

UNAUDITED INTERIM FINANCIAL STATEMENTS

AS OF MARCH 31, 2008

PRESENTED IN COMPARATIVE FORMAT



PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A)

DIRECTORS

President	Marcos Marcelo Mindlin
Vicepresident	Gustavo Mariani
Full Directors	Damian Miguel Mindlin Ricardo Alejandro Torres Diana Mondino Brian Henderson Miguel Kiguel Alfredo Mac Laughlin Diego Salaverri
Alternate Directors	Pablo Díaz Alejandro Mindlin Rogelio Pagano Javier Douer Gabriel Cohen Carlos Tovagliari Roberto Maestretti

SURVEILLANCE COMMITTEE

Surveillance Committee	José Daniel Abelovich Javier Errecondo Damián Burgio Marcelo Héctor Fuxman Baruki Gonzalez Saturnino Funes
-------------------------------	---

AUDIT COMMITTEE

Full Members	Diana Mondino Alfredo Mac Laughlin Damián Miguel Mindlin Miguel Kiguel
---------------------	---

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A)

UNAUDITED FINANCIAL STATEMENTS

AT MARCH 31, 2008

PRESENTED IN COMPARATIVE FORMAT

TABLE OF CONTENTS

Unaudited Consolidated Financial Statements

Unaudited Consolidated Balance Sheets

Unaudited Consolidated Statements of Income

Unaudited Consolidated Statements of Cash Flows

Notes to the Unaudited Consolidated Financial Statements

Exhibit H – Unaudited Consolidated information required by section 64 subsect. b) of Law No. 19550

Unaudited Parent-only Financial Statements

Unaudited Balance Sheets

Unaudited Statements of Income

Unaudited Statements of Changes in Shareholders' Equity

Unaudited Statements of Cash Flows

Notes to the Unaudited Financial Statements

Exhibit A – Fixed Assets

Exhibit C – Investments in Other Companies

Exhibit D – Other Investments

Exhibit F – Cost of Sales

Exhibit G – Foreign Currency Assets and Liabilities

Exhibit H – Unaudited Information required by Section 64, sub-section b) of Law No. 19550

Exhibit I – Breakdown of receivables and debts according to due dates and interest rate accrued

Summary of Activities

Limited review report

PAMPA ENERGÍA S.A. (Ex PAMPA HOLDING S.A.)

Unaudited Financial Statements as of March 31, 2008

For the period of three months commenced January 1, 2008

Presented in comparative format

Stated in pesos

Legal Address: Hipólito Bouchard 547, 26th floor. Autonomoust City of Buenos Aires

Company's main line of business: Investments in undertakings and in companies of any nature on the Company's own behalf or on behalf of third parties or of third parties' associates in Argentina and abroad.

Dates of registration with the Public Registry of Commerce:

– By-laws: February 21, 1945

– Latest amendments to By-laws: May 3, 2007

Date of expiration of By-laws or Incorporation agreement: June 30, 2044

Type of shares	CAPITAL STATUS (Note 6 to the unaudited parent-only Financial Statements)		
	Shares		
	Number of shares authorized to list for trading in a public offering	Subscribed \$	Paid-in \$
Ordinary book-entry, entitled to 1 vote each	1,526,194,242	1,526,194,242	1,526,194,242

PAMPA ENERGÍA S.A. (Ex PAMPA HOLDING S.A)

Consolidated Balance Sheets

As of March 31, 2008 (unaudited) and December 31, 2007

Amounts in pesos

	03.31.08	12.31.07		03.31.08	12.31.07
<u>ASSETS</u>			<u>LIABILITIES</u>		
<u>CURRENT ASSETS</u>			<u>CURRENT LIABILITIES</u>		
Cash and banks	100,448,249	187,237,083	Accounts payable (Note 6 h))	451,143,458	552,813,466
Short-term investments (Note 6 a))	524,002,297	635,595,494	Financial debts (Note 6 i))	141,325,600	53,634,384
Trade receivables (Note 6 b))	672,252,334	566,527,416	Salaries and social security payable	67,172,618	80,466,852
Other receivables (Note 6 c))	145,764,623	96,674,421	Taxes payable (Note 6 j))	141,375,591	127,067,576
Materials and spare parts	18,668,776	25,460,883	Other debts (Note 6 k))	34,554,203	138,432,492
Inventories	11,795,081	34,349,752	Provisions	40,646,000	39,868,000
Other assets	48,657	43,010			
Total Current Assets	1,472,980,017	1,545,888,059	Total Current Liabilities	876,217,470	992,282,770
<u>NON-CURRENT ASSETS</u>			<u>NON-CURRENT LIABILITIES</u>		
Trade receivables (Note 6 b))	209,092,898	202,764,050	Accounts payable (Note 6 h))	79,771,347	79,992,990
Long-term investments	115,522,483	114,953,438	Financial debts (Note 6 i))	1,645,773,859	1,630,122,071
Other receivables (Note 6 c))	212,528,576	202,196,080	Salaries and social security payable	32,740,118	29,946,131
Materials and spare parts	29,794,518	29,501,822	Taxes payable (Note 6 j))	596,886,778	573,394,742
Inventories	7,555,438	7,555,438	Other debts (Note 6 k))	316,099,429	300,416,872
Fixed assets (Note 6 d))	5,288,246,765	5,161,420,296	Provisions	49,109,994	48,428,293
Intangible assets (Note 6 e))	333,164,557	338,348,633	Total Non-current Liabilities	2,720,381,525	2,662,301,099
Other assets (Note 6 f))	152,800,042	158,483,093	Total Liabilities	3,596,598,995	3,654,583,869
Subtotal Non-current Assets	6,348,705,277	6,215,222,850	MINORITY INTEREST	1,588,135,929	1,526,511,612
Goodwill (Note 6 g))	637,302,016	642,122,255	SHAREHOLDERS' EQUITY	3,274,252,386	3,222,137,683
Total Non-current Assets	6,986,007,293	6,857,345,105	Total Liabilities, Minority interest and Shareholders' Equity	8,458,987,310	8,403,233,164
Total Assets	8,458,987,310	8,403,233,164			

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

PAMPA ENERGÍA S.A. (Ex PAMPA HOLDING S.A)

Unaudited Consolidated Statements of Income

For the period of three months ended March 31, 2008

Presented in comparative format

Amounts in pesos

	03.31.08	03.31.07
Sales (Note 6.l))	980,158,502	170,347,079
Cost of sales (Note 6 m))	(743,551,788)	(107,576,651)
Gross income	236,606,714	62,770,428
Selling expenses (Exhibit H)	(33,146,337)	(1,204,089)
Administrative expenses (Exhibit H)	(56,377,117)	(14,029,226)
Goodwill amortization	(4,959,528)	36,920
Operating income	142,123,732	47,574,033
Financial and holding results		
-Generated by assets:		
-Interest income	10,715,374	14,741,958
-Bank taxes and charges	(631,231)	(1,388,080)
-Foreign currency exchange difference	24,764,290	7,466,926
-Inventory holding results	3,581,453	-
-Result of receivables measurement at present value	(4,439,285)	(4,077,741)
-Financial instruments holding result	2,332,850	711,171
-Sundry	(5,176,889)	122,369
-Generated by liabilities:		
-Interest on loans	(33,057,492)	(12,452,132)
-Foreign currency exchange difference	(11,599,488)	(4,713,754)
-Other financial results	(2,208,079)	-
-Result of measurement of liabilities at present value	(3,895,567)	(1,868,941)
-Commissions and other expenses	(694,041)	-
-Sundry	3,778,000	(31,613)
Total financial and holding results	(16,530,105)	(1,489,837)
Other income, net	(6,056,694)	(2,771,812)
Income before taxes and minority interest in subsidiaries	119,536,933	43,312,384
Income tax	(51,655,970)	(3,318,138)
Minority interest in subsidiaries	(18,707,928)	(8,829,327)
Net income for the period	49,173,035	31,164,919
Basic earnings per share	0.0322	0.0390
Diluted earnings per share	0.0313	0.0366

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

PAMPA ENERGÍA S.A. (Ex PAMPA HOLDING S.A)

Unaudited Consolidated Statements of Cash Flows

For the period of three months ended March 31, 2008

Presented in comparative format

Amounts in pesos

	03.31.08	03.31.07
CHANGES IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of year	721,211,541	77,555,254
Cash and cash equivalents at the end of period	564,648,789	1,406,079,379
(Decrease) increase in cash	(156,562,752)	1,328,524,125
REASONS FOR CHANGES IN CASH		
OPERATING ACTIVITIES		
Net income for the period	49,173,035	31,164,919
Income tax	51,655,970	3,318,138
Accrued interest	28,165,669	13,912,359
Adjustments to arrive at the net cash flows provided by operating activities:		
Depreciation of fixed assets	63,285,413	10,516,418
Amortization of intangible assets	5,959,841	4,706,881
Depreciation of other assets	5,683,051	5,683,052
Goodwill amortization	4,959,528	(36,920)
Reserve for Directors' options	2,941,668	2,941,667
Setting up of provisions	(2,654,194)	-
Foreign currency exchange difference and other financial results	(2,938,681)	4,266,781
Loss on sale of short-term investments	(1,549,845)	-
Inventory holding results	(4,286,052)	-
Minority interest in subsidiaries	18,707,928	8,829,327
Result for sale of fixed assets and intangible assets	(146,488)	569,516
Changes in operating assets and liabilities		
Increase in trade receivables	(113,176,158)	(25,819,317)
Increase in other receivables	(28,867,635)	(9,950,780)
Decrease in materials and spare parts	6,499,411	-
Decrease (Increase) in inventories	26,136,124	(104,544)
Increase in other assets	(5,647)	-
Decrease in accounts payable	(94,500,913)	(14,702,021)
Decrease in salaries and social security payable	(10,566,248)	(2,108,693)
(Decrease) Increase in taxes payable	(3,142,796)	11,389,648
Increase (Decrease) in other debts	18,267,855	(2,238,324)
Increase in provisions	1,313,000	-
Deletions of fixed assets	1,051,972	-
Dividend payments to third parties by subsidiaries	(998,115)	(162,858)
Net cash flow provided for operating activities	20,967,693	42,175,249
INVESTMENT ACTIVITIES		
Payment for acquisition of companies, net of cash acquired	(41,886,911)	-
Collection from temporary investments	11,883,630	78,312,887
Increase in non-cash equivalent investments	(35,050)	(1,354,083)
Payment for acquisition of fixed assets	(200,673,090)	(45,344,933)
Collection from the sale of fixed assets	28,563,669	168,665
Capital contributions	(36,603,577)	-
Net cash flow (used in) provided by investment activities	(238,751,329)	31,782,536
FINANCING ACTIVITIES		
Shareholders' contributions	-	1,289,439,093
Dividends paid	(18,314,331)	-
Bank and financial borrowings	61,167,343	-
Payment of bank and financial debt	(8,574,239)	(34,872,753)
Capital contributions of third party in the subsidiary	26,942,111	-
Net cash flow provided by financing activities	61,220,884	1,254,566,340
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS, NET	(156,562,752)	1,328,524,125

The Company considers all highly liquid investments with an original maturity on three month or less to be cash equivalents

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

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

For the periods of three months ended March 31, 2008
and 2007 and the fiscal year ended December 31, 2007

NOTE 1: CONSOLIDATION OF FINANCIAL STATEMENTS

In accordance with General Resolutions Nos. 368/01 and 372/01 of the National Securities Comisión ("CNV"), the consolidated financial statements must precede the individual financial statements of the issuing entity. This regulation only implies changing the order of disclosure of the consolidated information, without altering the nature of the parent-only financial statements as the principal information and the consolidated financial statements as complementary information, in accordance with Commercial Companies Law No. 19550 and professional standards. Consequently, for the purpose of their correct interpretation, these consolidated financial statements must be read in conjunction with the Company's parent-only financial statements which are presented after the consolidated information.

Basis of consolidation

The unaudited consolidated financial statements of Pampa Energía S.A., ex Pampa Holding S.A. ("the Company") include Transelec Argentina S.A. ("Transelec"), Inversora Nihuales S.A. ("Inversora Nihuales"), and Inversora Diamante S.A. ("Inversora Diamante"), Dilurey S.A. ("Dilurey"), Central Térmica Loma de La Lata S.A. ("CTLL") (Ex Pampa Energía), Corporación Independiente de Energía S.A. ("CIESA"), Dolphin Energía S.A. ("DESA"), IEASA S.A. ("IEASA"), Pampa Real Estate S.A. ("PRESA"), Pampa Participaciones S.A. ("Pampa Participaciones"), Pampa Participaciones II S.A. ("Pampa Participaciones II") y Pampa Generación S.A. ("Pampa Generación") according to the line by line consolidation method established by Technical Pronouncement No. 21 of the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE") and Inversora Ingentis S.A. ("Inversora Ingentis") according to the proportionally consolidation method.

Data reflecting 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
	03.31.08		03.31.08
<u>Generation:</u>			
Inversora Nihuales S.A.	90.27	Hydroeléctrica Los Nihuales S.A.	46.04
Inversora Diamante S.A.	91.60	Hydroeléctrica Diamante S.A.	54.04
Dilurey S.A. ⁽¹⁾	100.00	Central Térmica Güemes S.A.	60.00 ⁽⁴⁾
Corporación Independiente de Energía S.A.	98.00	Central Piedra Buena S.A.	100.00
Central Térmica Loma de La Lata S.A.	99.99		
<u>Transportation:</u>			
Transelec S.A. ⁽²⁾	100.00	Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.	26.33
<u>Distribution:</u>			
Dolphin Energía S.A. ⁽³⁾	98.00	Empresa Distribuidora y Comercializadora Norte S.A.	51.00
IEASA S.A. ⁽³⁾	98.00		
<u>Other:</u>			
Pampa Real Estate S.A.	99.99		
Pampa Participaciones S.A.	99.99		
Pampa Participaciones II S.A.	98.00		
Pampa Generación S.A.	98.00		

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTE 1: (Cont.)

⁽¹⁾ Dilurey has control over Central Térmica Güemes S.A. ("CTG") through Powerco S.A. ("Powerco") as a result of its 90% ownership interest in capital and voting stock.

⁽²⁾ Transelec controls jointly with Energía Argentina S.A. (ENARSA) and Electroingeniería S.A. Compañía Inversora en Transmisión Eléctrica Citelec S.A. ("Citelec"), which in turn controls Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. ("Transener") with 52,65% of ownership interest in capital and voting stock.

⁽³⁾ DESA e IEASA control Empresa Distribuidora y Comercializadora Norte S.A. ("Edenor") through Electricidad Argentina S.A. ("EASA") as a consequence of its 100% ownership interest in capital and voting stock.

⁽⁴⁾ It corresponds only to the interest percentage of Dilurey in the voting stock. Ownership interest in capital stock is reduced by 15% pursuant to preferred shares issued by Central Térmica Güemes S.A. in favor of CTLL.

Data reflecting joint corporate control is as follows:

Company	Percentage of interest held in capital stock and possible voting rights
Inversora Ingentis (5)	03.31.08 50.00

⁽⁵⁾ Inversora Ingentis controls Ingentis S.A. as a consequence of its ownership interest of 61% in capital and voting stocks.

The financial statements of the subsidiaries used for consolidation purposes were prepared covering the same periods of the consolidated financial statements, and have been prepared following accounting policies similar to those applied by the Company in preparing its financial statements, which are detailed in Note 3 to the unaudited parent-only financial statements and Note 2 to the unaudited consolidated financial statements.

In preparing the consolidated financial statements as of March 31 (unaudited), and December 31, 2007 the Company used financial statements of its subsidiaries covering the period between the acquisition or incorporation date and the date of the unaudited consolidated financial statements.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Below are some of the most relevant accounting policies used to prepare the unaudited consolidated financial statements, which are not detailed in note to the parent-only financial statements:

a. Materials and spare parts and Inventories

They have been valued at acquisition or replacement cost. Their aggregate value does not exceed their estimated recoverable value at period or year.

b. Fixed assets

Depreciation of turbines and related equipment of CTG and CTLL are calculated following the method of units manufactured.

Depreciation of property transferred to Transener and Edenor have been calculated based on the estimated useful life, using technical formulas other than the straight-line method.

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTE 2: (Cont.)

c. Intangible assets

- Preoperating and organization costs: it corresponds to general administrative costs, studies, valuation and other costs related with the Ingentis project. Those costs have been valued at their acquisition cost. These costs will be depreciated as from the start-up of the corresponding electricity generation plant.
- Concession Contract: it corresponds to the total value given by the Argentine Government to the assets delivered for exploitation to the companies Hidroeléctrica Los Nihuiles ("HINISA") and Hidroeléctrica Diamante ("HIDISA"). The original values of the "Concession contracts" have been determined at the time of acquisition based on the price paid and liabilities assumed. Concessions are amortized according to the straight-line method and based on the duration of the concession contract: 30 years.
- Intangibles assets identified in acquired investments: it corresponds to the intangible assets identified at the time of acquisition of companies of the distribution segment. The assets identified follow the criteria established by current accounting standards and are depreciated based on the useful life of each asset considering the method by which the benefits derived from each asset is extinguished.

d. Other non-current assets

Costs and expenses directly related to the "Fourth Line" project of Transener are included under non-current assets.

Amortization of those costs and expenses is made as from the commercial authorization of the work, on the basis of 15 years taking into consideration the period of collection of the construction, operation and maintenance fee.

The value of these assets does not exceed the economic value to the business at period or year.

e. Bank and financial debts

Bank and financial debts resulting from restructuring processes have been valued based on the best estimate of the discounted amount payable, using the annual nominal rate that fairly shows the market assessments on the time value of money and the risks of the debt at the time of its initial recognition.

The remaining bank and financial debts have been valued at its nominal value plus the interest accrued at period or year. 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, net of transaction costs plus financial results accrued based on the internal return rate estimated at the time of its initial recognition.

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTE 2: (Cont.)

f. Provisions

- Deducted from current assets:

For bad debts and receivables of doubtful recoverability: it was set up based on an analysis of the recoverability of the credit portfolio.

- Deducted from non-current assets:

For impairment of asset items net of deferred tax: the deferred tax assets of some subsidiary companies have been partially provided for.

- Included in liabilities

They have been set up to cover possible contingent situations that would give rise to Company's future obligations. The opinion of the legal counsel of each company has been considered to estimate their amount and probability of occurrence.

g. Revenue recognition

Revenues from generation of electricity are recognized through the accrual accounting principle, comprising energy and power actually consumed by users.

Income from transmission activities can be split into three types: (i) energy transmission, (ii) capacity of transmission (for the operation and maintenance of the transmission equipment that make up the network), and (iii) by connection (for the operation and maintenance of the connection and transformation equipment such as switches, circuit breakers, protections and transformers which allow the transfer of electricity from and to the network). Furthermore, the subsidiary Transener receives bonuses if it complies with certain quality service standards, which will be recorded according to their accrual, generating additional revenue through the rendering of external services for the construction and installation of electricity assets and equipment, operation of lines and maintenance, laboratory analysis, information technology, engineering, advisory and training studies. Revenue generated by the construction and installation of electricity assets and equipment are given accounting recognition according to the progress of the works.

Sales revenue from electricity distribution operations are recognized based on the accrual accounting principle, comprising energy delivered, billed and pending billing at the end of each period or year and valued at prevailing rates applicable. Revenue is given accounting recognition when the process is complete, the amount of which may be measured reasonably and the economic results associated to the transaction give rise to a benefit.

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTA 3: REGULATORY FRAMEWORK FOR SUBSIDIARIES

Generation

Among the resolutions affecting the generation sector, the following can be mentioned:

ES Resolution 240/2003: Fixing of price in the Wholesale Electricity Market ("WEM")

This resolution determines that the maximum variable cost of production ("CVP") recognized for the determination of prices is that of the most inefficient unit using natural gas. The difference between the value of the CVP and the Price of the Node of the thermal machine in operation is included as STD (Temporary Dispatch overcost, Sub-account of the Stabilization Fund). If there are restrictions on the demand, the maximum Spot Price is \$ 120 per MWH. The cost of machine exceeding the cap and the market price will be recognized in the same STD sub account.

ES Resolution 406/2003: Payment of receivables to the agents

This resolution has the objective of preserving the supply of demands which are not supported by the Forward Market. Furthermore, it authorizes the use of the resources of the unified Fund of Compañía Administradora del Mercado Mayorista Eléctrico S.A. ("CAMMESA") to pay the amounts due to the WEM agents for the transactions they perform (except the credits with the agents of the debt of the Stabilization Fund). When there are insufficient resources, the resolution establishes a payment order of priority to the agents.

ES Resolution Energy Secretariat 712/04: FONINVEMEM I

Through resolution 712/2004 of the ES, Government set up a fund to make the necessary investments to increase the electricity supply in the WEM ("FONINVEMEM") to be assigned to investments in thermal generation in order to allow the increase in the electricity generation available. FONINVEMEM is administered by CAMMESA.

Through resolutions 826/2004, 1427/2004, 622/05, and 633/05, ES invited all agents creditors with undetermined maturity of the WEM to state their intention to invest (or not) 65% of the accumulated credits between January 2004 and December 2006 credits for ES resolution 406/03).

Funds contributed in the FONINVEMEM I can be recovered by the generators in 120 installments, adjusted at an annual interest rate equivalent to LIBO + 1%, and converted into USD.

ES Resolution 564/07: FONINVEMEM II

This resolution created a new FONINVEMEM until the end of 2007. Contributions were reduced from 65% to 50% (of income in case of hydroelectrical companies and variable margins in case of thermoelectric ones).

Furthermore, the resolution establishes three alternatives of recovery of funds contributed

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTA 3: (Cont.)

to FONINVEMEM II. The generators may opt to:

- (i) Recover the contributed funds in 120 monthly installments, with an annual interest rate equivalent to LIBO + 2%, with no capitalization of these contributions in the new plants;
- (ii) Participate the financing of the remaining investments in thermal generation, in which case the funds contributed will be recovered in the same manner as established for FONINVEMEM I and in addition, stock interest in the new plants will be obtained.
- (iii) Apply FONINVEMEM credits to new electricity investments, for this purpose certain conditions must be fulfilled such as:
 - They should amount to an investment equivalent to three times the value of the receivables.
 - They should consist in the contribution for a new generation plant or a new installation of a generation unit within an existing plant.
 - They should allow an increase in the height of the hydro electrical plants which implies an increase in generation.
 - The energy and capacity reserved be sold in the Forward market (including "Energía Plus"), no exports being permitted for the first 10 years.

Resolution 1281/06: Energy Plus

The Energy Secretariat approved Resolution 1281/2006, 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 electric energy, and implements the "Energy Plus" ("Energía 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.

Resolution SE N° 599/2007: Natural gas supply

Resolution SE No. 599/2007, 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.

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTA 3: (Cont.)

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.

Recognition of Liquid Fuel Costs

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

- Gas-oil/Diesel Oil Generation: \$8.61/MWh
- Fuel Oil Generation: \$5.00/MWh

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 \$/MWh, the latter value must be recognized.

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 Nos. 1462/05 and 1460/05 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

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTA 3: (Cont.)

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.

However, to date there is uncertainty as to when the public hearings will be held to deal with the proposals submitted by Transener and Transba within the framework of the Comprehensive Tariff Review processes.

Lastly, as a result of the increase in labor costs arising from the application of Decree No. 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 in accordance with the clauses established in the Agreement Minutes. No answer has yet been received from the ENRE in relation to those claims.

Distribution

Tariff situation

The Executive Branch, in the exercise of the powers granted by Section 99 of the Argentine Constitution and Law No. 25561 ss y cc, proceeded to ratify the Agreement Minutes signed on February 13, 2006 within the framework of the renegotiation of the Utility contracts through Decree No. 1957/06 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. 25561. The Agreement establishes a

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTA 3: (Cont.)

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. 25561, 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. 24065.

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. At the date of issue of these financial statements no resolution has been passed as regards the effective date of the tariff schedule resulting from the Comprehensive Tariff Review scheduled for February 1, 2008 according to the above Resolution.

On October 4, 2007, Resolution No. 1037/2007 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. 25957 and the amounts corresponding to the Cost Monitoring Mechanism (MMC) (Note 11 b and c) 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 Program (PUREE) and the payment of bonuses to users under such program, 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. 710/2007 of the ENRE was passed, which approves the MMC compensatory procedure sets forth by Resolution No. 1037/2007 of the Secretariat of Energy.

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTA 4: FINANCING STRUCTURE OF SUBSIDIARIES

Indebtedness structure of the subsidiary companies

The indebtedness structure of the subsidiary companies as of March 31, 2008 encompasses the following negotiable obligations:

Subsidiary company	Negotiable obligations	Issuance date	Amount in USD outstanding as of March 31, 2008	Agreed rate	Final maturity
Transener	At par at fixed rate	Dec-20-2006	220,000,000	8.875%	2016
Edenor	At par at variable rate	Apr-24-2006	12,656,086	Libor + 0% to 2% (incremental)	2019
	At par at fixed rate	Apr-24-2006	80,047,997	3% to 10% (incremental)	2016
	At par at fixed rate	Oct-9-2007	220,000,000	10.5%	2017
EASA	At par at fixed rate	Jul-19-2006	12,874,441	7.9%	2017
	At a discount at fixed rate	Jul-19-2006	73,313,651	7.9%	2016
CTG	At par at fixed rate	Oct-3-2003	6,069,300	2%	2013
	At par at fixed rate	Jul-20-2007	22,030,320	10.5%	2017

Transener

In October 2006 Transener started a process for refinancing its financial debt which consisted of an offer to purchase Class 6 and Class 8 Negotiable Obligations at Par in cash, and to fully redeem Class 7 and Class 9 Negotiable Obligations at a Discount, outstanding at that date, the purchase of approximately 76% of the total securities offered having been accepted.

To finance the purchase offer and the redemption of the above bonds, Class 1 negotiable Obligations for US\$ 220,0 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 amortized in four equal services on December 15, 2013, 2014, 2015 and 2016. Class 1 Negotiable Obligations have been authorized for public offering in Argentina pursuant to the provisions of CNV Resolution No. 15523 dated November 30 2006.

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

Under the refinancing terms, Transener and its restricted subsidiaries are subject to compliance with a series of restrictions. At the date of issue of these financial statements Transener and its subsidiaries had fulfilled these obligations.

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTE 4: (Cont.)

Edenor

Negotiable obligations program

The Shareholders' Meeting of Edenor held on February 23, 2006, approved the extension of the Global Program of Medium-Term Negotiable Obligations for an outstanding Maximum Amount of up to US\$ 600,000,000 (or its equivalent in other currencies), which was also approved by the National Securities Commission (CNV) through Resolution No. 15359 issued by the Board of Directors of that entity on March 23, 2006.

Furthermore, The Board of Directors of Edenor in its meeting held on June 14, 2007 approved the updated Prospectus of the Program duly approved by the CNV, as required by section 76 of Chapter VI of CNV Regulations. A new version of the Prospectus of the Program was submitted to the CNV on June 1, 2007, including accounting and financial information and other relevant information of Edenor as of March 31, 2007.

On June 28, 2007, within the framework of the Program, the Board of Directors approved the issuance and placement of Negotiable Obligations by public offering under Law No. 23576 and its amendments, which will fall due on 2017 at a fixed rate and with a par value of up to US\$ 250,000.

On October 9, 2007, Class 7 Negotiable Obligations for US\$ 220,000,000 were issued under the public offering regime for a term of ten years, at an issuance price of 100% of principal, accruing interest as from the date of issuance at an annual fixed rate of 10.5%, payable on April 9 and October 9 of each year, the first service of which shall be on April 9, 2008, the principal being amortized in a single payment at due date on October 9, 2017. Edenor requested authorization to list the Negotiable Obligations at the Buenos Aires Stock Exchange and to be traded in the Over-the-counter Market and the Euro MTF Market, the alternative market of the Luxemburg Stock Exchange. Furthermore, Edenor may request their trading in the PORTAL Market and authorization to list and/or trade the Negotiable Obligations in any stock exchange and/or local and/or foreign self-regulated market.

Edenor allocated most of its net funds from the sale of the Negotiable Obligations under this offer to finance the purchase, settlement and redemption of its outstanding Discounted Negotiable Obligations falling due in 2014.

EASA

At the date of issue of these financial statements, EASA complies with its obligations as established in the trust agreement relating to the negotiable obligations issued after having completed the restructuring process of its financial debt.

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTE 4: (Cont.)

Exchange of negotiable obligations

On June 12, 2007 CTG publicly launched an offer to exchange all outstanding Series A Negotiable Obligations for US\$ 31,668,600 accruing interest at 2% and falling due in 2013 and Series B Negotiable Obligations for US\$ 21,931,400 accruing interest at 2% and falling due in 2013. The exchange offer was authorized by resolutions adopted by the Unanimous Ordinary Meetings of Shareholders held on June 28, 2007 and by the Board Meetings held on June 12, June 21 and June 28, 2007.

The above-mentioned meeting of shareholders approved the issuance of ordinary unsecured unsubordinated US dollar-denominated Negotiable Obligations, not convertible for shares, for up to US\$ 34,840,000, their issuance being subject to the actual launch of the exchange offer and to compliance with other terms and conditions established for it.

On July 20, 2007, date of expiration of the exchange offer, 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, proceeded to:

- Issue and deliver ordinary Negotiable Obligations accruing interest at a rate of 10.5%, falling due on September 11, 2017 for a nominal value of US\$ 22,030,320.
- Pay US\$ 8,864,635 in cash to the holders that exercised this option.
- Pay creditors which accepted the offer in advance US\$ 335,566 in cash for unpaid interest accrued until the exchange date, plus a cash payment for US\$ 72,770.

The public offering of the new Negotiable Obligations was authorized in Argentina pursuant to Certificate No. 329 issued by the Argentine Securities Commission on July 11, 2007. Furthermore, those marketable securities have been authorized to list for trading on the Buenos Aires Stock Exchange, and for trading in Mercado Abierto Electrónico.

NOTE 5: RESTRICTED ASSETS, LIMITATION ON THE TRANSFERABILITY OF SHARES AND OBLIGATIONS ASSUMED

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

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTE 5: (Cont.)

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.

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 securities received as are not, at its discretion, in compliance with the regulations on transfers of ordinary shares included in (i) the Law on Commercial Companies, (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 Negotiable Obligations and, as stated in the register, of at least 51% of the voting and outstanding shares in Edenor.

Article ten of the Memorandum of Agreement executed with the Branch granting the Concession and ratified by Decree 1957/06 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.

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTE 5: (Cont.)

Restrictions on the distribution of retained earnings

As from the restructuring of the financial debt, Edenor may not distribute dividends until the earlier of 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.

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 had 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 1651/07 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 334/06 and ratified by Law 7541.

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTE 6: DETAIL OF BALANCE SHEET ACCOUNTS

Consolidated Balance Sheets as of March 31, 2008 (unaudited) and December 31, 2007

a) Investments

	03.31.08	12.31.07
<u>Current</u>		
Time deposits	208,237,649	66,387,712
Investments in shares and bonds	315,764,648	569,207,782
	524,002,297	635,595,494

b) Trade receivables

<u>Current</u>		
Receivables from energy distribution	383,044,000	376,067,000
Receivables with Argentine Wholesale Electric Market CAMMESA	75,629,169	52,685,537
- Generation	155,004,288	88,357,435
- Transmission	35,317,217	35,450,903
FONINVEMEM consolidated receivable	38,320,992	24,207,891
Debtors in litigation	18,803,336	19,544,335
Intercompany and related companies	365,173	1,497,341
Other	13,956,109	14,787,788
Allowance for bad debts	(48,187,950)	(46,070,814)
	672,252,334	566,527,416

Non-current

Receivables from distribution of energy CAMMESA –Generation	115,257,000	100,300,000
FONINVEMEM consolidated receivable	223,613	628,409
Other	162,512,900	144,897,465
Other	-	57,781
Adjustment of FONINVEMEM consolidated receivables at discounted value	(68,900,615)	(43,119,605)
	209,092,898	202,764,050

c) Other receivables

<u>Current</u>		
Tax credits	38,481,679	34,767,535
Advances to suppliers	36,483,817	3,148,762
Legal attachments	59,000	591,973
Guarantee deposits	3,609,635	4,232,844
Intercompany and related companies	27,640,451	6,229,327
Pre-paid expenses	17,590,536	26,297,624
Other debtors	7,262,000	7,271,000
Sundry	17,591,275	17,185,356
Provision for uncollectibility risk	(2,953,770)	(3,050,000)
	145,764,623	96,674,421

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTE 6: (Cont.)

<u>Non-current</u>	<u>03.31.08</u>	<u>12.31.07</u>
Tax credits	156,103,926	152,892,058
Equity interest program for the personnel	5,733,228	5,449,560
Intercompany	2,959,667	-
Deferred income tax credit	47,384,518	43,566,877
Sundry	347,237	287,585
	<u>212,528,576</u>	<u>202,196,080</u>

d) Fixed Assets

<u>Main account</u>	<u>Original values</u>	<u>Accumulated depreciation</u>	<u>Net book value as of 03.31.08</u>	<u>Net book value as of 12.31.07</u>
Land	8,953,067	-	8,953,067	8,951,440
Properties	183,529,126	(7,146,445)	176,382,681	170,887,941
High-voltage, Medium-voltage an Low-Voltage lines	1,721,662,733	(48,156,214)	1,673,506,519	1,692,847,580
Substations	666,054,645	(14,557,299)	651,497,346	658,944,064
Transformer chambers and platforms	358,298,271	(8,910,629)	349,387,642	351,549,097
Meters	357,646,000	(12,411,000)	345,235,000	348,204,000
High-voltage lines	352,180,218	(18,952,699)	333,227,519	336,862,104
Electricity equipment	281,980,053	(16,056,712)	265,923,341	251,745,260
Generation equipment and machinery	310,386,445	(18,509,549)	291,876,896	308,657,583
Vehicles	11,136,935	(2,192,414)	8,944,521	9,708,207
Furniture and fixtures	15,304,321	(4,018,440)	11,285,881	12,396,450
Computer and software equipment	5,850,712	(2,054,171)	3,796,541	2,363,635
Telecommunication equipments	74,155,259	(10,364,227)	63,791,032	57,812,789
Spare parts	43,358,404	-	43,358,404	42,739,105
Tools and machines	7,740,776	(2,624,690)	5,116,086	5,744,036
Work in progress	679,993,468	-	679,993,468	517,665,204
Advances to suppliers	375,970,821	-	375,970,821	384,341,801
Total at 03.31.08	<u>5,454,201,254</u>	<u>(165,954,489)</u>	<u>5,288,246,765</u>	
Total at 12.31.07	<u>5,265,878,442</u>	<u>(104,458,146)</u>		<u>5,161,420,296</u>

e) Intangible Assets

<u>Main account</u>	<u>Original values</u>	<u>Accumulated depreciation</u>	<u>Net book value as of 03.31.08</u>	<u>Net book value as of 12.31.07</u>
Concession contract	335,368,055	(28,241,284)	307,126,771	311,833,651
Organization expenses	4,218,891	(188,579)	4,030,312	3,229,487
Trademarks and patents	5,000	-	5,000	5,000
Identifiable intangibles acquired - Distribution	24,508,397	(2,505,923)	22,002,474	23,280,495
Total at 03.31.08	<u>364,100,343</u>	<u>(30,935,786)</u>	<u>333,164,557</u>	
Total at 12.31.07	<u>363,299,518</u>	<u>(24,950,885)</u>		<u>338,348,633</u>

f) Other Assets – Non-current

<u>Main account</u>	<u>Original values</u>	<u>Accumulated depreciation</u>	<u>Net book value as of 03.31.08</u>	<u>Net book value as of 12.31.07</u>
“Fourth Line” Project	186,898,350	(34,098,308)	152,800,042	158,483,093
Total at 03.31.08	<u>186,898,350</u>	<u>(34,098,308)</u>	<u>152,800,042</u>	
Total at 12.31.07	<u>186,898,350</u>	<u>(28,415,257)</u>		<u>158,483,093</u>

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTE 6: (Cont.)

g) Goodwill

Main account	Original values	Accumulated depreciation	Net book value as of 03.31.08	Net book value as of 12.31.07
Transelec (1)	(17,369,690)	1,425,376	(15,944,314)	(16,144,453)
Inversora Nihuales (2)	(745,689)	63,970	(681,719)	(692,381)
Inversora Diamante (2)	10,859,826	(911,320)	9,948,506	10,100,393
Dilurey (3)	4,732,712	(343,290)	4,389,422	4,458,080
Powerco (3)	906,787	(65,775)	841,012	854,167
CIESA (4)	183,380,415	(9,404,123)	173,976,292	177,502,838
DESA (5)	444,667,068	(2,678,718)	441,988,350	443,327,709
EASA (5)	22,784,530	(137,258)	22,647,272	22,715,902
HIDISA	139,289	(2,094)	137,195	
Total at 03.31.08	<u>649,355,248</u>	<u>(12,053,232)</u>	<u>637,302,016</u>	
Total at 12.31.07	<u>649,215,959</u>	<u>(7,093,704)</u>		<u>642,122,255</u>

(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 useful life of the concession contracts of HINISA and HIDISA, subsidiaries of INNISA and INDISA, 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.

(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, company controlled by DESA and IEASA through EASA.

	<u>03.31.08</u>	<u>12.31.07</u>
h) Accounts payable		
Current		
Suppliers	148,272,070	211,871,968
CAMMESA	276,814,297	314,376,940
Fees and royalties	4,032,416	4,491,915
Intercompanies and related parties	417,099	155,130
Deferred income	5,359,066	5,509,560
Advances to customers	16,248,510	16,407,953
	<u>451,143,458</u>	<u>552,813,466</u>
Non-current		
Deferred income	3,609,057	3,655,370
Advances to customers	76,162,290	76,337,620
	<u>79,771,347</u>	<u>79,992,990</u>

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTE 6: (Cont.)

	03.31.08	12.31.07
i) Financial debts		
<u>Current</u>		
Financial loans	10,421,215	27,037,152
Overdraft facilities	74,776,092	-
Negotiable obligations	681,057	2,068,161
Accrued Interest	52,953,496	22,197,411
Adjustment to financial debt at discounted value	(18,258)	(24,840)
Intercompany and related parties	2,511,998	2,356,500
	141,325,600	53,634,384
<u>Non-current</u>		
Financial loans	7,722,000	7,675,687
Negotiable obligations	1,712,945,765	1,702,507,932
Accrued Interest	551,000	78,000
Adjustment to financial debt at discounted value	(75,444,906)	(80,139,548)
	1,645,773,859	1,630,122,071
j) Taxes payable		
<u>Current</u>		
Provision for income tax	49,509,902	43,656,304
Asset tax provision	19,495,858	15,221,102
Income tax withholdings and pre-payments	(29,034,636)	(21,621,461)
Value Added Tax	33,933,184	33,910,762
Municipal Contributions	28,749,827	26,024,920
Tax related to energy	27,686,485	20,823,000
Income tax withholdings to be deposited	4,811,359	5,072,930
Sundry	6,223,612	3,980,019
	141,375,591	127,067,576
<u>Non-current</u>		
Income tax accrual	20,571,585	-
Deferred tax liabilities	550,954,046	550,984,438
Tax debit on consolidated credit	25,361,147	22,410,304
	596,886,778	573,394,742
k) Other debts		
<u>Current</u>		
Purchase option for Transelec shares – Note 9 a. to the parent-only financial statements	-	38,762,432
CAMMESA investment fund	-	2,697,000
Program of rational use of energy	-	1,931,000
Fees for the public offering process	-	818,000
Fees for the issue of negotiable obligations	1,446,000	4,176,000
Subsidiaries and related parties	1,692,815	47,650,470
Provision for directors and syndics' fees	471,624	375,130
Dividends payable	-	18,314,331
Sundry	30,943,764	23,708,129
	34,554,203	138,432,492

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTE 6: (Cont.)

	03.31.08	12.31.07
k) Other debts		
<u>Non-current</u>		
ENRE fines and bonuses	291,989,000	281,395,000
Debt for purchase of Subsidiaries	16,201,029	15,986,852
Sundry	7,909,400	3,035,020
	316,099,429	300,416,872

Unaudited Consolidated Income Statements for the years ended March 31, 2008 and 2007

	03.31.08	03.31.07
l) Sales		
Generation	468,859,781	105,106,257
Transmission	55,174,270	35,190,809
Distribution	455,673,000	-
Other	451,451	30,050,013
	980,158,502	170,347,079
m) Cost of sales		
Inventory at the beginning of the year	41,905,190	12,339,010
Purchases of energy and fuel	251,646,403	20,930,294
Cost of generation, transmission and distribution – Consolidated Exhibit H	465,769,261	86,589,829
Inventory holding results	3,581,453	-
Inventory at period	(19,350,519)	(12,282,482)
	743,551,788	107,576,651

NOTE 7: INCOME TAX AND DEFERRED TAX

The table below shows the breakdown of net consolidated deferred tax liabilities at March 31, 2008 and December 31, 2007:

	03.31.08	12.31.07
Tax loss-carry forwards	72,214,355	215,912,144
Trade receivables	36,520,201	26,840,232
Materials and spare parts	(682,032)	685,431
Inventories	(4,022,733)	-
Fixed assets and intangible assets	(574,788,126)	(589,513,245)
Other assets	(30,614,418)	(13,168,025)
Accounts payable	(30,327)	(30,328)
Loans	(28,532,682)	(30,239,386)
Non-deductible debts and provisions	61,368,999	55,466,031
Subtotal	(468,566,763)	(334,047,146)
Valuation allowance of tax loss carryforwards	(35,002,765)	(173,370,415)
Net deferred tax liabilities	(503,569,528)	(507,417,561)

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTE 8: SEGMENT REPORTING

The Company's business is mainly focused on the electricity sector, with a participation in the electricity, generation, transmission and distribution segments distributed among the different legal entities in which the Company has an equity interest. The following business segments have been identified by means of its subsidiaries and based on the nature, customers and risks involved:

Electricity Generation: Made up of the direct equity interest in CTLL and Dilurey and the indirect equity interests in Hidroeléctrica Los Nihuales, Hidroeléctrica Diamante, Central Térmica Güemes, Central Piedra Buena, Ingentis and investments in shares in other companies related to the electricity generation sector.

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

Electricity 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.

Below is a table with the information for each segment identified by the Company as of and for the periods of three months ended March 31, 2008 and 2007:

PAMPA ENERGÍA S.A. (Ex PAMPA HOLDING S.A.)

Notes to the unaudited consolidated financial statements

NOTE 8: SEGMENT REPORTING (Cont.)

Unaudited Consolidated Income Statement Information at
03.31.2008

	Transmission	Generation	Distribution	Holding	Deletions	Consolidated
Sales	55,174,270	470,014,781	455,673,000	-	(1,1555,000)	979,707,051
Other sales	-	-	-	1,741,310	(1,289,859)	451,451
Total sales	55,174,270	470,014,781	455,673,000	1,741,310	(2,444,859)	980,158,502
Cost of sales (1)	(26,511,331)	(354,010,122)	(291,917,100)	(118,532)	1,501,180	(671,055,905)
Gross profit before depreciation and amortization (1)	28,662,939	116,004,659	163,755,900	1,622,778	(943,679)	309,102,597
Administrative expenses (1)	(5,472,950)	(8,706,690)	(31,637,000)	(7,083,482)	1,321,070	(51,579,052)
Selling expenses (1)	-	(4,699,974)	(27,027,000)	(843,338)	-	(32,570,312)
Subtotal (1)	23,189,989	102,597,995	105,091,900	(6,304,042)	377,391	224,953,233
Reserve for director's options(2)	-	-	-	(2,941,668)	-	(2,941,668)
Fixed assets depreciation (3)	(8,552,722)	(7,431,752)	(47,205,361)	(95,578)	-	(63,285,413)
Intangible assets amortization (3)	-	(4,706,880)	(1,252,961)	-	-	(5,959,841)
Other assets amortization(3)	(5,683,051)	-	-	-	-	(5,683,051)
Holding results of shares	-	-	-	-	-	-
Amortization of goodwill	200,139	(3,563,596)	(1,351,670)	(244,401)	-	(4,959,528)
Operating results	9,154,355	86,895,767	55,281,908	(9,585,689)	377,391	142,123,732
Financial and holding results						
Generated by assets	2,185,517	18,194,405	3,403,000	7,363,640	-	31,146,562
Generated by liabilities	(12,700,727)	(3,759,750)	(30,784,000)	(432,190)	-	(47,676,667)
Other income and expenses, net	2,028,993	(79,922)	(5,909,401)	(1,718,973)	(377,391)	(6,056,694)
Results before income tax and minority interest in subsidiaries	668,138	101,250,500	21,991,507	(4,373,212)	-	119,536,933
Income Tax	(1,322,842)	(38,186,986)	(13,736,314)	1,590,172	-	(51,655,970)
Minority interest in subsidiaries	970,387	(10,369,315)	(9,309,000)	-	-	(18,707,928)
Income /loss for the period	315,683	52,694,199	(1,053,807)	(2,783,040)	-	49,173,035
(1) Non included of depreciation and amortization						
(2) Allocated to administrative expenses						
(3) Charged to:						
Costs of sales	(13,395,848)	(12,038,713)	(40,268,000)	-	(6,793,322)	(72,495,883)
Selling expenses	-	(36,116)	(530,000)	(9,909)	-	(576,025)
Administrative expenses	(839,925)	(63,803)	(867,000)	(85,669)	-	(1,856,397)
Total Assets	1,021,894,275	2,629,671,701	4,752,938,282	459,862,836	(405,379,784)	8,458,987,310
Total Liabilities	551,272,556	885,348,948	2,502,788,321	62,568,954	(405,379,784)	3,596,598,995

PAMPA ENERGÍA S.A. (Ex PAMPA HOLDING S.A.)
Notes to the unaudited consolidated financial statements

NOTE 8: SEGMENT REPORTING (Cont.)

Unaudited Consolidated Income Statement Information at 03.31.2007

	<u>Transmission</u>	<u>Generation</u>	<u>Holding</u>	<u>Other</u>	<u>Consolidated</u>
Sales	62,067,749	107,927,670	-	-	169,995,419
Other sales	-	-	1,520,449	(1,168,789)	351,660
Total sales	62,067,749	107,927,670	1,520,449	(1,168,789)	170,347,079
Cost of sales (1)	(29,315,390)	(58,364,375)	(56,528)	252,255	(87,484,038)
Gross profit before depreciation and amortization	32,752,359	49,563,295	1,463,921	(916,534)	82,863,041
Administrative expenses (1)	(5,700,522)	(2,669,534)	(5,519,732)	641,574	(13,248,214)
Selling expenses (1)	-	(1,050,761)	(395,562)	274,960	(1,171,363)
Subtotal	27,051,837	45,843,000	(4,451,373)	-	68,443,464
Fixed assets depreciation (2)	(7,412,594)	(3,096,844)	(6,980)	-	(10,516,418)
Intangible assets amortization (2)	-	(4,706,881)	-	-	(4,706,881)
Other assets amortization (2)	(5,683,052)	-	-	-	(5,683,052)
Amortization of goodwill	255,014	(218,094)	-	-	36,920
Operating results	14,211,205	37,821,181	(4,458,353)	-	47,574,033
Financial and holding results					
Generated by assets	1,381,084	(3,602,928)	19,798,447	-	17,576,603
Generated by liabilities	(15,189,616)	(3,744,556)	(132,268)	-	(19,066,440)
Other income and expenses, net	219,707	(3,050,151)	58,632	-	(2,771,812)
Results before income tax and minority interest in subsidiaries	622,380	27,423,546	15,266,458	-	43,312,384
Income Tax	(1,065,442)	(9,917,167)	7,664,471	-	(3,318,138)
Minority interest in subsidiaries	502,658	(9,331,985)	-	-	(8,829,327)
Income for the period	59,596	8,174,394	22,930,929	-	31,164,919

(1) Non included of depreciation and amortization.

(2) Allocated to:

Costs of sales	(12,370,292)	(7,722,321)	-	-	(20,092,613)
Selling expenses	-	(32,726)	-	-	(32,726)
Administrative expenses	(725,354)	(48,677)	(6,981)	-	(781,012)
Total Assets	1,015,558,596	838,986,014	1,393,834,732	(34,881,250)	3,213,498,092
Total Liabilities	585,350,013	302,724,612	8,353,043	(34,881,250)	861,546,418

PAMPA ENERGIA S.A. (Ex PAMPA HOLDING S.A.)

Unaudited Consolidated information required by section 64 subsect. b) of Law No. 19550

For the period of three months ended March 31, 2008

presented in comparative format

Amounts in pesos

Exhibit H

Items	Expenses			Total at 03.31.08	Total at 03.31.07
	Administrative	Selling	Generation/ transmission/ Distribution		
Salaries and social security payables	17,905,719	7,292,292	58,143,715	83,341,726	19,645,124
Fees and compensation for services	14,285,535	12,815,691	32,185,056	59,286,282	6,283,513
Directors and syndics' salaries	2,829,406	-	-	2,829,406	1,411,591
Reserve for directors' options	2,941,668	-	-	2,941,668	2,941,668
Depreciation of fixed assets	1,856,397	576,025	60,852,991	63,285,413	10,516,418
Amortization of intangible assets	-	-	5,959,841	5,959,841	4,706,881
Amortization of other assets	-	-	5,683,051	5,683,051	5,683,052
Royalties and fees	-	-	6,675,314	6,675,314	7,430,611
Doubtful accounts	-	3,152,000	203,136	3,355,136	-
Maintenance	375,421	9,860	5,222,386	5,607,667	2,185,175
Transport and per diem	665,579	2,548	1,282,138	1,950,265	1,441,490
Rental and insurance	2,170,480	283,762	2,923,058	5,377,300	2,324,439
Surveillance and security	204,558	55,462	1,580,081	1,840,101	1,441,490
Fuel consumption	46,255	-	262,574,889	262,621,144	2,324,439
Materials consumption	367,000	237,000	15,862,014	16,466,014	-
Taxes, rates and contributions	9,103,431	4,797,040	1,359,566	15,260,037	22,608,517
Communication	909,094	1,907,000	1,158,486	3,974,580	764,929
Advertising and promotion	802,744	76,548	-	879,292	281,233
Office expenses	320,107	-	70,381	390,488	242,894
Other expenses	1,593,723	1,941,109	4,033,158	7,567,990	943,535
Total at 03.31.08	56,377,117	33,146,337	465,769,261	555,292,715	
Total at 03.31.07	14,029,226	1,204,089	86,589,829		101,823,144

PAMPA ENERGIA S.A.
(Ex PAMPA HOLDING S.A.)

Unaudited Parent-only Financial Statements
as of March 31, 2008

presented in comparative format

PAMPA ENERGIA S.A. (EX PAMPA HOLDING S.A.)

Balance Sheet

As of March 31, 2008 (unaudited) and December 31, 2007

Amounts in pesos

	03.31.08	12.31.07		03.31.08	12.31.07
ASSETS			LIABILITIES		
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and banks (Note 4 a))	6,650,946	32,239,368	Accounts payable (Note 4 d))	2,545,929	1,619,295
Short-term investments (Exhibit D)	2,654,830	227,604,447	Salaries and social security payable	1,833,686	2,011,251
Trade receivables (Note 4 b))	1,820,153	3,500,730	Taxes payable (Note 4 e))	5,389,053	4,933,898
Other receivables (Note 4 c))	390,371,993	212,244,739	Financial debt (Note 4.f))	15,380,014	-
Total Current Assets	401,497,922	475,589,284	Other debts (Note 4 g))	11,607,875	108,261,447
			Total Current Liabilities	36,756,557	116,825,891
NON-CURRENT ASSETS					
Trade receivables (Note 4 b))	-	462,576	NON-CURRENT LIABILITIES		
Other receivables (Note 4 c))	13,815,247	11,204,960	Other debts (Note 4 g))	16,201,029	15,986,852
Long-term investments (Exhibit C)	2,908,997,189	2,866,387,926	Total Non-current Liabilities	16,201,029	15,986,852
Fixed assets (Exhibit A)	2,899,614	1,305,680	Total Liabilities	52,957,586	132,812,743
Total Non-current Assets	2,925,712,050	2,879,361,142	SHAREHOLDERS' EQUITY		
			(per related statement)	3,274,252,386	3,222,137,683
Total Assets	3,327,209,972	3,354,950,426	Total Liabilities and Shareholders' Equity	3,327,209,972	3,354,950,426

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

PAMPA ENERGIA S.A. (EX PAMPA HOLDING S.A.)

Unaudited Statements of Income

For the period of three months ended March 31, 2008

Presented in comparative format

Amounts in pesos

	03.31.08	03.31.07
Result of investment in subsidiaries and related companies (Note 4 h)	56,289,861	10,711,205
Goodwill amortization	(4,715,127)	36,920
Income from sales and services	1,560,292	1,520,449
Cost of sales (Exhibit F)	-	(56,528)
Gross Income	53,135,026	12,212,046
Selling expenses (Exhibit H)	-	(395,559)
Administrative expenses (Exhibit H)	(9,622,106)	(5,526,716)
Operating result	43,512,920	6,289,771
Financial and holding results		
-Generated by assets		
- Interest income	1,548,488	9,785,511
- Bank charges	(32,041)	(314,604)
- Tax on financial transactions	(204,026)	(319,650)
- Foreign currency exchange difference	3,958,568	7,577,831
- Holding result	1,005,921	711,171
-Generated by liabilities		
- Interest expense	(136,768)	(112,387)
- Tax interest	(158,291)	(132,268)
- Foreign currency exchange difference	(138,324)	(197,609)
Total financial and holding results	5,853,527	16,997,995
Other income (expenses), net	(1,710,452)	212,682
Income before taxes	47,645,995	23,500,448
Income tax (Note 5)	1,527,040	7,664,471
Net income for the period	49,173,035	31,164,919
Basic earnings per share (Note 3 j)	0.0322	0.0390
Diluted earnings per share (Note 3 j)	0.0313	0.0366

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

PAMPA ENERGIA S.A. (EX PAMPA HOLDING S.A.)

Unaudited Statements of Changes in Shareholders' Equity

For the period of three months ended March 31, 2008

presented in comparative format

Amounts in pesos

	SHAREHOLDERS' CONTRIBUTIONS			Reserve for directors' options (Note 11)	Legal Reserve	Discretionary Reserve	Retaine earnings	Total at 03.31.08	Total at 03.31.07
	Common stock (Note 6)	Paid-in capital	Total						
Balances at beginning of period	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	500,000,965
Capital increase – Meeting held on 01.10.07	-	-	-	-	-	-	-	-	1,289,439,093
Reserve for directors' options – Note 11	-	-	-	2,941,668	-	-	-	2,941,668	2,941,667
Net income for the period	-	-	-	-	-	-	49,173,035	49,173,035	31,164,919
Balances at period end	1,526,194,242	1,507,437,729	3,033,631,971	17,650,006	896,129	5,163,169	216,911,111	3,274,252,386	1,823,546,644

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

PAMPA ENERGIA S.A. (EX PAMPA HOLDING S.A.)

Unaudited Statements of Cash Flows

For the period of three months ended March 31, 2008

presented in comparative format

Amounts in pesos

	03.31.08	03.31.07
CHANGES IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of year	236,218,799	40,825,029
Cash and cash equivalents at the end of period	6,650,946	1,332,104,538
(Decrease) Net increase in cash and cash equivalents	(229,568,853)	1,291,279,509
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	49,173,035	31,164,919
Income tax and asset tax	(1,527,040)	(7,664,471)
Accrued interest	468,432	244,655
Adjustments to reconcile net income for the period to net cash flows provided by (used in) operating activities:		
Depreciation of fixed assets	85,669	6,981
Amortization of goodwill	4,715,127	(36,920)
Exchange difference generated by other debts e short-term investments	138,324	189,041
Result from investments in subsidiaries	(56,289,861)	(10,711,205)
Reserve for Directors' options	2,941,668	2,941,667
Changes in operating assets and liabilities		
Decrease in trade receivables	2,143,153	559,007
Increase in other receivables	(767,170)	(7,489,343)
Decrease in inventories	-	56,528
Decrease in accounts payable	446,191	854,364
Increase in salaries and social security payable	(177,565)	(146,904)
Increase in taxes payable	578,801	5,162,373
Decrease in other debts	(1,638,932)	(101,732)
Income tax payment	(123,646)	(344,041)
Net cash flow provided by operating activities	166,186	14,684,919
CASH USED IN INVESTMENT ACTIVITIES		
Purchase of companies	(41,886,911)	(51,099,207)
Contributions in subsidiaries	(38,030,153)	-
Increase in investments not equivalent to cash	(35,050)	(1,354,083)
Payments of investments on behalf of subsidiaries	(172,217,084)	-
Collection of dividends	10,116,342	-
Decrease in investments (Guarantee deposits)	21,004,237	77,465,619
Fixed asset additions	(1,679,603)	(37,856,832)
Loans granted	(4,072,500)	-
Net cash flow used in investment activities	(226,800,722)	(12,844,503)
CASH PROVIDED BY FINANCING ACTIVITIES		
Loans received	15,380,014	-
Capital increase	-	1,289,439,093
Dividend payment	(18,314,331)	-
Net cash flow (used in) provided by financing activities	(2,934,317)	1,289,439,093
(DECREASE) INCREASE IN CASH, NET	(229,568,853)	1,291,279,509

Cash and banks plus highly liquid investments (original maturities of three months or less) were considered cash. The accompanying notes and exhibits are an integral part of these unaudited financial statements.

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements

For the periods of three months ended March 31, 2008 and 2007

And the fiscal year ended December 31, 2007

NOTE 1: DESCRIPTION OF BUSINESS

Pampa Energía S.A. (Pampa Holding S. A.) 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 1,900 MW, which accounts for approximately 8% of the installed capacity in Argentina. The Company is working on projects for expansion of its installed capacity by more than 450 MW.

In the transmission business, the Company joint-control the operation and maintenance of the high-tension transmission network in Argentina which covers some 9,600 km of lines of its own, as well as 6,000 km of high-tension lines belonging to Transba. Transener carries 95% of electricity in Argentina.

In the distribution business, through Edenor, the Company distributes electricity among over 2,400,000 customers throughout the northern region of the Federal Capital and the Greater Buenos Aires, which is covered by the concession.

The Company shares are listed for trading on the Buenos Aires Stock Exchange and form part of the Merval Index. GDSs (Global Depository Shares) representative of shares in the Company are also listed for trading on the Luxemburg Stock Exchange and on the Euro MTF Market.

NOTE 2: BASIS OF PRESENTATION

2.1 Financial statement preparation and presentation

These unaudited financial statements are stated in Argentine pesos, and were prepared in accordance with generally accepted accounting principles issued by the FACPCE, as approved by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires ("CPCECABA") with certain modifications, and the regulations of the CNV.

The financial statements for the periods of three months ended March 31, 2008 and 2007 have not been audited. The Company Management considers that they include all necessary adjustments to present fairly the results for each period. Results for the periods of three months ended March 31, 2008 and 2007 do not necessarily reflect the Company's results in proportion to the full fiscal years.

Certain amounts in the financial statements presented in comparative format have been reclassified to maintain consistency with the amounts disclosed in this period.

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 2: (Cont.)

2.2. New accounting standards

On August 10, 2005, through Resolution CD No. 93/2005, the CPCECABA approved the unification within its jurisdiction of professional accounting standards with those issued by the FACPCE. Application of Technical Pronouncements Nos. 6, 7, 8, 9, 11, 14, 15, 16, 17, 18, 21 and 22 of the FACPCE shall be mandatory within the jurisdiction of the Autonomous City of Buenos Aires, with the amendments introduced by that body until January 1, 2005.

The standards approved shall come into force for fiscal years commencing as from January 1, 2006, their early application being admitted.

On December 29, 2005, through Resolutions Nos. 485 and 487, the CNV adopted the CPCECABA standards with certain modifications.

The main change derived from the unification of accounting standards is the treatment of the adjustment for inflation of the deferred tax calculation, which allows recognizing such liability as a temporary or permanent difference for fiscal years commencing as from January 1, 2006, the application of this standard in advance being optional. At present, the adjustment for inflation is considered as a permanent difference in the calculation of deferred tax.

At the end of the current period, the Company has no fixed or other non-monetary assets containing the adjustment for inflation.

2.3. Recognition of the effects of inflation

The unaudited 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 professional accounting standards 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 professional accounting standards recognition of the effects of inflation has been resumed, considering that the accounting measurements restated due to the change in the purchasing power of the currency up to August 31, 1995 and those originating between that date and December 31, 2001 have been stated in the currency value of the latter date.

On March 25, 2003, the National Executive Branch issued Decree 664 establishing that the financial statements for fiscal years ending as from that date be stated in nominal currency. Consequently, in accordance with CNV Resolution No. 441/03, the Company discontinued the restatement of its financial statements as from March 1, 2003. This criterion is not in accordance with prevailing professional accounting standards, which establish that financial statements are to be restated until September 30, 2003. Nevertheless, given the very low rates of inflation applicable between March and September 2003, this departure has not had a significant impact on the financial statements taken as a whole.

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 2: (Cont.)

The index used in restating the items contained in these unaudited financial statements until February 28, 2003 is the domestic wholesale price index published by the National Statistics and Census Institute.

2.4. 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 income and expenses recorded for the period. 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.

NOTE 3: **SIGNIFICANT ACCOUNTING POLICIES**

a. Cash and banks

In local currency: At nominal value.

In foreign currency: Translated at the exchange rate at the end of each period or year applied to settle these operations, detailed in Exhibit G. Exchange differences were allocated to the results of each period or year.

b. Investments

- Short-term

Share and mutual fund balances have been valued at their net realizable value at period or year end.

The balances of government and private securities in foreign currency have been stated at their quotation value converted at the exchange rate at the end of each or year applied to settle these operations plus interest accrued at the end of each period or year, and they have been detailed in Exhibit G. Exchange differences were allocated to the results of each period or year.

At the end of the previous year the time deposit balances were valued at nominal value plus interest accrued according to specific clauses for each operation.

- Long-term - Minority interest and goodwill

Long-term investments in subsidiaries have been accounted for under the equity method in accordance with Technical Pronouncement No. 21 of the FACPCE. The Company has used the financial statements of its subsidiaries prepared at the date of the Company's financial statements, covering the same period of time for those companies existing at the beginning of year.

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 3: (Cont.)

Those companies have prepared their financial statements applying similar accounting policies to those applied by the Company.

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.

The Company assesses on a regular basis the recoverability of goodwill on the basis of future cash flows and other information available at the date of issue of these financial statements. The value of goodwill does not exceed its estimated recoverable value.

c. Receivables and liabilities

In local currency: 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.

In foreign currency: Valued as mentioned above, considering the exchange rates in force at the end of each period or year, detailed in Exhibit G. Exchange differences were allocated to the results of each period or year.

d. Fixed assets

Fixed assets have been valued at acquisition cost restated as mentioned in Note 2.3, net of accumulated depreciation and impairment allowance, where applicable.

Depreciation charges are computed under the straight-line method over the estimated useful lives assigned to the assets, considering the full addition month criterion.

The evolution of this caption is detailed in Exhibit A.

Aggregate asset value does not exceed their recoverable value.

e. Income tax

The Company has recognized the income tax charge using the deferred tax method, thus recognizing the temporary differences between the carrying amounts of existing assets and liabilities and their respective tax bases.

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 3: (Cont.)

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 issue of these financial statements.

The Company recognizes tax assets on its balance sheet only when their realization is deemed to be probable.

f. Assets tax

The Company calculates asset tax 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, asset tax obligation exceeds income tax liability, the surplus will be computable as a down payment of income tax through the next ten years.

g. Shareholders' equity

The shareholders' equity accounts have been restated in constant monetary units through February 28, 2003 as mentioned in Note 2.3. Subsequent activity has been stated at nominal value.

h. Income statement accounts

The income statement accounts have been disclosed at nominal value, except for the charges for assets consumed (fixed asset depreciation, intangible asset amortization and costs of sales), which amounts were determined on the basis of the asset values recorded, restated as mentioned in Note 2.3.

i. Revenue recognition

Revenues from equity interests in other companies are recognized following to the equity method of accounting, as established by Technical Pronouncement No. 21 of the FACPCE.

Holding results include income from the valuation of shares at year-end or at the time of realization, if applicable, as well as dividends paid.

In the period ended March 31, 2007, revenues from sales of plots of land were recognized when the possession was granted.

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 3: (Cont.)

j. Earnings per share

a. Basic earnings per share

The Company has calculated basic earnings per share on the basis of the average weighted amount of outstanding shares at December 31, 2008 and 2007, as follows:

	2008	2007
Net income for the period	49,173,035	31,164,919
Average weighted amount of outstanding shares	1,529,194,242	799,333,333
Earnings per share	0.0322	0.0390

b. Diluted earnings per share

Furthermore, the Company has calculated diluted earnings per share on the basis of the possible diluted effect of the purchase options of shares described in Note 11.

	2008	2007
Net income for the period	49,173,035	31,164,919
Average weighted amount of outstanding shares	1,572,526,412	851,505,655
Earnings per share	0.0313	0.0366

c. Reconciliation of the average number of outstanding and diluted shares:

	2008	2007
Weighted average of average outstanding shares	1,529,194,242	799,333,333
Number of shares the Company will be required to issue if all the options issued to subscribe capital are exercised	43,332,170	52,172,322
Weighted average of diluted shares	1,572,526,412	851,505,655

NOTE 4: DETAIL OF BALANCE SHEET ACCOUNTS AND INCOME STATEMENTS

The main financial statement captions are broken down as follows:

Balance Sheets as of March 31, 2008 (unaudited) and December 31, 2007

	03.31.08	12.31.07
a) Cash and banks		
Cash in local currency	35,110	8,192
Cash in foreign currency (Exhibit G)	-	3,420
Banks in local currency	615,525	6,209,587
Banks in foreign currency (Exhibit G)	6,000,311	26,018,169
	6,650,946	32,239,368

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 4: (Cont.)

b) Trade receivables

	03.31.08	12.31.07
<u>Current</u>		
Ordinary in foreign currency (Exhibit G)	895,914	672,586
Intercompany and related companies (Note 7)	924,239	2,828,144
	1,820,153	3,500,730

Non-Current

Ordinary in foreign currency (Exhibit G)	-	462,576
	-	462,576

c) Other receivables

Current

Tax credits	3,738,798	3,522,892
Intercompany and related companies (Note 7)	386,436,233	207,225,473
Guarantees granted	-	769,478
Other	196,962	726,896
	390,371,993	212,244,739

Non-current

Deferred income tax credits (Note 5)	4,821,941	3,294,901
Tax credits	8,782,786	7,657,051
Guarantee deposits (Exhibit G)	210,520	207,998
Other	-	45,010
	13,815,247	11,204,960

d) Accounts payable

Current

Suppliers in local currency	2,420,061	1,184,159
Provisions in local currency	95,000	98,000
Provision for Directors' fees	30,868	30,788
Advances to customers (Exhibit G)	-	306,348
	2,545,929	1,619,295

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 4: (Cont.)

e) Taxes payable

	03.31.08	03.31.07
<u>Current</u>		
Asset tax provision	5,120,839	4,703,257
Income tax withholdings to be deposited	268,214	230,641
	5,389,053	4,933,898

f) Financial debts

<u>Current</u>		
Overdraft facilities	15,380,014	-
	15,380,014	-

g) Other debts

<u>Current</u>		
Intercompany and related companies (Note 7)	11,567,248	50,790,388
Dividends payable (Note 13)	-	18,314,331
Purchase option over Transelec shares (Notes 9a.)	-	38,762,432
Others	40,627	394,296
	11,607,875	108,261,447
 <u>Non-Current</u>		
Debt for purchase of Subsidiaries (Exhibit G)	16,201,029	15,986,852
	16,201,029	15,986,852

Unaudited Statements of Income as of March 31, 2008 and 2007

h) Result of investment in subsidiaries and related companies

	03.31.08	03.31.07
Transelec	115,544	(195,418)
Inversora Nihuales	4,411,858	4,185,040
Inversora Diamante	5,212,915	4,592,382
CTLL	27,074,331	-
Dilurey	372,722	1,916,281
Powerco	340,276	212,920
CIESA	16,732,228	-
EASA	1,289,545	-
PRESA	(117,245)	-
Pampa Participaciones	673,938	-
Pampa Participaciones II	(8,617)	-
HIDISA	192,366	-
	56,289,861	10,711,205

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 5: INCOME TAX - DEFERRED TAX

The evolution and breakdown of deferred tax assets and liabilities are as follows:

	03.31.08	12.31.07
Investments	(6,015)	(11,795)
Other assets	(75,257)	-
Tax loss carry-forwards	4,903,213	3,306,696
Net deferred income tax asset	4,821,941	3,294,901

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

	03.31.08	03.31.07
Income before taxes:	47,646,009	23,500,448
Current tax rate	35%	35%
Result for the period at the tax rate	(16,676,103)	(8,225,157)
Result of equity interest in subsidiaries and related companies	19,752,213	3,748,922
Amortization of goodwill	(1,650,294)	12,922
Reserve for directors options	(1,029,584)	(1,029,583)
Additional paid-in capital	-	12,454,959
Holding result of external bonds	686,820	707,347
Other	(16,721)	(4,939)
Increase in tax loss recorded in the previous year	460,709	-
Total income tax benefit	1,527,040	7,664,471

NOTE 6: SHAREHOLDERS' EQUITY

At March 31, 2008 and December 31, 2007, the Company had 1,526,194,242 book-entry shares with a par value of \$ 1 each and entitled to 1 vote per share.

The Extraordinary Shareholders' Meeting held on January 24, 2006 approved a capital increase for up to \$140,000,000, taking the corporate capital to \$146,000,000.

In addition, the General Extraordinary Shareholders' Meeting of September 16, 2006 approved a new capital increase for up to \$900,000,000 (nine hundred million pesos face value), increasing capital from \$146,000,000 to \$1,046,000,000 by means of the issue of up to 900,000,000 of new ordinary, book-entry shares of 1 vote each and of \$ 1 face value each, delegating timing and amount of each issue to the Board of Directors. Under this new capital increase, in September 2006 a capital increase for 300,000,000 ordinary, book-entry, non-callable shares of 1 vote each and of \$1 face value each was subscribed and paid up at \$ 1.15 each.

On January 15, 2007 the Board of Directors approved the issuance of 600,000,000 shares at \$2.23 each. That process concluded on February 22, 2007, with the Company recording net proceeds of for \$1,289, 324,999.

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the audited financial statements (Cont.)

NOTE 6: (Cont.)

The Extraordinary Shareholders' Meeting held on August 30, 2007 approved the issuance of 480,194,242 shares of common stock entitled to one vote each, with an additional paid-in capital of \$1.61 per share, that is, an issue price of \$2.61 per each share of common stock in the Company, to be paid up in kind by means of a transfer to the Company of the indirect shareholdings in Edenor. This transaction was consummated on September 28, 2007 (see Note 10.f).

NOTE 7: BALANCES AND TRANSACTIONS WITH SUBSIDIARIES AND RELATED COMPANIES

Below is detail of the operations conducted by the Company with related parties for the periods of three months ended March 31, 2008 and 2007, as well as the balances of those operations as of March 31, 2008 and December 31, 2007:

Name	Caption / Transaction	Transactions		Balances	
		03.31.08	03.31.07	03.31.08	12.31.07
<u>Directors/Shareholders:</u>					
Errecondo, Salaverri & Otros	Accounts payable – advisory services received	-	(434,205)	-	-
Shareholders	Other receivables – expenses to be recovered	-	-	119,500	119,500
<u>Subsidiaries:</u>					
Dilurey	Other receivables – expenses to be recovered	-	-	17,644	17,644
Transelec	Other receivables – expenses to be recovered	-	-	232,227	232,227
Inversora Nihuiles	Other receivables – expenses to be recovered	-	-	13,548	13,548
	Other receivables – collection of dividends	3,664,146	-	316,892	-
Inversora Diamante	Other receivables – expenses to be recovered	-	-	832	832
	Other receivables – collection of dividends	6,452,196	-	1,688,076	-
Transener	Trade receivables – advisory services rendered	540,866	510,855	540,865	655,999
Hidroeléctrica Los Nihuiles	Trade receivables – advisory services rendered	534,421	488,164	208,179	196,566
Hidroeléctrica Diamante	Trade receivables – advisory services rendered	485,005	428,370	175,195	204,890
	Other receivables - dividends to be collected	-	-	-	240,000
CTG	Investments – purchase of negotiable obligations	-	22,373,882	-	-
	Other receivables – expenses to be recovered	-	-	14,661	14,661
CTLL	Other receivables	-	-	371,350,037	199,132,953
	Other receivables – expenses to be recovered	-	-	61,542	61,342
	Other debts – capital contributions	-	-	(1,335,852)	(1,335,852)
CIESA	Other receivables – expenses to be recovered	-	-	1,050	1,050
Inversora Ingentis	Other debts – share subscribed and paid in	(38,030,153)	-	(2,869,500)	(42,641,174)
PRESA	Other receivables – expenses to be recovered	-	-	1,024,234	56,542
	Other debts – transfer of underlying business	-	-	(7,312,896)	(6,764,362)
Pampa Participaciones	Other receivables – expenses to be recovered	-	-	5,068	5,068
	Investments – subscribed and paid-up shares	(30,506,261)	-	-	-
	Other debts	-	-	(49,000)	(49,000)
Ingentis	Trade receivables – advisory services rendered	-	-	-	1,770,689
	Other receivables – loans granted	-	-	4,861,491	4,713,000
CPB	Other receivables – loans granted	(4,072,500)	-	6,708,025	2,495,700
<u>Other related companies:</u>					
Dolphin Finance S.A.	Other receivables – expenses to be recovered	-	-	19,949	19,949
Compañía Buenos Aires	Other receivables - loans granted	-	-	-	100,000
Grupo Dolphin S.A.	Other receivables – expenses to be recovered	-	-	1,457	1,457
	Accounts payable – Rental, expenses and recovery of expenses	-	192,874	-	-

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 8: RESTRICTIONS ON THE DISTRIBUTION OF PROFITS

1. Dividends

In accordance with Law No. 25063, 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.

2. Legal reserve

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

NOTE 9: RELEVANT TRANSACTIONS

a) Purchase and sale options of Transelec shares

On September 21, 2006 the Company acquired from Dolphin Oportunity LLC, a related party, 89,76% of the shares in Transelec, a company holding 50% of the shares in Citelec, for US\$ 48,465,000. Citelec is the controlling company of Transener, holding 52,65% of the shares.

On September 15, 2006 a merger and granting of Transelec share purchase and sale options agreement was signed between the Company and Transelec minority shareholders for the remaining 10.24% of the Transelec..

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.

On January 23, 2008, the Company settled its obligation with the minority shareholders of Transelec and paid the amount of \$ 38,762,432.

b) Transfers of shares

On December 17, 2007 the shareholders of Pampa Participaciones, a company engaged in investment activities, transferred to the Company 49,000 shares in that entity.

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 9: (Cont.)

On January 3 and 7, 2008, respectively, the Company resolved to contribute towards Pampa Participaciones S.A. in the form of capital: (i) shares representative of 2% of the capital stock and possible voting rights in DESA and IEASA, and (ii) shares representative of 2% of the capital stock and voting rights in CIESA.

As a result of the contribution of DESA, IEASA and CIESA shares in the form of capital, Shareholders' meeting of Pampa Participaciones S.A. increased its capital stock by \$ 30,506,261, that is, \$ 50,000 at \$ 30,556,261, by issuing ordinary, registered, non-endorseable shares with a face value of \$ 1 and carrying 5 votes per share.

c) Payment of the Employee Stock Ownership Plan of Hidroeléctrica Diamante

On October 5, 2007 the Ministry of Economy, in its capacity as secured creditor, approved the early payment of the price balance for the purchase-sale of Class C shares owed by the employees subject to the Employee Stock Ownership Program of Hidroeléctrica Diamante S.A., who are included in the records of Banco Nación Argentina at December 31, 2006.

On January 9, 2008 the transaction was completed, and the Company paid \$3,364,479. Consequently, the indirect participation of the Company in the shares and votes of Hidroeléctrica Diamante S.A. amounted to 56%.

NOTE 10: **PURCHASES OF SHARES**

a) Nihuiles and Diamante

On October 18, 2006, shares were purchased INNISA and INDISA under the share purchase agreements entered into with Electricité de France Internacional S.A. on May 26, 2006, and with Banco de Galicia y Buenos Aires S.A. ("Banco Galicia") and Nucleamiento Inversor S.A., on June 7, 2006.

As a result of these purchases, the Company now owns (i) shares representative of 90.27% of the corporate capital of INNISA, and (ii) shares representative of 91.6% of INDISA corporate capital. The other shares in INNISA and INDISA are the property of Ultracore Energy S.A. (an affiliate of Stein Ferroaleaciones S.A.).

The purchase of the shares in INNISA and INDISA meant an investment of US\$ 55,822,607 for the Company. US\$ 4,900,000 were financed out of the total amount, which shall be paid to Banco Galicia on June 7, 2011 accruing interest at an annual rate of 3%.

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 10: (Cont.)

The Company has set up a senior pledge in favor of Banco Galicia on the shares in INNISA and INDISA that were purchased from Banco Galicia, as collateral for repayment of the debt held with the latter.

INNISA owns 51% of HINISA and INDISA, 59% of HIDISA.

HINISA holds the concession to generate and sell block electricity derived from Nihules Hydroelectrical System. This system is situated across the Atuel river, department of San Rafael, province of Mendoza and has an installed capacity of 265.2 MW.

HIDISA holds the concession to generate and sell block electricity derived from Diamante Hydroelectrical System. This system is situated across the Diamante river, province of Mendoza and has an installed capacity of 388.4 MW.

b) Acquisition of CTG

On January 4, 2007, the purchase of the shares in Dilurey and Powerco under the sale agreements originally signed with the sellers became effective.

Consequently, the Company holds (i) shares representative of 100% of Dilurey capital stock (which holds 90% of Powerco capital stock) and (ii) shares representative of 8% of Powerco capital stock, holding 60% of CTG.

Furthermore, the Company signed a share purchase and sale option for the remaining of 2% of the shares in Powerco.

These transactions enabled the Company to obtain indirect control of Central Térmica Güemes, holding 60% of the capital and votes.

The purchase of the above shares represented an investment of \$52,531,007.

On May 17, 2007, the Department of Internal Trade of the Ministry of Economy and Production resolved to authorize the operation in view of the favorable opinion issued by the National Committee for the Defense of Competition.

On September 18, 2007, the Extraordinary Shareholders' Meeting of Central Térmica Güemes resolved to increase its capital stock to \$ 208,000,040, through the issuance of 180,869,600 non-voting book-entry preferred stock of \$ 1 face value each, establishing an additional paid-in capital of \$ 27,130,440 or \$ 0.15 per share to provide the funds necessary to carry out the project to expand its plant capacity.

By virtue of the assignment of preemptive subscription and accretion rights performed by Powerco S.A. in favor of CTLL, and of all the Class "C" and "B" shareholders' waiver of their right to exercise such rights, CTLL subscribed all the preferred shares, in view of the execution of a shareholders' agreement and of a share purchase option agreement in favor of the National Government of up to 30% of preferred shares issued at par value determined in US dollars, plus an interest calculated at LIBOR plus 250 basic points.

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 10: (Cont.)

Below is the breakdown of the shares in Central Térmica Güemes as of March 31, 2008:

Shareholders	Class of shares	Percentage of participation in	
		Capital	Votes
CTLL	Preferred shares	74%	-
Powerco	Class A ordinary shares	15%	60%
National Government	Class B ordinary shares	8%	30%
PPP	Class C ordinary shares	3%	10%
Total		100%	100%

c) Acquisition of Central Termica Loma de la Lata and incorporation of CTLL

On December 4, 2006 the Company agreed with Sociedad Argentina de Electricidad S.A, ("SADESA"), a company that had acquired with Merrill Lynch, Pierce, Fenner & Smith Inc, a controlling interest in Central Puerto S.A. ("Central Puerto"), the purchase of 100% of the assets making up the Loma La Lata thermoelectric plant located in Loma de La Lata ("the assets"), Province of Neuquén, for a total of US\$ 60,000,000. That agreement included the labor agreements entered into with Central Puerto personnel engaged in the administration, operation and maintenance of Loma de La Lata; the agreements for its operation; all designs, lists of suppliers and materials, plans, terms of reference, quotations, draft contracts and any other information or documentation prepared by Central Puerto or at its request in relation to the project for closing of the open cycle of Loma de La Lata; and all the assets related to the operation of Loma de La Lata.

With this agreement, on December 4, 2006, the Company granted SADESA a purchase option over its shares in Central Puerto, representing 8.66% of the capital and votes at the closing date of these financial statements, which may be exercised on December 4, 2007, enabling the Company to sell those shares on the Buenos Aires Stock Exchange at any time through that date.

On January 4, 2007, CTLL was organized with a capital of \$50,000, of which the Company subscribed 95% of the shares. The remaining shares were subscribed by Dilurey.

On March 7, 2007, the Company designated its subsidiary CTLL to purchase the assets under the terms of the assets transfer contract entered into by and between Central Puerto S.A. and Pampa Energía S.A. on December 4, 2006, CTLL thereafter gaining all the rights and assuming all the obligations arising out of that contract.

The transfer of assets was consumated on May 17, 2007.

On June 11, 2007, the Extraordinary Shareholders' Meeting of Pampa Energía resolved to increase the capital stock to \$ 214,350,000 to finance the purchase of assets.

Furthermore, on June 19, 2007, the Extraordinary Shareholders' Meeting of Pampa Energía resolved to increase the capital stock to \$ 300,000,000 to finance new projects for the generation of electricity.

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 10: (Cont.)

d) Acquisition of Central Piedra Buena

On July 26, 2007, the Company signed with Albanesi S.A. and certain subsidiaries controlled by Matlin Patterson a share purchase and sale agreement, whereby the Company acquired (i) 100% of the capital stock and voting rights of Corporación Independiente de Energía S.A., a company holding 99.99% of the capital stock and voting rights of Central Piedra Buena S.A. ("CPB"), and (ii) 100 % of the capital stock and voting rights of IPC Operation Limited, a company incorporated in the United Kingdom whose Argentine branch renders management services to CPB for approximately US\$ 85,000,000 (eighty five million US dollars).

CPB is a power plant located in Ingeniero White, Bahía Blanca, in the Province of Buenos Aires. It has a total installed capacity of 620 MW of power through two steam turbines of 310 MW, each of which with the flexibility to burn natural gas and fuel oil indiscriminately. The plant occupies 45 hectares and has two tanks with a combined storage capacity of 60,000 m3. Furthermore, CPB has been granted the exclusive right to use of a deep-water port for supply of fuel oil. The plant is connected to (i) the Argentine Interconnection System (SADI) through two 27-km 500-kW lines and (ii) Transportadora de Gas del Sur S.A. (TGS) through a 22-km gas pipeline of its own.

That transaction was consumated on August 3, 2007.

e) Incorporation of Inversora Ingentis

On August 6, 2007 the Company signed an agreement with Emgasud S.A. ("Emgasud") to carry out a project for the construction of a combined cycle power plant of approximately 400 MW fueled by natural gas and a wind farm of approximately 100 MW.

This project will be carried out by Ingentis S.A., a company registered in the Province of Chubut, whose capital will be paid up as follows: (i) 39% by the Province of Chubut, and (ii) 61% by a special purpose vehicle, the shareholders of which will be Emgasud and the Company.

Inversora Ingentis S.A. signed an agreement with GE Package Power Inc. and General Electric International Inc., Argentine Branch, for US\$ 70,248,658 for the acquisition of two natural gas turbine-generators of 102.3 MW of power each.

On October 11, 2007, the Company and Emgasud S.A. resolved to amend the shareholders' agreement signed on August 6, 2007, establishing that the initial

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 10: (Cont.)

capital of the special purpose vehicle Inversora Ingentis S.A., through which the investment by the Company in the Ingentis Project will be channeled, will not exceed US\$ 40 million, represented by 20% of voting common stock, held in equal parts by the Company and Emgasud S.A., and by 80% of non-voting preferred stock held in equal parts by the Company and Dilurey S.A., the latter being wholly owned by the Company.

Inversora Ingentis S.A. was incorporated with an initial capital of \$20,000 book-entry common stock of \$1 face value each and entitled to one vote per share. Based on this new agreement, at the Ordinary and Extraordinary Shareholders' Meeting held on October 11, 2007 Emgasud S.A. and the Company decided to increase the capital stock of Inversora Ingentis S.A. to \$ 125,020,000, represented by 12,510,000 class A common stock held by Emgasud S.A., 12,510,000 class B common stock held by the Company, 50,000,000 non-voting preferred stock held by the Company and 50,000,000 non-voting preferred stock held by Dilurey S.A.

In addition, as agreed on August 6, 2007, the right granted in favor of Emgasud S.A. to exercise an option to purchase 50% of the outstanding preferred stock in Inversora Ingentis S.A. held by Dilurey S.A. until December 31, 2011 has been maintained.

f) Exchange of Shares with the Controlling Shareholders of "Edenor"

On September 28, 2007, in compliance with the terms of the memorandum of understanding entered into on September 22, 2007 and the agreement for the subscription of shares entered into by the Company and Marcos Marcelo Mindlin, Damián Miguel Mindlin, Gustavo Mariani, Latin American Energy LLC, New Equity Ventures LLC and Deutsche Bank AG, London Branch (the "Contributing Shareholders") on July 31, 2007: (i) the Company purchased 100% of the capital stock of DESA and IEASA –both companies jointly holding 100% of the capital stock of EASA, a company holding 51% of the capital stock and voting rights of Edenor, and (ii) the Company issued 480,194,242 common stock of \$ 1 face value each with an additional paid-in capital of \$ 1.61 per share for such purchase.

As part of the agreement, each Contributing Shareholder 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 Contributing 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 Contributing Shareholders sell at least 60 million shares in the Company.

The above transaction was approved by the Ordinary and Extraordinary Shareholders' Meeting held on August 30, 2007.

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 10: (Cont.)

According to the Company, the persons which received GDSs representative of common stock exceeding 5% of the Company's capital stock are: (i) Deutsche Bank AG, London Branch, which received GDSs representative of 98,103,675 common stock, representing 6.43% of the capital stock; (ii) Marathon Special Opportunity Master Fund Ltd., which received GDSs representative of 185,883,175 common stock, representing 12.18% of the capital stock; and (iii) Turbic Inc., which

g) Transfer of the underlying business to PRESA

On December 17, 2007, the shareholders of PRESA, a company engaged in real estate activities, transferred to the company 49,000 shares in that entity.

On December 21, 2007, PRESA signed the Deed for Transfer of the Real Estate Underlying Business with the Company, whereby the latter transfers and assigns to PRESA the real estate underlying business mainly made up of 85 plots of land located in Estancia Benquerencia, in San Miguel del Monte, Province of Buenos Aires and a 70,000 square meter property located in the Autonomous City of Buenos Aires.

In addition, the Company transferred to PRESA the rights and obligations derived from the deeds, down payments and reserves made by the Company for the plots of land in Estancia Benquerencia being transferred.

The Company made a contribution of the real estate underlying business to PRESA in the form of capital at its carrying value, which amounts to \$ 19,344,601. Therefore, PRESA increased its capital stock by issuing 19,344,601 ordinary, registered, non-endorsable shares with a face value of \$ 1 each entitled to 5 votes per share in favor of the Company.

The above transfer is made following the procedure set forth by Law No. 11867; section 72 of General Resolution No. 7/05 of the Superintendency of Commercial Companies, and pursuant to section 77, sub-section c) of the Income Tax Law.

NOTE 11: 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 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 dollars that shareholders have subscribed at each capital increase, adjusted in accordance with the purchase option agreements.

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 11: (Cont.)

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 date of issue, and they will maintain their validity for a period of fifteen years as from their date of issue. 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.

The National Securities Commission, through Resolution No. 15447 dated August 7, 2006, approved the Purchase Option public offering representing 20% of the Company's capital stock, conditioning that Authorization to certain actions that were fulfilled on October 9, 2006.

At March 31, 2008, the Company issued 111,500,000 purchase options, granting the right to subscribe: (i) 111,500,000 ordinary shares in the Company at an exercise price of US\$ 0.37 per share, and (ii) 150,000,000 ordinary shares at an exercise price of US\$ 0.72 per share, (iii) 120,048,560 ordinary shares at an exercise price of US\$ 0.83 per share, representative of 20% of the Company's capital stock, considering the number of shares that may be issued if all current purchase options are exercised. Based on the above, the purchase option for the shares may be exercised as from September 27, 2007, 2008 and 2009.

The Company has given accounting recognition to this transaction following the guidelines established by the International Financial Reporting Standards, valuing the purchase options issued at \$35,300,000, This amount will be posted to results with a counterpart in a Shareholders' Equity reserve during the effective term of the Opportunities Assignment Agreement, considering the conditions of the contracts signed as from their assignment. At March 31, 2008, the Shareholders' Equity reserve for this operation amounts to \$ 17,650,006.

The Company has followed the Black-Scholes model to value the purchase options granted, based on a 27% annual volatility, a dividend rate of 3% and a risk-free interest rate of 4.63% in dollars. Based on the conditions prevailing at the date these contracts were signed, no value has been placed on the adjustment clauses.

The Extraordinary and Ordinary Shareholders Meeting held on August 30, 2007 approved the following amendments to the Contracts for the Issue of preferred shares Purchase Options to be issued by the Company and to the Opportunities Assignment Agreement which will be enforced as from the execution of the transaction described in Note 10 f.:

- The executives thereafter waive the 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, consequently waiving their right to the adjustments envisaged in the Contracts for the Issue of Purchase Options, except for the adjustments made until September 28, 2007,
- 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

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 11: (Cont.)

the other executives in proportion to their respective participations in all the purchase options.

The Company signed with the executives the corresponding amendment agreements.

NOTE 12: GUARANTEES GRANTED

As a result of the contract entered into between CTLL and GE Packaged Power Inc. on June 21, 2007 for the acquisition of a natural gas turbine generator of 98 MW of power, which further supplied by CTLL to Central Térmica Güemes, the Company has requested on its own behalf from the Deutsche Bank S.A. the issue of a Stand By Letter of Credit ("SBLC") on behalf of CTLL and in favor of GE Packaged Power Inc., for an amount of US\$ 7,226,680.

The obligations undertaken by the Company vis-à-vis the financial institution have been secured by a pledge on the Bonds issued by the Republic of Chile (Notes CPN 6.875%).

At March 31, 2008, the guarantees provided by the Company amounted to \$2,353,167 and were disclosed under Short-term Investments.

NOTE 13: DIVIDENDS PAID IN ADVANCE

To preserve the Company's shareholders' equity and ensure equal treatment among shareholders, the Company has decided to implement an effective mechanism by which a dividend in advance will be declared to offset the personal property tax amount the Company must deposit with the Federal Administration of Public Revenue in its capacity as substitute taxpayer.

As provided for by the Personal Property Tax Law No. 23966, the Company, in its capacity as substitute taxpayer, should deposit the personal property tax to which all Company's shareholders are subject at December 31, 2007. In accordance with the Substitute Taxpayer Regime, once the tax has been settled and deposited, the Company has the right to have the paid amount reimbursed, which in practice is rather difficult. Companies bear this tax cost, which affects their results negatively and cannot be deducted for income tax purposes. Among alternatives used by public companies to have these amounts reimbursed, the Company considers that one of the most effective is offsetting the amounts paid against the dividend declared in advance.

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Notes to the unaudited financial statements (Cont.)

NOTE 13: (Cont.)

On December 21, 2007 the Company's Board of Directors resolved:

- To declare a dividend in advance in cash pursuant to the terms of the Commercial Companies Law of \$ 18,314,331, equivalent to 0,012% of the face value of each outstanding share, the approval of which will be submitted for the consideration of the next Ordinary Shareholders' Meeting;
- To instruct Caja de Valores S.A. to create a new type of security –a book-entry coupon- in the Company's records corresponding to this pre-paid dividend;
- To defer payment of the pre-paid dividend until March 19, 2008, when the equity value, based on which the Personal Property Tax will be calculated, is made available;
- To instruct Caja de Valores S.A. to block the transfer of that type of security until the effective date of payment of the dividend in advance so as to preserve the identity of the shareholder subject to tax and of the shareholder who has the right to that dividend. Therefore, once the Company has determined the equity value and is in a position to settle and pay the tax, it will offset the corresponding amounts against the shareholders subject to tax and fully pay the dividend in advance to exempt shareholders.

On April 25, 2008 the Meeting of Shareholders of the Company resolved to approve the interim dividend declared by the Board of Directors on December 21, 2007.

NOTE 14: SUBSEQUENT EVENTS

On April 25, 2008 the Ordinary Meeting of Shareholders of the Company resolved:

a. That the earnings for the year ended December 31, 2007 be distributed as follows:

- Reversal of the legal reserve destined for the absorption of losses	\$	747,386
- Legal reserve 5%	\$	9,265,251
- In advance dividends	\$	18,314,331
- Retained earnings	\$	<u>157,725,439</u>
Retained earnings balance as of December 31, 2007	\$	186,052,407

b. That the Company name be changed to "Pampa Energía S.A." so as to adapt it to the nature of the activities and operations in which the Company is engaged.

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Fixed assets

For the period of three months ended March 31, 2008

presented in comparative format

Amounts in pesos

Exhibit A

Principal account	Original values				Depreciation				Net book value as of 03.31.08	Net book value as of 12.31.07
	At the beginning of year	Additions	Deletions	At the End	For the period/year			At the end		
					At the beginning of year	Additions	Deletions			
Software / Hardware	626,839	182,135	-	808,974	76,761	65,528	-	142,289	666,685	550,078
Furniture and fixtures	349,912	5,910	-	355,822	14,376	8,837	-	23,213	332,609	335,536
Installations	429,172	53,215	-	482,387	9,106	11,304	-	20,410	461,977	420,066
Advances to suppliers	-	1,438,343	-	1,438,343	-	-	-	-	1,438,343	-
Total at 03.31.08	1,405,923	1,679,603	-	3,085,526	100,243	85,669	-	185,912	2,899,614	
Total at 12.31.07	101,335	39,140,327	(37,835,739)	1,405,923	15,213	85,030	-	100,243		1,305,680

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Investments in other companies
As of March 31, 2008 and December 31, 2007
Amounts in pesos

Exhibit C

Denomination and characteristics of the securities	Type	Face value	Amount	Value recorded at 03.31.08	Value recorded at 12.31.07	Information on the issuer						
						Main activity	Financial statements	Capital stock	Result for the period	Shareholders' equity	% of possible votes	% of participation in capital stock
LONG-TERM INVESTMENTS												
Intercompany Subsidiaries:												
Transec Argentina S.A.	Ord.	1	68,400,462	207,630,303	207,514,759	Inversora	03.31.08	76,207,725	(994,194)	282,132,767	100.00	100.00
	Goodwill			(15,944,314)	(16,144,453)							
Inversora Nihuales S.A.	Ord.	1	45,651,344	117,963,736	117,532,916	Inversora	03.31.08	50,572,000	4,561,430	152,117,825	90.27	90.27
	Goodwill			(681,719)	(692,381)							
Inversora Diamante S.A.	Ord.	1	38,462,840	84,319,134	87,246,491	Inversora	03.31.08	41,990,000	5,243,736	122,117,499	91.60	91.60
	Goodwill			9,948,506	10,100,393							
Dilurey S.A.	Ord.	1	875,000	289,325,853	288,953,131	Inversora	03.31.08	207,500,861	2,739,668	289,134,748	100.00	100.00
	Goodwill			4,389,422	4,458,080							
CTLL	Ord.	1	514,397,500	560,788,015	533,713,684	Inversora	03.31.08	514,400,000	27,074,329	560,790,513	99.99	99.99
Powerco S.A.	Ord.	1	1,000,000	5,560,822	5,220,546	Inversora	03.31.08	10,000,000	3,402,757	53,395,073	100.00	100.00
	Goodwill			841,012	854,167							
Corporación Independiente de Energía S.A.	Ord.	1	26,161	101,133,564	86,124,708	Inversora	03.31.08	26,160	17,644,831	129,339,081	98.00	98.00
	Goodwill			170,496,766	177,502,838							
Pampa Participaciones S.A	Ord.	1	49,000	31,229,199	49,000	Inversora	03.31.08	30,556,261	679,001	31,230,199	99.99	99.99
Pampa Participaciones II S.A	Ord.	1	19,600	10,983	-	Inversora	03.31.08	20,000	(8,516)	11,383	98.00	98.00
Pampa Real Estate S.A	Ord.	1	19,393,601	19,224,513	19,341,758	Real Estate Agency	03.31.08	19,394,601	(117,245)	19,210,550	99.99	99.99
Inversora Ingentis S.A	Ord.	1	12,510,000	12,510,000	12,510,000	Inversora	03.31.08	125,020,000	-	125,020,000	50.00	50.00
	Preferred	1	50,000,000	50,000,000	50,000,000							
Dolphin Energía S.A.	Ord.	1	9,770,000	68,863,147	70,103,120	Inversora	03.31.08	108,172,300	4,544,000	529,557,000	98.00	98.00
	Preferred	1	98,402,300	693,581,587	706,070,444							
	Goodwill			433,148,583	443,327,709							
IEASA S.A.	Ord.	1	1,130,000	3,664,481	3,734,506	Inversora	03.31.08	12,068,580	132,000	32,528,000	98.00	98.00
	Preferred	1	10,938,580	35,472,759	36,150,608							
	Goodwill			22,194,326	22,715,902							
Pampa Generación S.A.	Ord.	1	11,760	11,760	-	Inversora	03.31.08	12,000	-	12,000	98.00	98.00
Hidroeléctrica Diamante S.A.	Ord.	1	102,109	3,177,556	-	Operative	03.31.08	55,105,431	9,256,189	183,707,043	2.00	2.00
	Goodwill			137,195	-							
Total at 03.31.08				2,908,997,189	2,866,387,926							

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Other investments

As of March 31, 2008 and December 31, 2007

Amounts in pesos

Exhibit D

Type of investment	Value recorded at 03.31.08	Value recorded at 12.31.07
<u>Short-term investments</u>		
<u>In local currency</u>		
Time deposits	-	10,114,658
Mutual Funds	-	514,675
Shares	301,663	266,612
<u>In foreign currency (Exhibit G)</u>		
Government and private securities:		
- Bonds of the Government of Chile (1)	2,353,167	47,163,888
- Chile Negotiable Obligations	-	7,007,692
- Bonds of the Government of Austria	-	162,536,922
	2,654,830	227,604,447

(1) As of 31.12.07 \$ 23,357,404 have been pledged as collateral for compliance with obligations assumed by the Company (see Note 12)

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Cost of Sales

For the period of three months ended March 31, 2008

presented in comparative format

Amounts in pesos

Exhibit F

	03.31.08	12.31.07
Inventories at the beginning of year	-	12,339,010
Purchases for the period	-	-
Holding results	-	-
Inventories at the end of period	-	(12,282,482)
Cost of sales	-	56,528

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Foreign currency assets and liabilities

As of March 31, 2008 and December 31, 2007

Amounts in pesos

Exhibit G

Items	Type	Amount in foreign currency	Exchange rate (1)	Total at 03.31.08 \$	Total at 12.31.07 \$
<u>ASSETS</u>					
<u>CURRENT ASSETS</u>					
Cash and banks:					
Cash	US\$	-	-	-	3,420
Banks	US\$	1,837,198	3.1280	5,746,754	25,789,402
Banks	EUR	51,271	4.9454	253,557	228,767
Investments:					
Government and private securities	US\$	752,291	3.1280	2,353,167	207,406,487
Government and private securities	EUR	-		-	9,302,015
Trade receivables:					
Ordinary	US\$	286,418	3.1280	895,914	672,586
Total Current Assets				9,249,392	243,402,677
<u>NON-CURRENT ASSETS</u>					
Trade receivables:					
Ordinary	US\$	-	-	-	462,576
Other receivables:					
Guarantee deposits	US\$	67,302	3.1280	210,520	207,998
Total Non-Current Assets				210,520	670,574
<u>LIABILITIES</u>					
<u>CURRENT LIABILITIES</u>					
Accounts Payable:					
Advances to customers	US\$	-	-	-	306,348
Total Current Liabilities				-	306,348
<u>NON-CURRENT LIABILITIES</u>					
Other debts:					
Debt for purchase of subsidiaries	US\$	5,113,961	3.1680	16,201,029	15,986,852
Total Non-Current Liabilities				16,201,029	15,986,852

(1) Banco Nación exchange rate in force at 03.31.08 for US dollars and euros.

US\$: US dollars

EUR: Euros

PAMPA ENERGIA S.A (EX PAMPA HOLDING S.A.)

Unaudited Information required by section 64 subsect, b) of Law No. 19550

For the period of three months ended March 31, 2008

presented in comparative format

Amounts in pesos

Exhibit H

Items	Expenses		Total at 03.31.08	Total at 03.31.07
	Administrative	Selling		
Fees and compensation for services	924,309	-	924,309	745,736
Taxes, rates and utilities	106,262	-	106,262	100,327
Salaries and social security contributions	2,284,680	-	2,284,680	195,567
Services to personnel	96,728	-	96,728	17,821
Advertising and promotions	-	-	-	76,171
Rental expenses	317,524	-	317,524	281,193
Directors' salaries	1,863,589	-	1,863,589	1,064,921
Reserve for Directors options	2,941,668	-	2,941,668	2,941,667
Repair and maintenance	41,928	-	41,928	5,029
Subscriptions and Official Bodies Publications	134,435	-	134,435	117,960
General expenses	223,257	-	223,257	35,758
Surveillance services	19,092	-	19,092	16,312
Transport and per diem	350,959	-	350,959	244,049
Computer expenses	118,825	-	118,825	23,285
Electricity and telephone	59,929	-	59,929	29,001
Stationery and photocopies	53,252	-	53,252	16,625
Insurance	-	-	-	3,872
Depreciation of fixed assets	85,669	-	85,669	6,981
Total at 03.31.08	9,622,106	-	9,622,106	
Total at 03.31.07	5,526,716	395,559		5,922,275

PAMPA ENERGIA S.A. (EX PAMPA HOLDING S.A.)

Breakdown of receivables and debts according to due dates and interest rates accrued

As of March 31, 2008 and December 31, 2007

Amounts in pesos

Exhibit I

	03.31.08							12.31.07					
	Trade receivables	Other receivables	Accounts payable	Salaries and social security payable	Tax payables	Financial debts	Other debts	Trade receivables	Other receivables	Accounts payable	Salaries and social security payable	Taxes payable	Other debts
No stated due date	-	18,406,898	-	-	-	-	7,312,896	-	14,052,513	-	-	-	6,813,362
Past due	-	-	-	-	-	-	-	-	-	-	-	-	-
Falling due													
Up to three months	1,820,153	385,780,342	2,545,929	1,833,686	5,389,053	15,380,014	4,294,979	3,156,728	208,515,107	1,588,507	2,011,251	230,641	101,448,085
From three to six months	-	-	-	-	-	-	-	149,012	882,079	-	-	4,703,257	-
From six to nine months	-	-	-	-	-	-	-	97,663	-	30,788	-	-	-
From nine to twelve months	-	-	-	-	-	-	-	97,327	-	-	-	-	-
More than 1 year	-	-	-	-	-	-	16,201,029	462,576	-	-	-	-	15,986,852
Total falling due	1,820,153	385,780,342	2,545,929	1,833,686	5,389,053	15,380,014	20,496,008	3,963,306	209,397,186	1,619,295	2,011,251	4,933,898	117,434,937
Total with due date	1,820,153	385,780,342	2,545,929	1,833,686	5,389,053	15,380,014	20,496,008	3,963,306	209,397,186	1,619,295	2,011,251	4,933,898	117,434,937
Total	1,820,153	404,187,240	2,545,929	1,833,686	5,389,053	15,380,014	27,808,804	3,963,306	223,449,699	1,619,295	2,011,251	4,933,898	124,248,299

Summary of Activities as of March 31, 2008

1. Brief commentary on Company activities in the period, including references to relevant situations subsequent to the end of the period.

a) Purchase and sale options of Transelec shares

On September 21, 2006 the Company acquired from Dolphin Oportunity LLC, a related party, 89,76% of the shares in Transelec, a company holding 50% of the shares in Citelec, for US\$ 48,465,000. Citelec is the controlling company of Transener, holding 52,65% of the shares.

On September 15, 2006 a merger and granting of Transelec share purchase and sale options agreement was signed between the Company and Transelec minority shareholders for the remaining 10.24% of the Transelec..

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.

On January 23, 2008, the Company settled its obligation with the minority shareholders of Transelec and paid the amount of \$ 38,762,432.

b) Transfers of shares

On December 17, 2007 the shareholders of Pampa Participaciones, a company engaged in investment activities, transferred to the Company 49,000 shares in that entity.

On January 3 and 7, 2008, respectively, the Company resolved to contribute towards Pampa Participaciones S.A. in the form of capital: (i) shares representative of 2% of the capital stock and possible voting rights in DESA and IEASA, and (ii) shares representative of 2% of the capital stock and voting rights in CIESA.

As a result of the contribution of DESA, IEASA and CIESA shares in the form of capital, Shareholders' meeting of Pampa Participaciones S.A. increased its capital stock by \$ 30,506,261, that is, \$ 50,000 at \$ 30,556,261, by issuing ordinary, registered, non-endorsable shares with a face value of \$ 1 and carrying 5 votes per share.

c) Payment of the Employee Stock Ownership Plan of Hidroeléctrica Diamante

On October 5, 2007 the Ministry of Economy, in its capacity as secured creditor, approved the early payment of the price balance for the purchase-sale of Class C shares owed by the employees subject to the Employee Stock Ownership Program of Hidroeléctrica Diamante S.A., who are included in the records of Banco Nación Argentina at December 31, 2006.

On January 9, 2008 the transaction was completed, and the Company paid \$ 3,364,479. Consequently, the indirect participation of the Company in the shares and votes of Hidroeléctrica Diamante S.A. amounted to 56%.

Summary of Activities at March 31, 2008 (Cont.)

Subsequent events

See Note 14 to the financial statements.

2. Summarized consolidated balance sheet figures, compared with the same period of the four preceding fiscal years.

	03.31.08 \$	03.31.07 \$	03.31.06 \$	03.31.05 \$	03.31.04 \$
Current Assets	1,472,980,017	1,618,501,488	19,704,609	204,058	231,322
Non-current Assets	6,986,007,293	1,594,996,604	16,790,617	3,197,518	3,537,845
Total	<u>8,458,987,310</u>	<u>3,213,498,092</u>	<u>36,495,226</u>	<u>3,401,576</u>	<u>3,769,167</u>
Current Liabilities	876,217,470	135,562,332	7,356,207	3,556,825	3,200,993
Non-Current Liabilities	2,720,381,525	725,984,086	1,807,621	-	-
Subtotal	3,596,598,995	861,546,418	9,163,828	3,556,825	3,200,993
Minority shareholding	1,588,135,929	528,405,030	-	-	-
Shareholders' equity	3,274,252,386	1,823,546,644	27,331,398	(155,249)	568,174
Total	<u>8,458,987,310</u>	<u>3,213,498,092</u>	<u>36,495,226</u>	<u>3,401,576</u>	<u>3,769,167</u>

3. Summarized consolidated income statement figures, compared with the same period of the four preceding fiscal years.

	03.31.08 \$	03.31.07 \$	03.31.06 \$	03.31.05 \$	03.31.04 \$ (1)
Operating results	142,123,732	47,574,033	(842,143)	(371,781)	(1,060,293)
Financial and holding results, net	(16,530,105)	(1,489,837)	315,246	(57,486)	(41,516)
Result of participation in related companies	-	212,920	-	-	-
Other income and expenses, net	(6,056,694)	(2,771,812)	-	-	-
Subtotal	119,536,933	43,525,304	(526,897)	(429,267)	(1,101,809)
Extraordinary results	-	-	-	-	(105,219)
Income tax / asset tax	(51,655,970)	(3,318,138)	3,669,630	(41,949)	(44,650)
Minority interest	(18,707,928)	(9,042,247)	-	-	-
Net income (loss) for the period	<u>49,173,035</u>	<u>31,164,919</u>	<u>3,142,733</u>	<u>(471,216)</u>	<u>(1,251,678)</u>

(1) Balances arising from financial statements and summaries of activities originally submitted. They do not include the adjustment to prior years' results arising from the recovery of the building impairment allowance, the reversal of depreciation charges, or the higher ABL debt.

4. Consolidated statistics compared with the same period of the four preceding fiscal years.

	03.31.08 \$	03.31.07 \$	03.31.06 \$	03.31.05 \$	03.31.04 \$
Estancia Benquerencia (Areas of land)	-	97	104	-	-

Summary of Activities at March 31, 2008 (Cont.)

5. Consolidated ratios compared with the same period of the four preceding fiscal years.

	03.31.08	03.31.07	03.31.06	03.31.05	03.31.04
	\$	\$	\$	\$	\$
Liquidity					
Current Assets	1,472,980,017	1,618,501,488	19,704,609	204,058	231,322
Current Liabilities	876,217,470	135,562,332	7,356,207	3,556,825	3,200,993
Ratio	1.68	11.94	2.68	0.06	0.07
Creditworthiness					
Shareholders' equity	3,274,252,386	1,823,546,644	27,331,398	(155,249)	568,174
Total liabilities	3,596,598,995	861,546,418	9,163,828	3,556,825	3,200,993
Rate	0.91	2.12	2.98	(0.04)	0.18
Immobilization of capital					
Non-Current Assets	6,986,007,293	1,594,996,604	16,790,617	3,197,518	3,537,845
Total Assets	8,458,987,310	3,213,498,092	36,495,226	3,401,576	3,769,167
Ratio	0.83	0.50	0.46	0.94	0.94
Yield					
Result for the period / year	49,173,035	31,164,919	3,142,733	(471,216)	(1,251,678)
Average shareholders' equity	3,274,252,386	1,161,773,805	13,810,032	80,359	1,194,013
Ratio	0.02	0.03	0.23	(5.86)	(1.05)

6. Brief commentary on the outlook for the coming period

See comments in Point 1.

LIMITED REVIEW REPORT

To the Shareholders, President and Directors of
Pampa Energía S.A. (ex Pampa Holding S.A.)
Legal domicile: Hipólito Bouchard 547, 26th floor
Autonomous City of Buenos Aires
Tax Code No. 30-52655265-9

1. We have performed a limited review of the balance sheet of Pampa Energía S.A. (“Pampa”) at March 31, 2008, and the related statements of income, of changes in shareholders’ equity and of cash flows for the three-month periods ended March, 31, 2008 and 2007 and complementary notes and exhibits. Additionally, we have performed a limited review of the consolidated balance sheet at March 31, 2008, and the related consolidated statements of income and cash flows for the three-month periods ended March 31, 2008 and 2007, which are presented as supplementary information. The preparation and issue of these financial statements are the responsibility of the Company.
2. 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 limited reviews of financial statements for interim periods, which mainly consist in applying analytical procedures to the financial statement figures and making inquiries of the staff responsible for the preparation of the information included in the financial statements and its subsequent analysis. These limited reviews are substantially less in scope than an audit examination, the objective of which is to express an opinion on the financial statements under examination. Accordingly, we do not express an opinion on the Company’s financial position, the results of its operations, the changes in its shareholders’ equity and its cash flows, nor its consolidated financial statements.
3. Based on the work done and on our audit of the Company’s financial statements for the year ended December 31, 2007 based upon which we issued our unqualified opinion dated March 8, 2008, we report that:
 - a) the financial statements of Pampa at March 31, 2008 and 2007 and the consolidated financial statements at that date, 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 included in the parent-only balance sheet and complementary notes and exhibits to the attached financial statements, derives from the Company’s audit financial statements at December 31, 2007.

4. In compliance with current regulations, we report that:
- a) the financial statements of Pampa and its consolidated financial statements 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 National Securities Commission;
 - b) the financial statements of Pampa arise from accounting records carried in all formal respects in accordance with legal requirements, which maintain the security and integrity conditions based on which they were authorized by the National Securities Commission;
 - c) we have read the summary of activity and the additional information to the notes to the financial statements required by section 68 of the listing regulations of the Buenos Aires Stock Exchange, on which, as regards those matters that are within our competence, we have no observations to make.
 - d) at March 31, 2008, the debt of Pampa in favor of the Integrated Retirement and Survivors' Benefit System according to the Company's accounting records amounted to \$127,451, none of which was claimable at that date.

Autonomous City of Buenos Aires, May 9, 2008