007, through Decree No. 1,651/07 the Executive Branch of the Province of Mendoza instructed the Ministries of the Environment and Public Works and Finance of the Province to call a Public Bid for Stock Broker Companies, Stock Markets and Financial Institutions specialized in operations for the implementation and sale of shares in capital markets in order for them to submit a proposal for assisting the Province of Mendoza in the process that will be necessary to carry out to sell the Class C and, as the case may be, the Class B shares in Hidroeléctrica Los Nihuiles S.A., as established by Decree No. 334/06 and ratified by Law No. 7,541.

Financing of the acquisition of participation in Inversora Nihuiles and Inversora Diamante

In October 2006, the Company acquired shares of Inversora Nihuiles and Inversora Diamante, which were partially financed by the seller, Banco de Galicia y Buenos Aires S.A. ("Banco Galicia") for US$ 4,900,000. This loan accrues interest at 3% and matures on June 7, 2011.

Due to such financing, the Company created a first pledge in favor of Banco de Galicia on the shares of Inversora Nihuiles and Inversora Diamante that were acquired from Banco de Galicia.

Transener and Transba

Restricted assets

The concession contract prohibits the concessionaire from placing a lien, mortgage or any other collateral in favor of third parties on assets destined to the rendering of the National High-Voltage Electricity Public Transmission Service in the case of Transener and the Provincial Electricity Public Transmission Service in the case of Transba, notwithstanding the free availability of those assets becoming unsuitable for that purpose in the future according to the ENRE criteria.

Limitation on the transferability of shares

Citelec may not modify its interest or sell its Class A shares in Transener without the prior authorization of the ENRE. Also, Transener may not modify or sell its interest in Transba without the prior authorization of that agency.

As set forth in the concession contract, Citelec with respect to Transener, and Transener with respect to Transba, have created a pledge in favor of the National State on all the Class A shares, as security for compliance with obligations assumed. The awardees Citelec and Transener shall increase the amount of the guarantee by creating a pledge on the Class A shares they purchase in the future as a result of new capital contributions made by them or the capitalization of profits and/or capital adjustment balances, and any successive transfers of the majority Class A shares shall be made with those pledges.

In addition, the corporate by-laws of those companies also forbids the creation of pledges or any other lien on those Class A shares, except in the cases mentioned in the concession contract

NOTE 10. RESTRICTED ASSETS, LIMITATION ON THE TRANSFERABILITY OF SHARES AND OBLIGATIONS ASSUMED (CONTINUED)

Edenor

Limitation on the transferability of shares

In accordance with the corporate by-laws, the holders of Class A shares may transfer their shares with the prior approval of the ENRE, which will adopt a resolution within 90 days. Otherwise, the request will be deemed to have been approved.

Furthermore, Caja de Valores S.A., responsible for keeping a record of these shares, is entitled (as set forth in the corporate by-laws) to reject all such entries which are not, at its discretion, in compliance with the regulations on transfers of ordinary shares included in (i) the Argentine Business Organizations Law, (ii) the concession contract and (iii) the corporate by-laws.

In turn, Class A shares shall be pledged over the life of the concession, as security for compliance with the obligations assumed under the concession contract.

In addition, the Company must be the beneficial owner of the Class 2 Corporate Bonds and, as stated in the register, of at least 51% of the voting and outstanding shares in Edenor.

Section ten of the Adjustment Agreement executed with the Grantor of the the Concession and ratified by Decree 1,957/06 provides that from its effective date to the expiration of the Contractual Transition period, the shareholders who own the Majority Shares may not modify their equity interests or sell their shares.

Restrictions on the distribution of retained earnings

As from the restructuring of the financial debt, Edenor was not allowed to distribute dividends until April 24, 2008, or the Leverage Ratio is lower than 2.5. As from that moment, it may distribute dividends only in certain circumstances depending on its indebtedness ratio.

Loma de La Lata

As of June 30, 2009 short-term and long-term investments balances include current bank accounts, guarantee trusts, and Goverments bonds for a total amount of Ps. 263,872,841 which are restricted by virtue of certain guarantees given in favor of certain suppliers under the construction agreements in connection with the Project.

Dilurey

As of June 30, 2009 short-term investments balances include 549,088 shares of Nortel property of Dilurey for a total amount of Ps.12,686,980 granted in guarantee of its financial debt.

Edenor

As of June 30, 2009 short-term investments balances include 7,118,064 shares of Edenor which amounts to Ps. 7,402,786 granted in guarantee of its financial debt.

NOTE 11. COMMON STOCK

At June 30, 2009 the Company had 1,526,194,242 of book-entry shares with a par value of Ps. 1 each and entitled to 1 vote per share.

On September 8, 2008, the Company's Board of Directors resolved to establish the terms and conditions to acquire shares issued by the Company for up to US$ 30,000,000, for 120 running days, up to a maximum amount to be invested of 10% of the Company's common stock and at a price between Ps. 1.10 and Ps. 1.70 per share. The Company's Board of Directors considers that this transaction guards over the shareholders' best interests given the strong impact underwent by the listed price of local shares due to the international macroeconomic context, who by the repurchase will increase their interests in the Company's strategic assets.

(in Argentine Pesos ("Ps.") – unless otherwise stated)

NOTE 11. COMMON STOCK (CONTINUED)

Considering the approved OPAs, as of June 30, 2009, the Company acquired 211,883,347 Class A shares, with a face value of Ps. 1 per share, at an acquisition average cost of Ps. 0.97 per share totalizing Ps. 205,479,339, which is disclosed as a deduction of retained earnings. The market price of such shares as of the six month period-end amounted to Ps. 254,260,016.

Due to the previously mentioned acquisitions, the Company exceeded the limit of treasury stock, established at 10% of its capital stock as provided by Section 68, Law No. 17,811 (as revised by Decree No. 677/01). This limit has been temporarily suspended by CNV considering the gravity and exceptionality of the current situation upon issuing General Resolutions No. 535/08, 546/08, 550/09 and 553/09 until June 30, 2009. Under that circumstance, as from June 30, 2009, the Company has not acquired additional shares of its own.

NOTE 12. PROFIT DISTRIBUTIONS

Legal Reserve

In accordance with the Argentine Commercial Companies Law, 5 % of the net profit for the year calculated in accordance with Argentine GAAP must be appropriated to a legal reserve until such reserve equals 20% of the Company's outstanding capital.

Dividends

In accordance with Law No. 25,063, dividends distributed in cash or in kind, in excess of accumulated tax profits at the end of the year immediately before the date of payment or distribution, will be subject to a 35% income tax withholding in a single and final payment. The balance of accumulated accounting profits at December 31, 1997, less dividends paid plus tax profits calculated as from January 1, 1998 are considered accumulated tax profits for the purposes of this tax.

Dividends in advance

To preserve the Company's equity and mainly guard over the equitable treatment among shareholders, the Company has decided to implement a mechanism considered to be effective and efficient consisting in anticipating dividends which will compensate personal assets tax required to pay over tax authorities in its capacity of substitute taxpayer for such tax.

Therefore, on December 22, 2008, the Company's Board of Directors resolved to anticipate dividends in cash under the terms of Argentine Commercial Companies Law for Ps. 18,314,331 (which net of dividends related to own shares amounted to Ps.16,797,217), which is equivalent to 0.012% to the face value of each outstanding share, and was approbed by the Ordinary Shareholders' Meeting held on April 8, 2009.

NOTE 13. INCOME TAX

The breakdown of deferred tax assets and liabilities is as follows:

	As of June 30, 2009 (Unaudited)	As of December 31, 2008 (Audited)
Tax loss-carryforwards	65,745,930	82,032,726
Trade receivables	85,437,910	(12,981,864)
Materials and spare parts	(716,032)	(609,032)
Inventories	(907,715)	(1,007,229)
Fixed and intangible assets	(598,267,013)	(576,001,256)
Other assets	(2,571,844)	(1,018,805)
Financial debt	(27,664,371)	(32,944,047)
Other liabilities and provisions	26,893,766	94,594,431
Other	6,975,740	(1,831,902)
Net deferred income tax liability	(445,073,629)	(449,766,978)

(in Argentine Pesos ("Ps.") – unless otherwise stated)

NOTE 13. INCOME TAX (CONTINUED)

Below is a reconciliation between income tax expense and the amount resulting from application of the tax rate on the income before taxes:

	For the six-month periods ended June 30, (Unaudited)	
	2009	**2008**
Income before taxes and minority interest	368,645,414	171,941,035
Current tax rate	35%	35%
Result at the tax rate	(129,025,895)	(60,179,362)
Goodwill amortization	(3,493,401)	(3,522,668)
Purchase options granted to Directors	(2,059,168)	(2,059,168)
Non-taxable income	45,093,398	(4,841,067)
Other	(4,396,047)	3,898,811
Subtotal	(93,881,113)	(66,703,454)
Expiration of tax loss-carryforwards	(45,709)	(50,541,313)
Change in valuation allowance for tax loss carryforwards	(4,308,570)	50,468,914
Total income tax expense	(98,235,392)	(66,775,853)

NOTE 14. RELATED PARTIES

The following is a summary of the material transactions carried out with related parties during the reported periods:

Opportunities assignment agreement – Purchase options

On September 27, 2006 the Company signed an Opportunities Assignment Agreement, whereby certain executives were committed to provide the Company with potential business opportunities encompassed by the Company's investment guidelines, exceeding US$ 5,000,000. In consideration, the Company granted to those executives purchase options for up to 20% of capital, to be exercised at the same price per ordinary share in US$ that shareholders have subscribed at each capital increase, adjusted in accordance with the purchase option agreements. See Note 9 for further details.

NOTE 15. COMMITMENTS AND CONTINGENCIES

CTG tax dispute

Pursuant to Decree No. 571/00, the Argentine government decreed that companies in the process of privatization would be exempt from the asset tax. Accordingly, a resolution by the Argentine tax authority was issued in favor of CTG recognizing that it was entitled to such exemption. However, on May 9, 2005, the Argentine tax authority revoked such resolution claiming that CTG was no longer in the process of privatization. On June 9, 2005, as per CTG's request, the relevant court in Argentina granted a suspension of the resolution revoking the exemption. Although the Argentine tax authority contested such suspension, the suspension of the revocation of CTG' tax exemption was upheld on November 9, 2005. On July 31, 2007, the Argentine tax authority issued a new decision rejecting Güemes's appeal and confirming the resolution of the revoking exemption. On August 22, 2007, CTG filed a judicial action challenging this tax resolution and requesting that the court suspend the resolution, thereby preventing the Argentine tax authority from carrying out any attachment or other executive measures until a final judgment has been entered. The Argentine tax authority has appealed such suspension and the litigation proceeding is still ongoing as of the date of this registration statement. In the event that this matter is resolved against CTG, CTG could be forced to pay the unpaid tax amounts claimed by the Argentine tax authority, plus accrued interest, penalties and other costs and expenses (including legal fees).

The Company based on its legal and tax advisors considers that there are solid grounds to defend its original position as to the exemption to pay asset tax. The Company has however decided to adhere to the new Tax Regularization System – Law No. 26,476, which will allow among other the following benefits: (i) rebating interest; (ii) remitting fines; (iii) exonerating from any criminal tax case that may derive from periods that have been settled; (iv) taking capital that has been settled for payments towards the next income tax return, reducing the financial tie-up, and; (v) deducting compensatory interest arising from adhering to the income tax amnesty related to the 2009 fiscal year.

NOTE 15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Law No. 26,476 established a tax regularization program whose general terms are:
- Remission of fines and sanctions not already imposed upon adhering to the program;
- Remission of compensatory and punitive interest on the amount exceeding by 30% the capital owed;
- 6% payment towards the amount owed upon adhering to the program;
- The resulting amount in up to 120 monthly installments bearing interest at 0.75% per month.
- 30% to 50% reduction in tax agents' and tax authority representatives' fees.

CTG has decided to adhere to such program recognizing a liability of Ps. 17,095,742, which was paid in May 2009. In this relation, CTG recorded a tax on asset credit of Ps.11,864,266 and an interest expense of Ps. 5,231,476. As of June 30, 2009, Ps. 10,242,289 of this credit was used compensating 2008 income tax obligations and the remaining Ps. 1,621,977 is included in other current receivables.

Transener legal proceedings

On August 8, 2003, the Argentine Federal Tax Bureau notified Transener of an income tax assessment based on various intercompany loans made between 1998 and 2000, which assessment alleged that such loans included interest rates below standards established under income tax law. Transener appealed the assessment to the Argentine National Tax Court. The claim amounted to Ps. 7 million, including principal, interest and penalties. No provision has been recognized for this contingency in the financial statements.

On May 17, 2007, a fire in the Ezeiza transformer station resulted in a disruption of the services provided by that station. The services were partially resumed shortly thereafter. In response to that disruption, the ENRE filed charges against Transener alleging certain violations of the quality standards applicable to the transmission services provided by Transener. In response to such charges, Transener has raised a force majeure event defense. Transener recognized a provision for contingencies of approximately Ps. 14.0 million to cover penalties that could derive from such charges. As of June 30, 2009, the service was totally restored.

Edenor tax claims

On December 1, 2003, the Provincial Board of Electric Power of the Province of Buenos Aires initiated a claim against Edenor in the amount of Ps. 51.2 million, which does not include surcharges, interest or penalties accrued in respect of this amount after the date of the claim. At December 31, 2003, the amount of surcharges and interest accrued on the claim, including applied penalties, was Ps. 310 million. In addition, on April 23, 2007, the Board notified Edenor of an additional claim for Ps. 4.0 million, without including surcharges, interest or penalties accrued. The claims are based on an alleged failure to collect, as collection agent, in respect of certain taxes established by Decree Nos. 7,290/67 and 9038/78 between July 1997 and June 2001 and between July 2001 and June 2002, respectively. On December 23, 2003, Edenor filed an appeal of the Board's decision with the provincial Tax Court of Appeals of La Plata, and enforcement of the judgment was suspended pending the outcome of the appeal. On June 14, 2007, the Court granted Edenor's appeal and rejected the Board's tax claim against Edenor. On June 27, 2007 the provincial Tax Court of Appeals of Buenos Aires rendered a favorable decision in relation to Edenor's appeal. This decision reaffirms a recent decision by the Supreme Court of the Republic of Argentina in an unrelated case that held that the regulations were unconstitutional due to the commitment assumed by the Province of Buenos Aires to not tax the transfer of electric power. No provision has been recognized in this connection.

The Argentine federal tax authorities have challenged certain income tax deductions for allowance for doubtful accounts on Edenor's income tax returns for fiscal years 1996, 1997 and 1998, and have assessed additional taxes of approximately Ps. 9.3 million. Tax related contingencies are subject to interest charges and, in some cases, fines. Edenor has appealed the tax authorities' ruling before the Argentine federal tax court. During the appeal process payment for such claim is suspended. Edenor has established a provision for contingencies of Ps. 38.8 million, which includes principal and interest, in relation to this claim. However, during April 2009 and in this connection, Edenor decided to adhere to Law No. 26,476, which reduced the obligation to Ps. 12.1 million and recognized a gain of Ps. 23.4 million.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Edenor environmental claims

On May 24, 2005, three of Edenor's employees were indicted on charges of PCB-related environmental contamination dangerous to human health, which is a crime under Argentine law. In connection with this alleged infraction, the judge sought a pre-judgment attachment of Edenor's assets in the amount of Ps. 150 million to cover the potential cost of environmental damages and estimated clean-up costs. On May 30, 2005, Edenor appealed the charges against its employees as well as the attachment order. On December 15, 2005, the court of appeals dismissed the charges against all three defendants for lack of evidence and, accordingly, vacated the attachment order. The decision by the court of appeals also stated that the trial judge should order the acquittal of two public officers of the ENRE, who had been indicted on related charges. This decision was appealed to the National Criminal Appellate Court (Tribunal de Casación), the highest appellate body for this matter, which on April 5, 2006 ruled that the appeal of the decision relating to Edenor's employees and Edenor was not admissible because decisions rendered on grounds of lack of evidence are not reviewable. On July 16, 2007, Edenor was notified that on July 11, 2007, the trial judge issued acquittals for all of the Edenor's officials and employees that had been indicted. On appeal on March 25, 2008, the First Court of the Federal Circuit of San Martín (Sala I de la Cámara Federal de San Martín) upheld the acquittals and confirmed the finding that there had been insufficient evidence to prove any PCB contamination. This decision was appealed on April 18, 2008 by the Attorney General (Ministerio Público) before the First Court of the Federal Circuit of San Martín, which rejected the appeal as well.

The resolution in question was notified to the Attorney General on December 29, 2008. Within the contemplated legal time period, the Attorney General's Office filed with National Criminal Appellate Court an "Extraordinary appeal". The defense has duly answered the notice served. On May 27, 2009, such Court "dismissed the extraordinary appeal filed by the Attorney General's Office" on the grounds that it failed to specifically and reasonably refute the arguments that supported the resolution being appealed, and proved neither the alleged arbitrariness nor the violation of constitutional guaranties. The Attorney General's Office filed an appeal to the Federal Supreme Court requesting that the appeal dismissed by the National Criminal Appellate Court be sustained. As of the date of issuance of these financial statements, the appeal is being analyzed by the Supreme Court.

Edenor has not established any provision for contingencies in its financial statements for this claim, since Edenor´s management and its legal advisors consider that is a strong probability that the appeal will be rejected and the judgment ordering the acquittal of all defendants will be confirmed.

Proceedings challenging the renegotiation of Edenor's concession

In November 2006, two Argentine consumer associations, Asociación Civil por la Igualdad y la Justicia (ACIJ) and Consumidores Libres Cooperativa Limitada de Provisión de Servicios de Acción Comunitaria, brought an action against Edenor and the Argentine government before a federal administrative court seeking to block the ratification of the Adjustment Agreement on the grounds that the approval mechanism was unconstitutional. On March 26, 2007, the federal administrative court dismissed these claims and ruled in Edenor's favor on the grounds that the adoption of Executive Decree No. 1957/06, which ratified the Adjustment Agreement, rendered the action moot. ACIJ appealed this decision on April 12, 2007, and the appeal was decided in Edenor's favor. However, on April 14, 2008, ACIJ filed another complaint challenging the procedures utilized by the Argentine Congress in approving the Adjustment Agreement. Specifically, the claim alleges that Article 4 of Law No. 24,790, which authorized the Congress to tacitly approve agreements negotiated between the Argentine government and public service companies, such as Edenor, violated the congressional procedures established in the Argentine Constitution. ACIJ has requested that the Adjustment Agreement be renegotiated and submitted to Congress for its express approval. Edenor's response to this complaint is due on or before 2008. No provision has been accounted for in this connection as the possibility of loss is considered remote.

NOTE 16. EDENOR`S FINANCIAL TRUST AGREEMENT

On September 30, 2008, the indirectly controlled affiliate, Edenor, executed an irrevocable and discretional trust agreement with Macro Bank Limited. By organizing the trust, Edenor assigns the management of certain liquid assets for an initial amount of up to US$ 24 million, which will be subject to the trust. Such agreement was executed for 20 years.

By using the trust funds, it reported to have repurchased par corporate bonds maturing in 2016 issued by Edenor for a face value of US$ 23.9 million. Such amount is a portion of all corporate bonds repurchased as of June 30, 2009, mentioned in note 7.

On June 30, 2009, Macro Bank Limited reported that in its investments portfolio it held par corporate bond maturing in 2017 issued by Edenor for a face value of US$ 24.5 million.

NOTE 17. SUBSEQUENT EVENTS

Repurchase of corporate bonds

As from July 1, 2009 and through the issuance date of these consolidated financial statements, the Company and its subsidiaries have acquired its own corporate bonds or those corporate bonds issued by the certain subsidiaries, for about US$ 2.77 million, equivalent to US$ 3.86 million of face value.

Issuance of VCP's (securities representing short-term debt) by Central Piedra Buena

Under the Global Program for issuing securities representing short-term debt (VCP's) mentioned in note 4 (e), on July 28, 2009, CPB's Board of Directors approved the issuance of a new class of VCP's for a face value of up to Ps. 35,000,000 at a Badlar Private interest rate plus an applicable margin arising from the awarding process. Principal will be paid in one installment 270 days running after issuance date and interest will be paid on a quarterly basis.

Net proceeds from placing VCP's will be used in investments in physical assets, in paying in working capital and/or refinancing liabilities.

Authorization of the Securities and Exchange Comission (SEC)

On August 5, 2009 the SEC of the United States of America declared the effectiveness of the registration of its ADSs, each representative of 25 ordinary shares of the Company which will allow the public offering of such instruments in that foreign market.

This registration and listing will be accompanied by the conversion of Global Depositary Shares ("GDSs") in ADSs, each representative of 25 ordinary shares of the Company, issued by the Bank of New York ("BoNY").

The Company has initiated the process of listing the ADSs for trading at the NYSE and intends to cancel the listing of the current GDSs at the Luxembourg Stock Exchange. The registration with the SEC and the listing of the ADSs on the NYSE are an integral componet of the strategic plan of the Company to increase the liquidity and trading volume of Pampa´s shares.

NOTE 18. OTHER FINANCIAL STATEMENT INFORMATION

The following tables present additional financial statement disclosures:

a. Fixed assets, net

b. Investments

c. Intangible assets, net

d. Goodwill, net

e. Allowances and provisions

f. Cost of sales

g. Foreign currency assets and liabilities

h. Other expenses

PAMPA ENERGIA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in Argentine Pesos ("Ps.") – unless otherwise stated)

a. Fixed assets, net

	Original values						Depreciation					06.30.09	12.31.08
Account	At the beginning of the year	Increases for the period	Increases for acquisition (1)	Disposals	Transfers	At the end of the period	At the beginning of the year	Amount for the period	%	Disposals	Accumulated at the end of the year	Net book value (Unaudited)	Net book value (Audited)
Land	9,994,511	479,311	-	-	689,450	11,163,272	-	-	-	-	-	11,163,272	9,994,511
Properties	199,080,879	195,205	-	-	(6,422,108)	192,853,976	(13,313,889)	(3,976,169)	2-6.66%	-	(17,290,058)	175,563,918	185,766,990
High, Medium and Low voltage lines	1,845,698,063	-	-	(506,000)	77,504,000	1,922,696,063	(118,048,822)	(47,352,515)	3-4-5%	297,000	(165,104,337)	1,757,591,726	1,727,649,241
Substations	681,006,153	-	-	-	65,946,000	746,952,153	(37,067,651)	(15,052,625)	3-4%	-	(52,120,276)	694,831,877	643,938,502
Transformers chamber and platforms	410,189,433	-	-	-	22,723,000	432,912,433	(22,535,880)	(9,398,908)	3-4%	-	(31,934,788)	400,977,645	387,653,553
Meters	402,678,000	-	-	-	19,730,000	422,408,000	(31,052,000)	(13,936,832)	4-5%	-	(44,988,832)	377,419,168	371,626,000
High-voltage lines	395,460,665	695,194	-	-	(26,077,555)	370,078,304	(30,022,545)	(8,745,338)	2.7-3.3%	847,732	(37,920,151)	332,158,153	365,438,120
Electricity equipment	308,709,198	166,520	-	-	2,056,100	310,931,818	(22,585,288)	(6,950,641)	5-20%	-	(29,535,929)	281,395,889	286,123,910
Aerial and semi-heavy equipment	10,144,714	654,128	-	(69,306)	123,053	10,852,589	(2,022,729)	(216,537)	3-4%	26,907	(2,212,359)	8,640,230	8,121,985
Laboratory and maintenance	3,857,886	6,520	-	-	6,532	3,870,938	(1,315,994)	(153,098)	4-5%	-	(1,469,092)	2,401,846	2,541,892
Generation equipment and machinery	525,947,429	3,742,838	303,655	-	25,341,169	555,335,091	(49,166,315)	(16,522,104)	3-4%	-	(65,688,419)	489,646,672	476,781,114
Vehicles	14,889,461	2,478,325	69,262	(638,766)	109,571	16,907,853	(2,980,917)	(2,066,746)	20-50%	575,837	(4,471,826)	12,436,027	11,908,544
Furniture and fixtures	43,713,828	3,605,771	103,364	(469,877)	(16,021)	46,937,065	(15,384,216)	(7,118,259)	12-20%	127,959	(22,374,516)	24,562,549	28,329,612
Computer and software equipment	68,923,542	7,939	-	-	10,632,195	79,563,676	(9,608,731)	(3,644,908)	20%	-	(13,253,639)	66,310,037	59,314,811
Spare Parts	56,996,449	7,240,889	-	(4,397,863)	(1,665,189)	58,174,286	-	-	-	-	-	58,174,286	56,996,449
Tools and machines	11,305,452	1,132,076	-	-	915,869	13,353,397	(4,419,945)	(925,112)	10-33%	(902,983)	(6,248,040)	7,105,357	6,885,507
Works in progress	509,703,598	447,293,032	8,706,923	(17,617,332)	(132,455,605)	815,630,616	-	-	-	-	-	815,630,616	509,703,598
Work and compulsory work performed	7,533,912	-	-	-	-	7,533,912	(1,119,872)	(207,574)	4.5%	-	(1,327,446)	6,206,466	6,414,040
Advances to suppliers	359,483,709	63,816,745	117,506,025	(5,659,159)	(66,139,387)	469,007,933	-	-	-	-	-	469,007,933	359,483,709
Total as of 06.30.09	5,865,316,882	531,514,493	126,689,229	(29,358,303)	(6,998,926)	6,487,163,375	(360,644,794)	(136,267,366)		972,452	(495,939,708)	5,991,223,667	
Total as of 12.31.08	5,277,742,601	806,000,270	-	(218,425,989)	-	5,865,316,882	(104,544,409)	(261,238,423)		5,138,038	(360,644,794)		5,504,672,088

(1) C orresponds to increases of fixed assets for additionally acquisition of Inversora Ingentis and Endisa.

(in Argentine Pesos ("Ps.") – unless otherwise stated)

b. Investments

	As of June 30, 2009 (Unaudited)	As of December 31, 2008 (Audited)
Short-term Investments		
Time deposits and other securities	85,251,435	163,340,064
Government securities	152,848,052	115,984,002
Corporate securities	9,929,352	16,555,295
Mutual funds	128,344,050	142,281,880
Shares in other companies	81,985,807	48,510,401
Trusts	15,654,277	14,489,491
Total short-term investments	474,012,973	501,161,133
Long-term Investments		
Government securities	6,982,000	7,483,000
Shares in other companies	81,811,406	132,208,890
Trusts	90,298,000	48,945,000
Restricted bank accounts	227,718,420	309,382,117
Other	462,002	5,989,002
Total long-term investments	407,271,828	504,008,009

(in Argentine Pesos ("Ps.") – unless otherwise stated)

c. Intangible assets, net

Main Account	Original values						Accumulated depreciation			06.30.09	12.31.08
	At the begining of the year	Increases for the period	Increases for acquisition (1)	Disposals	Transfers	At the end of the period	At the begining of the year	Amount for the period	At the end of the period	Net book value as of 06.30.09 (Unaudited)	Net book value as of 12.31.08 (Audited)
Concession contract	335,368,056	-	-	-	-	335,368,056	(42,275,447)	(9,370,525)	(51,645,972)	283,722,084	293,092,609
Organization expenses	3,219,140	-	3,219,139	-	-	6,438,279	-	(10,703)	(10,703)	6,427,576	3,219,140
Trademarks and patents	5,000	-	-	-	-	5,000	-	-	-	5,000	5,000
Intangibles identificable in distribution acquired	24,524,452	-	-	-	-	24,524,452	(3,722,805)	(2,025,448)	(5,748,253)	18,776,199	20,801,647
Total as of 06.30.09	363,116,648	-	3,219,139	-	-	366,335,787	(45,998,252)	(11,406,676)	(57,404,928)	308,930,859	
Total as of 12.31.08	363,110,940	5,708	-	-	-	363,116,648	(24,762,307)	(21,235,945)	(45,998,252)		317,118,396

(1) Corresponds to increases of fixed assets for additionally acquisition of Inversora Ingentis and Endisa.

(in Argentine Pesos ("Ps.") – unless otherwise stated)

d. Goodwill, net

Main account	Original values	Accumulated amortization	Net book value as of 06.30.09 (Unaudited)	Net book value as of 12.31.08 (Audited)
Transelec (1)	(17,369,690)	2,426,065	(14,943,625)	(15,343,903)
Inversora Nihuiles (2)	(745,689)	117,271	(628,418)	(649,742)
Inversora Diamante (2)	10,859,826	(1,670,741)	9,189,085	9,492,859
Dilurey (3)	4,732,712	(686,582)	4,046,130	4,183,446
Powerco (3)	906,787	(131,549)	775,238	801,548
CIESA (4)	183,380,415	(27,579,941)	155,800,474	163,084,750
DESA (5)	444,667,068	(9,375,513)	435,291,555	437,970,273
IEASA (5)	22,784,530	(479,029)	22,305,501	22,441,388
CTG (3)	(2,171,469)	513,413	(1,658,056)	(1,776,778)
HIDISA (2)	139,289	(12,566)	126,723	130,911
Edenor (5)	(7,654,000)	49,000	(7,605,000)	(7,654,000)
Ingentis (6)	(23,422,864)	-	(23,422,864)	-
Total as of 06.30.09	616,106,915	(36,830,172)	579,276,743	
Total as of 12.31.08	639,529,779	(26,849,027)		612,680,752

(1) Useful life has been estimated at 21 years based on the average weighted remaining useful life of the subsidiaries' assets subject to depreciation.

(2) Useful lives have been estimated at 17 years based on the remaining term of the concession contracts of Hidroeléctrica Los Nihuiles and Hidroeléctrica Diamante, subsidiaries of Inversora Nihuiles and Inversora Diamante, respectively.

(3) Useful life has been estimated at 17 years based on the average weighted remaining useful life of the assets subject to depreciation of CTG, subsidiary of Dilurey and Powerco at acquisition date.

(4) Useful life has been estimated at 13 years based on the average weighted remaining useful life of the assets subject to depreciation of Central Piedra Buena, CIESA's subsidiary.

(5) Useful life has been estimated at 83 years based on the remaining useful life of Edenor concession contract.

(6) A negative goodwill related to the portion attributable to identified nonmonetary assets has been recognized, which, considering the stage of the proyect, does not amortize.

(in Argentine Pesos ("Ps.") – unless otherwise stated)

e. Allowances and provisions

	06.30.09			
	Balances at the beginning of the year (Unaudited)	**Increases**	**Decreases**	**Balances at the end of the period (Unaudited)**
Deducted from current assets				
Allowance for doubtful accounts	39,247,629	13,547,000	(29,797,000)	22,997,629
Allowance for other receivables	4,953,770	2,907,000	-	7,860,770
Total allowances deducted from current assets	44,201,399	16,454,000	(29,797,000)	30,858,399
Deducted from non-current assets				
Allowance for doubtful accounts	404,795	-	-	404,795
Allowance for other receivables	3,653,335	-	-	3,653,335
Total allowances deducted from non-current assets	4,058,130	-	-	4,058,130
Included in current liabilities				
Provision for contingencies	52,756,000	6,677,943	(3,690,943)	55,743,000
Total provision included in current liabilities	52,756,000	6,677,943	(3,690,943)	55,743,000
Included in non-current liabilities				
Provision for contingencies	51,710,559	-	(35,860,057)	15,850,502
Total provision included in non-current liabilities	51,710,559	-	(35,860,057)	15,850,502

(in Argentine Pesos ("Ps.") – unless otherwise stated)

f. Cost of sales

	For the six-month periods ended June 30, (Unaudited)	
	2009	**2008**
Inventory at the beginning of the year	25,810,445	41,905,190
Purchase of fuel and energy	753,365,504	740,586,164
Expenses for generation, transmission and distribution	837,493,928	766,308,429
Holding gain on inventory	2,630,320	3,647,212
Inventory at the end of the period	(5,580,896)	(16,969,707)
Cost of sales	1,613,719,301	1,535,477,288

(in Argentine Pesos ("Ps.") – unless otherwise stated)

g. Foreign currency assets and liabilities

	06.30.09 (Unaudited)				12.31.08 (Audited)
	Foreign currency class and amounts		Exchange rate	Amount in Ps.	Amount in Ps.
Assets					
Current assets					
Cash and banks	US$	27,776,018	3.757	104,354,498	104,581,952
	EUR	43,111	5.268	227,098	205,545
	R$	608,255	1.925	1,170,952	1,306,934
	US	331,899	0.160	53,231	1,410
Investments	US$	64,465,363	3.757	242,196,369	280,536,927
	EUR	11,886	5.268	62,616	-
	R$	1,598	1.925	3,076	-
Trade receivables	US$	4,815,629	3.757	18,092,323	35,916,985
	R$	770,211	1.925	1,482,723	1,664,453
Other receivables	US$	8,387,273	3.757	31,510,984	68,765,687
	EUR	70,183	5.268	369,702	110,017
	R$	626,051	1.925	1,205,203	846,352
	US	5,271	0.160	845	176
Total current assets				**$ 400,729,620**	**$ 493,936,438**
Non-current assets					
Trade receivables	US$	88,447	3.757	332,295	288,405
Other receivables	US$	102,901	3.757	386,598	36,426,660
	R$	302,476	1.925	582,293	387,826
Fixed assets	US$	761,417	3.757	2,860,645	95,642
	EUR	-	-	-	5,472,543
Investments	US$	84,646,319	3.757	318,016,420	369,111,117
Total non-current assets				**$ 322,178,251**	**$ 411,782,193**
Total assets				**$ 722,907,871**	**$ 905,718,631**

US$: U.S. Dollars
EUR: Euros
R$: Brazilian Reais
US: Uruguayan Pesos

(in Argentine Pesos ("Ps.") – unless otherwise stated)

g. Foreign currency assets and liabilities (continued)

	06.30.09 (Unaudited)				12.31.08 (Audited)
	Foreign currency class and amounts		Exchange rate	Amount in Ps.	Amount in Ps.
Liabilities					
Current liabilities					
Accounts payable	US$	9,889,060	3.797	37,548,760	55,941,682
	EUR	687,928	5.268	3,623,799	3,916,138
	CHF	-	-	-	1,485,000
	R$	338,975	1.925	652,556	143,037
Financial debt	US$	6,964,845	3.797	26,445,516	32,010,816
	EUR	-	-	-	1,140,000
Salaries and social security payable	US$	805	3.797	3,056	2,894
	R$	261,345	1.925	503,112	542,765
	US	301,171	0.160	48,303	24,761
Taxes payable	R$	126,878	1.925	244,251	100,039
Other liabilities	US$	3,627,343	3.797	13,773,021	5,820,037
	R$	417,673	1.925	804,057	962,942
	US	165,023	0.160	26,467	42,308
Total current liabilities				**$ 83,672,898**	**$ 102,132,419**
Non-current liabilities					
Accounts payable	US$	-	-	-	118,383
Financial debt	US$	480,677,754	3.797	1,825,133,431	2,302,934,130
Taxes payable	R$	-	-	-	86,422
Other liabilities	US$	50,191	5.235	262,768	-
Allowances	US$	62,763	3.797	238,313	238,313
Total non-current liabilities				**$ 1,825,634,512**	**$ 2,303,377,248**
Total liabilities				**$ 1,909,307,410**	**$ 2,405,509,667**

US$: U.S. Dollars
EUR: Euros
R$: Brazilian Reais
US: Uruguayan Pesos
CHF : Swiss Francs

(in Argentine Pesos ("Ps.") – unless otherwise stated)

h. Other expenses

	Administration	Selling	Generation/ Transmission/ Distribution	For the six-month periods ended June 30, (Unaudited) 2009	2008
Salaries and social security	41,622,270	29,758,463	189,236,797	260,617,530	181,551,508
Fees and compensation for services	29,147,938	23,920,282	57,096,834	110,165,054	109,167,808
Directors and Sindycs' fees	6,045,598	-	1,750,578	7,796,176	6,161,865
Reserve for Directors' options	5,883,336	-	-	5,883,336	5,883,336
Depreciation of fixed assets	4,290,405	902,653	131,074,308	136,267,366	126,154,642
Amortization of intangible assets	10,703	-	11,395,973	11,406,676	11,950,094
Amortization of other assets	-	-	11,366,103	11,366,103	11,366,103
Royalties and fees	-	-	13,603,658	13,603,658	11,428,511
Doubtful accounts	-	(10,502,000)	-	(10,502,000)	12,819,136
Maintenance	1,671,162	26,109	14,539,685	16,236,956	14,649,642
Transport and per diem	1,014,751	28,233	3,469,119	4,512,103	4,295,725
Rental and insurance	9,875,280	320,000	11,549,862	21,745,142	11,361,653
Surveillance and security	963,960	20,000	3,376,904	4,360,864	4,129,706
Fuel consumption	100,296	-	329,308,619	329,408,915	353,859,968
Material and spare parts consumption	895,000	882,000	47,490,027	49,267,027	32,592,793
Taxes, rates and contributions	19,897,956	12,463,294	1,612,555	33,973,805	31,159,491
Communication	1,458,201	4,191,933	1,996,539	7,646,673	7,584,646
Advertising and promotion	8,547,889	35,688	-	8,583,577	1,306,123
Office expenses	636,903	18,778	224,288	879,969	1,928,965
Other expenses	3,936,253	41,639	8,402,079	12,379,971	11,780,178
Total as of 06.30.09	135,997,901	62,107,072	837,493,928	1,035,598,901	
Total as of 06.30.08	115,427,161	69,396,303	766,308,429		951,131,893

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LIMITED REVIEW REPORT

To the board of directors and shareholders of

Pampa Energía S.A.
Legal domicile: Hipólito Bouchard 547, 26th floor
Autonomous City of Buenos Aires
Tax Code No. 30-52655265-9

We have reviewed the accompanying consolidated balance sheet of Pampa Energía S.A. and its subsidiaries ("the Company") at June 30, 2009, and the related consolidated statements of income, of changes in shareholders' equity and of cash flows for the six-month periods ended June, 30, 2009 and 2008. These interim financial statements are the responsibility of the Company's management.

Our reviews were limited to the application of the procedures set forth by Technical Pronouncement No. 7 of the Argentine Federation of Professional Councils in Economic Sciences for reviews of financial statements of interim periods, which consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review and on our audit of the Company's consolidated financial statements as of and for the year ended December 31, 2008 over which we issued and unqualified opinion dated March 9, 2009, we report that:

a) the consolidated financial statements of the Company at June 30, 2009 and for the six-month periods ended June, 30, 2009 and 2008, described in paragraph 1, prepared in conformity with prevailing accounting standards in force in the Autonomous City of Buenos Aires, consider all significant facts and circumstances which are known to us and we have no observations to make;

b) the comparative information as of December 31, 2008 included in the consolidated balance sheet derives from the Company's audited consolidated financial statements at December 31, 2008.

PRICEWATERHOUSECOOPERS

In compliance with current regulations, we report that:

a) the consolidated financial statements of the Company have been transcribed to the “Inventory and Balance Sheet” book and, as regards those matters that are within our competence, comply with the Corporations Law and pertinent resolutions of the Argentine National Securities Commission;

b) the consolidated financial statements of the Company derive from accounting records carried in all formal respects in accordance with legal requirements;

c) we have read the summary of activities as of June 30, 2009 on which, as regards those matters that are within our competence, we have no observations to make.

d) at June 30, 2009, there is no debt of Pampa Energía S.A. in favor of the Integrated Retirement and Survivors’ Benefit System according to the Company’s accounting records.

Autonomous City of Buenos Aires, August 10, 2009

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Carlos Martín Barbafina